

NO: R143

COUNCIL DATE: September 11, 2023

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **September 6, 2023**

FROM: **Acting General Manager, Corporate Services** FILE: **1970-04**

SUBJECT: **Proposed Permissive Property Tax Exemptions for the 2024 Tax Year for Heritage Properties**

RECOMMENDATION

The Corporate Services Department recommends that Council:

1. Receive this report for information; and
2. Authorize the City Clerk to bring forward *Section 225 Tax Exemption Bylaw, 2023, No. 21021* (the "Bylaw"), which includes the list of properties attached to this report as Appendix "I", for the required readings.

INTENT

The purpose of this report is to request that Council consider permissive tax exemptions for select heritage properties pursuant to Section 225 of the *Community Charter*, S.B.C. 2003, c. 26 and in accordance with the City's Tax Exemption Policy (the "Policy").

BACKGROUND

In the spring of each year, the City forwards permissive property tax exemption applications to organizations that have previously been granted a permissive property tax exemption by the City as well as to any organization that has expressed an interest in applying for an exemption. In the case of applications for sites that have been previously approved for exemption, these are also subject to an annual review to determine if any changes have transpired from the previous year.

In each case, the application was reviewed by staff and the pertinent verifications were conducted to ensure that the related property met the criteria outlined in legislation and the Policy for such an exemption. In addition, a staff committee comprised of representatives from the Finance Department, Planning & Development Department and the Legislative Services Division meets to review any applications that may contain an anomalous situation and subsequently

forwards recommendations to Council for consideration. Staff review committee comments are documented in Appendix "II".

All of the properties included in the proposed Bylaw are heritage properties that have an active Heritage Designation Bylaw or Heritage Revitalization Agreement Bylaw and fall within the scope of Section 225. In each case, the application was reviewed by staff, which included verifications conducted by the Planning & Development Department, to ensure that the related property met the criteria for such an exemption as outlined in the Policy and was in compliance with the *Heritage Property Standards of Maintenance Bylaw, 2017, No. 18931*. While these properties generally receive a full permissive property tax exemption, there are a few exceptions where the exemption is recommended for a portion of the respective property. In these cases, the exemption is partial and is not recommended for a "non-heritage" addition and/or alteration on the property.

A bylaw under Section 225 may only come into effect for the subsequent tax year once public notice of the proposed bylaw has been given. The bylaw must be adopted by an affirmative vote of at least 2/3 of Council members on or before October 31 of the year prior to the tax year for which the exemption is approved.

DISCUSSION

There are 20 distinct properties which are recommended for either full or partial permissive property tax exemption.

Public Notice

In accordance with Section 227 of the *Community Charter*, public notification of the estimated value of each exemption must be advertised for two consecutive weeks in a local newspaper in advance of the bylaw being forwarded to Council for adoption. The public notification process requires that an estimate of the total value of the property tax exemptions proposed under the bylaw be provided for three consecutive years.

The estimated total value of the Section 225 property tax exemptions for the 2024 – 2026 tax years is as follows:

Year	Value of Exemption
2024	\$79,601
2025	\$83,962
2026	\$85,850

Legal Services Review

This report has been reviewed by Legal Services.

CONCLUSION

Based on the above discussion, it is recommended that Council authorize the City Clerk to bring forward *Section 225 Tax Exemption Bylaw, 2023, No. 21021* for the required readings.

Joey Brar
Acting General Manager, Corporate Services

Appendix "I": List of heritage properties recommended for Permissive Tax Exemption for 2024
Appendix "II": Staff Review Committee Comments

APPENDIX "I"

