



# Corporate Report

NO: R187

COUNCIL DATE: September 29, 2008

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## REGULAR COUNCIL

TO: Mayor & Council DATE: September 19, 2008  
FROM: Deputy City Manager/General Manager, Finance & Technology FILE: 1970-10  
SUBJECT: Extension of the Property Tax Incentive Program for Surrey City Centre

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## RECOMMENDATION

It is recommended that Council:

1. Receive this report as information;
2. Approve an extension of the Revitalization Tax Incentive Program for Surrey City Centre for an additional three-year period and direct staff to take all necessary actions to implement such an extension; and
3. Request that the City Clerk forward a copy of this report and the related Council resolution to the Downtown Surrey Business Improvement Association as information.

## INTENT

The purpose of this Report is to update Council on the experience to date of the pilot Property Tax Incentive Program (the "Program") for Surrey City Centre and to recommend that the Program be extended for a further three-year period.

## BACKGROUND

At its July 24<sup>th</sup> 2006 Regular Meeting, Council considered and approved the recommendations of Corporate Report No. R165, titled "Tax Incentive Program for Surrey City Centre". The Corporate Report documented the merits of such a Program in City Centre. As a result of Council's decision, a Tax Incentive Program was implemented in Surrey City Centre on a two-year pilot basis, commencing in October 2006 and terminating on October 31, 2008. A copy of the referenced Corporate Report is attached as *Appendix A*.

To be eligible for the Tax Incentive Program, properties had to meet the following criteria:

1. Be Class 6 (Business) properties located in the City Centre;
2. Be subject to renovations or upgrades of building exteriors that would result in an increase in the assessed value of at least \$25,000;
3. The renovations or upgrades must have been undertaken under a building permit issued by the City of Surrey, and
4. The Program would be applicable only to the owner of the building who undertook the renovations or upgrades. If the property is sold, the new owner would not be eligible for the reduced property taxes under the Program.

The Executive Director of the Downtown Surrey Business Improvement Association has forwarded a letter to the City on behalf of the BIA, which requests that Council extend the pilot Program for a further three years. A copy of this letter is attached as ***Appendix B***.

## **DISCUSSION**

To date, no property owners have taken advantage of this Tax Incentive Program.

Staff has met with representatives of the Downtown Surrey Business Improvement Association to discuss their request and to build an understanding as to why no applications have come forward under the Program in the last two years. The consensus at that meeting was that the criteria for the pilot program were well developed and did not require any further changes. However, it was concluded that both property owners and City staff lacked awareness of both the availability of the Program and the process associated with taking advantage of the Program.

On this basis, staff has decided that it would be reasonable to extend the Program for a further three-year period, and that the Economic Development Division in cooperation with the Downtown Surrey Business Improvement Association, develop a marketing plan to raise awareness of the Tax Incentive Program. A draft of this marketing plan is attached as ***Appendix C***.

If Council decides to extend the Tax Incentive Program for Surrey City Centre for a further three-year period, the following actions are necessary:

1. The Revitalization Area will need to be designated in the City's Five-Year Financial Plan and/or Official Community Plan;
2. In accordance with Sections 94 and 227 of the *Community Charter*, notice will need to be given of the proposed by-law that defines the Tax Incentive Program; and
3. Council will need to adopt a new by-law that is similar to By-Law No. 16120 "A By-law to establish a revitalization tax exemption program." By-Law No. 16120 is attached as ***Appendix D***.

## CONCLUSION

Based on the above discussion, it is recommended that Council:

- Approve an extension of the Revitalization Tax Incentive Program for Surrey City Centre for an additional three-year period and direct staff to take all necessary actions to implement such an extension; and
- Request that the City Clerk forward a copy of this report and the related Council resolution to the Downtown Surrey Business Improvement Association as information

Dan Bottrill, CA  
Deputy City Manager

Vivienne Wilke, CGA  
General Manager,  
Finance & Technology

### Attachments:

**Appendix A:** Corporate Report R165, Tax Incentive Program for Surrey City Centre

**Appendix B:** Letter from Lesley Tannen, Executive Director, Downtown Surrey Business Improvement Association

**Appendix C:** Tax Incentive Marketing Plan

**Appendix D:** BY-LAW NO. 16120 (Current By-Law to establish a revitalization tax exemption program Current Bylaw)



# Corporate Report

NO: R165

COUNCIL DATE: July 24, 2006

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## REGULAR COUNCIL

TO: Mayor & Council DATE: July 15<sup>th</sup>, 2006  
FROM: General Manager, Finance, Technology & HR FILE: 6930-01  
SUBJECT: Tax Incentive Program for Surrey City Centre

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## RECOMMENDATION

That Council approve a tax incentive program for Surrey City Centre for a two-year period on a pilot basis.

## INTENT

The intent of this report is to respond to the September 6<sup>th</sup>, 2005 presentation to Council-in-Committee by Lesley Tannen, Executive Director of the Whalley Business Improvement Association, regarding a tax incentive program for the Surrey City Centre.

