

CITY OF SURREY

BY-LAW NO. 16783

A Bylaw to establish a revitalization tax exemption program
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WHEREAS a City Council may, pursuant to Section 226 of the *Community Charter* establish a revitalization tax exemption program;

AND WHEREAS Council wishes to establish a revitalization tax exemption program in the Revitalization Area for the purpose of encouraging revitalization in the City Centre;

AND WHEREAS Council has designated the Revitalization Tax Exemption Area pursuant to the City's Five-Year Financial Plan;

AND WHEREAS the *Community Charter* provides that a revitalization tax exemption program by-law may only be adopted after notice of the proposed by-law has been given in accordance with Section 227 of the *Community Charter* and Council has given this notice;

NOW therefore the City Council of the City of Surrey, in open meeting assembled, ENACTS AS FOLLOWS:

1. This By-law be cited for all purposes as "Surrey City Centre Revitalization Tax Incentive By-law, 2008, No. 16783".
2. For the purpose of this By-law:

"Agreement" means a revitalization tax exemption agreement between the owner of a Parcel and the City, in the form attached to, and forming part of this By-law as Schedule "B";

"Council" means the council of the City of Surrey;

"Parcel" means any lot, block or other area in which land is held or into which it is subdivided, but does not include a highway;

"Project" means a revitalization project on a Parcel involving the alteration of the exterior of an existing improvement;

"Revitalization Area" means the area of the City identified in Schedule "A" of this By-law;"

"Tax Exemption" means a revitalization tax exemption pursuant to a Tax Exemption Certificate;

"Tax Exemption Certificate" means a revitalization tax exemption certificate issued by the City pursuant to this By-law and pursuant to the provisions of Section 226 of the *Community Charter*, in the form attached to and forming part of this By-law as Schedule "C".

3. There is hereby established a revitalization tax exemption program under Section 226 of the *Community Charter* for the issuance of Tax Exemption Certificates for the Parcels.
4. The terms and conditions upon which a Tax Exemption Certificate may be issued are as set out in this By-law, in the Agreement and in the Tax Exemption Certificate.
5. The Tax Exemption under this By-law is equal to 100% of the municipal property tax payable on the increase in the assessed value of land and improvements on the parcel between:
 - (a) the year before the Project began; and
 - (b) the year in which the Tax Exemption Certificate under this By-law is issued.
6. In order for the Project to be considered by Council for an Agreement, the Project must, at a minimum, have a construction value of at least \$25,000.00 and the Parcel must fall within Class 6 of the Assessment Act – Prescribed Classes of Property Regulation, B.C. Reg. 438/81, as that Regulation stood on January 8, 1988.
7. The maximum term of a Tax Exemption depends on when the Tax Exemption Certificate for the Parcel is issued by the Financial Officer pursuant to this By-law and the applicable Agreement; however, Tax Exemption Certificates will not be applicable after a five (5) year term.
8. After October 31, 2011, no further Tax Exemption Certificates will be issued under this By-law.
9. The Tax Exemption Certificate must, in accordance with the conditions established in this By-law and the Agreement set out in Schedule “B”, specify the following:
 - (a) The amount of the Tax Exemption or the formula for determining the exemption;
 - (b) The term of the Tax Exemption;
 - (c) The conditions on which the Tax Exemption is provided; and
 - (d) That a recapture amount is payable if the Tax Exemption Certificate is cancelled and how that amount is to be determined.
10. If an owner wishes Council to consider entering into an Agreement with the owner, the owner must apply to the City Clerk in writing and must submit the following with the application:
 - (a) a certificate that all taxes assessed and rates, charges, and fees imposed on the Parcel have been paid, and, where taxes, rates or assessments are payable by installments, that all installments owing at the date of application have been paid;
 - (b) a completed written application in a form prescribed by the City and available in the office of the City Clerk;

- (c) a description of the Project;
 - (d) a certificate from the owner's design professional in a form satisfactory to the City's General Manager of Planning & Development certifying that the construction value of the Project will exceed \$25,000.00.
11. If pursuant to the terms and conditions specified in the Agreement or the Certificate, the Certificate is cancelled, the owner of the property for which the certificate was issued will remit to the City an amount equal to the value of the exemption received after the date of the cancellation of the certificate.
12. The Financial Officer for the City or her designate is the designated municipal officer for the purpose of Section 226(13) of the *Community Charter*.

