

Corporate Report

NO: R249

COUNCIL DATE: September 27,

2004

REGULAR COUNCIL

TO: **Mayor
&
Council** DATE: **September
27, 2004**

FROM: **City Clerk** FILE: **1970-04**

SUBJECT: **TAX EXEMPTION BY-LAW No. 15476**

**For Properties under Section 220 and 224 (2)
(f) and (h) of the *Community Charter***

RECOMMENDATION

That the report be received; and

That Council consider three readings of the Section 220 and 224 (2) (f) and (h) Tax Exemption By-law No. 15476, pursuant to Sections 220 of the Community Charter SBC 2003 Chap. 26, and Section 224 Section (2) (f) and (h).

BACKGROUND

Tax Exemptions are now regulated under the *Community Charter*. Statutory Exemptions for churches, schools, hospitals and some seniors homes built under Provincial Assistance from January 1947 to April 1974, are exempt from taxation under Section 220 of the *Community Charter*, only to the extent of the building and the land on which the building stands.

Under Section 224 (2) (f) and (h), Council may provide additional exemptions for these facilities for an area of land surrounding the building that Council feels is necessary to the exempt building (for instance parking or a church hall).

Although tax exemptions under Section 224 require notice to the public, those exemptions which fall under Sections 220 and 224 (2) (f) and (h) do not. The By-Law must be adopted on or before October 31, and no longer requires a 2/3 majority vote.

Each year, tax exemption application forms are sent to organizations previously granted tax exemption, and to any new organizations that wish to apply for a tax exemption. New applications may involve any of the following verifications - discussions with the applicant, a tax inquiry, title search, building file review, site visit, discussion with the local B.C. Assessment office. Re-applications are reviewed by looking at previous applications from the organization. Discrepancies are resolved using the same methods as for new applications.

All recommended tax exemptions in Schedule A to By-law 15476 fall under Sections 220 and 224 (2) (f) and (h) of the *Community Charter SBC 2003 Chap. 26*.

DISCUSSION

9 new applications were received, 6 of which have been included in the By-Law. In each case, the application has been reviewed and certain verifications conducted to ensure the properties meet the criteria for the legislation.

The following are the changes to tax exemptions for the 2005 year:

New Applications:

- (1) Section 220 (1) – Manamawaya Theravada Buddhist Society (Schedule A Item No. 8), 13260 – 108 Avenue – this is the property formerly owned by Park City Baptist. The application is included in the By-law and recommended for Council approval.
- (2) Lan Ty Ni (Lumbini) Buddhist Temple at 16845 – 94A Avenue (Schedule A Item No. 151) – this is the former Korean Church. The property is held “in trust” by the Buddhist Monk. There is a note on title that the Beneficial Owner of the property is the Lan Ty Ni (Limhini) Buddhist Temple. The application is included in the By-law and recommended for Council approval.
- (3) Bread of Life Christian Church – Units 116, 117, 118, 13045 – 84 Avenue (Schedule A Item No. 148, 149 and 150) – these three properties are utilized as a church providing worship services for residents of Surrey.
- (4) Gurdwara Sahib Dasmesh Darbar, Units 113 – 121 – 12885 – 85th Avenue (Schedule A, Item No. 66) – this is a Sikh Religious Temple which has now purchased Unit 113 for expansion of the facility. The application has been included on the By-law and recommended for Council approval.
- (5) William of Orange School, 17465 – 60 Avenue (Schedule A Item No. 152) – this is a private school previously exempted by the Assessment Authority. The Assessment Authority has asked that the school make formal application to the City of Surrey for exemption of those areas of land around the school (playground, parking lot). The property is included on the By-law and recommended for Council approval.
- (6) Grace Presbyterian Church, 15964 – 88 Avenue (Schedule A, Item No. 153) – this is a church previously exempted by the Assessment Authority. The Assessment Authority has asked that the church make formal application to the City of Surrey for exemption of those areas of land surrounding the church and used for religious purposes (parking area). The property is included on the By-law and recommended for Council approval.

Not Recommended:

- (1) Surrey Pentecostal Assembly, 8008 – 168th Street – the church currently occupies and receives a tax exemption on leased property at 15290 – 103A Avenue. The property requested for exemption is not built or occupied, and it is anticipated it may not be complete until late 2005. Once the new facility has been built, the church will be able to make an application for tax exemption in 2006.
- (2) Seaview Pentecostal Assembly, 14665 – 16th Avenue – in 2003 that portion of the property zoned RM-D and used by the Church as a playground for licensed daycare, preschool and afterschool care, was not considered for tax exemption. The applicant has asked that the property be considered for exemption for 2005. The intent of Council policy and the legislation is that only buildings and property used strictly for public worship are given exemption from taxation. Based on this, the playground area is not recommended for exemption. This is consistent with application of Council Policy and the legislation for other church properties.

