



AMENDED AGENDA
SPECIAL VICTORIA CITY COUNCIL
MEETING OF THURSDAY, NOVEMBER 3, 2016

*To be held immediately following the
Committee of the Whole Meeting*

Council Chambers, City Hall, 1 Centennial Square

Located on the traditional territory of the Esquimalt and Songhees People

A. APPROVAL OF AGENDA

B. REPORTS OF THE COMMITTEE

1. Reports from the special budget Committee of the Whole meetings held October 24, Addenda 26 & 31, 2016

Late Item: Report

C. BYLAWS

1. First Reading

1. Five Year Financial Plan Bylaw, 2017 No. 16-084
Addenda *A bylaw proposing the adoption of the annual financial plan for the year 2017.*

Late Item: Bylaw

2. Housing Agreement (1016 Southgate Street) Bylaw No. 16-081
A bylaw proposing to authorize an agreement for rental housing for the lands known as 1016 Southgate Street.

2. Second Reading

1. Housing Agreement (1016 Southgate Street) Bylaw No. 16-081

3. Third Reading

1. Housing Agreement (1016 Southgate Street) Bylaw No. 16-081

D. MOTION TO CLOSE THE NOVEMBER 3, 2016 SPECIAL COUNCIL MEETING TO THE PUBLIC

That Council convene a closed meeting that excludes the public under Section 90 of the Community Charter for the reason that the following agenda items deal with matters specified in Sections 90(1) and/or (2) of the Community Charter, namely:

- *Section 90(1)(e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality;*
- *Section 90(1)(f) law enforcement, if the council considers that disclosure could reasonably be expected to harm the conduct of an investigation under or enforcement of an enactment;*
- *Section 90(1)(i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose;*
- *Section 90(2)(b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.*

E. APPROVAL OF CLOSED AGENDA

F. UNFINISHED BUSINESS

1. **Late:** Intergovernmental Relations
Addenda --Councillor Alto

G. NEW BUSINESS

1. Land
--P. Rantucci, Manager of Strategic Real Estate
2. Legal Advice
--T. Zworski, City Solicitor
3. Law Enforcement
--T. Zworski, City Solicitor

H. ADJOURNMENT

COMMITTEE OF THE WHOLE REPORT
FROM THE MEETINGS HELD OCTOBER 24, OCTOBER 26 AND OCTOBER 31, 2016

For the Special Council Meeting of November 3, 2016, the Committee recommends the following:

From the October 24, 2016 meeting:

1. Direct staff to report back on the capital and operating implications of having two portable ping pong tables in Centennial Square during the summer months.
2. Whereas the City of Victoria has declared 2017 a Year of Reconciliation;

And whereas Reconciliation is about taking meaningful action;

And whereas some of the colonizing elements of Canadian history cannot be erased or removed but can be acknowledged and addressed;

Therefore be it resolved that staff report back on the budget implications of creating a statue or symbol of the Lekwungen peoples of equal or greater size and stature of John A. MacDonald to be placed somewhere near the front entrance of City Hall, to possibly be created by a carving station set up in Centennial Square.

3. Whereas the City of Victoria has declared 2017 a Year of Reconciliation;

And whereas Reconciliation is about taking meaningful action;

Therefore be it resolved that staff report back on the budget implications of renaming Centennial Square Lekwungen Square.

From the October 26, 2016 meeting

4. That Council identify that the planning for the repainting of Victoria's historic City Hall and the reinstatement of the roof cresting and urns be identified as 2017 initiatives related to the 150 commemorations.
5. Be it resolved that Council directs staff to each year allocate \$250,000 from funds already allocated for the Building and Infrastructure Fund, to the Accessibility Fund, beginning in the 2017 Financial Plan.
6. That Council direct staff to report back with a cost estimate and resource implications of providing accessible access to the shoreline in 2017.

From the October 31, 2016 meeting:

7. Be it resolved that Council directs staff to report back on potential capital and operating implications of including an envelope of funding to action items in the forthcoming Youth Engagement Strategy.