READ A FIRST, SECOND AND THIRD TIME on the 6th day of October, 2008.

NOTICE OF INTENTION

ADVERTISED on the 10th and 17th day of October, 2008 in the NOW Community newspaper.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the 20th day of October, 2008.

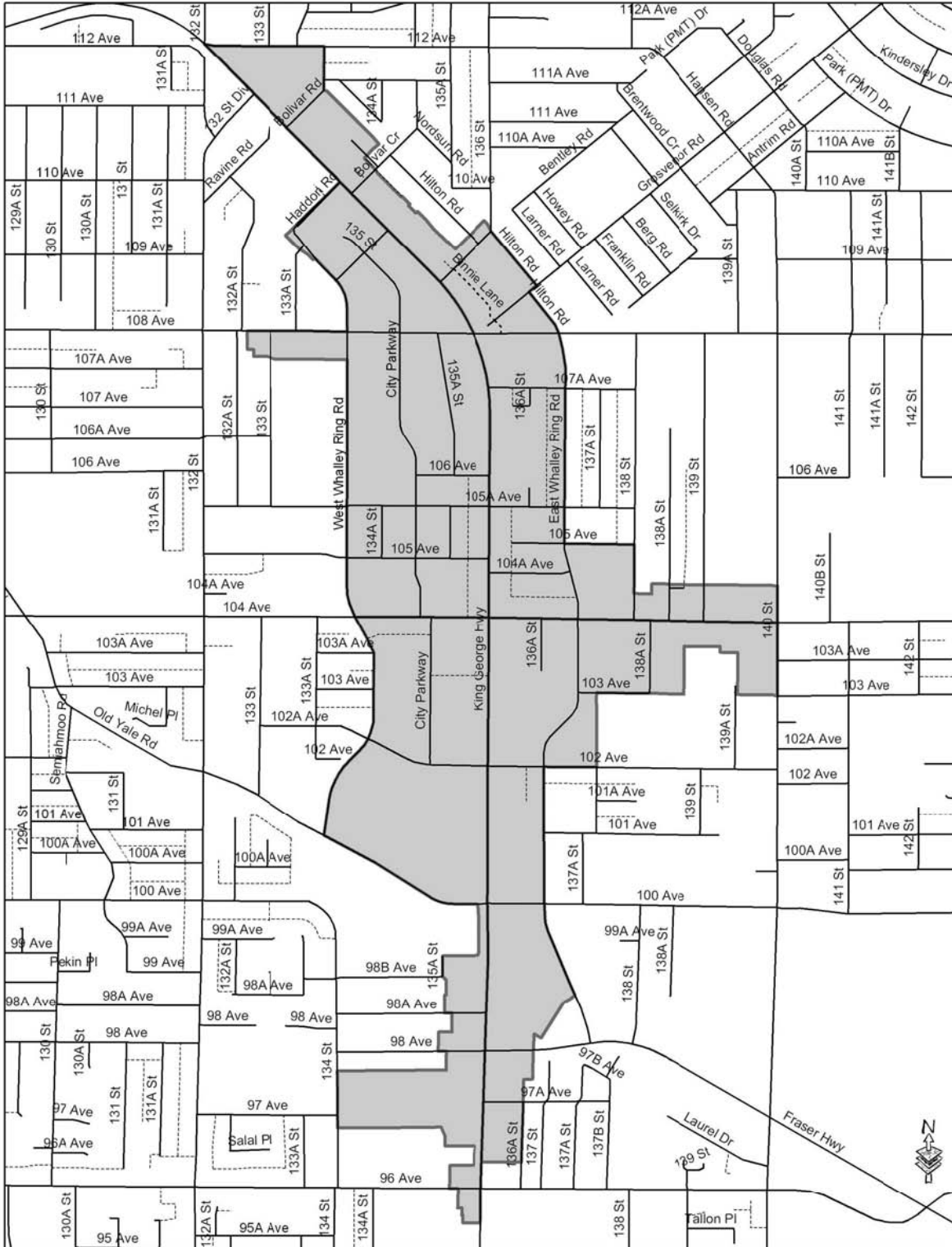
_____ MAYOR

_____ CLERK

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Schedule "A"

REVITALIZATION AREA



Schedule "B"

Revitalization Tax Exemption Agreement

THIS AGREEMENT dated the _____ day of _____, 200__.

