



January 16, 2024

File No. 1960-20-2301

City of Courtenay
830 Cliffe Avenue
Courtenay, BC
V9N 2J7

by E-mail

Attn: Dana Beatson, Planner, Policy, Development Services

Dear Dana Beatson:

I write this letter as an appeal to the City of Courtenay to help correct an error that was as much of an oversight by the City as by the developers of the Palace Place residential commercial building under construction at the corner of 5th Street and England Avenue in downtown Courtenay.

Courtenay has committed to revitalizing its downtown core. In support of that commitment, the City established the Downtown Revitalization Tax Exemption Program in 2018.

As many are aware Palace Place is the largest and most prominent development project to be undertaken in the downtown core in many years. It aligns extremely well with the Courtenay City Council revitalization objectives by providing modern well-appointed residential accommodation and commercial units that will draw many residents and new businesses to the City Centre. Its contribution to revitalizing the downtown core is undisputed.

As owners of the Palace Place development, Endure Projects and its representatives began discussions with City planning personnel about development and building permit application requirements shortly after acquiring the former Palace theatre property at 5th and England. During our first meeting with City personnel on June 20th 2019 we were enthusiastically told by City planning officials that our project met the Eligibility Requirements for the Revitalization Tax Credit. The City officials in attendance at that meeting were Ian Buck, Director of Planning and Matthew Fitzgerald, Planning Supervisor who at the time informed us that the Revitalization Tax Credit program was a relatively new initiative by the City. It was agreed that the City would guide and lead us through all aspects of the Development and Building Permit process, including whatever would need to be done to secure the revitalization tax credit.

I was informed of the Bylaw and the Application Form on June 30th 2023, when I inquired about the status of the tax credit on our project as we were anticipating its completion in Spring 2024. **At that time I reviewed the Eligibility Criteria detailed in Section 4 of the Bylaw and was reassured that we clearly met the policy objectives of the Program.** I did not understand the importance to eligibility of the Definitions or Application Process sections of the bylaw, as these are normally considered ancillary to policy objectives and assumed to support them.

As developers, Palace Place was our first project. We are a group of retired individuals who came together and genuinely desired to make a tangible contribution to keeping downtown Courtenay a thriving, relevant and vibrant Vancouver Island small city. We invested heavily and with good intentions and believed that our project would qualify and be granted the exemption as a matter of course because of its location and because it met the City revitalization objectives so well. As the construction and interest costs associated with our project escalated and we became saddled with the costs of repairing old and sub-par city infrastructure, we carried on regardless and took comfort in the prospect of our tax abatement offsetting some of these escalations to partially protect the financial viability of our project. **Under the circumstances, we feel that the decision made by the City to deny a tax exemption for our project is discouraging and unfair.**

I was sent a link to the Revitalization Tax Credit bylaw and application procedure on June 30th 2023 pursuant to my inquiry. This was after a brief conversation with the planning department during which I was candid about our project and the fact that construction was well underway. I also expressed interest in the possibility of entering into a Housing Agreement with the City when the potential for an exemption potentially lasting 10 years was mentioned. **During that conversation we were not advised that our project would be considered ineligible and that our request would be rejected because we had not completed a form at the same time as our Building Permit application was submitted.**

During my professional career I spent many years involved with the development of both public and corporate policies and the related procedures aimed at furthering the objectives of the stakeholders being served. We often had to be reminded that **administrative procedures and their related forms are always intended to help successfully implement policy initiatives and cannot operate to prevent or impair their successful implementation.** Further, in most procedural contexts the purpose of dates affixed to letters and application documents is to maintain chronology and ensure that the dated matters are addressed in the right sequence, usually on a first come, first serve basis.

We approached the City planning department very early for help in moving forward with our project, and relied on the City to inform us of the forms and requirements we would need to meet in order for it to be as successful as possible for all concerned. We met often, and while we were supplied with development and building permit guidance that included references to application instructions and forms, at no time was anything said about the importance of us completing the Revitalization Tax Exemption Application form in conjunction with the building permit process. Our belief was that we had received everything necessary. In actual fact, the

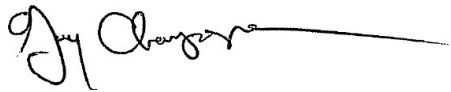
information requested by this form is redundant to what the Building Permit forms request. It contains no information about our project that the City would not have gleaned as part of the normal building permit process. **Our belief was that the Palace Place project would be granted the exemption as a matter of course because of its eligibility right from the start, which was obvious to ourselves as well as the City officials we met with.**

Our request is for the City of Courtenay to reconsider its decision to unilaterally deny our application and reverse its reliance on a clerical error to prevent Palace Place from receiving the benefit of a tax exemption for which it qualifies. We maintain that the clerical error is the result of an oversight by both the City planning department and ourselves at the time of our Building Permit application. We further maintain that a decision to be flexible with the date of our application is at the discretion of the City, and we respectfully request that this discretion be exercised in favour of granting the Revitalization Tax Exemption for the Palace Place project.

Should the proposed resolution above not be considered acceptable, then our request is that the Revitalization Tax Exemption be granted on the value of any improvements made after we were advised to complete the application form (June 30, 2023).

We look forward to a positive response to this letter. We have chosen to copy Mayor and Council on this matter for the sake of expediency and in the hope of appealing to their good judgment and vigorous interest in seeing the Downtown Revitalization plan objectives of the City of Courtenay properly upheld.

Respectfully yours,



Guy Champagne
Director / Partner

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268 Buller Rd.
Qualicum Beach, BC, V9K 2B3

cc Mayor, City of Courtenay (mayor@courtenay.ca)
Council, City of Courtenay (council@courtenay.ca)
Jeff Garbut, Chief Administrative Officer, City of Courtenay (info@courtenay.ca)
Marianne Wade, Director of Planning, City of Courtenay (planning@courtenay.ca)
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