## BACKGROUND

On September 6<sup>th</sup>, 2005 Lesley Tannen, Executive Director of the Whalley Business Improvement Association, appeared before Council-in-Committee to request consideration for a tax incentive program for the City Centre Revitalization Area.

Her presentation acknowledged the importance of the incentives that have already been adopted by Council. She indicated that the City also needed to encourage the upgrading of properties in the City Centre area that were not yet ready for re-development. On behalf of the Whalley Business Improvement Association, she proposed that Council consider a revitalization tax exemption under Section 226 of the BC Community Charter for the City Centre.

## **DISCUSSION**

Section 226 of the Community Charter grants authority to municipal governments to provide revitalization tax exemptions. Council may designate a revitalization area, set the objectives for the area and provide exemptions for property owners who construct new improvements or alter existing improvements in that area. Exemptions are limited to the increase in assessed values that are due to the new or altered improvements. The exemption is limited to a five-year period, with an option to renew this arrangement for a further five years. Only the general property taxes qualify for these exemptions. Other provincially mandated taxes do not qualify.

The authority to grant revitalization tax exemptions is available to municipalities to promote or achieve specific goals. Before granting revitalization tax exemptions, the benefits as well as possible implications need to be considered. The criteria for such an exemption should promote clarity, consistency and certainty to the municipality, the taxpayers and perspective applicants.

Several other municipalities in BC have already adopted some form of a downtown revitalization tax exemption. This list includes Abbotsford, Chilliwack, Prince George, Salmon Arm and Kelowna.

### **Required Steps for Implementation by Council:**

In order to implement this incentive, Council would be required to:

1. Designate a Revitalization Area in either the Five-Year Financial Plan or the Official Community Plan. Should Council approve the proposed initiative, designation in the Five-Year Financial Plan is recommended. The designation must include the reason for the designation, and the objectives that the designation is intended to achieve;
2. Establish a Revitalization Tax Incentive Program, which should include the kind of property revitalization that will be eligible for exemption, the extent of the exemption available, conditions on which tax exemption certificates may be issued and provisions for a recapture amount;
3. Provide notice of a proposed bylaw that defines the Revitalization Incentive Program, in accordance with Sections 94 and 227 of *The Community Charter*;
4. Adopt the bylaw as proposed in the above requirement;
5. Enter into a Tax Exemption Agreement with the property owner that sets out the extent of the exemption and the conditions upon which, the exemption is being made;
6. Provide public notice of a proposed exemption bylaw for each Agreement, which includes the property subject to the bylaw, a description of the proposed exemption, the number of years of exemption and an estimate of the amount of taxes that would be imposed on the property if it were not exempt;
7. Adopt a bylaw for each proposed exemption. The bylaw can be adopted at any time throughout the year; however, it must be adopted by October 31<sup>st</sup> of any year, in order to qualify for the tax exemption in the following year. The bylaw must identify each property subject to exemption, describe the extent of the exemption and the period of the exemption and any conditions to which the exemption is subject;
8. Issue a Tax Exemption Certificate once all of the above requirements have been met.
9. Forward a copy of the Revitalization Tax Exemption Certificate to BC Assessment Authority.

Council is only permitted to provide a revitalization exemption up to the amount that the assessed value of the land and improvements on a parcel of land increases between the year before the construction or alteration began and the year in which the revitalization tax exemption certificate is issued.

### **Required Steps for the Property Owner**

A property owner, interested in taking advantage of the tax incentive would have to:

1. Enter into a Tax Exemption Agreement with the City at the time the qualified improvement is proposed;
2. Apply for the necessary approvals for the qualified improvements such as a building permit;
3. Request a Tax Exemption Certificate once the building approvals have been obtained from the City, and
4. Substantially complete the construction of the qualified improvement within one year from the date of the Tax Exemption Agreement.

### **Benefits of Providing a Tax Incentive Program**

There are approximately 500 businesses in the Whalley City Centre. This area is illustrated in *Appendix A*. The citizens of Surrey and the businesses in the City Centre area would benefit from a tax incentive program. Specifically the program would:

1. Re-affirm the City's support to businesses in the area;
2. Provide an incentive to update or renovate building exteriors to enhance the image of the City Centre area;
3. Soften the blow of increases in assessed values and property taxes by deferring tax increases;
4. Extend the economic life of buildings;
5. Increase customer traffic in the City Centre area;
6. Create a more pleasant working environment and place to shop and visit, and
7. Demonstrate business pride.

### **Pitfalls of a Tax Incentive Program for the City Centre**

1. The updated or renovated building exteriors may not complement the newer structures in the area;
2. If the property owner had intended to do renovations anyway, the City would lose property tax revenue for the period of the exemption;
3. There may be less incentive for property owners to demolish and re-build;
4. BC Assessment Authority already assumes that buildings are regularly maintained and in good repair. Regular maintenance work, therefore, would not qualify since it does not trigger an increase in assessed value;
5. Every dollar invested will not usually trigger an assessment increase of the same value, and
1. The Program involves additional administration for City staff.

