



Deep Roots
Greater Heights

District of Maple Ridge

TO: His Worship Mayor Ernie Daykin and Members of Council
FROM: Chief Administrative Officer
SUBJECT: Revitalization Tax Exemption Agreements

MEETING DATE: October 24, 2011
MEETING: Council Workshop

EXECUTIVE SUMMARY:

Council adopted a Revitalization Tax Exemption Bylaw in March 2011. In order to enable the exemptions, the District must enter into formal agreements with property owners.

RECOMMENDATION(S):

That the Corporate Officer be authorized to execute Revitalization Tax Exemption Agreements with the qualified property owners listed in Schedule A, as attached to the staff report dated October 24, 2011.

DISCUSSION:

a) Background Context:

In late 2010, Municipal Council approved the framework for an incentive program to encourage accelerated private sector investment. An important element of the incentive program is a Revitalization Tax Exemption Program, which offers municipal property tax exemptions for eligible projects in the Town Centre. Council adopted Bylaw No. 6789-2011 in March 2011 to enable the exemption process.

Nine projects are now eligible to apply for exemptions for the 2012 taxation year. The tax exemption is equivalent to 100% of the municipal property tax payable on the amount of non-market change attributed to the project, as specified in the bylaw. This value is generated by BC Assessment, based on the condition of the property and improvements as of October 31. Due to legislated timing, we don't know in advance of executing the agreements, which projects will have a value that can be exempted. It is requested that Council authorizes agreements with all nine property owners; however, we don't know if all of them will be executed. The option rests with the project proponents and property owners, and projects must meet all other requirements of the bylaw. Schedule A lists all of the eligible projects, along with the property owners. Schedule B illustrates the agreement template.

b) Desired Outcome:

That property tax exemptions are provided for projects meeting the requirements of the Revitalization Tax Exemption Program.

c) Strategic Alignment:

The Town Centre Investment Incentives Program is intended to accelerate the implementation of the award-winning Smart Growth on the Ground plan, and the award-winning Town Centre Area Plan. The incentives are intended to stimulate growth and density, as well as to enhance the quality of new and existing development, all of which are guided by comprehensive development

guidelines. The incentive program strongly supports the Town Centre and Council's vision for the community.

d) Financial Implications:

The five-year financial plan includes revenue projections resulting from growth in the tax base. Tax exemptions will require the District to forgo revenue for a period of time, with the intent that future revenues as a result of stimulated growth and density will provide a net financial benefit.

CONCLUSION:


Authorizing that the attached Revitalization Tax Exemption Agreement be signed with the property owners meeting the requirements of the tax exemption program in the Town Centre is a process in Council's Town Centre Investment Incentives Program and will enable tax exemptions for eligible projects.



Prepared by: Laura Benson, CMA
Manager of Sustainability and Corporate Planning



Approved by: Paul Gill, BBA, CGA
General Manager, Corporate and Financial Services



Concurrence: J.L. (Jim) Rule
Chief Administrative Officer

Schedule A: List of potential Revitalization Tax Exemption Agreement signatories
Schedule B: Revitalization Tax Exemption Agreement

Schedule A: List of potential Revitalization Tax Exemption Agreement signatories

1.		
FJS Construction 35423 McKee Rd Abbotsford, BC V3G 3E4	Lands: Legal Description: PID #: Folio Number: Building Permit # Project: Term of Tax Exemption:	#104-22437 Lougheed Hwy Lot 4, District Lot 398, LD 36, Plan LMS4016, Group 1, together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form 1 or V, as appropriate. 024-614-581 31554-0104-0 11-105238 Tenant improvement. Connect equipment, painting, floor tiles, partition wall. Three years
2.		
McDonald's Restaurants of Canada Ltd Attn: Real Estate 100-2 McDonald's Pl North York, ON M3C 3L4	Lands: Legal Description: PID #: Folio Number: Building Permit # Project: Term of Tax Exemption:	22780 Lougheed Hwy Lot 63, District Lot 401, LD 36, Plan 51655, Group 1. 004-952-766 31958-3600-2 11-106120 Landlord improvement. Minor interior renovations with elec/mech changes. Three years
3.		
K B S Development Ltd 233 54 th Ave E Vancouver, BC V5X 1K8	Lands: Legal Description: PID #: Folio Number: Building Permit # Project: Term of Tax Exemption:	11566 224 Street Lot A, District Lot 398, LD 36, Plan BCP47338. 028-468-031 31792-0101-0 11-106505 4 storey apartment building - 35 units Three years
4.		
LES Holdings Eva Shumyla PO Box 307 Stn Del Ctr Maple Ridge, BC V2X 7G2	Lands: Legal Description: PID #: Folio Number: Building Permit # Project: Term of Tax Exemption:	22856 Lougheed Hwy Section 17, Lot 2, Township 12, LD 36, Plan 87494, Group 1. 017-237-050 52611-0000-0 11-108767 Tenant Improvement. Interior and exterior renovations for new car dealership. Mr Motors LP(Fiat of Maple Ridge). Three years

