

ROCK BAY SITE REVITALIZATION TAX EXEMPTION BYLAW

A BYLAW OF THE CITY OF VICTORIA

The purpose of this bylaw is to establish a revitalization tax exemption program to encourage economic revitalization through phased comprehensive redevelopment of a key portion of underutilized industrial waterfront lands in Rock Bay, and to further the City's reconciliation efforts with Songhees Nation and Xwsepsum (Esquimalt) Nation and support indigenous economic prosperity.

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Under its statutory powers, including section 226 of the *Community Charter*, the Council of the Corporation of the City of Victoria in an open meeting assembled enacts the following provisions:

Title

- 1 This bylaw may be cited as the "Rock Bay Site Revitalization Tax Exemption Bylaw".

Definitions

- 2 In this bylaw:
 - a. "improvements" means the improvements as defined in the *Assessment Act*.
 - b. "property taxes" means the municipal property value taxes imposed by the City under section 197(1)(a), *Community Charter*.
 - c. "tax exemption agreement" means an agreement substantially in the form at Schedule B.
 - d. "tax exemption certificate" means a certificate substantially in the form at Schedule C.

Objectives

- 3** A revitalization tax exemption program is established under this bylaw in order to:
 - a. encourage the redevelopment and revitalization of underutilized industrial waterfront lands in Rock Bay;
 - b. increase the vitality of the area by encouraging a mix of light and marine industrial uses, commercial uses, offices, retail and publicly accessible gathering spaces, amenities, cultural spaces and natural areas; and
 - c. increase economic opportunities, capacity building and prosperity for Songhees Nation and Xwsepsum (Esquimalt) Nation.

- 4** The revitalization tax exemption program is intended to accomplish the objectives in section 3 by:
 - a. offsetting the cost of planning and development processes;
 - b. encouraging interim uses, activation or beautification of the site while the planning and development revitalization process is underway; and
 - c. implementing milestones to progress the planning process towards initial construction phases.

Program Eligibility

- 5** To be eligible for a revitalization tax exemption under this bylaw, the property must meet the following criteria:
 - a. be located within the area shown in Schedule A; and
 - b. the land and improvements shall have no overdue property taxes or fees, charges, fines or other amounts owing to the City.

Tax Exemption

- 6** An owner issued a tax exemption certificate under this bylaw may be exempted from property taxes for land and improvements during each year of the term in an amount equal to 100%.

Term

- 7** The maximum term of a revitalization tax exemption under this bylaw is 10 years.

Tax Exemption Certificate

- 8 A tax exemption certificate must be issued once the following requirements are met:
 - a. the owner has completed the requirements in this bylaw to the satisfaction of the Director of Planning and Development; and
 - b. the owner and the City have executed a tax exemption agreement.
- 9 A tax exemption certificate is subject to the conditions specified in Schedule C.

Designated Municipal Officer

- 10 The person who holds the financial officer position pursuant to section 149 of the *Community Charter* is delegated with authority to issue the tax exemption certificate and is the designated municipal officer under section 226(13) of the *Community Charter*.

Commencement

- 11 This bylaw comes into force on adoption.

READ A FIRST TIME the	12th	day of	September	2024
READ A SECOND TIME the	12th	day of	September	2024
READ A THIRD TIME the	12th	day of	September	2024
ADOPTED on the		day of		2024

CITY CLERK

MAYOR

SCHEDULE B

REVITALIZATION TAX EXEMPTION AGREEMENT

BETWEEN:

THE CORPORATION OF THE CITY OF VICTORIA

1 Centennial Square
Victoria, BC, V8W 1P6

(the “City”)

AND:

(the “Owner”)

WHEREAS

- A. The City has, through the Rock Bay Site Revitalization Tax Exemption Bylaw, established a revitalization tax exemption program for the objectives described in the bylaw;
- B. The Owner is the registered and beneficial owner of the Lands and has applied for a revitalization tax exemption under the Rock Bay Site Revitalization Tax Exemption Bylaw; and
- C. Pursuant to section 226 of the *Community Charter*, a revitalization tax exemption agreement must apply to the property in order for a revitalization tax exemption to be granted.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein and the payment by the Owner to the City of Victoria consideration in the amount of Ten Dollars (\$10.00), the receipt and sufficiency of which are acknowledged by the City, the City and Owner covenant and agree with each other as follows:

DEFINED TERMS

- 1. In this Agreement,
 - a) “Lands” means:

Civic Address:

PID:

Legal Description:

- b) "Owner" means the registered and beneficial owner of the Lands;
- c) "tax exemption certificate" has the same meaning as under the Rock Bay Site Revitalization Tax Exemption Bylaw;
- d) "term" means ten years, beginning on the date specified in the tax exemption certificate;
- e) "The Vision for Matullia Innovation District" means the document dated December 2023 and attached at Schedule 1 to this Agreement.