BETWEEN

[INSERT name and address of owner of parcel in respect of which the revitalization exemption will apply]

("Owner")

AND

CITY OF SURREY
14245 - 56th Avenue
Surrey, BC
V3X 3A2

(the "City")

GIVEN THAT

- A. The City has under the By-law established a revitalization tax exemption program for the purpose of encouraging revitalization of an area of the municipality;
- B. The Lands that are the subject of the Agreement are located in an area designated by the City's Council as a revitalization area;
- C. The Owner is a registered Owner of the Lands defined in this Agreement;
- D. The Agreement contains the terms and conditions respecting the provision of a municipal property tax exemption under the By-law; and
- E. The Owner and the City wish to enter into this Agreement and register it against the title to the Lands as a covenant under Section 219 of the *Land Title Act*.

THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement and the payment by the Owner to the City of Surrey consideration in the amount of \$10.00 (Ten) Dollars, the receipt and sufficiency of which are acknowledged by the City, the City and Owner covenant and agree with each other as follows:

DEFINITIONS

- 1. In this agreement the following words have the following meanings:

"Agreement" means this Agreement, including the standard charge terms contained in this Agreement, together with the General Instrument defined in this Agreement;

"Assessed Value" means the most recent assessed value of the Lands as determined by the assessment authority in the area in which the Lands are located;

"By-law" means "Surrey City Centre Revitalization Tax Incentive By-law, 2008, No. 16783", in force from time to time;

"Dispose" means to transfer by any method and includes assign, give, sell, grant, charge, convey, bequeath, devise, lease, rent or sublet, divest, release or agree to do any of those things;

"General Instrument" means the Form C under the Land Title (Transfer Forms) Regulation as amended, and all schedules and addenda to the Form C charging the Lands and citing the terms and conditions of this Agreement as the "standard charge terms" for the purposes of the Form C;

"Lands" means the lands legally described in Item 2 of the General Instrument and any part into which the Lands are subdivided;

"LTO" means the New Westminster/Vancouver Land Title Office or its successor;

"Owner" means any person who is a registered owner in fee simple of the Lands; and

"Prime Rate" means the annual rate of interest, expressed as a percentage, used as a reference rate by the Royal Bank of Canada at its main branch in Vancouver, British Columbia, for the Canadian dollar loans and designated by the Royal Bank of Canada from time to time as its prime rate.

TERM

2. The Owner covenants and agrees with the City that the term of this Agreement is 5 years commencing on January 1 of the first calendar year after the calendar year referred to in the reference date of this Agreement was made,

APPLICABLE IMPROVEMENTS

3. The tax exemption provided for under the By-law applies in respect of the alteration of the exterior of an existing improvement on the Lands, where the value of the alteration referred to in the building permit is in excess of \$25,000.00.

REVITALIZATION TAX EXEMPTION CERTIFICATE

4. (1) Once the Owner has completed the construction of the alteration of an existing improvement referred to in Section 3, and the City has issued final approval for the work under the Surrey Building By-law, 1987, No. 9011, in force from time to time, in respect of the alteration of an existing improvement, the City must issue a revitalization tax exemption certificate to the Owner of the Lands if the Owner and Lands are otherwise in compliance with this Agreement.
- (2) The tax exemption applicable to the Lands is set out in the attached Tax Exemption Certificate.

TAX EXEMPTION

5. So long as a revitalization tax exemption certificate in respect of the Lands has not been cancelled, the Lands are exempt, to the extent, for the period and subject to the conditions provided in the certificate, from municipal property taxation over and above the base rate established as part of the exemption certificate.
6. The revitalization tax exemption certificate may be cancelled by the Council of the City:
 - (1) on the request of the Owner; or
 - (2) if any of the conditions in the certificate are not met; or
 - (3) if the Lands are transferred from the Owner identified in this Agreement.

