

NO: R194

COUNCIL DATE: **September 12, 2016**

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **August 26, 2016**

FROM: **City Clerk**

FILE: **1970-04**

SUBJECT: **Permissive Property Tax Exemption for Tax Year 2017 for Heritage Properties that are Eligible under Section 225 of the *Community Charter***

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## RECOMMENDATION

The Legislative Services Division recommends that Council:

1. receive this report as information; and
2. authorize the City Clerk to bring forward for the required readings "Section 225 Tax Exemption Bylaw, 2016, No. 18832".

## INTENT

The purpose of this report is to request that Council consider permissive tax exemptions for Heritage Properties pursuant to Section 225 of the *Community Charter*, S.B.C. 2003, Chap. 26 and in accordance with the City's Tax Exemption Policy.

## BACKGROUND

The permissive property tax exemptions included in the subject Bylaw are for heritage properties that fall within the scope of Section 225 of the *Community Charter* S.B.C. 2003, Chap. 26 and which generally receive a full property tax exemption. There are a few exceptions where the recommended exemption is for a portion of the respective property. In these cases, the partial exemption relates to there being a "non-heritage" addition and/or alteration on the property.

The *Community Charter* stipulates that exemptions under Section 225 may only come into effect for any taxation year once notice of the proposed Bylaw has been given and subject to the Bylaw being adopted by no later than October 31 of the year prior to the taxation year to which the Bylaw relates and by an affirmative vote of at least 2/3 of Council members. Public notice must be given in accordance with the *Community Charter* following third reading of the Bylaw.

## DISCUSSION

The City received applications from the owners of 16 properties that have an active Heritage Designation Bylaw or Heritage Revitalization Agreement Bylaw. In each case, the application was

reviewed by a staff team and verifications conducted to ensure that the related property met the criteria outlined in legislation and the related City policy for such an exemption. 14 properties have been included in the recommended Bylaw.

The public notification process as outlined in legislation requires that an estimate of the total value of the property tax exemptions proposed under the Bylaw be provided for each of the following 3 years. The following is a list of such estimates for the subject Bylaw:

2017	\$45,181
2018	\$46,943
2019	\$48,774

### **Applications Not Recommended for Property Tax Exemption:**

1. James Creighton House, 10668 – 125B Street  
There have been ongoing concerns regarding the condition and lack of maintenance to the building and property for a number of years. The Planning and Development Department have been working with the property owner and had hoped to implement a Heritage Alteration Permit; however, the home continues to deteriorate. In addition, the property owner has indicated that there are plans to develop the site in the near future. The Manager, Community Planning provided a memorandum to the Tax Exemption Committee (see Appendix I) recommending that the application for permissive tax exemption be denied. The Committee reviewed the memorandum and agreed that due to ongoing concerns and the owner's lack of commitment to preserve the heritage character of the home that the property should be excluded from exemption in 2017. The property is not included in the schedule to the Bylaw.
2. Robert Dougal MacKenzie House, 5418 – 184 Street  
The Finance Department advises that there is an outstanding invoice dated April 14, 2016 in the amount of \$6,081.40, for fees levied under the Controlled Substance Property Bylaw No. 15820. At this time, the owner is not in good standing with the City and the property has been removed from the schedule for permissive tax exemption for 2017.

There were no other changes to the properties that received permissive tax exemption in 2016.

### **CONCLUSION**

Based on the above discussion, it is recommended that Council authorize the City Clerk to bring forward for the required readings "Section 225 Tax Exemption Bylaw, 2016, No. 18832", a copy of which is attached as Appendix II to this report.

