

**From:** Bradley McRae <BMcRae@westernforest.com>

**Sent:** Tuesday, August 5, 2025 1:49 PM

**To:** Rob Douglas <mayor@northcowichan.ca>

**Cc:** Ted Swabey <Ted.Swabey@northcowichan.ca>; Council <council@northcowichan.ca>

**Subject:** Request for reinstating the North Cowichan Revitalization Tax Bylaw

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Good morning Mayor Douglas,

As I noted in our recent discussions, Western Forest Products would request that Council reconsider restoring a Revitalization Tax Bylaw for the District of North Cowichan. I have attached a letter to be provided to you, CAO Swabey, and Council and ask that this letter be placed on the next available agenda for review and direction. Should Council wish my attendance, I would be glad to appear.

Respectfully,

Brad

**Brad McRae, MA**

**Director, Government Relations**

Tel 250.201.3935

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August 5th, 2025

District of North Cowichan  
7030 Trans-Canada Highway  
North Cowichan, BC  
V9L 6A1

Delivered via email: [mayor@northcowichan.ca](mailto:mayor@northcowichan.ca); [ted.swabey@northcowichan.ca](mailto:ted.swabey@northcowichan.ca)

Mayor Douglas, CAO Swabey,

**Re: Request for the Re-Introduction of the North Cowichan Revitalization Program (formerly No.3635(2019)) and Accompanying Bylaw**

Western Forest Products (“Western”) is in process with the District of North Cowichan (“District”) for the development, and eventual commissioning, of two (2) Continuous Dry Kilns within the municipality’s jurisdiction. Once completed, the total investment for both kilns will be approximately XXXX. Western would like to publicly thank both Council and staff for the unparalleled support it has received to move these projects forward as it shows a true collaborative working relationship.

As North Cowichan is keenly aware, capital investment is critical to business growth and cost intensive, especially in the current economic climate. Many municipalities in British Columbia have instituted “Revitalization Bylaws”, which are geared towards stimulating their local economies by making it attractive to invest, generating employment and increased tax base over the long term, and encourage specific types of development (generally industrial or commercial development). While completing a review of the municipalities bylaws and policies, Western staff noted that the municipality once had a Revitalization Bylaw (Attachment #1), however, the Bylaw was rescinded in 2019 (confirmed by municipal staff). The rescinded bylaw and programs intent were very clear in that:

***(3) The revitalization program was intended to accomplish the objective in subsection (2) by encouraging:***

***(a) investment and development of industrial and commercial land***

British Columbia has long been known as a high cost jurisdiction for investment, and support from municipalities is critical in managing these costs. While realizing savings in the near term, Western would be contributing additional monies to the municipality due to the investments after the program’s conclusion. Based on the above noted information, and the fact the municipality at one point supported both the tenets of the Bylaw and the Program, Western would respectfully request that Council reconsider both introducing a new Revitalization Program Bylaw and Program as permitted under Section 226 of the *Community Charter*.

I look forward to discussing this matter with you in greater detail and thank you in advance for your consideration.



Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'B. McRae', is positioned above the printed name.

Brad McRae  
Director, Government Relations  
Western Forest Products





The Corporation of the District of North Cowichan

**Revitalization Program Bylaw**

Bylaw 3635

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WHEREAS Council may by bylaw establish a revitalization program under section 226 [revitalization tax exemptions] of the *Community Charter*;

AND WHEREAS Council wishes to establish a revitalization program and has given notice of its intention to adopt this Bylaw under section 226 (6) (a) of the *Community Charter*;

AND WHEREAS, pursuant to section 226 (6) (b) of the *Community Charter*, Council has considered this Bylaw in conjunction with the objectives and policies set out for the use of permissive tax exemptions in its Financial Plan Bylaw and determined that this Bylaw is compatible with those objectives and policies;

AND WHEREAS Council may by bylaw waive or reduce development cost charges for eligible development under section 563 (1) of the *Local Government Act*;

NOW THEREFORE the Council of The Corporation of the District of North Cowichan, enacts as follows:

**Definitions**

**1** (1) In this Bylaw:

**“assessed value”** means the most recent assessed value for a parcel as determined by the BC Assessment Authority;

**“baseline assessment”** means the last published assessed value for a parcel’s improvements, prepared by the BC Assessment Authority immediately before the commencement of the eligible development;

