



Friday, October-18-13

His Worship Mayor John Douglas & Council  
City of Port Alberni  
4850 Argyle Street  
Port Alberni, BC  
V9Y 1V8

Re: City of Port Alberni Revitalization Tax Exemption Program, Bylaw No. 4824

Dear Mayor Douglas and Council,

The ALBERNI VALLEY CHAMBER OF COMMERCE Civic Affairs Committee has reviewed the Revitalization Tax Exemption Program Bylaw and made recommendations to the Board of Directors aimed at improving the Bylaw.

The Board of Directors are pleased to submit this letter to you for your consideration as amendments to the proposed Bylaw.

We wish to acknowledge and thank both Mr. Ken Watson, City Manager and Mr. Pat Deakin City Economic Development Officer for their contributions and time spent at our Civic Affairs Committee Meeting held on Thursday October 10<sup>th</sup>.

The Chamber of Commerce supports the City's desire to improve the Uptown area and agrees that there should be a concerted community effort to revitalize the commercial activities throughout the area. However, this Bylaw as proposed would have serious negative impacts on other businesses, in particular those operating outside the defined Uptown area.

Our membership has identified a desire to see the amended bylaw inclusive of some form of tax exemption or relief, perhaps similar to this Bylaw, to encourage businesses in other parts of the city to invest in their properties as well.

We believe the revitalization area as defined in Schedule "B" of the Bylaw should be redrawn and redefined. Our recommendation is to focus on the core uptown area bounded by Dunbar Street, 5<sup>th</sup> Avenue, Montrose Street and Harbour Road and include all properties regardless of the current zoning.

We suggest that City-owned land within the area and sold to private developers not be included in the revitalization program. The City would be positioning itself to be seen as granting a 'Sweetheart Deal' in

such cases simply by selling the very property where they set taxes, control zoning, issue building permits etc.

We believe the prime waterfront and unobstructed water view properties, typically at Harbour Quay, should not be eligible for the tax exemption as these valuable properties do not require tax supported encouragement to be developed.

As Council already controls the location of Site Specific businesses (gas stations, nightclubs, & liquor stores) we see no reason why a property owner of such a business need be granted a tax exemption to either build or relocate.

The proposed Bylaw would create an "uneven playing field" for a competitive business outside the revitalization area. This tax exemption is a significant financial incentive to the property owner in the revitalization area, at the potential loss to all other businesses in Port Alberni. At the present tax rate of \$15.63 / \$1000 of assessment a new construction of \$1,000,000 would provide a tax exemption of \$15630 per year for 10 years, while an investment of \$300,000 would net an exemption of \$18756 for each of four years (the 25% maximum would apply by that time).

Our members have also identified a need to include a Viable Business Plan including a market need for the business as part of the application process so that there is some mechanism in place to ensure that the impact of the tax incentive does not create a scenario where we simply shift tax dollars and/or economic well-being from one business area to another.

In conclusion, we urge Council to delay adoption of "Bylaw No 4824" to permit consideration of the above suggestions made with a desire to improve the end result. We would be pleased to have the Chair of our Civic Affairs Committee; Bob Kanngiesser, speak to Council and answer any questions at your next meeting slated for October 28<sup>th</sup>.

The Chamber of Commerce appreciates your consideration of the Member Business Community and looks forward to seeing an improved program aimed at our collective goals in community revitalization.

Yours truly  
ALBERNI VALLEY CHAMBER OF COMMERCE



Teresa Bird  
President