Jane Sullivan  
City Clerk

- Appendix I: Memorandum from the Manager, Community Planning regarding James Creighton House, 10668 - 125B Street  
Appendix II: "Section 225 Tax Exemption Bylaw, 2016, No. 18832"



## INTER-OFFICE MEMO

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TO: **Property Tax Exemption Review Committee**

FROM: **Manager, Community Planning**

DATE: **August 3, 2016** FILE:

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RE: **Recommendation of Denial of 2017 Application for Property Tax Exemption for the James Creighton House (10668 125B Street)**

**RECOMMENDATIONS**

It is recommended that the Property Tax Exemption Review Committee:

1. Receive this report as information; and
2. Recommend that Council deny the 2017 application for property tax exemption for the James Creighton House (10668 125B Street)

CLERKS DEPT.  
1970-04  
AUG 17 2016

**BACKGROUND**

The James Creighton House, located at 10668 125B Street, is protected by Heritage Designation By-law, 2001, No. 14446. The House was likely built in two sections circa 1900-1907. The House features a stone foundation, with a narrow steep pitched roof, broader wing with wraparound veranda, chamfered support posts and squared balusters, bay windows on the main and second floors, and tongue and groove ceilings in the interior of the rear sections.

The designation bylaw protecting the house states that, "Designation protection of the property shall restrict the owner from making alterations to the Property without first obtaining approval from the City." Any alterations that are not considered "normal repair and maintenance" require a Heritage Alteration Permit issued by the City.

**DISCUSSION**

The property owners, who have applied for and received property tax exemption in recent years, have submitted an application for 2017 property tax exemption for the James Creighton House. Staff have questioned whether the property warrants property tax exemption due to a lack of maintenance and the exterior alterations that have occurred without the City's approval. In recent years, the house has fallen into a state of disrepair. Portions of the exterior colour scheme have been changed without City approval.

As property tax exemption is permissive exemption and Council is not required to grant tax exemption under any circumstances, Heritage Planning staff recommend that the application for property tax exemption be denied due to the lack of maintenance and the exterior alterations

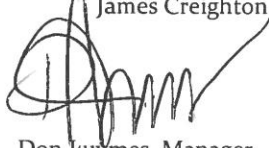
which have occurred without the City's consent. The property owners were notified in April 2015 that the City is concerned about the maintenance of the House and were reminded that property tax exemption is permissive by Council and not guaranteed.

#### CONCLUSION AND RECOMMENDATIONS

The owners of the James Creighton House, located at 10668 125B Street, have applied for property tax exemption for the 2017 calendar year. Heritage Planning staff recommend denial of this application based on the lack of maintenance and exterior alterations which have occurred without approval by the City.

It is recommended that the Property Tax Exemption Review Committee:

1. Receive this report as information; and
2. Recommend that Council deny the 2017 application for property tax exemption for the James Creighton House (10668 125B Street)



Don Luymes, Manager  
Community Planning

CITY OF SURREY

BY-LAW NO. 18832

A Bylaw to provide for the exemption from taxation  
of certain properties in the City of Surrey pursuant to  
Section 225 of the *Community Charter*

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WHEREAS Council may, by authority of Section 225 of the *Community Charter*, S.B.C. 2003, Chap. 26, exempt from taxation certain properties;

AND WHEREAS Council deems it expedient to exempt from taxation the properties listed in Schedule A attached hereto.

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

**Title**

1. This Bylaw may be cited as the "Section 225 Tax Exemption Bylaw, 2016, No. 18832"

**Exemptions**

2. The lands or improvements, or portions thereof, as outlined in Schedule A attached to this Bylaw, are exempt from taxation for the Year 2017 pursuant to Section 225 of the *Community Charter* subject to the conditions provided for in this Bylaw.

**Conditions**

3. If an eligible heritage property exempt from taxation under this Bylaw:
  - (a) is destroyed, whether with or without proper authorization under the requirements of the heritage protection of the property; or
  - (b) is altered by or on behalf of the owner without proper authorization under the requirements of the heritage protection of the property; or
  - (c) ceases to meet the conditions necessary to qualify for the exemption including, but not limited to, compliance with City policies and bylaws,

the property shall be liable to taxation and the owner of the property shall pay to the City an amount equal to the total taxes exempted under this Bylaw plus interest from the time

at which the exempt taxes would otherwise have been payable, compounded annually at the rate described in Section 246 of the *Community Charter*.

**Repeal Section**

4. "Section 225 Tax Exemption Bylaw, 2015, No. 18505" is hereby repealed.

