

NO: **F024**

COUNCIL DATE: **May 7, 2012**

FINANCE COMMITTEE

TO: **Mayor & Council**

DATE: **April 25, 2012**

FROM: **General Manager, Finance & Technology**

FILE: **1850-20**

SUBJECT: **Application for a Grant from the Society Responsible for Kinsmen Place Lodge**

RECOMMENDATION

The Finance & Technology Department recommends that the Finance Committee recommend that Council:

1. provide a one-time grant of \$22,400 to the Whalley and District Senior Citizens Housing Society to assist in offsetting the costs associated with 2012 municipal property taxes related to the Kinsmen Place Lodge located at 9650 - 137A Street;
2. provide a one-time grant to the Whalley and District Senior Citizens Housing Society of \$1,750 to support the purchase and installation of a safety lift at the Kinsmen Place Lodge; and
3. approve the transfer \$20,000 from the Council Initiative Fund to the City Grants budget to cover the current shortfall in one-time grants budget related to property taxes.

INTENT

At its meeting on April 2nd, 2012 the Finance Committee referred back to staff for further review Corporate Report No. F016 related to a grant application from the Whalley and District Senior Citizens Housing Society (The "Society") for a grant to assist in offsetting property taxes that are payable on the Kinsmen Place Lodge that is operated by the Society. The Committee further requested that staff provide information on the permissive property tax exemptions that the Society currently receives for each of its properties. This report responds to the Committee's requests.

BACKGROUND

The Society oversees the operation of Kinsmen Place Lodge and owns the properties on which this facility is located. The Kinsmen Place Lodge is a 157-bed senior-care facility at 9650 - 137A Street in North Surrey, which also provides over 30,000 meals annually by way of a meals-on-wheels program. These meals are delivered to seniors who are living independently.

The Society has requested that the City provide a property tax exemption for their new 157-bed seniors-care facility at 9650 - 137A Street, which has been occupied since January of this year. They are also seeking a contribution toward their "Honouring Elders" fund-raising campaign that is focused on generating funds for the purchase and installation of 85 safety lifts that act to assist seniors in getting into and out of bed. Each of these lifts cost \$1,750 to purchase and install.

DISCUSSION

The following table lists the properties that are owned by the Society, the current assessment of each property, the value of the property tax exemptions that have been granted for 2012 and the estimated 2012 property tax liability that is applicable to each property.

Address	Purpose	Gross Assessed Value	(1) Estimated Surrey Taxes	(2) Estimated Taxes for Other Auth.	Estimated Total Property Taxes	Estimated Value of Permissive Exemption	Net Property Taxes Payable
9650 137A Street	Current Care Facility	\$ 21,401,000	\$ 50,559	\$ 48,716	\$ 99,275	\$ -	\$ 99,275
13333 Old Yale Road	Vacant Care Facility	11,888,000	28,159	27,061	55,220	55,220	-
10158 133 Street	Vacant Lot	335,000	955	763	1,717	-	1,717
10170 133 Street	Single Family Property	431,700	1,183	983	2,165	-	2,165
10182 133 Street	Single Family Property	432,200	1,184	984	2,168	-	2,168
Total		\$ 34,487,900	\$ 82,038	\$ 78,507	\$ 160,545	\$ 55,220	\$ 105,325

(1) Includes General, Roads and Traffic Safety and Drainage Parcel Tax

(2) Includes School, GVTA, BCA, GVRD and MFA Tax

Due to the timing of the occupancy of their new building at 9650 - 137A Street, the Society is not eligible to receive a permissive property tax exemption for that property in 2012. The total 2012 property taxes for that property are estimated to be \$99,275. The City portion of that estimate is valued at \$50,559. The Society did receive a full permissive property tax exemption for their property located at 13333 Old Yale Road (the now vacant former Lodge). This exemption has the equivalent value of approximately \$55,220. The City portion of this exemption is equal to \$28,159.

In 2013, the Society will be eligible for a permissive property tax exemption for their new facility at 9650 - 137A Street; however they will no longer be eligible for a permissive property tax exemption of their old facility at 13333 Old Yale Road.

The Grants Evaluation Committee has further reviewed this application and has determined that it would be reasonable to provide the Society with a one-time grant equal to the difference between the current City property tax exemption on the vacant care facility property and the City property taxes on the current care facility property, which would amount to \$22,400 (\$50,559 - \$28,159).

As the 2012 City Grants budget for offsetting property taxes has a balance of \$5,000, staff is recommending that Council transfer \$20,000 from the Council Initiative Fund to cover the shortfall.

Status of Council Initiative Fund:

Appendix "A" provides the status of the Council Initiative Fund on an assumption that Council will approve the recommendation of this report.

Grant for Safety Lift:

With respect to the “safety lift” request, the Grants Evaluation Committee has determined that based on the City’s “One Time” Grant policy, a grant is supportable and recommends in the context of available resources a grant of \$1,750 for the purpose of funding the acquisition and installation of one such safety lift.

Remaining Funding in the 2012 Grants Budget:

Based on an assumption that Council will approve the recommendations of this report, the remaining balances in the City Grants Budget are:

Special Recognition Funds	\$ 2,500
Property Taxes	2,600
High School Dry Grads	1,200
One-time Grants	<u>7,525</u>
	<u>\$13,825</u>

Vivienne Wilke, CGA
General Manager,
Finance & Technology

Appendix “A” – Status of the Council Initiatives Fund



**2012 FINANCIAL PLAN
COUNCIL INITIATIVES**

Appendix A

Description	Amount	Allocation	
		to date	Remaining
2012 Approved Budget	<u>250,000</u>		\$ 530,741
Arts Umbrella Surrey (2nd year of 3-year program)	25,000		
Arts Umbrella re: Tenant Improvements	50,000		
Sophie's Place	25,800		
Sponsor Appreciation Event	10,000		
2012 BC AAA Short Course Championship	3,000		
Rick Hansen "Many in Motion" Relay Celebration	2,000		
City of Bhangra Festival (1st Year of 3-year Program)	15,000		
Canadian Youth Chess Championship	1,000		
Transfer to City Grants Budget	20,000		
Allocations for 2012		<u>\$ 151,800</u>	<u>\$ 378,941</u>