## **Proposed Revitalization Tax Exemption Program**

On balance, Staff holds the view that a Tax Exemption Program has sufficient merit to implement on a 'pilot' basis. It is proposed that Council establish a Revitalization Tax Exemption Program for the City Centre, on a pilot basis, for a two year period, for those properties that meet the following criteria:

1. Class 6 (Business) properties located in the City Centre. A map of this area is provided in *Appendix A*;
2. Renovations or upgrades of building exteriors that would result in an increase in the assessed value of at least \$25,000;
3. The above renovations or upgrades would require the applicant to obtain a building permit from the City of Surrey, and
4. Available for original owner only. As soon as the property is sold, it will be fully taxed.

Businesses in Surrey are taxed at an approximate rate of 1% of assessed value, this would mean that a \$100,000 improvement would cost the property owner an additional \$1,000 per year or \$5,000 over the five-year period. It is therefore proposed that the tax exemption be set at 100% for the five-year period. Should Council approve a Revitalization Tax Exemption Program for the City Centre area, Whalley Business Improvement Association has offered to act as a resource for applicants. It should also be noted that, the City's current tax exemption policy would have to be amended to incorporate Section 226 provisions. At the conclusion of the two-year period, it is proposed that Staff apprise Council of the results of the pilot.

## **CONCLUSION**

Council has already approved several phases of the Whalley Enhancement Strategy in order to improve image, stimulate private sector development and build a greater sense of pride within the community. On September 6<sup>th</sup>, 2005 Lesley Tannen, Executive Director of the Whalley Business Improvement Association, appeared before Council-in-Committee to request consideration for a tax incentive program for the City Centre Revitalization Area.

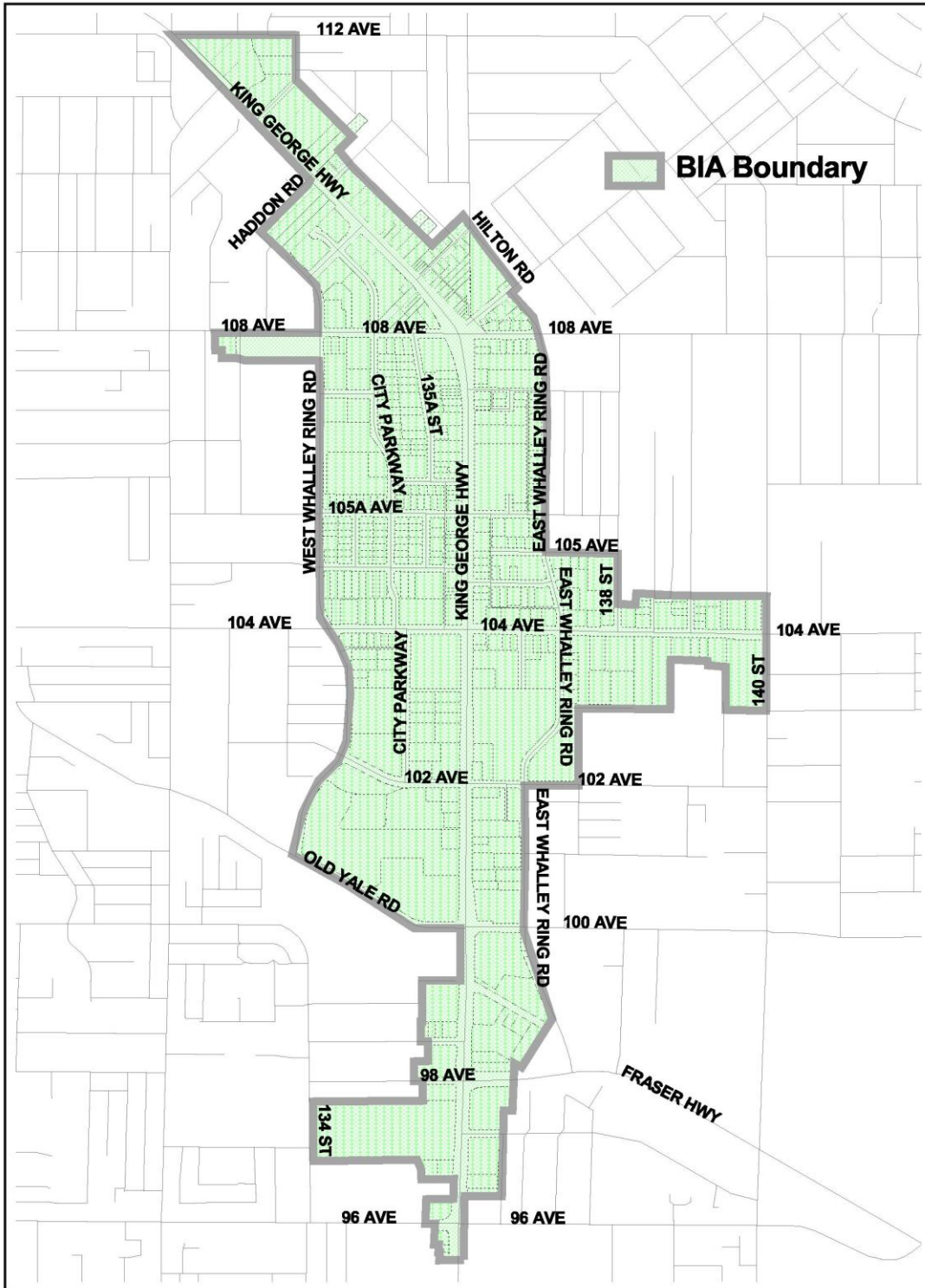
Section 226 of the Community Charter grants authority to municipal governments to provide revitalization tax exemptions for general property taxes only. The exemption is limited to the increase in assessed values that are due to the new or altered improvements and limited to a five-year period, with an option to renew this arrangement for a further five years.