- (3) Crescent Housing Society, 12882 – 26 Avenue – This is a large subsidized housing project for Senior Citizens, which previously qualified under Section 220 (1) (i) – buildings for elderly citizens constructed between January 1, 1947 and April 1, 1974. The units that qualified for tax exemption have been demolished and are being replaced with 151 new units. 176 existing units on the property do not qualify for exemption, and BC Housing is providing a 19.8% funding grant for the occupied units to bring the rentals to market rent. BC Housing has advised that rental income should include a provision for property taxes, and any exemption from the City of Surrey could affect future subsidy from BC Housing.

Changes:

- (1) Berea Baptist Church, 6062 – 132nd Street (Schedule A Item No. 98)

A portion of the property used as a playground and grass field is not recommended for exemption. This is in keeping with Council policy that only buildings or property used strictly for religious worship is given tax exemption.

- (2) Gateway Baptist Church, 13175 – 107 Avenue (Schedule A Item No. 9)

A portion of the property that is field and wooded area is not recommended for exemption. This is in keeping with Council policy that only buildings or property used strictly for religious worship is given tax exemption.

- (3) St. Luke Lutheran Church, 10167 – 48 Avenue (Schedule A Item No. 36)

That portion of the property which is wooded is not recommended for exemption. This is in keeping with Council policy that only buildings or property used strictly for religious worship is given tax exemption

- (4) Sunshine Ridge Baptist Church, 6239 – 120th Street (Schedule A Item No. 95)

The portion of the property used as a field is not recommended for exemption. This is in keeping with Council policy that only buildings or property used strictly for religious worship is given tax exemption.

- (5) Bear Creek Community Church, 8383 – 140th Street (Schedule A Item No. 70)

The portion of the property at the rear which is wooded is not recommended for exemption. This is in keeping with Council policy that only buildings or property used strictly for religious worship is given tax exemption

- (6) Korean Central Full Gospel Church, 16845 – 94A Avenue – this property has been purchased by the Lan Ti Ni Buddhist Temple (Schedule A Item No. 151) and is included in the By-law under new applications. The Korean Central Full Gospel Church is in the process of building a new facility in another location. Once the facility is built and occupied (estimated for 2005) they will be able to apply for tax exemption on their new property.

- (7) B.C. Muslim Association, 13585 – 62nd Avenue (Schedule A Item No. 99) – this property was consolidated with 13569 – 62nd Avenue to include a school. The school did not proceed, and an exemption is therefore recommended only for that portion used for religious purposes.

- (8) Scott Congregation of Jehovah's Witnesses 7990 – 123A Street – this property has been sold to three individuals who are leasing it back to the Holy Satsang Foundation. The property has been included in By-Law 15479, which deals with leased properties under Section 224 (2) (g) of the *Community Charter*.

- (9) St. Andrew Kim Parish, 10222 – 161 Street (Schedule A Item No. 39) – formerly a 20.46 square metre portion of the manse was tax exempt. The Parish has advised that the entire manse is now used as a residence, and no longer qualifies for tax exemption.

- (10) Northwood United Church of Canada – 8855 – 156 Street (Schedule A Item No. 53) - The wooded portion of the

property at the rear is not recommended for exemption. This is in keeping with Council policy that only buildings or property used strictly for religious worship is given tax exemption

- (11) Southridge School – 2656 – 160 Street (Schedule A Item No. 130) – Previously the School made two applications for tax exemption – the school property and the parking and playfields. The properties have now been consolidated so that there is only one application. The By-law reflects this change.
- (12) The Salvation Army, 14053 and 14069 – 104th Avenue - the Salvation Army has sold these properties and is now leasing property at #4 – 13570 – 78 Avenue. The properties are now leased as a Buddhist Temple and have been included in By-Law 15479, which deals with leased properties under Section 224 (2) (g) of the *Community Charter*.

Applications Not Renewed:

- (1) Park City Baptist Church, 13260 – 108 Avenue, the property has been sold to Manawmaya Theravada Buddhist Society.

CONCLUSION

The total number of properties included in By-Law 15476 is 153. The majority of the properties are places of public worship, and some are for other uses permitted under Section 220 and 224 (2) (f) and (h) of the *Community Charter*, such as seniors' housing and private schools.

In order for the listed properties to receive tax exemption in 2005, Council must pass this By-Law before October 31, 2004.

Margaret Jones
City Clerk