

CITY OF NANAIMO

BYLAW NO. 7198

A BYLAW TO EXEMPT HERITAGE PROPERTY FROM TAXATION

WHEREAS the Council of the City of Nanaimo may, for the purposes of supporting the conservation of heritage property, adopt a bylaw pursuant to Section 225 of the *Community Charter* exempting eligible heritage property from taxation;

AND WHEREAS Council wishes to support the conservation of the building known as the Free Press Building located at 223 Commercial Street which is subject to a Covenant under Section 219 of the *Land Title Act* that relates to the conservation of heritage property, by exempting such land and building from a specified portion of property taxes;

THEREFORE BE IT RESOLVED that the Council of the City of Nanaimo, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. This Bylaw may be cited as the "HERITAGE BUILDING PROPERTY TAX EXEMPTION BYLAW (223 COMMERCIAL STREET) 2014 NO. 7198".
2. The lands and improvements located at 223 Commercial Street in the City of Nanaimo and legally described as Lot 2, Section 1, Nanaimo District, Plan VIP67605, are fully exempt from the taxable value of the land and improvements imposed under Section 197(1)(a) of the *Community Charter* for the calendar years 2015 to 2024, subject to the conditions of the Property Tax Exemption Agreement attached as Schedule A to this bylaw.
3. The exemption provided in Section 2 takes effect upon the execution of the Property Tax Exemption Agreement.

PASSED FIRST READING 2014-SEP-08
PASSED SECOND READING 2014-SEP-08
PASSED THIRD READING 2014-SEP-08

Notice of intention to proceed with this bylaw was published on the 9th day of October, 2014 and the 16th day of October, 2014 in the Nanaimo Daily News newspaper, circulating in the City of Nanaimo pursuant to Section 94 of the *Community Charter*.

ADOPTED 2014-OCT-20

J. R. RUTTAN

MAYOR

C. JACKSON

CORPORATE OFFICER

Schedule A

Property Tax Exemption Agreement
(Heritage Property)

Between: **City of Nanaimo** (the "City")
And **Carey Real Estate Holdings Ltd.** (the "Owner")

Whereas:

1. The Owner is the registered owner of property legally described as: 024-225-681, Lot 2, Section 1, Nanaimo District, Plan VIP67605 (the "Property") that is eligible heritage property within the meaning of section 225(2)(b) of the *Community Charter*;
2. The City has adopted *Heritage Building Property Tax Exemption Bylaw (223 Commercial Street) 2014 No. 7198*; (the "Bylaw") to provide a tax exemption for the Property to the extent set out in the Bylaw and the conditions established in an exemption agreement under section 225(5) of the *Community Charter*;
3. The Owner has agreed that it shall be a condition of entitlement to the tax exemption contemplated by the Bylaw that the Owner shall comply with the conditions of this Agreement;

Now Therefore this Agreement witnesses that in consideration of the foregoing, the City and the Owner agree pursuant to section 225 of the *Community Charter* as follows:

1. Exemption Subject to this Agreement

The Owner acknowledges and agrees that the tax exemption for the Property under the Bylaw is subject to strict compliance with the following conditions and that the occurrence of any of the following conditions constitutes an Event of Default;

- (a) the building on the Property is destroyed or materially damaged in a manner that, in the sole discretion of the City, impairs the heritage value of the building, including any destruction or damage that may be permitted under any Heritage Conservation Covenant registered against title to the Property;
- (b) the exterior of the building on the Property is altered in any manner without proper authorization under the Heritage Conservation Covenant;
- (c) the building on the Property is not maintained in good condition to the satisfaction of the City acting reasonably and in accordance with the Heritage Conservation Covenant;

- (d) the Property is sold to another person and the purchaser has not signed an agreement in this form with the City.

2. Repayment of Tax

If an Event of Default occurs or if the Heritage Conservation Covenant is discharged then the Owner shall forthwith pay to the City the following amounts:

- (a) in the case of willful or negligent destruction or damage of the building on the Property by the Owner, or its employee or agent, or an Event of Default referred to in sections 1(b), (c) or (d), the Owner shall repay to the City an amount equivalent to the total taxes exempted under the Bylaw from the date the Bylaw first became effective in relation to the Property and all penalties and interest payable in respect of unpaid taxes that would be payable if the Bylaw had not been adopted.
- (b) in the case of destruction or damage to the building on the Property by fire (other than a fire caused willfully or negligently by the Owner, or its employee or agent) or an Act of God, or in the case of discharge of the Heritage Conservation Covenant, the Owner shall pay to the City an amount equivalent to the total taxes exempted under the Bylaw for that year as if the Bylaw had not been adopted.

3. Term

The Owner agrees that the tax exemption provided in the Bylaw ceases upon the earlier of:

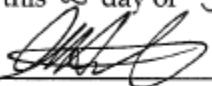
- (a) the end of the last year specified in the Bylaw; or
- (b) the occurrence of an Event of Default or upon the discharge of the Heritage Conservation Covenant.

4. Sale of Property

In the event the Property is sold to another person, that person shall be entitled to the tax exemption contemplated by the Bylaw provided the purchaser first signs an agreement in this form with the City.

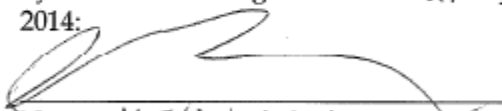
IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

CITY OF NANAIMO by its authorized)
signatories this 25 day of July, 2014:)


_____)
General Manager of Corporate Services)


_____)
Corporate Officer)

CAREY REAL ESTATE HOLDINGS LTD.)
by its authorized signatories this 27 day of June,)
2014:)


_____)
Name: MORGAN CAREY.)

_____)
Name:)