It is proposed that a Revitalization Tax Exemption Program be initiated on a pilot basis over a two-year period, for those properties that meet the criteria outlined in this report. It is further proposed that, at the end of the two-year pilot, Staff report to Council on the results of the pilot program.

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

APPENDIX A

THE AREA COVERED BY THE WHALLEY BUSINESS IMPROVEMENT ASSOCIATION







July 10, 2008

Mayor and Members of Council  
 City of Surrey  
 14245 – 56<sup>th</sup> Avenue,  
 Surrey, BC V3X 3A2

Dear Mayor Watts and Members of Council:

**RE: Surrey City Centre Revitalization Tax Incentive Bylaw**

The DS BIA is requesting that the above captioned bylaw be amended to extend the tax exemption period from October 2008 for an additional three years to October 2011.

Our reasons for asking for this extension are the same as we presented to you in 2005 and 2006. Specifically, the bylaw will ensure that existing commercial property owners are afforded an opportunity to support the evolution of Downtown and their own economic prosperity.

This initiative is in alignment with the City Centre Enhancement Strategy – New Initiatives adopted by City Council on July 22, 2005. It demonstrates Surrey's commitment to including existing City Centre businesses and property owners in the revitalization process. Encouraging the improvement of existing properties re-enforces the idea that the entire community is part of the process.

The Revitalization Tax Incentive Program provides the City with an avenue to encourage a new standard for renovation of existing properties. Over the life of the program property values and lease rates will increase; more customers will visit a variety of improved and pleasant business establishments; and business property tax revenue in the Downtown area will increase. In the final analysis the City will not lose tax revenue, and while it might defer income in the short-term, in the long term tax revenues will be higher than without a Tax Incentive Program.

Sincerely,

  
 Lesley Tannen  
 Executive Director

CLERKS DEPT.  
 1970-10 W  
 JUL 11 2008

TO Agenda ✓  
 For Your Information  
 fm  
 m CITY CLERK

xc:LC ✓

## **Tax Incentive Marketing Plan for Surrey City Centre**

### Marketing to Raise Public Awareness

In an effort to raise public awareness of, and stimulate participation in the Tax Incentive Program for Surrey City Centre, ongoing proactive measures will be taken to provide information to eligible businesses.

- The New View (DSBIA's newspaper publication) – quarterly notices will be published in the business section of The New View outlining the Tax Incentive Program and the process to apply
- City Scene – information notices will appear quarterly in City Scene
- Websites – Both the DSBIA website and the City website will provide information related to the Tax Incentive Program
- The DSBIA will conduct an annual direct mail-out of information related to the Tax Incentive Program to all eligible businesses
- Property tax notice – The City will include information regarding the Tax Incentive Program on the property tax notices of all eligible businesses
- City Beautification Coordinator – will provide program information to eligible businesses as part of a normal course of action when meeting with eligible businesses
- Planning counter staff – will provide building permit applicants located in eligible area with program information at the point of inquiry

CITY OF SURREY

BY-LAW NO. 16120

A Bylaw to establish a revitalization tax exemption program  
.....