Schedule A: List of potential Revitalization Tax Exemption Agreement signatories

5.		
Farzin Forough PO Box 151 Deroche, BC V0M 1G0	Lands:	11796 Fraser Street
	Legal Description:	Lot A, District Lot 398, LD 36, Plan 5194, Parcel 1, Group 1, Except Plan 68557, REF PL 8383.
	PID #:	000-809-713
	Folio Number:	31750-0100-0
	Building Permit #	11-110438
	Project:	Tenant Improvement. Revision approved for kitchen layout- coolers and dry storage, additional walls. Entrance vestibule removed,
	Term of Tax Exemption:	Three years
6.		
Jerry & Sons Holding Co Ltd C/O Oceanridge Realty 535 Columbia St Vancouver, BC V6A 4H5	Lands:	22286 Dewdney Trunk Road
	Legal Description:	Lot 2, District Lot 398, LD 36, Plan 8978, Group 1, EXC PCL B BYLAW PL 59105, Lot 1, Plan 8978, District Lot 398, Group 1, New Westminster Land District, EXC PCL A BYLAW PL 59105.
	PID #:	011-354-771
	Folio Number:	31695-0000-4
	Building Permit #	11-111676
	Project:	Tenant Improvement. Converting space to wine store. Adding track lighting, millwork, upgrade existing washroom to handicap accessible, bar sink, and fridges.
	Term of Tax Exemption:	Three years
7.		
Narland Properties (Haney) Ltd 35 - 11900 Haney Pl Maple Ridge, BC V2X 8R9	Lands:	M2-11900 Haney Place
	Legal Description:	District Lot 398 & 401, LD 36, Parcel 127, Group 1, EXPL PL 65997.
	PID #:	003-739-341
	Folio Number:	31711-0500-5
	Building Permit #	11-117204
	Project:	Renovation. Exterior facade retrofit and landscaping/parking/plaza.
	Term of Tax Exemption:	

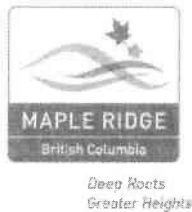
Schedule A: List of potential Revitalization Tax Exemption Agreement signatories

8.

Trevor W Davies Audrey J Busch 21073 River Rd Maple Ridge, BC V2X 2A1	Lands: Legal Description: PID #: Folio Number: Building Permit # Project: Term of Tax Exemption:	11771 225 Street Lot 3, District Lot 398, LD 36, Plan 8641, Group 1, Except Plan LMP9820. 011-316-225 31758-0000-2 11-119640 Tenant Improvement. Renovating dog daycare into hair/tattoo studio. Three years
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9.

ANRO Enterprises Ltd 2828 6 th Ave E Vancouver, BC V5M 1R8	Lands: Legal Description: PID #: Folio Number: Building Permit # Project: Term of Tax Exemption:	101-22550 Dewdney Trunk Rd Lot 3, District Lot 401, LD 36, Plan NWS2403, Group 1, together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form 1 or V, as appropriate. 004-244-605 31812-0403-3 11-120214 Tenant Improvement. Renovate – take two existing rooms and downsize them both while creating a hallway and two additional rooms. Three years
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Revitalization Tax Exemption Agreement Town Centre Investment Incentives Program

THIS AGREEMENT dated for reference _____.

