

NO: R147

COUNCIL DATE: September 25, 2023

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **September 19, 2023**

FROM: **Acting General Manager, Corporate Services**

FILE: **1970-04**

SUBJECT: **Permissive Tax Exemption - Strawberry Hill Library**

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## RECOMMENDATION

The Corporate Services Department recommends that Council:

1. Receive this report for information; and
2. Authorize the City Clerk to bring forward *Strawberry Hill Library Tax Exemption Bylaw, 2023, No. 21022* (the "Bylaw"), attached as Appendix "I" to the report, which will provide tax exemption under Section 224(2)(b) of the *Community Charter* for a one-year period beginning with the 2024 taxation year, for the required readings.

## INTENT

The purpose of this report is to request that Council consider a permissive tax exemption for Strawberry Hill Library pursuant to Section 224(2)(b) of the *Community Charter*, S.B.C. 2003, C. 26 and in accordance with the City's Tax Exemption Policy (the "Policy"), which is attached as Appendix "II" to this report.

## BACKGROUND

The Surrey Public Library began operation as an independent municipal library in 1983. 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 2001 the Strawberry Hill Library opened its doors to the public. The City's lease for this space expires in 2025.

**DISCUSSION**

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.

The Strawberry Hill Library site has received a permissive tax exemption from the City for the past 10 years.

**Public Notice**

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 three years. The advertisement will run if the Bylaw receives first, second and third reading, and the following list includes such projections for the next three years:

Year	Value of Exemption
2024	\$23,648
2025	\$25,067
2026	\$25,681

**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 *Strawberry Hill Library Tax Exemption Bylaw, 2023, No. 21022* for the required readings.

Joey Brar  
Acting General Manager, Corporate Services

Appendix "I": Strawberry Hill Library Tax Exemption Bylaw, 2023, No. 21022  
Appendix "II": Tax Exemption Policy

CITY OF SURREY

BYLAW NO. 21022

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, C. 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, 2023, No. 21022".

**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 2024 to 2025 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 \_\_ day of \_\_\_\_, 2023.

PASSED SECOND READING on the \_\_ day of \_\_\_\_, 2023.

PASSED THIRD READING on the \_\_ day of \_\_\_\_, 2023.

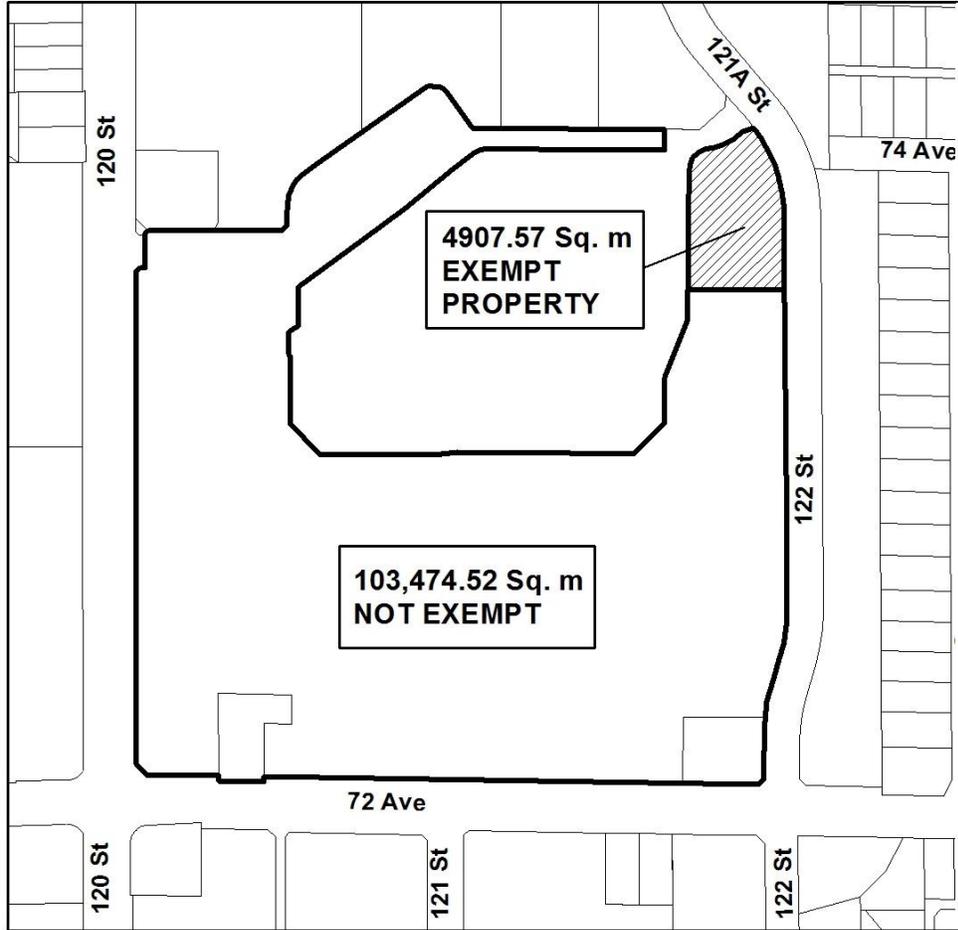
NOTICE OF INTENTION ADVERTISED in the SURREY LEADER AND PEACE ARCH NEWS on the \_\_ day and the \_\_ day of \_\_\_\_, 2023.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk and sealed with the Corporate Seal on the \_\_ day of \_\_\_\_, 2023