WHEREAS a City Council may, pursuant to Section 226 of the "Community Charter" establish a revitalization tax exemption program;

AND WHEREAS Council wishes to establish a revitalization tax exemption program in the Revitalization Area;

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AND WHEREAS Council has designated the Revitalization Tax Exemption Area pursuant to the City's Five-Year Financial Plan;

AND WHEREAS the "Community Charter" provides that a revitalization tax exemption program by-law may only be adopted after notice of the proposed by-law has been given in accordance with Section 227 of the "Community Charter" and Council has given this notice;

NOW therefore the City Council of the City of Surrey, in open meeting assembled, ENACTS AS FOLLOWS:

1. This By-law be cited for all purposes as "Surrey City Centre Revitalization Tax Incentive By-law, 2006, No. 16120".

2. For the purpose of this By-law:

"Agreement" means a revitalization tax exemption agreement between the owner of a Parcel and the City, in the format attached to, and forming part of this By-law as Schedule "B";

"Base Amount" means an assessed value of land and improvements used to calculate municipal property tax payable (excluding specified area levies) on a property located in the Revitalization Area during the Base Amount Year;

"Base Amount Year" means the calendar year prior to the first calendar year in respect of which an Agreement set out in Schedule "B" applies to a property in the Revitalization Area;

"Council" means the council of the City of Surrey;

"Parcel" means a revitalization project on a Parcel involving the alteration of the exterior of an existing improvement;

"Revitalization Area" means the area of the City identified in Schedule "A" of this By-law;"

“Tax Exemption” means a revitalization tax exemption pursuant to a Tax Exemption Certificate;

“Tax Exemption Certificate” means a revitalization tax exemption certificate issued by the City pursuant to this By-law and pursuant to the provisions of Section 226 of the "Community Charter", in the form attached as Schedule “C”, which is attached to and forms part of this By-law.

3. There is hereby established a revitalization tax exemption program under Section 226 of the "Community Charter" for the issuance of Tax Exemption Certificates for the Parcels.
4. The terms and conditions upon which a Tax Exemption Certificate may be issued are as set out in this By-law, in the Agreement and in the Tax Exemption Certificate.
5. The maximum revitalization tax exemption under this by-law must not exceed the increase in the assessed value of land and improvements on the property between:
  - (a) the year before the alteration began; and
  - (b) the year in which the revitalization tax exemption certificate under this by-law is issued.
  - (c) The amount of exemption provided under this by-law is 100% of the increase in municipal property tax payable.
6. In order for the Project to be considered by Council for an Agreement, the Project must, at a minimum, have a construction value of at least \$25,000 and the Taxable Property must fall within Class 6 of the Assessment Act – Prescribed Classes of Property Regulation, B.C. Reg. 438/81, as that Regulation stood on January 8, 1988.
7. The maximum term of a Tax Exemption depends on when the Tax Exemption Certificate for the Parcel is issued by the Financial Officer pursuant to this Bylaw and the applicable Agreement; however, Tax Exemption Certificates will not be applicable after a five (5) year term.
8. After October 31, 2008, no further Tax Exemption Certificates will be issued under this Bylaw.
9. The Revitalization Tax Exemption Certificate must, in accordance with the conditions established in this By-law and the Agreement set out in Schedule “B”, specify the following:
  - (a) The amount of the tax exemption or the formula for determining the exemption;
  - (b) The term of the tax exemption;
  - (c) The conditions on which the tax exemption is provided; and
  - (d) That a recapture amount is payable if the Revitalization Tax Exemption Certificate is cancelled and how that amount is to be determined.

10. If an owner wishes Council to consider entering into an Agreement with the owner, the owner must apply to the City Clerk in writing and must submit the following with the application;
  - (a) a certificate that all taxes assessed and rates, charges, and fees imposed on the Parcel have been paid, and, where taxes, rates or assessments are payable by installments, that all installments owing at the date of application have been paid;
  - (b) a completed written application in a form prescribed by the City and available in the office of the City Clerk;
  - (c) a description of the Project;
  - (d) a certificate from the owner's design professional in a form satisfactory to the City's General Manager of Planning & Development certifying that the construction value of the Project will exceed \$25,000.00.
  
11. If pursuant to the terms and conditions specified in the Agreement or the Certificate, the Certificate is cancelled, the owner of the property for which the certificate was issued will remit to the City an amount equal to the value of the exemption received after the date of the cancellation of the certificate.
  
12. The Financial Officer for the City or her designate is the designated municipal officer for the purpose of Section 226(12) in the "Community Charter".

READ A FIRST, SECOND AND THIRD TIME on the 16th day of October, 2006.

NOTICE OF INTENTION

ADVERTISED on the 21st and 22nd day of October and the 28th and 29th day of October, 2006 in the SURREY LEADER/PEACE ARCH Community newspaper.

