



Corporate Report

NO: R197

COUNCIL DATE: September 25, 2006

REGULAR

TO: Mayor & Council DATE: September 22, 2006
FROM: City Clerk FILE: 1970-04
SUBJECT: SECTION 224 TAX EXEMPTION BYLAW 16105
For properties under Section 224 of the *Community Charter*

RECOMMENDATION

That the report be received; and

That Council consider three readings of the "Section 224 Tax Exemption By-law 2006, No. 16105.

BACKGROUND

Each year, tax exemption application forms are sent to organizations that have previously been granted tax exemption, and 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 BC Assessment office, and contact with funding agencies of the Provincial Government such as BC Rental Housing. Re-applications are reviewed by looking at previous applications from the organization. Discrepancies are resolved using the same methods as for new applications.

The exemptions included in this By-law fall within Section 224 of *the Community Charter, S.B.C. 2003, Chap. 26*, all of which are permissive exemptions. Most of the exemptions fall under Section 224 (1) (a) which states:

"(2) Tax exemptions may be provided under this section for the following:

- (a) land or improvements that
 - (i) are owned or held by a charitable, philanthropic or other not for profit corporation, and
 - (ii) the Council considers are used for a purpose that is directly related to the purposes of the corporation; . . . "

A By-law under Section 224 may only come into force once public notice of the proposed By-law has been given and the By-law is adopted on or before October 31. An affirmative vote of 2/3 of all Council members is not required.

The *Community Charter* requires that the public notice must:

- (a) identify the property that would be subject to the By-law,
- (b) describe the proposed exemption,
- (c) state the number of years that the exemption may be provided, and
- (d) provide an estimate of the amount of taxes that would be imposed on the property if it were not exempt, for the year in which the proposed By-law is to take effect and the following 2 years.

DISCUSSION

Applications for 11 new properties were received, 8 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.

None of the new applications are for Community Care Facilities that are for profit, but provide a level of publicly funded care. Council amended the Tax Exemption Policy to include:

“Council may exempt:

- a) All of the land or improvements owned or held by a person or organization and operated as a private hospital licensed under the Hospital Act;*
- b) All of the land or improvements owned or held by a person or organization and operated as a non-profit institution licensed under the Community Care Facility Act”; and*
- c) That portion of the land or improvements owned or held by a person or organization and operated as a private organization licensed under the “Community Care and Assisted Living Act” that is providing publicly funded care.”*

Based on that criteria, the facilities are recommended for a proportionate tax exemption.

The following new applications from community organizations, and community care facilities have been included in the By-law and recommended for Council consideration:

New Applications:

- (1) Surrey Association for Community Living, 17677 – 56A Avenue (Schedule A, Item 87) – the property is used as a parking lot for administrative offices for this non-profit charitable organization, which provides services to persons with developmental disabilities. The property has been included in the By-law for Council consideration.

- (2) Surrey Association for Community Living, 101 – 17687 – 56A Avenue (Schedule A, Item 88) - the property is used for administrative offices for this non-profit charitable organization, which provides services to persons with developmental disabilities. The property has been included in the By-law for Council consideration.
- (3) Surrey Association for Community Living, 102 – 17687 – 56A Avenue (Schedule A, Item 89) - the property is used for administrative offices for this non-profit charitable organization, which provides services to persons with developmental disabilities. The property has been included in the By-law for Council consideration.
- (4) PLEA Community Services Society of BC, 16590 – 96 Avenue (Schedule A, Item 90) – this is a non-profit organization, offering support and assistance to youth and their families facing significant needs and risks. The property as been included in the By-law for Council consideration.
- (5) Semiahmoo Foundation, 2359 – 153A Street (Schedule A, Item 91) – this is a group home for adults with a developmental disability. The property has been included in the By-law for Council consideration.
- (6) Kla-How-Eya Aboriginal Centre of Surrey, 14756 – 88 Avenue (Schedule A, Item 2) – this is a youth safe house, providing services and temporary shelter to homeless and at risk youth in Surrey. The property has been included in the By-law for Council consideration.
- (7) Phoenix Drug and Alcohol Recovery and Education Society, 13686 – 94A Avenue (Schedule A, Item 86) – this is a non-profit organization, offering addiction services, temporary housing, employment and education services. The property has been included in the By-law for Council consideration.
- (8) Czorny Alzheimer Centre Society, 6518 – 168 Street, (Schedule A, Item 3) – this residential facility provides alzheimer patients with care and treatment. The property has been included in the By-law for Council consideration.

Not Recommended:

- (1) Crescent Housing Society, 12882 – 26 Avenue – this is a large subsidized housing project, which is not licensed under the Community Care Facilities Act. Units have been built on the property with the assistance of a forgivable loan from BC Housing. It has not been the practice of the City to provide tax exemptions to subsidized (low cost) housing, as it has been previously been the function of BC Housing to provide rent subsidies to include taxes. There are many more subsidized housing units in the City which do not receive tax exemptions.
- (2) Surrey Association for Community Living, 202 – 17687 – 56A Avenue – this unit is not currently used by the owner and is rented month-to-month to another not-for-profit organization. It has not been the practice of the City to provide tax exemptions to a charity which owns a property and leases it to another charity.

- (3) Association of Neighbourhood Houses of Greater Vancouver, 14589 – 108 Avenue – this property is leased to another charitable organization for the purpose of operating an aboriginal headstart program. It has not been the practice of the City to provide tax exemptions to a charity which owns a property and leases it to another charity.

Applications Not Renewed/Changes:

- (1) Royal Canadian Legion Whalley Branch, 13525 – 106 Avenue and 10630 – 135 Street (Schedule A, Item 82) – the property located at 10630 – 135 Street is a Cadet Hall linked to the Legion building and is included in the by-law for Council consideration.
- (2) BC Landscape and Nursery Association, 5783 – 176A Street (Schedule A, Item 81) – this is a non-profit association which promotes BC landscape standards development, fostering healthy stewardship and beautification of urban environments. The portion of the building leased to another tenant is not exempt and has been removed from the exemption for Council consideration.
- (3) SRS Vocational Services Society, 10682, 10694 & 10704 – 135 Street – these properties have been sold and no longer require tax exemptions.
- (4) OPTIONS: Services to Communities Society, 13455 – 72 Avenue – this location was used for HandyDart. HandyDart has moved its location and OPTIONS: Services to Communities Society no longer owns this property. HandyDart is now renting property at another location and does not qualify for tax exemption.
- (5) Camp Kwomais, 1367 – 128 Street (Schedule A, Item 64) – this property is owned by a registered charity, the Metropolitan Council of the United Church of Canada of the Lower Mainland of BC Conference. The camp was formerly operated by the South Surrey Camping Committee, which dissolved in 2005. The Camp functions as a non-profit host for community and civic groups, youth groups (Boy Scouts, Guides), schools and adult groups. This property is included in the By-law for Council consideration.

CONCLUSION

The Section 224 Tax Exemption Bylaw has 93 properties granted 100% exemption, 10 properties granted proportionate exemptions.. There are 8 new properties included in the By-law for Council consideration. All applications have been checked and verified to ensure they comply with the legislation.

In order for the listed properties to receive a tax exemption in 2007, Council must pass this Bylaw before October 31, 2006.

Margaret Jones
City Clerk