\_\_\_\_\_MAYOR

\_\_\_\_\_CLERK

Schedule "A"



Strawberry Hill Library  
Folio: 6192-00028-1  
7399 - 122 Street





# CITY POLICY

No. Q-27

<b>REFERENCE:</b>	<b>APPROVED BY:</b>	<b>CITY COUNCIL</b>
REGULAR COUNCIL MINUTES SEPTEMBER 29, 2003	<b>DATE:</b>	<b>September 11, 2017</b> (RES.R17-2582)
	<b>HISTORY:</b>	<b>September 23, 2013</b> (RES.R13-2009)
		<b>October 1, 2012</b> (RES.R12-2081)
		<b>September 12, 2011</b> (RES.R11-1561)
		<b>MAY 30, 2005</b> (RES.R05-1362)
		<b>SEPTEMBER 27, 2004</b> (RES.R04-2574)
		<b>SEPTEMBER 29, 2003</b> (RES.R03-2358)

**TITLE:** TAX EXEMPTION POLICY

## PURPOSE

This policy is intended to provide guidance in the processing of applications for exemption from property taxes pursuant to Sections 220, 224 and 225 of the *Community Charter*.

Exemptions provided for in Sections 224(2), and Section 225 of the *Community Charter* are at the discretion of Council. This policy is intended to establish principles, which can serve as a guide in evaluation of applications for exemptions.

## POLICY

### General

1. Additional exemption under Sections 224 and 225 of the *Community Charter* are at the discretion of Council exercised in accordance with those sections and this policy. There is no obligation to give exemption. Exemptions cannot be granted if the owner does not qualify under the *Community Charter*.
2. To be considered for exemption, all applications must be consistent with municipal policies, plans, bylaws and regulations.

3. The exemptions can only be considered after the building is constructed, given final occupancy approval by the City, be occupied, operational and compliant with all licensing and permits.
4. Section 225 requires that the exemption be granted by bylaw, adopted by a 2/3 majority of Council, prior to October 31 of the year preceding the year of exemption.
5. All permissive exemptions are to be reviewed by staff each year to ensure that, based on the most current available information, they continue to qualify for an exemption.
6. Exemptions will only be considered for non-profit, charitable organizations or for-profit community care living facilities that are *licensed* under the *Community Care and Assisted Living Act*. In the case of for-profit organizations, only those beds that are publicly funded will be considered.
7. The City of Surrey may adjust a permissive property tax exemption for a property should factors important to the eligibility of the property for an exemption change at any time. This includes, but is not limited to, change of use, change of ownership and/or non-compliance with City bylaws, policies and regulations.
8. A property will not qualify for exemption if construction takes place on the property without all necessary licenses and permits having been first obtained for such construction.
9. With the exception of exemptions given under Section 225, portions of land or improvements, or both, that are used for commercial purposes, whether exclusively or non-exclusively, may not be considered for permissive exemption.
10. With the exception of exemptions granted under Section 224 (2)(g) [Leased churches], the person or organization carrying on the qualifying use must own the property for which the exemption is being sought.