BETWEEN:

DISTRICT OF MAPLE RIDGE, a municipal corporation under the laws of British Columbia and having its offices at 11995 Haney Place, Maple Ridge, British Columbia V2X 6A9

("District")

AND:

("Owner")

- A. Under the Maple Ridge Revitalization Tax Exemption Bylaw No. 6789-2011 (the "Bylaw"), the District of Maple Ridge established a revitalization tax exemption program for the purpose of encouraging revitalization of the Town Centre Investment Incentives Areas identified in the Bylaw.
- B. The Lands subject to this Agreement are located within the Town Centre Investment Incentives Areas.
- C. The Owner proposes to construct an improvement(s) or carry out an alteration(s) to an existing improvement(s) on the Lands.
- D. This Agreement contains terms and conditions governing the provision of a general municipal property tax exemption under the Bylaw.

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement and the payment by the Owner to the District of \$1.00, the receipt and sufficiency of which are acknowledged by the District, the parties agree as follows:

1. Definitions

1.1. In this Agreement the following words have the following meanings:

"Lands" means those lands and premises located at: _____

Legally described as: _____

Parcel Identifier (PID): _____

Folio Number: _____

“Project” means the project identified on Building Permit No. _____

2. The Project

2.1. The Owner will use its best efforts to ensure that the Project is constructed, maintained, operated and used in a fashion that will be consistent with and will foster the objectives of the revitalization tax exemption program, as outlined in the Bylaw. Without limiting the generality of the foregoing, the Owner covenants to use its best efforts to ensure that the Project will (tick all that apply):

- diversify housing options, to increase density in the Town Centre, and to provide a larger base of residents to support Commercial activities;
- strengthen the local economy and expand employment opportunities for citizens;
- Increase pedestrian traffic to support local business, and to enhance safety;
- use environmentally sustainable building construction methods and materials, and encourage energy efficiency and alternative technologies.

3. Owner's Obligations

3.1. In consideration of the District granting the Owner a revitalization tax exemption in accordance with the Bylaw, the Owner agrees to construct the following new improvement(s) or carry out the following alteration(s) to an existing improvement(s) on the Lands:

Brief description and reference building permit number and DP# where applicable.

3.2. Throughout the term of this Agreement, the Owner shall operate, repair and maintain the Project and will keep the Project in a state of good repair as a prudent owner would do.

3.3. The Owner must substantially complete the construction of, or alterations to, the improvement(s) referred to in section 3.1 of this Agreement by:

Specify date

3.4. The Owner agrees that a revitalization tax exemption granted by the District under the Bylaw is subject to the Owner's compliance with and fulfilment of all the terms and conditions arising out of the Building Permits issued.

3.5. The Owner shall construct the Project and, at all times during the term of the tax exemption, operate, use and occupy the Lands and the Project in compliance with all statutes, laws, regulations and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or bylaws, including all the rules regulations policies guidelines criteria or the like made under or pursuant to any such laws.

3.6. The Owner must bear all the expenses of performing the obligations and covenants of the

Owner contained in this Agreement, and of all matters incidental to them.

3.7. The Owner represents and warrants to the District that:

- a. All necessary corporate actions and proceedings have been taken by the Owner to authorize its entry into, and performance of, this Agreement;
- b. Upon execution and delivery on behalf of the Owner, this Agreement constitutes a valid and binding contractual obligation of the Owner;
- c. Neither the execution and delivery, nor the performance of this Agreement shall breach any other Agreement or obligation or cause the Owner to be in default of any other Agreement or obligation respecting the Lands; and,
- d. The Owner has the corporate capacity and authority to enter into and perform this Agreement.

