



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.: 1960-20-1904

From: City Manager (CAO)

Date: May 31, 2023

Subject: Revitalization Tax Exemption 995 England Avenue

PURPOSE:

Staff are recommending that City enter into a revitalization tax exemption agreement pursuant to the Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937, 2018 for the property located at 995 England Avenue as the proposed development meets the eligibility criteria outlined for Area 2 in the bylaw.

Legal Description: Lot A, Section 61, Comox District, Plan 33222.

BACKGROUND:

The applicant has been issued development and building permits for the construction of a twenty-four (24) unit multi-residential development in three (3) separate buildings (8 units per building). All three buildings are actively under construction. The property functioned as a vacant paved parking lot prior to construction of the multi-residential development.

The subject property falls within "Area 2" identified in the Downtown Courtenay Revitalization Tax Exemption Bylaw No. 2937 and is eligible for a 100 percent municipal tax exemption for five years (as seen in **Figure No.1**).

DISCUSSION:

The applicant has satisfied the criteria for a tax exemption as outlined in Section 4.1 of the bylaw; the project is in "Area 2" and contains (4) or more residential units. Pursuant to Section 6 of Bylaw No. 2937 the applicant is eligible for a 100 percent exemption of the municipal portion of property tax calculated in relation of the increase in the assessed value of improvements on the property resulting from the new construction. The exemption is for a period of five (5) years, from 2024 to 2029.



Figure No. 1 Downtown Revitalization Tax Exemption Areas

FINANCIAL IMPLICATIONS:

Table No. 1 summarizes the pre and post development estimate of the municipal portion of property taxes over the next five years. The estimates are based on an assessed value of \$275,655.00 per unit (24 units) for a total \$6,615,720.00 for all three buildings. The rates are then calculated using the 2023-2027 Financial Plan. At this time the percentage of taxation change for 2028 and 2029 is not known; a 4.7% tax change is applied to both 2028 and 2029 as it represented the average change from the previous five years.

The resultant estimate is a total \$105,974 in taxes eligible for exemption over the five year term of the agreement. Staff note that these are estimates only and the final exemption will vary based on post development assessed values of the improvements and on the tax rate approved for each year.

Table No. 1: Estimated Tax Summary

	2024	2025	2026	2027	2028	2029	Total
Pre Development Municipal Taxes on Improvements	\$25	\$25	\$26	\$26	\$28	\$29	\$159
Post Development Estimated Municipal Tax on Improvements	\$16,458	\$16,863	\$17,082	\$17,629	\$18,458	19,325	\$105,815
Amount Exempted from Municipal Taxes	\$16,433	\$16,838	\$17,056	\$17,603	\$18,430	\$19,296	\$105,656

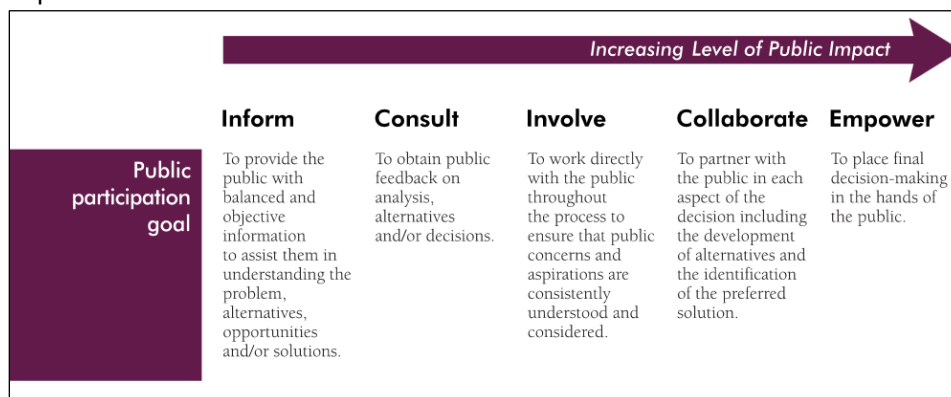
STRATEGIC PRIORITIES REFERENCE:

This initiative addresses the following strategic priorities:

- Buildings and Landscape - Support investment and redevelopment in downtown core: Review and evaluate Downtown development incentives e.g. fast tracking/density bonuses/DCC.

PUBLIC ENGAGEMENT:

Public consultation took place during the development of the Downtown Courtenay Revitalization Tax Exemption Bylaw. No further consultation is required for entering into individual agreement. Accordingly, staff are **informing** the public based on the IAP2 Spectrum of Public Participation by means of this Staff Report.



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OPTIONS:

1. THAT the City enter into a Revitalization Tax Exemption Agreement with Canadian Community Housing Ltd., Inc. No. BC0612016 for the property legally described as Lot A, Section 61, Comox District, Plan 33222 (995 England Avenue); and

That the City issue a Tax Exemption Certificate to Canadian Community Housing Ltd., Inc. No. BC0612016 for the property legally described as Lot A, Section 61, Comox District, Plan 33222 (995 England Avenue). **(Recommended)**

2. THAT Council provide alternative direction to staff.

ATTACHMENTS:

1. Draft Revitalization Tax Exemption Agreement

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