### **Buildings for Public Worship**

#### **1. Lands Used or Occupied by a Church as Tenant or Licensee (Section 224(2)(g))**

Council may exempt the land or improvements used or occupied by a church as tenant or licensee for the purpose of public worship or for the purposes of a church hall, which Council considers necessary to the church.

The provisions in Section 2, Buildings for Public Worship apply to applications under this section.

**2. Buildings for Public Worship (Section 224 (2) (f))**

These properties are receiving a statutory exemption under Section 220 (1)(h) for building(s) set aside for public worship along with the footprint of land on which they stand.

**May be Exempted by Council**

- a) any church hall considered by the Council to be necessary to the exempted building, and the land on which the church hall stands.
- b) any area of land surrounding the exempted building, an exempted hall, or both.
- c) applications for exemption under this section will be recommended to Council for inclusion in the by-law to exempt areas used by the religious facility for parking.
- d) any area of land necessary for the church to function, and required by the city to be dedicated for easements/rights-of-way/detention ponds to accommodate city services such as sewer, water, storm sewer may be exempted from taxation.

**3. Not to be Considered for Exemption by Council**

- a) any areas NOT used for public worship, including accommodation, care homes, retirement homes, hospitals, commercial activities
- b) any lands owned by the place of public worship that are surplus to the facility's needs.

**Heritage Properties (Section 225)**

Council may exempt those properties protected by Heritage Designation or Heritage Revitalization Bylaws, and which meet or exceed the minimum maintenance standards regulated by Bylaw No. 18931. In addition, the property must be in compliance with its associated Designation or Revitalization Bylaw.

Exemption will be considered for the original maintained heritage structure only. Added improvements or reconstructed structures are not eligible for permissive exemption under this Section.

## Hospitals

### 1. **Exempted by the *Community Charter* (Sections 220(1)(j) and 224(2)(h))**

A building set apart and used solely as a hospital under the *Hospital Act*, except a private hospital under that Act.

### 2. **May be Exempted by Council**

Any area of land surrounding the building, not including land exempted under the *Hospital Act* or *Hospital District Act*.

## Non Profit, Charitable or Philanthropic (Section 224(2)(a))

Council may exempt land or improvements not being operated for profit or gain and owned or held by a charitable, philanthropic organization or other not for profit corporation supported in whole or in part by public funds and used exclusively for charitable or philanthropic purposes.

To qualify for an exemption under this section, the applicant must demonstrate that the services of their organization are open to and used predominantly by Surrey residents.

## Private (Independent) Schools (Sections 220(1)(l) and 224(2)(h.1))

A building owned by an incorporated institution of learning that is regularly giving children instruction accepted as equivalent to that given in a public school, in actual occupation by the institution, Licensed by the Ministry of Education and wholly in use for the purpose of giving instruction and statutorily exempted by the Province, either in part or in whole

Permissive exemptions will only be considered for independent schools who share campus lands with a place of worship. Exemption may be granted for the lands surrounding the church and deemed by the BC Assessment Authority to be used primarily for church purposes, and as such, do not receive a statutory exemption in conjunction with the independent school.

## Parks, Recreation & Athletic (Section 224(2)(i))

Council may exempt the land or improvements for certain parks, recreation and athletic purposes, provided the application meets the criteria set out in Section 224(2) (i) of the *Community Charter*.

To qualify for exemption under this section, the applicant must demonstrate that their facility is open to and used by Surrey residents.

**Private Hospitals/Institutions Licensed Under the *Community Care and Assisted Living Act* (Section 224(2)(j))**

**1. May be Exempted by Council**

- a) Land or improvements owned or held by a person or organization and operated as a private hospital licensed under the *Hospital Act*;
- b) Land or improvements owned or held by a non-profit organization and operated as a non-profit care facility licensed under the *Community Care and Assisted Living Act*, and
- c) That portion of the land or improvements owned or held by a for-profit organization and operated as a care facility licensed under the *Community Care and Assisted Living Act* and receiving publicly funded care.
  - i) In the case of for-profit care facilities, the term "publicly funded" means those beds that are funded by the Fraser Health Authority (FHA) or other public body on a full-time, 365-day-per-year basis and does not include temporary beds that are funded by the FHA or other public body from time to time as needed.