**“class”** has the same meaning as defined in the *Assessment Act*;

**“eligible development”** means proposed improvements that are

- (a) for the purpose of section 226 [*revitalization tax exemptions*] of the *Community Charter*, in a revitalization area, and assessed as
  - (i) class 4 (major industry), or 5 (light industry), and estimated to be worth at least \$250,000 or to reduce the parcel’s annual greenhouse gas emissions at least 25% over pre-development levels, or
  - (ii) class 6 (business and other), for a food and beverage processing use, and
- (b) for the purpose of section 563 [*waiver of development cost charges*] of the *Local Government Act*, assessed as
  - (i) class 1 (residential), with a minimum density of 100 dwelling units per ha, or
  - (ii) class 1 (residential) and class 6 (business and other), with a minimum density of 100 dwelling units per ha, or
  - (iii) class 3 (supportive housing).

**“greenhouse gas emissions”** has the same meaning as defined in the *Greenhouse Gas Reduction Targets Act*;

**“Municipality”** means The Corporation of the District of North Cowichan;

**“parcel”** has the same meaning as defined in the *Community Charter* and, for the purposes of this Bylaw, means the area of a parcel of land situated within a revitalization area;

**“revitalization area”** means all land zoned for industrial uses under the Municipality’s Zoning Bylaw, except land on the east side of Chemainus Road;

**“tax exemption”** means a revitalization tax exemption for which a tax exemption certificate has been issued;

**“tax exemption certificate”** or **“certificate”** means a revitalization tax exemption certificate issued by the Municipality under this Bylaw and the *Community Charter*, in the form prescribed by the Director of Financial Services.

- (2) Unless otherwise defined in this Bylaw, words defined in the *Community Charter* and *Local Government Act* have the same meaning when used in this Bylaw.

## **Rationale**

- 2 (1) The reasons for establishing the revitalization program are
  - (a) slow economic growth,
  - (b) high unemployment,
  - (c) low supply of rental, supportive, and higher density housing, and
  - (d) under-utilized or vacant industrial land.

- (2) The objectives of the revitalization program are to
  - (a) stimulate the local economy,
  - (b) generate permanent new industrial jobs and part-time construction employment,
  - (c) increase the Municipality's property tax base over the long term, and
  - (d) encourage development of
    - (i) industrial land,
    - (ii) not-for-profit rental housing, including supportive living housing,
    - (iii) for-profit affordable rental housing, and
    - (iv) low environmental impact development.
- (3) The revitalization program is intended to accomplish the objectives in subsection (2) by encouraging
  - (a) investment and development of industrial and commercial land,
  - (b) rejuvenation of mixed use commercial areas, and
  - (c) construction of rental, supportive, and higher density housing.

### **Program establishment**

- 3 This Bylaw establishes a revitalization program to authorize
  - (a) granting tax exemptions in accordance with section 226 of the *Community Charter* and the terms and conditions prescribed in this Bylaw, and
  - (b) waiving development cost charges in accordance with section 563 of the *Local Government Act*.

### **Eligible property**

- 4 The kind of property that is eligible for a tax exemption or waiver of development cost charges under this Bylaw is an eligible development.

### **Extent of tax exemption**

- 5 The extent of tax exemption available under this Bylaw applies to the entire parcel of an eligible development located in a revitalization area.

### **Amount of tax exemption**

- 6
  - (1) The amount of the tax exemption for each calendar year, during the period for which the tax exemption certificate is issued, is equal to 100% of the general municipal taxes imposed under section 197 (1) (a) of the *Community Charter* on that part of the assessed value calculated by deducting the baseline assessment from the current assessed value and multiplying the difference by the current municipal tax rate.
  - (2) The total tax exemption for all years must not exceed the total cost of improvements or the increase in municipal taxes payable due to the revitalization.
  - (3) The tax exemption must not include an exemption from any parcel tax, local service tax or business improvement area tax payable in the designated area in which the parcel is located.

**Term of tax exemption**

7 The maximum term of a tax exemption for an eligible development is 10 years.

**Conditions**

- 8 (1) Before the Municipality may issue a tax exemption certificate to the owner of a parcel, the applicant must deliver to the Municipality a completed application, in the form prescribed by the Director of Financial Services, no later than October 15 in the year before the first year for which the exemption is sought, together with the application fee prescribed by the Fees Bylaw.
- (2) Upon approval of the application by the Council, the owner of a parcel must enter into a revitalization tax exemption agreement, in the form substantially shown in the Schedule attached to and made part of the Bylaw.