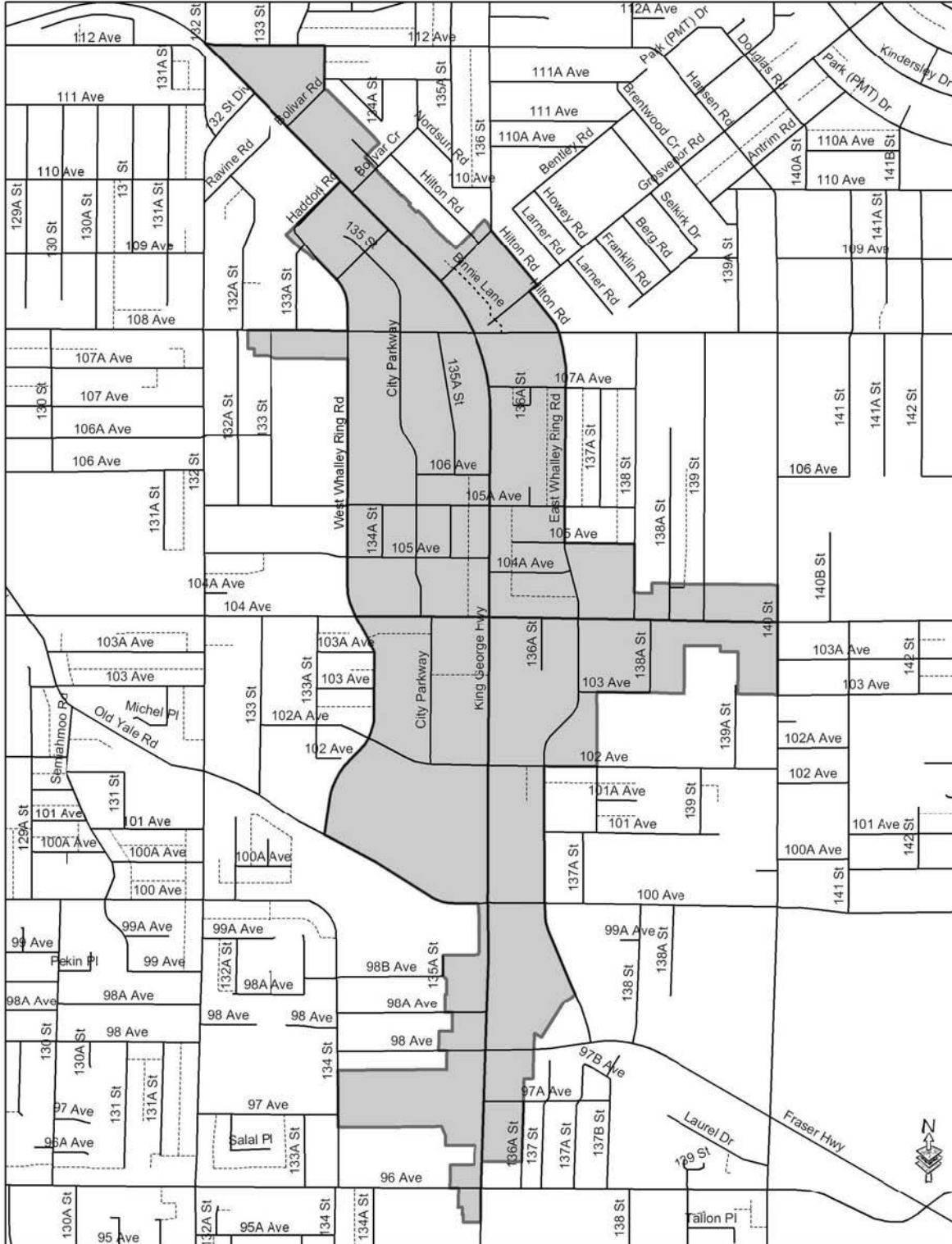
RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the 30th day of October, 2006.

\_\_\_\_\_MAYOR

\_\_\_\_\_CLERK

### Schedule "A"

## REVITALIZATION AREA



**Schedule "B"**  
**Revitalization Tax Exemption Agreement**

THIS AGREEMENT dated the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

BETWEEN

[INSERT name and address of owner of parcel in respect of which the revitalization exemption will apply]

("Owner")

AND

CITY OF SURREY  
14245 - 56th Avenue  
Surrey, BC  
V3X 3A2

**GIVEN THAT**

- A. The City has under the By-law defined in the Agreement established a revitalization tax exemption program for the purpose of encouraging revitalization of an area of the municipality,
- B. The Lands that are the subject of the Agreement are located in an area designated by the City's Council as a revitalization area,
- C. The Owner is a registered Owner of the Lands defined in this Agreement,
- D. The Agreement contains the terms and conditions respecting the provision of a municipal property tax exemption under the by-law defined in this Agreement,
- E. The Owner and the Municipality wish to enter into this Agreement and register it against the title to the Lands as a covenant under Section 219 of the *Land Title Act*,

THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement and the payment by the Owner to the City of Surrey consideration in the amount of \$10.00 (Ten) Dollars, the receipt and sufficiency of which are acknowledged by the City, the City and Owner Covenant and agree with each other as follows:

## **DEFINITIONS**

1. In this agreement the following words have the following meanings:

"Agreement" means this Agreement, including the standard charge terms contained in this Agreement, together with the General Instrument defined in this Agreement;

"Assessed Value" means the most recent assessed value of the Lands as determined by the assessment authority in the area in which the Lands are located.;