List of heritage properties recommended for Permissive Tax Exemption for 2024

	PID	LEGAL	Name	Address	Folio No.
1.	028-028-414	Lot 3 Block 5N Section 36 Range 3W NWD Plan BCP42131	Arthur Hedley House	11927 – 96A Avenue	3360-02031-5
2.	026-323-184	Lot 1 Section 34 Township 8 NWD Plan BCP17777 (proportionate exemption)	Baron von Mackensen House	9564 – 192 Street (9568 – 192 Street)	8343-00015-8
3.	025-971-832	Lot 1, Section 7 Township 8, NWD Plan BCP11903 (proportionate exemption)	Boothroyd House	Portion of 16811 – 60 Avenue	8073-00023-4
4.	030-610-443	Lot 2 Section 20 Township 1 NWD Plan EPP80813 (proportionate exemption)	Brynjolfson Residence	12876 Crescent Road (12888 Crescent Road)	5203-01018-3
5.	009-214-771	Lot 22, Section 8, Township 8, NWD Plan 76430	Cecil Heppell House	5818 – 182 Street	8081-21003-9
6.	002-420-686	Lot 37 District Lot 52 Block 5 NWD Plan NWP2200 (proportionate exemption)	Cobblestones	2854 O'Hara Lane	5700-36004-4
7.	025-635-794	Lot 2 District Lot 157 NWD Plan BCP4864 (proportionate exemption)	Daniel Johnson House	13951 Crescent Road	5700-01132-3
8.	026-507-323	Lot 2, Section 21, Township. 1, NWD Plan BCP 21102 (proportionate exemption)	Feedham House	Portion of 14040 – 32 Avenue	5214-01024-2

	PID	LEGAL	Name	Address	Folio No.
9.	025-110-209	Lot 5, Section 10, Township 2, NWD Plan LMP49644 (proportionate exemption)	George Rankin House	Portion of 14805 – 57 Avenue	6101-04015-X
10.	008-892-571	Lot 4, Section 25, Township 1, NWD, Plan 26296 (proportionate exemption)	Historic Collishaw Farm	Portion of 16520 – 40 Avenue	5254-03002-1
11.	010-822-810	Lot 17 Block 15 Section 7 Township 1 NWD Plan 2834	John Horner House	12645 – 14B Avenue	5074-16010-8
12.	029-222-338	Lot 4 Section 35 Range 3W NWD Plan EPP31775 (proportionate exemption)	Louis Dahl House	11334 River Road	3350-03010-5
13.	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
14.	029-845-793	Lot 1, Section 28, Township 8 NWD Plan EPP60921 (proportionate exemption)	Port Kells Fire Hall No. 7	18922 – 88 Avenue	8284-00015-5
15.	024-828-068	Lot 1, Section 7, Township 8, NWD Plan LMP 46989 (proportionate exemption)	Richardson House	16940 Friesian Drive	8072-00021-4
16.	004-294-408	Lot 25, Block 4, District Lot 52, Group 2, NWD Plan 2200	Rothwell House	2598 O'Hara Lane	5700-24002-6

	PID	LEGAL	Name	Address	Folio No.
17.	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" (Bylaw Plan 62479), Thirdly: Part Dedicated Road on Plan LMP 32970, NWD.	Sullivan Community Hall	6306 – 152 Street	6113-97104-1
18.	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
19.	010-179-046	Lot 11, Section 12, Township 1, NWD, Plan 16055 Except Plan EPP 22394	White Rock Seventh Day Adventist Church	16017 – 8 Avenue	5122-10004-4
20.	012-589-748	Lot 24, Block 4, District Lot 52, Group 2, NWD Plan 2200	Willard Kitchen Heritage House	2590 O'Hara Lane	5700-23002-1

New Applications

The City received one new application for permissive tax exemption:

1. **Clova Theatre, 5732 176 Street**

The property is protected by City of Surrey Heritage Revitalization Agreement Bylaw, 2015, No. 18415. The property is currently receiving a 100% statutory exemption, as it is owned by and operated as a church and does not currently pay any property tax. Therefore, the property has not been included in the Bylaw.

Application Changes

The following application contained operational or usage changes that have resulted in changes to the permissive exemption recommended for 2024:

1. **Cobblestones, 2854 O'Hara Lane (s.225)**

The property has been approved for permissive property tax exemptions since the 2020 tax year. The exemption has been granted for a portion of the site, including the frontage land, exterior façade and covered porch. A full exemption was not provided due to interior renovations, but the original exterior of the building has aesthetic and historical value.

Staff recommend that the permissive exemption for the building be increased to include the entire exterior of the original heritage building so the exemption value is more in keeping with other heritage exemptions. The exemption value is proposed to increase from 23.10% to 60% of the site and an updated exemption map for the site has been included as part of Schedule A to the Bylaw.

Appendix "I" includes the changes noted above, which have been bolded for clarity.