4. District's Rights, Powers and Obligations

- 4.1. Nothing contained or implied in this Agreement prejudices or affects the District's rights and powers in the exercise of its functions or its rights and powers under any public and private statutes, bylaws, orders or regulations to the extent the same are applicable to the Lands, all of which may be fully and effectively exercised in relation to the Lands as if this Agreement had not been executed and delivered by the Owner.
- 4.2. Where the terms and conditions of this Agreement and the Bylaw have been met, the District shall issue a tax exemption certificate to the Owner in accordance with the provisions of the Bylaw.
- 4.3. The Owner acknowledges and agrees that, if the Owner breaches or fails to comply with any of the terms, conditions or requirements of this Agreement or the Bylaw, and the Owner fails to remedy such breach or non-compliance within the time specified by the District in its notice to the Owner, the District may thereafter immediately terminate this Agreement.
- 4.4. Whenever the District is permitted to make or give any decision, direction, determination, or consent, the District may act in its sole discretion, but must act reasonably.

5. General Provisions

- 5.1. The Owner and the District represent that the District has made no representations, covenants, warranties, guarantees, promises, or any agreements, express or implied, with the Owner other than those expressly contained in this Agreement.
- 5.2. All covenants made by the Owner herein shall be for the benefit of the District.
- 5.3. This Agreement may only be modified by written agreement of the District and the Owner.
- 5.4. This Agreement shall inure to the benefit of, and is binding on the parties and their respective heirs, executors, administrators, successors and assigns.
- 5.5. Time is of the essence in this Agreement.
- 5.6. This Agreement constitutes the entire Agreement between the Owner and the District with regard to the subject matter herein, and supersedes all prior agreements, understandings,

negotiations, and discussions, whether oral or written, of the District with the Owner.

- 5.7. No amendment or waiver of any portion of this Agreement shall be valid unless in writing and executed by the parties to this Agreement.
- 5.8. Waiver of any default by a party shall not be deemed to be a waiver of any subsequent default by that party.
- 5.9. This Agreement shall be construed according to the laws of the Province of British Columbia.

6. Revitalization Tax Exemption

- 6.1. Subject to fulfilment of the conditions set out in this Agreement and the Bylaw, the District shall issue a revitalization tax exemption certificate to BC Assessment entitling the Owner to a property tax exemption in respect of the property taxes due (not including local service taxes) in relation to the amount of non-market change attributed to the Project as specified in Part 6 of the Bylaw for the calendar year(s) set out in this Agreement: *[choose a or b]*:
 - a. For a total of three years; or,
 - b. For a total of six years for LEED® Silver or better or alternate/renewable energy projects, pursuant to the Bylaw.

7. Calculation of Calculation of Revitalization Tax Exemption

- 7.1. The amount of the Tax Exemption shall be equal to 100% of the Municipal Property Tax payable on the amount of non-market change attributed to the Project by BC Assessment, as specified in Part 6 of the Bylaw, and where all conditions of the Bylaw and this Agreement have been met: *[choose a or b]*:
 - c. For a total of three years; or,
 - d. For a total of six years for LEED® Silver or better or alternate/renewable energy projects, pursuant to the Bylaw.

8. Term of Tax Exemption

- 8.1. Provided the requirements of this Agreement and the Bylaw are met, the tax exemption shall be for the taxation years:
_____ to _____ inclusive.

9. No Refund

- 9.1. For greater certainty, under no circumstances will the Owner be entitled under the District's revitalization tax exemption program to any cash credit, any carry forward tax exemption credit or any refund for any property taxes paid.

10. Notices

- 10.1. Any notice or other communication required or contemplated to be given or made by any provision of this Agreement shall be given or made in writing and either delivered personally (and if so, shall be deemed to be received when delivered), or mailed by prepaid registered mail in any Canada Post Office (and if so, shall be deemed to be delivered on the sixth business day following such mailing, except that, in the event of interruption of mail service,

notice shall be deemed to be delivered only when actually received by the party to whom it is addressed), so long as the notice is addressed to the party at the address shown on Page 1 of this Agreement.

11. Severance

11.1. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this Agreement.

12. Further Assurances

12.1. The parties shall execute and do all such further deeds, acts, things and assurances that may be reasonably required to carry out the intent of this Agreement.

As evidence of their agreement to be bound by the terms of this Revitalization Tax Exemption Agreement, the parties have executed this Revitalization Tax Exemption Agreement as follows:

Corporate Officer
District of Maple Ridge

Executed by the (Insert name) by its authorized signatories:

Name

Name