



Corporate Report

NO: R051

COUNCIL DATE: March 4, 2004

REGULAR

TO: Mayor & Council DATE: March 2, 2004
FROM: General Manager, Finance, FILE: 1970-04
 Technology & HR/City
 Clerk
SUBJECT: Requests for Further Consideration on Tax
 Exemption for "For Profit Organizations"

RECOMMENDATION

That the information be received.

BACKGROUND

On September 29, 2003, Council adopted a policy that organizations, including institutions registered under the *Community Care Facility Act*, must be non profit in order to qualify for a property tax exemption.

DISCUSSION

Requests for further consideration of this policy have been received from CPAC (Care) Holdings Ltd. and Regency Care Homes.

CPAC (Care Holdings)

CPAC advises that Crescent Gardens is a multi-disciplined Retirement Community consisting of condominiums; rental congregate living, assisted living and licensed care. Their project has over 200 residents, and only 50 units are continuing care units. The 50 continuing care units do not generate any profit to the organization, and therefore the applicant feels that the tax exemption should continue for these 50 units.

Regency Care Homes

Regency Care Homes advises that both profit and non-profit facilities receive the same funding from the Province, and comments that the non-profit organizations are given a tax break and the for profit organizations are not given a tax break. Regency Care Homes feels that this is an unfair policy, commenting that they service the people who live in Surrey and they employ over 300 people.

Regency Care Homes further advise that the increase is a hardship, and requests that the City approach this similarly to Abbotsford, who some years ago, eliminated tax exemptions to organizations by reducing the tax exemption by 1/3 for three consecutive years.

CONCLUSION

After carefully reviewing both requests, we have determined the policy adopted by Council is a fair, sound and just policy, and in line with other municipalities in the lower mainland. As neither of the applicants qualify for an exemption under Council policy, both of the applicants will be required to pay full taxes for their facilities.

Vivienne Wilke, CGA
General Manager, Finance,
Technology & HR

Margaret Jones
City Clerk

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