8. That, in its 2017 budget, Council allocate up to \$50,000 into a fund to be drawn down by a Council motion, out of this year's surplus to implement recommendations arising from the work of the City's Truth and Reconciliation Commission Calls to Action Task Force.
9. That the City of Victoria Arts and Culture department include \$500.00 in its operational budget to provide a cash award in that amount as part of the City of Victoria Medallion Challenge Trophy, and that the Trophy and cash award be given to an outstanding student of piano performance in the Greater Victoria Performing Arts Festival, as long as that Festival continues in uninterrupted operation.
10. That Council direct staff to make a budgetary allocation for an indigenous artist in residence for 2017.
11. That Council direct staff to move the supplementary \$25,000 request for City Studio from a "grant" to a two-year supplementary request.
12. That Council direct staff to develop a multi-year service agreement with the Greater Victoria Coalition to End Homelessness Society (Coalition) for Council consideration and request a presentation from the Coalition in advance of Council's consideration of any service agreement.
13. That staff report back with cost estimates and staff resource implications of making "spot improvements" in 2017 for cyclist and pedestrian safety and usability along the Vancouver Street Biketoria corridor at the intersections of Vancouver Street / Pembroke Street and Vancouver Street / Caledonia Avenue.
14. That, in its 2017 budget, Council commits up to \$110,000 in total funds out of this year's surplus to match other contributions toward costs associated with constructing the Songhees and Esquimalt First Nations Long House atop Meegan/Beacon Hill.
15. That Council:
 1. Direct staff to bring forward the Five-year Financial Plan Bylaw, 2017, to a Special Council meeting on November 3, 2016 for first reading prior to commencing public consultation.
 2. Approve the following allocations of assessment growth (non-market change) property tax revenue:
 - a. \$500,000 to the Buildings and Infrastructure Reserve as per the Financial Sustainability Policy
 - b. \$49,000 to fund operating costs for the gymnasium at 950 Kings Rd.
 - c. Direct staff to bring forward options for the use of the remainder upon completion of public consultation
 3. Direct staff to bring forward options for the use of 2016 surplus upon completion of public consultation.
 4. Direct staff to bring forward options for funding supplementary budget requests upon completion of public consultation.
 5. Allocate \$2,146,000 of the annual gas tax funding to the Storm Drain Brick Main project and direct staff to bring forward options for the allocation of the remainder upon completion of public consultation.
 6. Approve the direct-award grants as outlined in this report.

7. Direct staff to bring forward options for funding increased grant requests for Victoria Heritage Foundation, Victoria Civic Heritage Trust, Fairfield Community Association, City Studio Victoria, and Community Garden Volunteer Coordination upon completion of public consultation.
8. Approve the additional 0.5 FTE for Public Works seasonal support and 0.33 FTE for garden care as part of the horticulture team funded through existing budgets.

Bylaw No.16-084
Schedule 1 - November 3, 2016
City of Victoria
2017 - 2021 Operating Financial Plan

	2017	2018	2019	2020	2021
REVENUES					
Property Value Taxes	123,716,268	127,442,513	131,274,985	134,582,328	137,912,904
Property Value Taxes from New Assessments	500,000	1,344,667	500,000	500,000	500,000
Parcel Taxes	1,405,000	1,415,700	1,426,614	1,437,746	1,449,101
Special Assessments	1,351,000	1,365,560	1,380,411	1,395,559	1,411,011
Grants in Lieu of Taxes	6,055,300	6,176,406	6,299,934	6,425,933	6,554,451
User Fees and Charges	5,510,013	5,502,238	5,592,974	5,696,694	5,795,084
Permits and Licences	4,516,750	4,519,590	4,522,327	4,525,099	4,527,906
Parking Services	16,012,800	16,278,880	16,536,002	16,798,266	17,065,775
Water Utility Fees and Charges	19,323,507	19,905,450	20,215,950	20,690,944	21,180,520
Sewer Utility Fees and Charges	7,085,200	7,085,200	7,085,200	7,140,334	7,388,273
Stormwater Utility Fees and Charges	5,044,511	5,641,755	5,933,842	6,235,796	6,445,320
Other Sources	33,556,312	34,012,595	34,398,703	34,785,691	35,184,769
	224,076,661	230,690,553	235,166,942	240,214,390	245,415,114
TRANSFERS FROM					
Accumulated Surplus	-	-	-	-	-
Reserves					
Art in Public Places	295,000	135,000	135,000	135,000	135,000
Financial Stability	137,209	-	-	-	-
Tree Replacement Reserve	45,290	-	-	-	-
Archives Equipment Reserve	40,000	10,000	-	-	-
	517,499	145,000	135,000	135,000	135,000
	224,594,160	230,835,553	235,301,942	240,349,390	245,550,114

