

# Downtown Revitalization Tax Exemption Program (DRTE)

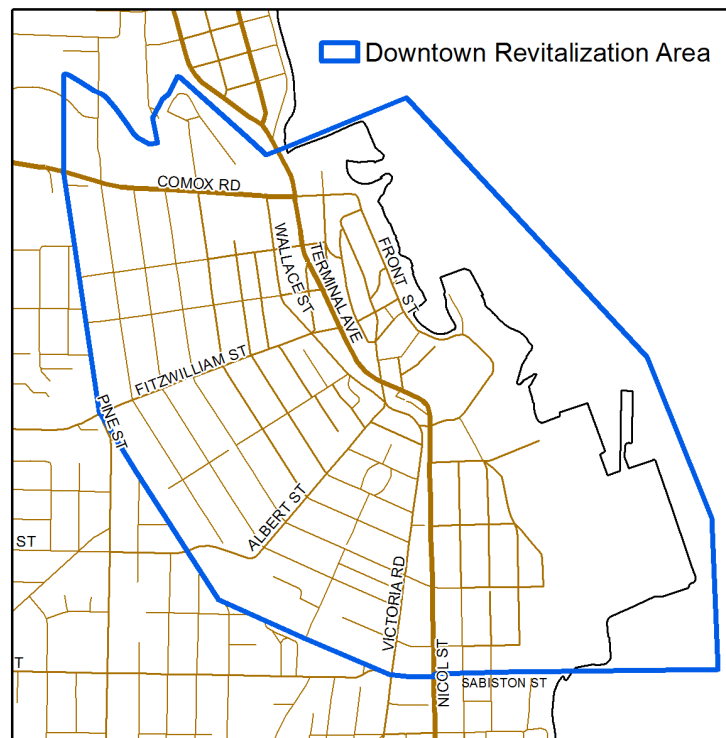
## PURPOSE & ELIGIBILITY

The City of Nanaimo is encouraging more people to live downtown, to expand the downtown housing stock and to improve the downtown economy by generating new and expanded commercial development. Over time, a stronger development climate and an increasing population base will attract more business and investment to the downtown core, including new and revitalized shops, restaurants and an expanded variety of services. To spur this development, incentives are offered through the City of Nanaimo's *Downtown Revitalization Tax Exemption Bylaw, No. 7261, 2018*.

The City of Nanaimo's Downtown Revitalization Tax Exemption program offers incentives for new multi-family residential, new commercial buildings, and additions/renovations to existing commercial buildings within the revitalization area. This program provides a ten-year tax exemption on the municipal portion of property taxes within the revitalization area (Fig A). The developer must apply for the tax exemption before a building permit is issued.

## ELIGIBLE PROJECTS:

1. **New Multi-Family Residential:** Construction of new multi-family residential units (four or more) with a building permit value equal to or greater than \$500,000.
2. **New Commercial Buildings:** Construction of new commercial buildings with a building permit value equal to or greater than \$500,000.
3. **Additions/Renovations to Existing Commercial Buildings:** Additions or renovations (improvements) to existing commercial buildings with a permit value equal to or greater than \$500,000 and the value of construction must be at least 50% of the current assessed value of the building.



## DRTE FREQUENTLY ASKED QUESTIONS AND ANSWERS

### 1. If I am eligible for the DRTE does that mean that I don't have to pay any property taxes?

No. Pursuant to the *Community Charter*, only the municipal portion of property taxes are exempt (i.e. taxes collected for road maintenance, infrastructure investment, etc). DRTE recipients are still required to pay property taxes that are collected for other services (i.e. tax levies for Hospital, RDN, schools, etc.).

### 2. How much of a tax exemption will I receive?

The exemption is equal to the difference between baseline assessment and current assessment as applied to the municipal tax rate. Property owners are required to pay municipal portion of taxes on pre-improvement value of both land and buildings.

2017 Tax Rate	Residential	Commercial	
<b>Other Services</b> (BCAA, Hospital, MFA, Regional District, Library)	3.2760	8.3290	— <b>Portion of taxes that must be paid</b>
<b>Municipal</b> (General, Road Rehabilitation, Infrastructure)	4.8640	12.9529	— <b>Portion of taxes that are exempt</b>
<b>TOTAL</b>	<b>8.1400</b>	<b>21.2819</b>	

### 3. Does the program apply to multi-family strata premises?

Yes. The tax exemption is attached to each individual strata unit.

### 4. If I sell the property, does the tax exemption transfer to the new owner?

Yes. The tax exemption remains with the unit and will apply for the balance of 10 years.

### 5. Who determines the Assessed Values?

B.C. Assessment is responsible for assessing properties each year to determine their assessed value. The City of Nanaimo uses B.C. Assessment's information to administer property taxes on baseline and current assessment.

### 6. Does the exemption stay the same each year?

For eligible projects, the exemption varies each year depending on the municipal tax rate and the current assessed value as determined by B.C. Assessment Authority.

### 7. Can I utilize multiple Tax Exemption Programs?

An applicant can only apply under one of the City's tax exemption programs. One exception is if a heritage building is located on a parcel of land that is of sufficient size to accommodate another project. In this case, heritage building improvement would utilize the heritage tax exemption program and the new development would utilize the DRTE providing it meets all the eligibility criteria.

### 8. Where can I get more information?

Further details are available on [www.nanaimo.ca](http://www.nanaimo.ca) and [www.investnanaimo.ca](http://www.investnanaimo.ca) websites.

### 9. Who can I contact for more information?

Please contact Bill Corsan, Director, Corp. & Business Development by phone (250) 755-4426 or by email [bill.corsan@nanaimo.ca](mailto:bill.corsan@nanaimo.ca)