

NO: **R180**

COUNCIL **September 23, 2013**

DATE:

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **September 17, 2013**

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

FILE: **1970-04**

SUBJECT: **Strawberry Hill Library Tax Exemption Bylaw No. 18051**

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## RECOMMENDATION

The Finance Department and the Legislative Services Division recommend that Council:

1. receive this report as information;
2. authorize the City Clerk to bring forward for the required readings "Strawberry Hill Library Tax Exemption Bylaw, 2013, No. 18051", which will provide tax exemption under Section 224(2)(b) of the *Community Charter* for a 10-year period beginning with the 2014 taxation year.

## BACKGROUND

The Surrey Public Library began operation as an independent municipal library in 1983. Since inception, the Library has experienced steady increases in customer registration, circulation, reference queries and program attendance. In 1999, the City of Surrey leased a newly constructed stand-alone building in a busy commercial district at Scott Road and 72 Avenue, and in 2000, the Strawberry Hill Library opened its doors to the public. It is anticipated that demand for library services and resources will continue to grow as the population increases in Newton and the Library intends to remain at this current location until at least 2025.

In 2001, the Library applied for a statutory tax exemption and was included in the Bylaw for 2002 property tax exemption. The BC Assessment Authority declined to provide a statutory exemption under the argument that the City was leasing the property. No further application was made for property tax exemption.

## DISCUSSION

Recent inquiries with staff of the BC Assessment Authority indicate that while a statutory exemption for the leased space is not supported under Section 220 of the *Community Charter*, the

City may consider a permissive tax exemption under Section 224(2)(b) of the *Community Charter*, which states that tax exemptions may be considered for land or improvements that:

- i. are owned or held by a municipality, regional district or other local authority, and
- ii. the council considers are used for the purpose of the local authority.

Furthermore, Section 224(4) allows for a term of exemption of up to 10 years. The Strawberry Hill Library has been determined to be eligible for permissive property tax exemption under this Section.

In accordance with Section 227 of the *Community Charter*, public notification of the estimated value of exemption must be advertised for two consecutive weeks in a local newspaper, and must include an estimate of the total value of the property tax exemption proposed under the Bylaw for each of the following 3 years. The following list includes such projections for the next 3 years:

2014	\$7,218
2015	\$7,499
2016	\$7,792

Legal Services has reviewed this report and the related bylaw and has no concerns.

## CONCLUSION

Based on the above discussion, it is recommended that Council approve a permissive property tax exemption under Section 224(2)(b) of the *Community Charter* for the portion of property located at 7399 – 122 Street, leased and occupied by the Strawberry Hill Library for a period of 10 years beginning with the 2014 property taxation year.

Jane Sullivan  
City Clerk

Vivienne Wilke  
General Manager,  
Finance & Technology

Appendix I: "Strawberry Hill Library Tax Exemption Bylaw, 2013, No. 18051"

CITY OF SURREY

BYLAW NO. 18051

A Bylaw to provide for the exemption from taxation  
specific properties in the City of Surrey pursuant to  
Section 224 of the *Community Charter*  
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WHEREAS Council may, by authority of Section 224(2)(b) of the *Community Charter*, S.B.C. 2003, Chap. 26, exempt from taxation, all or part of the land, improvements or both held by a municipality;

AND WHEREAS Council deems it expedient to provide exemption from taxation the property described in this Bylaw;

NOW, THEREFORE, Council of the City of Surrey, ENACTS AS FOLLOWS:

**Title**

1. This Bylaw may be cited as "Strawberry Hill Library Tax Exemption Bylaw, 2013, No. 18051".

**Exemptions**

2. That 4,907.57 square metre portion of land and all improvements thereon, as shown outlined and hatched in Schedule "A" attached hereto and forming part of this Bylaw, and more particularly described as follows:

PID: 017-964-075  
Lot 1, Section 19, Township 2, Plan LMP5880 NWD, Except  
Plan Part Subdivided by Plan LMP45199

(the "Exempt Property"),

leased and occupied by the City of Surrey, is hereby exempt from taxation for Tax Years 2014 to 2023 inclusive pursuant to Section 224 of the *Community Charter*, subject to the conditions provided for in this Bylaw.

### **Conditions**

3. If:
  - (a) the City of Surrey's lease or occupation of the Exempt Property ceases; or
  - (b) the Exempt Property ceases to be used for a purpose which would entitle it to exemption under this Bylaw; or
  - (c) the Exempt Property ceases to meet the conditions necessary to qualify for the exemption including, but not limited to, compliance with City policies and bylaws,the Exempt Property shall be liable to taxation from the date the lease or occupation ceases, or the date of the change of use or conditions, as the case may be (the "Taxation Date").
  
4. Where the assessment roll is completed before the cessation of the lease or occupation or before the change of use or conditions described in Section 3 of this Bylaw comes to the attention of the collector:
  - (a) the collector will provide written notice to the person who, but for the exemption, would have been liable to taxation; and
  - (b) the person described in (a) shall pay to the City an amount equal to the total taxes that, but for the exemption, would have been payable on the property from the Taxation Date, together with interest compounded annually at the rate described in Section 246 of the *Community Charter*.

PASSED FIRST READING on the    th day of    , 2013.

PASSED SECOND READING on the    th day of    , 2013.

PASSED THIRD READING on the    th day of    , 2013.

NOTICE OF INTENTION ADVERTISED in the SURREY LEADER AND PEACE ARCH NEWS on the    th and    th day of    , 2013.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk and sealed with the Corporate Seal on the    day of    , 2013

\_\_\_\_\_MAYOR

\_\_\_\_\_CLERK

Schedule "A"