Bylaw No. 16-084
Schedule 2 - November 3, 2017
City of Victoria

2017 - 2021 Operating Financial Plan

	2017	2018	2019	2020	2021
EXPENDITURES					
General Government					
Police	34,986,678	35,195,123	35,744,697	36,332,897	36,921,432
Victoria Fire Department	51,134,958	52,416,923	53,678,983	54,996,877	56,321,362
Engineering and Public Works	16,566,087	16,969,519	17,382,069	17,804,712	18,237,695
Sustainable Planning and Community Development	16,882,752	17,160,660	17,339,269	17,689,475	18,047,046
Parks, Recreation and Facilities	4,891,490	4,876,741	4,869,285	4,966,190	5,065,034
Greater Victoria Public Library	20,089,774	20,470,053	20,907,646	21,356,148	21,814,065
Victoria Conference Centre	4,879,695	5,384,866	5,521,770	5,632,205	5,744,849
Water Utility	6,612,859	6,747,062	6,884,077	7,023,967	7,160,169
Sewer Utility	13,901,507	14,171,450	14,444,951	14,723,944	15,008,521
Stormwater Utility	3,581,494	3,625,473	3,690,742	3,757,334	3,825,273
	3,358,511	3,425,754	3,494,341	3,564,305	3,635,360
	176,885,806	180,423,624	183,957,829	187,848,055	191,780,805
DEBT SERVICING					
Principal and Interest - General	4,356,010	7,827,583	7,827,583	7,827,583	7,827,583
Principal and Interest - Parking Services	845,382	845,382	845,382	845,382	845,382
Principal and Interest - Victoria Conference Centre	340,359	340,359	340,359	340,359	340,359
	5,541,751	9,013,324	9,013,324	9,013,324	9,013,324
TRANSFERS TO					
Capital Funds					
General	10,100,000	10,100,000	10,100,000	10,100,000	10,100,000
Water Utility	3,572,000	3,884,000	3,921,000	4,117,000	4,322,000
Sewer Utility	2,437,000	3,437,000	3,601,000	3,772,000	3,952,000
Stormwater Utility	2,936,000	3,491,000	3,640,000	3,798,000	3,963,000
Reserves					
Equipment and Infrastructure					
City Equipment	1,602,500	1,602,500	1,602,500	1,602,500	1,602,500
City Vehicles and Heavy Equipment	1,555,000	1,555,000	1,555,000	1,555,000	1,555,000
City Buildings and Infrastructure	6,645,477	7,643,214	8,138,186	8,633,057	9,127,824
Parking Services Equipment and Infrastructure	1,261,347	1,428,825	1,592,918	1,760,293	1,931,016
Multipurpose Arena Facility Equipment and Infrastructure	117,000	119,340	121,727	124,161	126,645
Gas Tax	3,428,000	3,591,000	3,591,000	3,591,000	3,591,000
Police Vehicles, Equipment and Infrastructure	1,100,000	1,150,000	1,200,000	1,250,000	1,300,000
Water Utility Equipment and Infrastructure	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
Sewer Utility Equipment and Infrastructure	1,875,706	811,727	582,458	400,000	400,000
Stormwater Utility Equipment and Infrastructure	-	-	100,000	200,000	200,000
Recreation Facilities Equipment and Infrastructure	25,000	25,000	25,000	25,000	25,000
Financial Stability	3,071,573	100,000	100,000	100,000	100,000
Tax Sale Lands	50,000	50,000	50,000	50,000	50,000
Victoria Housing	250,000	250,000	250,000	250,000	250,000
Art in Public Places	135,000	135,000	135,000	135,000	135,000
Climate Action	90,000	90,000	90,000	90,000	90,000
Artificial Turf	85,000	85,000	85,000	85,000	85,000
	42,186,603	41,398,606	42,330,789	43,488,011	44,755,985
	224,594,160	230,835,553	235,301,942	240,349,390	245,550,114