PASSED FIRST READING on the    th day of September, 2016.

PASSED SECOND READING on the    th day of September, 2016.

PASSED THIRD READING on the    th day of September, 2016.

NOTICE OF INTENTION ADVERTISED in the SURREY NOW AND PEACE ARCH NEWS newspapers on the    th day and the    th day of                   , 2016.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk and sealed with the Corporate Seal on the    th day of October, 2016.

\_\_\_\_\_MAYOR

\_\_\_\_\_CLERK

Section 225 Tax Exemption Bylaw 2016, No. 18832**SCHEDULE A**

	<b>P.I.D.</b>	<b>LEGAL</b>	<b>Name</b>	<b>Address</b>	<b>Folio No.</b>
1.	028-028-414	Lot 3 Block 5 North, Section 36 Range 3 West, Plan BCP42131 NWD	Arthur Hedley House	11927 – 96A Avenue	3360-02031-5
2.	025-971-832	Portion of Lot 1, Section 7 Township 8, Plan BCP11903 NWD (with exempt portion shown hatched on sketch attached hereto)	Boothroyd House	Portion of 16811 – 60 Avenue	8073-00023-4
3.	009-214-771	Lot 22, Section 8, Township 8, Plan 76430, NWD Part SE $\frac{1}{4}$	Cecil Heppell House	5818 – 182 Street	8081-21003-9
4.	026-507-323	Lot 2, Section 21, Tp. 1, Plan BCP 21102 NWD (with exempt portion shown hatched on sketch attached hereto)	Feedham House	Portion of 14040 – 32 Avenue	5214-01024-2
5.	025-110-209	Lot 5, Section 10, Township 2, Plan LMP49644 NWD (with exempt portion shown hatched on sketch attached hereto)	George Rankin House	Portion of 14805 – 57 Avenue	6101-04015-X

	<b>P.I.D.</b>	<b>LEGAL</b>	<b>Name</b>	<b>Address</b>	<b>Folio No.</b>
6.	008-892-571	Lot 4, Section 25, Township 1, NWD, Plan 26296, (with exempt portion shown hatched on sketch attached hereto)	Historic Collishaw Farm	Portion of 16520 – 40 Avenue	5254-03002-1
7.	010-822-810	Lot 17 Block 15 Section 7 Township 1 Plan 2834 NWD Part NE1/4	John Horner House	12645 – 14B Avenue	5074-16010-8
8.	017-999-481	Lot "C" (BF437078), Block 12, Section 7, Township 1, NWD, Plan 2834.	Ocean Park Community Hall	1577 – 128 Street	5074-92001-2
9.	024-828-068	Lot 1, Section 7, Township 8, Plan LMP 46989, NWD (with exempt portion shown hatched on sketch attached hereto)	Richardson House	16940 Friesian Drive	8072-00021-4
10.	004-294-408	Lot 25, District Lot 52, Block 4, Plan 2200 NWD	Rothwell House	2598 O'Hara Lane	5700-24002-6



	<b>P.I.D.</b>	<b>LEGAL</b>	<b>Name</b>	<b>Address</b>	<b>Folio No.</b>
11.	013-215-051	Parcel 5 (Reference Plan 6696), North West Quarter, Section 11, Township 2, Except: Firstly: Parcel "One" (Explanatory Plan 10684), Secondly: Parcel "C" (By-law Plan 62479), Thirdly: Part Dedicated Road on Plan LMP 32970, NWD.	Sullivan Community Hall	6306 – 152 Street	6113-97104-1
12.	013-238-558	Parcel "B" (Plan with Fee Deposited No. 15329F), North West Quarter, Section 31, Township 8, NWD.	Tynehead Community Hall	9568 – 168 Street	8313-91002-1
13.	010-179-046	Lot 11, Section 12, Township 1, NWD, Plan 16055	White Rock Seventh Day Adventist Church	16017 – 8 Avenue	5122-10004-4
14.	012-589-748	Lot 24, Block 4, DL 52, Group 2, Plan 2200 NWD.	Willard Kitchen Heritage House	2590 O'Hara Lane	5700-23002-1