**Recapture**

- 9 (1) If, pursuant to the terms and conditions specified in the tax exemption certificate, the certificate is cancelled, the owner of the parcel for which the certificate was issued must remit to the Municipality, no later than 30 days after the date of the cancellation of the certificate, an amount equal to the amount of the tax exemption received after the effective date of the cancellation of the certificate.
- (2) If the said amount is not paid within 30 days, any amount unpaid will bear interest at a rate of one percent per month, compounded annually.

**Waiver of development cost charges**

10 Development cost charges for water, sewer and roads are waived for eligible development defined in section 1 for the purpose of section 563 [*waiver of development cost charges*] of the *Local Government Act*.

**Repeal**

- 11 (1) Revitalization Tax Exemption Bylaw, No. 3526, is repealed.
- (2) This Bylaw is repealed effective March 29, 2019.

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READ a first time on November 2, 2016  
 READ a second time on November 2, 2016  
 READ a third time on November 2, 2016  
 RESCINDED third reading and read a third time, as amended, on December 7, 2016  
 ADOPTED on December 21, 2016

  
 \_\_\_\_\_  
 CORPORATE OFFICER

  
 \_\_\_\_\_  
 PRESIDING MEMBER

**SCHEDULE  
REVITALIZATION TAX EXEMPTION AGREEMENT**

THIS AGREEMENT dated for reference the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, is

BETWEEN:

(the "Owner")

AND: The Corporation of the District of North Cowichan  
Box 278  
Duncan, BC V9L 3X4

(the "Municipality")

GIVEN THAT:

- A. The Owner is the registered owner in fee simple of lands in the Municipality at [civic address], legally described as [legal description] (the "parcel");
- B. Council has established a Revitalization Program Bylaw (the "Bylaw"); and
- C. The Owner proposes to construct new improvements or alter or renovate existing improvements on the parcel as described in Appendix "A" attached to and forming part of this agreement (the "project") and has applied to the Municipality to take part in the revitalization program in respect of the project and the Municipality has agreed to accept the project under the program;

THIS AGREEMENT is evidence that in consideration of the promises exchanged below, the Owner and the Municipality covenant and agree each with the other as follows:

- 1. In this Agreement, the following words have the following meanings:
  - a. "assessed value" means the most recent assessed value for a parcel as determined by the BC Assessment Authority;
  - b. "baseline assessment" means the last published assessed value for a parcel's improvements, prepared by the BC Assessment Authority immediately before the commencement of the eligible development;
  - c. "project" means a revitalization project on a parcel involving the construction of a new improvement, alteration or renovation of an existing improvement, which meets the requirements of the Bylaw, and the construction of which is begun after an application for a Tax Exemption has been submitted to, and approved by, Council;
  - d. "tax exemption" means a revitalization tax exemption for which a tax exemption certificate has been issued;
  - e. "tax exemption certificate" means a revitalization tax exemption certificate issued by the Municipality under this Bylaw and the *Community Charter*, in the form prescribed by the Director of Financial Services.

## **The Project**

2. The Owner will use its best efforts to ensure that the project is constructed, maintained, operated and used in a fashion that will be consistent with and will foster the objectives of the revitalization program, as outlined in the Bylaw. Without limiting the generality of the foregoing, the Owner covenants to use its best efforts to ensure that the project will:
  - a.
  - b.

## **Operation and Maintenance of the Project**

3. Throughout the term of this agreement, the Owner must operate, repair, maintain and keep the project in a state of good repair consistent with that of a prudent and responsible owner.

## **Revitalization Tax Exemption**

4. Subject to fulfillment of conditions set out in this agreement and in the Bylaw, the Municipality must issue a revitalization tax exemption certificate to the British Columbia Assessment Authority entitling the Owner to a property tax exemption in respect of general municipal property taxes due (not including local service tax, parcel tax or business improvement area tax) in relation to improvements on the parcel (the "tax exemption") for the calendar year(s) set out in this agreement.

## **Conditions**

5. The Owner must fulfill the following conditions before the Municipality will issue a tax exemption certificate to the Owner in respect of the project:
  - a. The Owner must obtain a building permit from the Municipality for the project;
  - b. The Owner must complete or cause to be completed construction of the project in a good and workmanlike fashion and in strict compliance with the building permit and any required development permit;
  - c. The Owner must obtain an occupancy permit for use as [describe permitted use] (the "Exempt Use") and for no other use.

## **Calculation of Revitalization Tax Exemption**

6. The amount of the tax exemption in each year will be equal to that part of the general municipal portion of property taxes calculated by deducting the baseline assessment from the current assessed value and applying the difference to the current municipal tax rate.