Bylaw No.16-084
Schedule 3 - November 3, 2016
City of Victoria
2017 - 2021 Capital Plan

	2017	2018	2019	2020	2021
REVENUES					
Utility Connection Fees	1,100,000	1,100,000	1,100,000	1,150,000	1,200,000
Grants and Partnerships	3,154,000	-	-	-	-
TRANSFERS FROM					
Operating Funds					
General	10,100,000	10,100,000	10,100,000	10,100,000	10,100,000
Water Utility	3,572,000	3,899,000	3,936,000	4,132,000	4,337,000
Sewer Utility	2,437,000	3,437,000	3,601,000	3,772,000	3,952,000
Stormwater Utility	2,936,000	3,491,000	3,640,000	3,798,000	3,963,000
Reserves					
Equipment and Infrastructure					
City Equipment	1,342,000	1,193,000	1,300,000	1,242,000	1,375,000
City Vehicles and Heavy Equipment	3,669,000	-	-	-	-
City Buildings and Infrastructure	5,351,000	200,000	115,000	117,000	119,000
Parking Services Equipment and Infrastructure	1,948,000	750,000	255,000	260,000	265,000
Gas Tax	7,453,000	2,164,000	1,034,000	1,065,000	1,076,000
Police Vehicles, Equipment and Infrastructure	1,277,000	1,532,000	1,442,000	1,643,000	1,101,000
Sewer Utility Reserve	-	2,040,000	2,081,000	2,123,000	2,165,000
Multipurpose Arena Equipment and Infrastructure	122,000	-	-	-	-
Development Cost Charges	55,000	56,000	57,000	59,000	60,000
DEBT PROCEEDS	6,466,000	-	-	-	-
	50,982,000	29,962,000	28,661,000	29,451,000	29,713,000

Bylaw No.16-084
Schedule 4 - November 3, 2016
City of Victoria
2017 - 2021 Capital Plan

	2017	2018	2019	2020	2021
EXPENDITURES					
Capital Equipment	6,613,000	2,313,000	1,910,000	1,857,000	1,970,000
Capital Programs and Projects					
Active Transportation	7,757,000	2,546,000	1,672,000	1,685,000	699,000
Complete Streets	2,548,000	2,560,000	2,407,000	2,456,000	2,505,000
Neighbourhoods	311,000	317,000	219,000	223,000	227,000
Parks	786,000	-	-	-	-
Street Infrastructure	2,519,000	896,000	925,000	851,000	867,000
Retaining Walls and Railings	950,000	895,000	-	-	-
Bridges	9,251,000	-	-	-	-
Facilities	6,422,000	-	-	-	-
Sanitary Sewers	2,737,000	5,777,000	5,982,000	6,245,000	6,467,000
Stormwater	5,332,000	4,305,000	4,924,000	5,103,000	5,289,000
Waterworks	4,122,000	4,449,000	4,486,000	4,682,000	4,937,000
Contingency	357,000	364,000	371,000	378,000	386,000
Police	1,277,000	1,532,000	1,442,000	1,643,000	1,101,000
Projects to be determined (Facilities, Active Transportation, Parks, Fleet etc.)		4,008,000	4,323,000	4,328,000	5,265,000
	50,982,000	29,962,000	28,661,000	29,451,000	29,713,000

3. Use of Permissive Property Tax Exemptions

The City continues to support local non-profit organizations through permissive tax exemptions. Each year, a list of these exemptions is included in the City's Annual Report.

In addition, the City offers a Tax Incentive Program to eligible owners of downtown heritage designated buildings to offset seismic upgrading costs for the purposes of residential conversion of existing upper storeys. The exemptions are for a period up to ten years.

The City encourages redevelopment of lands within the City and the use of environmentally sustainable energy systems for those developments through revitalization property tax exemptions.

Policy 3.0

Permissive property tax exemptions are governed by the City's Permissive Property Tax Exemption Policy, which outlines the criteria for which property tax exemptions may be granted.

Policy 3.1

Heritage property tax exemptions are governed by the City's Heritage Tax Incentive Program.

