



Corporate Report

NO: R184

COUNCIL DATE: September 29, 2008

REGULAR

TO: Mayor & Council DATE: September 29, 2008
FROM: City Clerk FILE: 1970-04
SUBJECT: SECTION 224 TAX EXEMPTION BY-LAW NO. 16738
For properties under Section 224 of the *Community Charter*

RECOMMENDATION

1. That the report be received; and
2. That Council consider three readings of the "Section 224 Tax Exemption By-law 2008, No.16738."

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 the majority of Council members is required.

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

identify the property that would be subject to the By-law,

- (a) describe the proposed exemption,
- (b) state the number of years that the exemption may be provided, and
- (c) 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, 10 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 of the legislation.

14 applications were received for Community Care Facilities that are for profit, but provide a level of publicly funded care (Schedule “C”). 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.

Estimated value of the Section 224 tax exemptions is as follows:

2009	\$1,033,506
2010	\$1,073,823
2011	\$1,115,705

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

New Applications:

- (1) Newton Reservoir, 6287 – 128 Street (Schedule A – Item 88) – this is a Greater Vancouver Water District reservoir site. The surface areas of the reservoir are leased to the City of Surrey for public recreational purposes. This site is included in the By-law for Council consideration.

- (2) Launching Pad Addiction Rehabilitation Society, 984 – 160 Street (Schedule A, Item 40) – this facility serves to rehabilitate adult victims of substance abuse for re-entry into society as contributing citizens, by providing affordable residential facilities to enable completion of a 12-step recovery program and life skills training. This property is included in the By-law for Council consideration.
- (3) Laurel Place Holdings Ltd., 9688 – 137 A Street (Schedule C, Item 11) – this is a for profit community care facility licensed for 195 beds. Public funding is provided for 162 permanent beds – or 83% of the facility. It is therefore recommended that they receive a 83% tax exemption.
- (4) Holly Park House, 14557 – 105A Avenue (Schedule A, Item 56) – this non-profit organization is dedicated to supporting individuals with acquired brain injuries, physical and/or developmental disabilities to live successful lives in their communities. This facility is home to six individuals with disabilities and complex health care needs, and is included in the By-law for Council consideration.
- (5) Semiahmoo Fish and Game Club, 1284 – 184 Street (Schedule A, Item 59) – this non-profit organization maintains an interpretive nature park, salmon hatchery, archery and firearms range year round. The hatchery operation regularly provides educational tours to school children, teachers and parents. This organization is included in the By-law for Council consideration.
- (6) Fleetwood Villa Retirement Residence, 16028 – 83 Avenue (Schedule C, Item 12) – this is a new for profit community care facility registered for 80 beds. Public funding is provided for 60 permanent beds – or 75% of the facility. It is therefore recommended that they receive a 75% tax exemption.
- (7) South Fraser Community Services Society (Surrey HIV/AIDS Centre), 10689 – 135A Street (Schedule A, Item 89) – this non-profit organization provides free medical services, HIV/AIDS support and advocacy to residents of the community. The organization is included in the By-law for Council consideration.
- (8) Elim Housing Society, 9080 – 159 Street (Schedule C, Item 13) – this is a new for profit community care facility registered for 109 beds. Public funding is provided for 53 permanent beds – or 49% of the facility. It is therefore recommended that they receive a 49% tax exemption.
- (9) Elim Housing Society, 9055 – 160 Street (Schedule C, Item 14) – this is a new for profit community care facility licensed for 112 beds. Public funding is provided for 80 permanent beds – or 71% of the facility. It is therefore recommended that they receive a 71% tax exemption.
- (10) Progressive Intercultural Community Services Society, #205, #206, #207, #208, #209, #211 – 12725 – 80 Avenue (Schedule A, Item 90) – this non-profit organization is dedicated to facilitating the settlement and immigration process of the multicultural community, and offers a variety of programs and services to assist individuals and families with their transition to living in Canada. The organization is included in the By-law for Council consideration.

Not Recommended:

- (1) Kohinoor Folk Arts Club, #116 – 12465 – 82 Avenue – this organization promotes cultural activities and provides free Punjabi dance classes, singing classes and music classes. As this organization does not own its property it does not meet the requirements of the City of Surrey Tax Exemption Policy, and is therefore not recommended for tax exemption.

Applications Not Renewed/Changes:

- (1) The Centre for Child Development of the Lower Mainland, 9460 – 140 Street (Schedule A, Item 18) – this is the former Lower Fraser Valley Cerebral Palsy Association, which has undergone a change of name.
- (2) Yvonne Jensen Home for Seniors, 2266 – 154 Street – this assisted living facility for disabled seniors has ceased operating and a tax exemption is no longer required.
- (3) Camp Kwomais, 1367 – 128 Street – this facility has ceased operating as this property was purchased by the City of Surrey. A tax exemption is no longer required.
- (4) PLEA Community Services Society of BC, 16590 – 96 Avenue (Schedule A, Item 85) – this facility has converted its 2400 square foot residential suite into office space and therefore this portion of the building is now included in the tax exemption.
- (5) Radicalus Montessori Society, 5446 – 152 Street – This school subdivided its land and no longer owns the property upon which the school facility is located. The school currently leases this site from the new owner. A new school will be constructed on the portion of the property still owned by the school. Once construction is completed the school may apply for tax exemption.
- (6) Westminster House - HRC Care Society, 1653 – 140 Street (Schedule A, Item 49) – The Society has purchased 5 new units (Strata Lots 3, 17, 23, 29 and 31) which are recommended for approval and have been added to the By-law for Council consideration.

CONCLUSION

The Section 224 Tax Exemption Bylaw has 94 properties granted 100% exemption, 14 properties granted proportionate exemptions.. There are 10 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 2009, Council must pass this Bylaw before October 31, 2008.

Margaret Jones
City Clerk