AGREEMENT TERM

- 2. This Agreement commences on the day of its execution by the City and shall terminate on the day that is eleven years after the day on which a tax exemption certificate is issued.

APPLICABLE LAND AND IMPROVEMENTS

- 3. For certainty, the amount of the tax exemption is as specified in the tax exemption certificate.
- 4. The tax exemption applies to the Lands and improvements on the Lands.

ADDITIONAL REQUIREMENTS

- 5. In addition to any requirements specified in the Rock Bay Site Revitalization Tax Exemption Bylaw, the Owner must carry out the following activities during the term:

- a. **Interim Activation**

The Owner will implement temporary and interim activities or uses of the Lands to enliven, activate and beautify the Lands while the planning process is underway to redevelop the Lands, including but not limited to the following:

- i. leasing out portions of the Lands to businesses or public authorities for uses allowed under existing zoning;
- ii. periodically hosting public special events, festivals, food trucks or facilitating other community or cultural activities;
- iii. installing temporary beautification measures such as banners, murals or interpretive elements.

b. Planning and Development Progress

The Owner must:

- i. schedule a rezoning pre-application Community Association Land Use Committee (CALUC) meeting prior to October 15, 2024 respecting the Owner's rezoning application for the Lands, provided a CALUC meeting is required under the City's Land Use Procedures Bylaw;
- ii. hold a CALUC meeting prior to April 15, 2025;
- iii. submit a complete rezoning application for the Lands that is generally consistent with the concepts shown in "The Vision for Matullia Innovation District" and which may also include other elements and uses consistent with the City's Official Community Plan, for the City's consideration no later than 6 months from the date of the CALUC meeting, and if no CALUC meeting is required, by October 15, 2025;
- iv. submit a development permit application for construction the first phase(s) of "The Vision for Matullia Innovation District" or subsequent approved master plan within three years of the date of adoption of a rezoning bylaw; and
- v. substantially start construction within two years of issuance of a development permit for the Lands.

TERMINATION

6. If Council considers adoption of a rezoning bylaw of a rezoning application submitted pursuant to section 5.b.iii and at their discretion votes not to adopt it, the tax exemption will cease to continue for the remainder of the term subject to the exceptions in section 8 below.
7. If, after the Owner fulfills s. 5.b.iv., the City does not approve a development permit, the tax exemption will cease to continue for the remainder of the term subject to the exceptions in section 8 below.
8. If Council considers and votes not to adopt the rezoning bylaw or not to issue a development permit for the Lands, the tax exemption will continue to apply for the remainder of the term if the Owner:
 - i. notifies the City it is actively working on re-submitting a fresh rezoning application or development permit application, as applicable; and

- ii. submits a new application within 18 months of the date Council considered and did not adopt the initial rezoning bylaw or approve the initial development permit.

OWNER'S COVENANTS

9. The Owner covenants with the City that it will comply promptly, at its own expense, with all laws applicable to the Lands.

PUBLICATION

10. The Owner agrees that the City may include information related to the Lands and the revitalization tax exemption program (including total tax exemptions) in publications and documents.

INDEMNITY AND RELEASE

11. The Owner shall indemnify and save harmless the City and each of its elected and appointed officials, officers, employees, agents and contractors, from any and all claims, causes of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which anyone has or may have, whether as owner, occupier or user of the Lands, or by a person who has an interest in or comes onto the Lands, or otherwise, which the City incurs as a result of any loss or damage or injury, including economic loss, arising out of or connected with:
 - (a) the breach of any covenant in this Agreement;
 - (b) the use of the Lands contemplated under this Agreement; and
 - (c) restrictions or requirements under this Agreement.
12. The Owner hereby releases and forever discharges the City and each of its elected and appointed officials, officers, employees, agents and contractors, of and from any claims, causes of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which the Owner can or may have against the City for any loss or damage or injury, including economic loss, that the Owner may sustain or suffer arising out of or connected with:
 - (a) the breach of any covenant in this Agreement;
 - (b) the use of the Lands contemplated under this Agreement; and
 - (c) restrictions or requirements under this Agreement.