Policy 3.2

Revitalization property tax exemptions are governed by the City's Revitalization Tax Exemption (Green Power Facilities) bylaw.

2. Distribution of Property Taxes Among Property Classes

Market value changes that result in uneven assessment changes between property classes result in a tax burden shift to the class experiencing greater market value increases unless tax ratios are modified to mitigate the shift.

Until 2007, it was Council's practice to modify tax ratios to avoid such shifts. This equalization practice provided an effective tax increase that was equal for all classes. It is important to be aware that this practice only avoids shifts *between* property classes. There is still a potential for shifts within a property class where one property has experienced a market value change that is greater than the average for that class.

However, starting in 2007, business and industrial tax ratios have been held constant in recognition of the larger tax burden that has been placed on those classes. This resulted in higher tax increases being passed on to the residential class compared to business and industrial.

The pressure continues across the country to reduce the tax burden on the business and industrial classes. In recognition of this, and the desire to support a healthy business environment, Council's goal is to have a business class tax burden that is equitable.

In 2012, a comprehensive review of the Revenue and Tax Policy was conducted to determine if Council's objective of reducing the tax burden on the business class was appropriate and if so, that the mechanism of achieving the objective (reduction of tax ratio) was the most effective mechanism to achieve the goal. The review concluded that additional relief for the business tax class was warranted. However, the tax ratio was not the best mechanism of achieving that goal. As a result, Council approved the following policy objective: To reduce the business property tax class share of the total property tax levy to 48% over three years (2012-2014). The redistribution excludes impact of new assessment revenue. The total redistribution of the tax levy was \$1.51 million.

In 2015, an update review was completed and based on the findings, policy 2.0 was amended to maintain the current share of taxes among tax classes.

Policy 2.0

Maintain the current share of distribution of property taxes among property classes, excluding the impact of new assessment revenue, by allocating tax increases equally. Business and industrial classes will be grouped as outlined in Policy 2.1.

Policy 2.1

Tax rates for the light and major industrial tax classes will be equal to the business tax rate to support the City's desire to retain industrial businesses.

Policy 2.2

Farm Tax Rates will be set at a rate so taxes paid by properties achieving farm status will be comparable to what the property would have paid if it were assessed as residential.

**Bylaw No. 16-084
Schedule 5 – November 3, 2016
Financial Plan Objectives and Policies**

Revenue and Tax Policy

Purpose

The purpose of the Revenue and Tax Policy is to outline the proportions of revenue sources, the distribution of property taxes among property classes and the use of permissive property tax exemptions.

Objectives

- To provide tax payers with stable, equitable and affordable property taxation while at the same time providing high quality services.
- To support the OCP and other City plans as well as complement the Regional Context Statement.

Policies

1. Revenue Proportions by Funding Sources

Property taxes are the main source of revenue for the City and pay for services such as police and fire protection, bylaw enforcement, and infrastructure maintenance. Property taxes provide a stable and consistent source of revenue for services that are difficult or undesirable to fund on a user pay basis. Therefore, property taxes will continue to be the City's major source of revenue.

However, it is the City's desire to charge user fees where feasible. Some programs, such as recreation, are partially funded by user fees. The City also has several self-financed programs that are fully funded by user fees. These include Water Utility, Sewer Utility, Stormwater Utility, and Garbage Utility.

Policy 1.0

User pay funding will be used for such services that are practical and desirable to fund on a user pay basis.

Services that are undesirable or impractical to fund on a user pay basis will be funded by property taxes.

Policy 1.1

The City will continue to explore alternative revenue sources to diversify its revenue base.

2017 Revenue Proportions by Funding Source

Revenue Source		% Total Revenue
Property Value Taxes	124,216,268	55.31%
Parcel Taxes	1,405,000	0.63%
Special Assessments	1,351,000	0.60%
Grants in Lieu Taxes	6,055,300	2.70%
User Fees and Charges	5,510,013	2.45%
Permits and Licences	4,516,750	2.01%
Parking Services	16,012,800	7.13%
Water and Sewer Utility Fees and Charges	26,408,707	11.76%
Stormwater Utility Fees and Charges	5,044,511	2.25%
Other Sources	<u>34,073,811</u>	<u>15.16%</u>
TOTAL	224,594,160	100.00%



Council Report
For the Special Meeting of November 3, 2016

To: Council **Date:** October 28, 2016
From: C. Coates, City Clerk
Subject: Housing Agreement (1016 Southgate Street) Bylaw No. 16-081

RECOMMENDATION

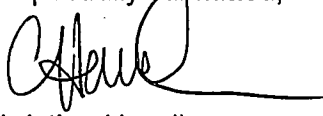
That Council consider first, second and third readings of Bylaw No. 16-081.