"By-law" means "Surrey City Centre Revitalization Tax Incentive By-law, 2006, No. 16120", in force from time to time;

"Dispose" means to transfer by any method and includes assign, give, sell, grant, charge, convey, bequeath, devise, lease, rent or sublet, divest, release or agree to do any of those things;

"General Instrument" means the Form C under the Land Title (Transfer Forms) Regulation as amended, and all schedules and addenda to the Form C charging the Lands and citing the terms and conditions of this Agreement as the "standard charge terms" for the purposes of the Form C;

"Lands" means the lands legally described in Item 2 of the General Instrument and any part into which the Lands are subdivided;

"LTO" means the New Westminster/Vancouver land Title Office or its successor;

"Owner" means any person who is a registered owner in fee simple of the Lands;

"Prime Rate" means the annual rate of interest, expressed as a percentage, used as a reference rate by the Royal Bank of Canada at its main branch in Vancouver, British Columbia, for the Canadian dollar loans and designated by the Royal Bank of Canada from time to time as its prime rate;

## **TERM**

2. The Owner covenants and agrees with the City that the term of this Agreement is 5 years commencing on January 1 of the first calendar year after the calendar year referred to in the reference date of this Agreement was made,

## **APPLICABLE IMPROVEMENTS**

3. The tax exemption provided for under the by-law applies in respect of the alteration of the exterior of an existing improvement, where the value of the alteration referred to in the building permit is in excess of \$25,000 on the Lands.



## **REVITALIZATION TAX EXEMPTION CERTIFICATE**

4. (1) Once the Owner has completed the construction of the alteration of an existing improvement referred to in Section 3, and the City has issued an occupancy permit under the City's Building Regulation By-law, in force from time to time, in respect of the alteration of an existing improvement, the City must issue a Revitalization Tax Exemption Certificate to the Owner of the Lands if the Owner and Lands are otherwise in compliance with this Agreement.
- (2) A revitalization tax exemption certificate must, in accordance with the By-law and this Agreement, specify the following:
  - (a) the amount of the tax exemption or the formula for determining the exemption;
  - (b) the term of the tax exemption;
  - (c) the conditions on which the tax exemption is provided;
  - (d) that a recapture amount is payable if the certificate is cancelled and how that amount is to be determined.

## **TAX EXEMPTION**

5. So long as a revitalization tax exemption certificate in respect of the Lands has not been cancelled, the Lands are exempt, to the extent, for the period and subject to the conditions provided in the certificate, from municipal property taxation over and above the base rate established as part of the exemption certificate.
6. The revitalization tax exemption certificate may be cancelled by the Council of the City
  - (1) on the request of the Owner, or
  - (2) if any of the conditions in the certificate are not met, or
  - (3) if the Lands are transferred from the Owner identified in this Agreement.

## **OWNERS OBLIGATIONS**

7. The Owner must pay to the City the cost of all tie-ins of works and services associated with the alteration to improvements, to existing storm and sanitary sewers, water mains, water meters, driveways, and other municipal services.
8. The Owner must comply with
  - (1) all enactments, laws, statutes, regulations and Orders of any authority having jurisdiction, including by-laws of the City, and

- (2) all federal, provincial, municipal and environmental licenses, permits and approvals required under applicable enactments.

### **OBLIGATIONS OF THE CITY**

9. The City must issue a revitalization tax exemption certificate to the Owner in respect of the Lands once the Owner has applied for and obtained an occupancy permit from the City under the City's Building Regulation By-law, in force from time to time, in relation to the new improvements or alterations to an existing improvement, so long as the Owner and lands are otherwise in compliance with the By-law and this Agreement.

### **CITY'S RIGHTS AND POWERS**

10. Nothing contained or implied in this Agreement prejudices or affects the City's rights and powers in the exercise of its functions or its rights and powers under any public and private statutes, by-laws, orders, or regulations to the extent the same are applicable to the Lands, all of which may be fully and effectively exercised in relation to the lands as if this Agreement had not been executed and delivered by the Owner.

### **GENERAL PROVISIONS**

11. It is mutually understood, agreed, and declared by and between the parties that Surrey has made no representations, covenants, warranties, guarantees, promises, or agreements (oral or otherwise), express or implied, with the Owner other than those expressly contained in this Agreement.
12. The Owner covenants and agrees to use best efforts to do or cause to be done, at the expense of the Owner, all acts reasonably necessary to grant priority to this Agreement as a covenant over all charges and encumbrances which may have been registered against the title to the Lands in the New Westminster/Vancouver Land Title Office, save and except those specifically approved in writing by the City or in favour of the City.
13. The covenants set forth in this Agreement shall charge the Lands pursuant to Section 219 of the *Land Title Act* and shall be covenants the burden of which shall run with the Lands and bind the Lands and every part or parts thereof, and every part to which the Lands may be divided or subdivided, whether by subdivision plan, strata plan, or otherwise.
14. The covenants set forth in this Agreement shall terminate if and when a purchaser becomes an owner in fee simple of the Lands or any portion thereof.
15. It is further expressly agreed that the benefit of all covenants made by the Owner herein shall accrue solely to the City and this Agreement may only be modified by agreement of the City with the Owner, or discharged by the City pursuant to the provisions of Section 219 of the *Land Title Act* and this Agreement. All of the costs of the preparation, execution, and registration of any amendments or discharges shall be borne by the Owner.
16. This Agreement shall enure to the benefit of and is binding on the parties and their respective heirs, executors, administrators, successors and assigns.