## **Term of Tax Exemption**

7. Provided the requirements of this agreement and the Bylaw are met, the tax exemption will be for the taxation years \_\_\_\_ to \_\_\_\_, inclusive.

### **Compliance with Laws**

8. The Owner must construct the project and, at all times during the term of the tax exemption, use and occupy the parcel forming part of the project for the exempt use in compliance with all statutes, laws, regulations, bylaws and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or bylaws, including all the rules regulations policies guidelines criteria or the like made under or pursuant to any such laws.

### **Subdivision under *Strata Property Act***

9. If the Owner deposits a strata plan in the Land Title Office under the *Strata Property Act* that includes an improvement on the parcel included in the project, then the tax exemption must be prorated among the strata lots in accordance with the unit entitlement of each strata lot for:
  - a. the current and each subsequent tax year during the currency of this agreement if the strata plan is accepted for registration at the Land Title Office before May 1; or
  - b. for the next calendar year and each subsequent tax year during the currency of this agreement if the strata plan is accepted for registration at the Land Title Office after May 1.

### **Representations and Warranties**

10. The Owner represents and warrants to the Municipality that the Owner is the owner of the parcel for the purpose of property assessment and taxation.

### **Cancellation**

11. The Municipality may in its sole discretion cancel the tax exemption certificate at any time:
  - a. on the written request of the Owner; or
  - b. effective immediately upon delivery of a notice of cancellation to the Owner if at any time a condition in the Tax Exemption Certificate is not met.
12. If such cancellation occurs, the Owner of the parcel for which the tax exemption certificate was issued must pay to the Municipality within 30 days of cancellation an amount equal to the percentage of the amount of any tax exemption equivalent to the percentage of the year remaining from the date of cancellation.
13. If the amount is not paid under section 12, any amount unpaid will bear interest at a rate of 1.0% per month, compounded annually.

### **No Refund**

14. Under no circumstances will the Owner be entitled under the Municipality's revitalization tax exemption program to any cash credit, any carry forward tax exemption credit or any refund for any property taxes that have been paid.

## **Notices**

15. Any notice or other writing required or permitted to be given hereunder or for the purposes hereof to any party will be sufficiently given if delivered by hand or posted on the parcel, or if sent by prepaid registered mail (Express Post) or if transmitted by facsimile to such party:
- a. in the case of a notice to the Municipality, at:  
The Corporation of the District of North Cowichan  
Box 278  
Duncan, BC V9L 3X4
  - b. in the case of a notice to the Owner, at:  
[insert name and address of owner]

Or at such other address as the party to whom such notice or other writing is to be given shall have last notified the party giving the same.

## **No Assignment**

16. The Owner must not assign its interest in this agreement except to a subsequent owner in fee simple of the parcel.

## **Severance**

17. If any portion of this agreement is held invalid by a court of competent jurisdiction, the invalid portion must be severed and the decision that it is invalid must not affect the validity of the remainder of this agreement.

## **Interpretation**

18. Wherever the singular or masculine is used in this agreement, the same must be construed as meaning the plural, the feminine or body corporate where the context or the parties thereto so require.

## **Further Assurances**

19. The parties hereto agree to execute and do all such further deeds, acts, things and assurances that may be reasonably required to carry out the intent of this agreement.

## **Waiver**

20. A waiver by the Municipality of a default by the Owner must be in writing and must not be deemed to be a waiver of any subsequent or other default.

## **Powers Preserved**

21. This agreement does not:
- a. affect or limit the discretion, rights or powers of the Municipality under any enactment or at common law, including in relation to the use or subdivision of the parcel;
  - b. affect or limit any enactment relating to the use or subdivision of the parcel; or

- c. relieve the Owner from complying with any enactment, including in relation to the use or subdivision of the parcel, and without limitation does not of itself confer directly or indirectly any exemption or right of set-off from development cost charges, connection charges, application fees, user fees or other rates, levies or charges payable under any bylaw of the Municipality.

**Reference**

- 22. Every reference to each party is deemed to include the heirs, executors, administrators, personal representatives, successors, assigns, servants, employees, agents, contractors, officers, licensees and invitees of such party, wherever the context so requires or allows.

**Enurement**

- 23. This agreement enures to the benefit of and is binding upon the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

Executed by The Corporation of the District  
of North Cowichan by its authorized signatories:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Corporate Officer

Executed by \_\_\_\_\_  
by its authorized signatories:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

APPENDIX "A" to Revitalization Tax Exemption Agreement

**Map of Affected Parcel**