BACKGROUND

Attached for Council's initial consideration is a copy of the proposed Bylaw No. 16-081.

At the Council Meeting held October 27, 2016, Council approved Rezoning Application No. 00493 for 1016 Southgate Street. It came to staff's attention that the Housing Agreement bylaw attached to this application did not proceed along with the Zoning Amendment bylaw. Staff recommends giving three readings to the bylaw at the November 3, 2016 special Council meeting and adopting the bylaw at the regular Council Meeting on November 10, 2016 to remedy this situation.

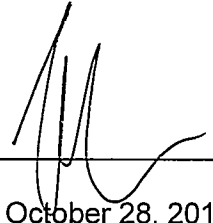
Respectfully submitted,


Christine Havelka
Deputy City Clerk


Chris Coates
City Clerk


Jocelyn Jenkyns
Deputy City Manager

Report accepted and recommended by the City Manager:


Date: October 28, 2016

HOUSING AGREEMENT
(Pursuant to Section 483 of the *Local Government Act*)

BETWEEN:

THE CORPORATION OF THE CITY OF VICTORIA

#1 Centennial Square
Victoria, B.C. V8W 1P6
(the "City")

OF THE FIRST
PART

AND:

STACEY MCNEE DEWHURST

1016 Southgate Street
Victoria, B.C. V8V 2Z2

(the "Owner")

OF THE SECOND
PART

AND:

**COMPUTERSHARE TRUST COMPANY OF CANADA
(INCORP. NO. A-52313)**

c/o First national Financial LP
Suite 700, North Tower, 100 University Avenue
Toronto, O.N. M5J 2Y1

(as to priority)

OF THE THIRD
PART

WHEREAS

- A. Under section 483 of the *Local Government Act* the City may, by bylaw, enter into a Housing Agreement with an owner regarding the occupancy of the housing units identified in the agreement, including but not limited to terms and conditions referred to in section 483(2) of the *Local Government Act*;

- B. The Owner is the registered owner in fee simple of lands in the City of Victoria, British Columbia, with a civic address of 1016 Southgate Street and legally described as:
PID: 008-138-052
LOT F, FAIRFIELD FARM ESTATE, VICTORIA CITY, PLAN 966
(the "**Lands**").
- C. The Owner is applying to rezone the Lands and the Owner intends to subdivide the Lands by Strata Plan.
- D. The Dwelling Units are intended to be stratified and therefore will be subject to the *Strata Property Act* (British Columbia) and the bylaws of the Strata Corporation, but the intent of this Housing Agreement is to ensure the perpetual availability of rental units (in addition to owner-occupied units);
- E. The City and the Owner wish to enter into this Agreement, as a Housing Agreement pursuant to section 483 of the *Local Government Act*, to establish the terms and conditions regarding the occupancy of the residential units identified in this Housing Agreement.

NOW THIS AGREEMENT WITNESSES that, pursuant to section 483 of the *Local Government Act*, and in consideration of the premises and covenants contained in this Agreement, the parties agree each with the other as follows:

1.0 Definitions

1.1 In this Agreement:

"Development" means the proposed strata development on the Lands to include six (6) Dwelling Units.

"Dwelling Unit" means a self-contained residential dwelling unit within the building that *is/will be* located on the Lands, and includes any dwelling unit that is developed on the Lands in future, whether as part of the Development or otherwise, and "Dwelling Units" means collectively all of such residential dwelling units located on the Lands.

"Immediate family" includes a person's husband, wife, child, mother, father, brother, sister, mother-in-law, father-in-law, grandparent, brother-in-law, sister-in-law, niece and nephew.