17. The Owner shall, on the request of the City, execute and deliver or cause to be executed and delivered, all such further transfers, agreements, documents, instruments, easements, statutory rights of way, deeds and assurances, and do and perform or cause to be done and performed, all such acts and things as may be, in the opinion of the City necessary to give full effect to the intent of this Agreement.
18. Time is of the essence of this Agreement.
19. This Agreement constitutes the entire agreement between the Owner and the City with regard to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written of the City with the Owner.
20. Any notice or other communication required or contemplated to be given or made by any provision of this Agreement shall be given or made in writing and either delivered personally (and if so, shall be deemed to be received when delivered) or mailed by prepaid registered mail in any Canada Post office (and if so, shall be deemed to be delivered on the sixth business day following such mailing except that, in the event of interruption of mail service notice shall be deemed to be delivered only when actually received by the party to whom it is addressed), so long as the notice is addressed as follows:  
  
to the Owner at:  
  
[insert name]  
[insert address]  
  
and:  
  
to the City at:  
  
CITY OF SURREY  
14245 - 56th Avenue  
Surrey, BC  
V3X 3A2  
  
Attention: City Clerk  
  
or: to such other address to which a party hereto from time to time notifies the other parties in writing.
21. (a) No amendment or waiver of any portion of this Agreement shall be valid unless in writing and executed by the parties to this Agreement.  
  
(b) Waiver of any default by a party shall not be deemed to be a waiver of any subsequent default by that party.
22. This Agreement is not intended to create a partnership, joint venture, or agency between the Owner and the City.

23. This Agreement shall be construed according to the laws of the Province of British Columbia.
24. A reference in this Agreement to the City or the Owner includes their permitted assigns, heirs, successors, officers, employees, and agents.
25. This Agreement is effective from and after the reference date in this Agreement, but only if this Agreement has been executed and delivered by the Owner and executed by the City.
26. Unless otherwise expressly provided in this Agreement, whenever the City is permitted to make or give any decision, direction, determination, or consent, the City may act in its sole discretion, but will act reasonably.
27. Unless otherwise expressly provided in this Agreement, the expense of performing the obligations and covenants of the Owner contained in the Agreement, and of all matters incidental to the Agreement, is solely that of the Owner.
28. The Owner represents and warrants to the City that
  - (1) all necessary corporate actions and proceedings have been taken by the Owner to authorize its entry into and performance of this Agreement;
  - (2) upon execution and delivery on behalf of the Owner, this Agreement constitutes a valid and binding contractual obligation of the Owner;
  - (3) neither the execution and delivery, nor the performance of this Agreement shall breach any other Agreement or obligation, or cause the Owner to be in default of any other Agreement or obligation, respecting the Lands; and
  - (4) the Owner has the corporate capacity and authority to enter into and perform this Agreement.



CITY OF SURREY  
CITY CENTRE REVITALIZATION TAX INCENTIVE  
TAX EXEMPTION CERTIFICATE

Date of Issuance: \_\_\_\_\_, 20\_\_\_\_\_

Date of Expiry: December 31, 20\_\_

P.I.D. \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Folio #: \_\_\_\_\_

Address: \_\_\_\_\_

**Amount**

The amount of the tax exemption is the increase in the assessed value of land and improvements on the property between:

- (a) the year before the alteration began; and
- (b) the year in which this revitalization tax certificate is issued; and
- (c) the amount of exemption provided is 100% of the increase of municipal property taxes payable.

**Term**

This tax exemption shall be in effect for five (5) years from the date of issuance.

**Conditions**

This tax exemption is issued on the condition that the property alterations for which Building Permit # \_\_\_\_\_ issued on \_\_\_\_\_, 20\_\_ are completed to the satisfaction of the City and an occupancy permit for said alterations has been issued by the City.

**Recapture amount**

Pursuant to the issuance of this certificate, if the terms and conditions are not met, the owner of the property for which the certificate was issued will remit to the City an amount equal to the value of the exemption received after the date of cancellation of the certificate.

Issued By: \_\_\_\_\_  
Financial Officer for the City of Surrey

This certificate is not transferable with the sale of the property.

This certificate may be revoked by the City of Surrey at any time should it be determined that the property alterations on which this certificate is based have not been initiated or completed as per By-law No. 16120 or amendments thereto.