CITY'S RIGHTS

13. Nothing contained or implied herein will derogate from the obligations of the Owner under any other agreement with the City or prejudice or affect the City's rights, powers, duties or obligations in the exercise of its functions under any enactment and the rights, powers, duties and obligations of the City under all public and private statutes, by-laws, orders and regulations, which may be as fully and effectively exercised in relation to the Lands as if this Agreement had not been executed and delivered by the Owner and the City.
14. Where the City is required or permitted by this Agreement to form an opinion, exercise a discretion, express satisfaction, make a determination or give its consent, the Owner agrees that the City is under no public law duty of fairness or natural justice in that regard and agrees that the City may do any of those things in the same manner as if it were a private party and not a public body.

MISCELLANEOUS COVENANTS

15. **Representations.** It is mutually understood, acknowledged and agreed by the parties hereto that the City has made no representations, covenants, warranties, guarantees, promises or agreements (oral or otherwise) with the Owner other than those contained in this Agreement.
16. **Time.** Time is of the essence of this Agreement.
17. **Agreement.** This Agreement constitutes the entire agreement between the City and the Owner with regards to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the City, with the Owner.
18. **Notices.** Any notice required to be given under this Agreement shall be deemed to be sufficiently given:
 - (a) if delivered, at the time of delivery, and
 - (b) if mailed from any government post office in the Province of British Columbia by prepaid, registered mail addressed as follows:

if to the City:

1 Centennial Square
Victoria, BC, V8W 1P6

if to the Owner:

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or at the address a party may from time to time designate, then the notice shall be deemed to have been received 72 hours after the time and date of mailing. If, at the time of the mailing of the notice, the delivery of mail in the Province of British Columbia has been interrupted in whole or in part by reason of a strike, slow-down, lock-out or other labour dispute, then the notice may only be given by actual delivery of it;

19. **Binding Effect.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors, including future mayors and council members, administrators and permitted assignees.
20. **Amendment.** The parties hereto may by agreement amend the terms of this Agreement, such amendment to be evidenced in writing and executed by both parties.
21. **Applicable Law.** This Agreement shall be construed in accordance with and governed by the laws applicable in the Province of British Columbia.
22. **Owner Warrants.** The Owner warrants 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;
23. **Interpretation.**
 - (a) when the singular or neuter are used in this Agreement, they include the plural or the feminine or the masculine or the body politic or corporate where the context or the parties require;
 - (b) all provisions of this Agreement are to be construed as covenants and agreements as though the words importing covenants and agreements were used in each separate paragraph; and
 - (c) that the headings to the clauses in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or provision of it.

IN WITNESS WHEREOF the parties have executed this Agreement

THE CORPORATION OF CITY OF VICTORIA by its authorized signatory:

Director of Planning and Development

Date signed: _____

OWNER by its authorized signatory:

Signature: _____

Print name: _____

Date signed: _____

Schedule 1

The Vision for Matullia Innovation District

SCHEDULE C

TAX EXEMPTION CERTIFICATE

Date of Issuance: _____

Certificate Number: _____

Term Length: _____

Date of Expiry: _____

Civic Address:

PID:

Legal description:

Property Roll Number:

RTE Application Number:

Amount of Exemption: The land and improvements at the property specified above are exempt from property taxes in each year of the term as follows:

Defined Terms

Unless otherwise noted, all terms used in this certificate have the same meaning as per the Rock Bay Site Revitalization Tax Exemption Bylaw.

Conditions

This certificate is subject to the following conditions for the term of the tax exemption:

1. the owner continually meets all terms and conditions of the Rock Bay Site Revitalization Tax Exemption Bylaw, the tax exemption agreement and this tax exemption certificate.

Cancellation

This certificate may be cancelled by the council of the City of Victoria:

- (a) on the request of the owner; or
- (b) if any of the conditions specified in this certificate are not met.

Transferability

This certificate is transferable upon the sale of the land and improvements.

Effective Date

This certificate does not apply to taxation in a calendar year unless it is issued on or before October 31 of the preceding year.

Issued by: _____