"Non-owner" means a person who occupies a Dwelling Unit for residential purposes, other than the Owner of that Dwelling Unit, and other than a member of the Owner's Immediate family.

"Owner" includes a person who acquires an interest in the Lands or any part of the Lands and is thereby bound by this Agreement, as referred to in section 5.1.

"Tenancy Agreement" has the same meaning as under the *Residential Tenancy Act*.

"Strata Corporation" means, for the portions of the Lands or any building on the Lands that is subdivided under the *Strata Property Act*, a strata corporation as defined in that Act, including the Owner while in control of the strata corporation and subsequently the individual strata lot owners collectively acting as the strata corporation.

1.2 In this Agreement:

- (a) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment; and
- (b) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided.

2.0 No Restrictions on Rentals

- 2.1 The Owner covenants and agrees that the Owner shall not take any steps, or enter into any agreements, or impose any rules or regulations whatsoever, the effect of which would be to prevent or restrict the Owner of a Dwelling Unit from renting that Dwelling Unit for residential purposes to a Non-owner.
- 2.2 Without limiting the generality of section 2.1, the Owner covenants and agrees that it will not make application to deposit a strata plan for or in respect of the Lands or a building on the Lands unless the strata bylaws in no way restrict rental of the Dwelling Units to Non-owners.
- 2.3 For certainty, if the Lands or the Development on the Lands are subdivided under the *Strata Property Act*, the Dwelling Units within the Development may be occupied by the Owners of the strata lots.

3.0 Reporting

3.1 The Owner covenants and agrees to provide to the City, upon written request from the City's Director of Sustainability Planning and Community Development, a report in writing confirming:

- (a) the number, type and location by suite or strata lot number, of Dwelling Units that are being rented to Non-owners; and
- (b) any changes or proposed changes to the Strata Corporation's bylaws that may affect the terms of this Agreement.

3.2 The Owner covenants and agrees:

- (a) to exercise its voting rights in the Strata Corporation against the passage of any bylaws that would restrict the availability for rental of any Dwelling Unit unless this Agreement is amended; and
- (b) to notify the City of any proposed amendments to its strata bylaws.

3.3 The Owner acknowledges that it is within the City's sole discretion to consent or not to consent to modifications to this Agreement and that such consent may be withheld for any reason.

4.0 Notice to be Registered in Land Title Office

4.1 Notice of this Agreement ("**Notice**") will be registered in the Land Title Office by the City at the cost of the Owner in accordance with section 483(5) of the *Local Government Act*, and this Agreement is binding on the parties to this Agreement as well as all persons who acquire an interest in the Lands after registration of the Notice.

5.0 Liability

5.1 The Owner agrees to indemnify and saves harmless the City and each of its elected and appointed officials, employees and agents and their respective administrators, successors and permitted assigns, of and from all claims, demands, actions, damages, costs and liabilities, which all or any of them shall or may be liable for or suffer or incur or be put to by reason of or arising out of failure of the Owner to comply with the terms and conditions of this Agreement.

5.2 The Owner hereby releases and forever discharges the City and each of its elected and appointed officials, employees and agents and their respective administrators, successors and permitted assigns, of and from any and all claims, demands, actions, damages, economic loss, costs and liabilities which

the Owner now has or hereafter may have with respect to or by reason of or arising out of the fact that the Lands are encumbered by and affected by this Agreement.

6.0 Priority Agreement

- 6.1** Computershare Trust Company of Canada (Incorporation Number A-52313), the registered holder of a charge by way of Mortgage against the Lands registered in the Land Title Office at Victoria, British Columbia under number CA3933470, for and in consideration of the sum of One Dollar (\$1.00) paid by the City (the receipt whereof is hereby acknowledged), agrees with the City that upon filing of a Notice with the Land Title Office that the Lands are subject to the Housing Agreement, pursuant to section 483 of the *Local Government Act*, and the Housing Agreement shall be an encumbrance upon the Lands in priority to the said charge in the same manner and to the same effect as if Notice had been filed prior to the said charge.

7.0 General Provisions

Notice

- 7.1** If sent as follows, notice under this Agreement is considered to be received

- (a) seventy-two (72) hours after the time of its mailing (by registered mail) or faxing, and
- (b) on the date of delivery if hand-delivered,

to the City:

City of Victoria
#1 Centennial Square
Victoria, BC V8W 1P6
Attention: Director of Sustainability Planning and
Community Development
Fax: 250-361-0386

to the Owner:

1250 Beach Drive, Victoria, BC V8F 2N3

or upon registration of a strata plan for the Lands, to the Strata Corporation, and to the Owner of any Dwelling Unit that is subject to the restrictions under section 2.1.

If a party identifies alternate contact information in writing to another party, notice is to be given to that alternate address.

If normal mail service or facsimile service is interrupted by strike, work slow-down, force majeure, or other cause,

- (a) notice sent by the impaired service is considered to be received on the date of delivery, and
- (b) the sending party must use its best efforts to ensure prompt receipt of a notice by using other uninterrupted services, or by hand-delivering the notice.

Time

7.2 Time is to be the essence of this Agreement.

Binding Effect

7.3 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, successors, and permitted assignees.

Waiver

7.4 The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.

Headings

7.5 The headings in this Agreement are inserted for convenience and reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

Language

7.6 Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.

Equitable Remedies

7.7 The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for breach of this Agreement and that the public interest strongly favours specific performance, injunctive relief (mandatory or otherwise), or other equitable relief, as the only adequate remedy for a default under this Agreement.

Cumulative Remedies

7.8 No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.

Entire Agreement

7.9 This Agreement when executed will set forth the entire agreement and understanding of the parties as at the date it is made.

Further Assurances

7.10 Each of the parties will do, execute, and deliver, or cause to be done, executed, and delivered all such further acts, documents and things as may be reasonably required from time to time to give effect to this Agreement.

Amendment

7.11 This Agreement may be amended from time to time, by consent of the Owner and a bylaw duly passed by the Council of the City and thereafter if it is signed by the City and the Owner.

Law Applicable

7.12 This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

No Derogation from Statutory Authority

7.13 Nothing in this Agreement shall:

- (a) limit, impair, fetter or derogate from the statutory powers of the City all of which powers may be exercised by the City from time to time and at any time to the fullest extent that the City is enabled and no permissive bylaw enacted by the City, or permit, licence or approval, granted, made or issued thereunder, or pursuant to statute, by the City shall estop, limit or impair the City from relying upon and enforcing this Agreement; or
- (b) relieve the Owner from complying with any enactment, including the City's bylaws, or any obligation of the Owner under any other agreement with the City.

Joint and Several

- 7.14 The Owner, if more than one, are jointly and severally obligated to perform and observe each and every of the covenants, warranties and agreements herein contained by the Owner to be observed and performed.

Counterpart

- 7.15 This Agreement may be executed in counterparts and delivered by facsimile or emailed PDF file, each of which will have the same effect as if all parties had signed the same document. Each counterpart shall be deemed to be an original. All counterparts shall be construed together and shall constitute one and the same Agreement.

Effective Date

- 7.16 This Agreement is effective as of the date of the signature of the last party to sign.

IN WITNESS WHEREOF the parties have hereunto set their hands as of the dates inscribed at a place within British Columbia:

THE CORPORATION OF THE CITY OF VICTORIA by its authorized signatories:
On the ___ day of _____, 2016.

Mayor Lisa Helps

City Clerk

Signed, Sealed and Delivered
In the presence of
On the 26 day of August, 2016.

Witness

Address: **JOHN D. MULLIN**
BARRISTER & SOLICITOR
1626 GARNET ROAD
VICTORIA, BC V8P 3C8
Occupation

STACEY MCNEE DEWHURST

-9-

**COMPUTERSHARE TRUST COMPANY
OF CANADA (Incorp. No. A-52313)**

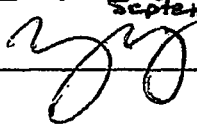
by its authorized signatory(ies):

On the 6th day of ~~August~~ September, 2016

Witness

Address

Occupation


Yana Nedyaikova
Notary Public in and for
The Province of Ontario
100 University Ave., 11th Flr.
Toronto, ONTARIO M5J 2Y1
416-263-9659


Aaron Cao
Professional, MBS


Warren A. Chang
Administrator, MBS