OWNERS OBLIGATIONS

7. The Owner must pay to the City the cost of all tie-ins of works and services associated with the alteration to improvements, to existing storm and sanitary sewers, water mains, water meters, driveways, and other municipal services.
8. The Owner must comply with:
 - (1) all enactments, laws, statutes, regulations and orders of any authority having jurisdiction, including by-laws of the City; and
 - (2) all federal, provincial, municipal and environmental licenses, permits and approvals required under applicable enactments.

CITY'S RIGHTS AND POWERS

9. Nothing contained or implied in this Agreement prejudices or affects the City's rights and powers in the exercise of its functions or its rights and powers under any public and private statutes, by-laws, orders, or regulations to the extent the same are applicable to the Lands, all of which may be fully and effectively exercised in relation to the lands as if this Agreement had not been executed and delivered by the Owner.

GENERAL PROVISIONS

10. It is mutually understood, agreed, and declared by and between the parties that the City has made no representations, covenants, warranties, guarantees, promises, or agreements (oral or otherwise), express or implied, with the Owner other than those expressly contained in this Agreement.
11. The Owner covenants and agrees to use best efforts to do or cause to be done, at the expense of the Owner, all acts reasonably necessary to grant priority to this Agreement as a covenant over all charges and encumbrances which may have been registered against the title to the Lands in the LTO, save and except those specifically approved in writing by the City or in favour of the City.
12. The covenants set forth in this Agreement shall charge the Lands pursuant to Section 219 of the *Land Title Act* and shall be covenants the burden of which shall run with the Lands

and bind the Lands and every part or parts thereof, and every part to which the Lands may be divided or subdivided, whether by subdivision plan, strata plan, or otherwise.

13. The covenants set forth in this Agreement shall terminate if and when a purchaser becomes an owner in fee simple of the Lands or any portion thereof.
14. It is further expressly agreed that the benefit of all covenants made by the Owner herein shall accrue solely to the City and this Agreement may only be modified by agreement of the City with the Owner, or discharged by the City pursuant to the provisions of Section 219 of the *Land Title Act* and this Agreement. All of the costs of the preparation, execution, and registration of any amendments or discharges shall be borne by the Owner.
15. This Agreement shall enure to the benefit of and is binding on the parties and their respective heirs, executors, administrators, successors and assigns.
16. The Owner shall, on the request of the City, execute and deliver or cause to be executed and delivered, all such further transfers, agreements, documents, instruments, easements, statutory rights of way, deeds and assurances, and do and perform or cause to be done and performed, all such acts and things as may be, in the opinion of the City necessary to give full effect to the intent of this Agreement.
17. Time is of the essence of this Agreement.
18. This Agreement constitutes the entire agreement between the Owner and the City with regard to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written of the City with the Owner.
19. Any notice or other communication required or contemplated to be given or made by any provision of this Agreement shall be given or made in writing and either delivered personally (and if so, shall be deemed to be received when delivered) or mailed by prepaid registered mail in any Canada Post office (and if so, shall be deemed to be delivered on the sixth business day following such mailing except that, in the event of interruption of mail service notice shall be deemed to be delivered only when actually received by the party to whom it is addressed), so long as the notice is addressed as follows:

to the Owner at:

[insert name]
[insert address]

and:

to the City at:

CITY OF SURREY
14245 - 56th Avenue
Surrey, BC
V3X 3A2

Attention: City Clerk

- or: to such other address to which a party hereto from time to time notifies the other parties in writing.
20. (a) No amendment or waiver of any portion of this Agreement shall be valid unless in writing and executed by the parties to this Agreement.
 - (b) Waiver of any default by a party shall not be deemed to be a waiver of any subsequent default by that party.
21. This Agreement is not intended to create a partnership, joint venture, or agency between the Owner and the City.
 22. This Agreement shall be construed according to the laws of the Province of British Columbia.
 23. A reference in this Agreement to the City or the Owner includes their permitted assigns, heirs, successors, officers, employees, and agents.
 24. This Agreement is effective from and after the reference date in this Agreement, but only if this Agreement has been executed and delivered by the Owner and executed by the City.
 25. Unless otherwise expressly provided in this Agreement, whenever the City is permitted to make or give any decision, direction, determination, or consent, the City may act in its sole discretion, but will act reasonably.
 26. Unless otherwise expressly provided in this Agreement, the expense of performing the obligations and covenants of the Owner contained in the Agreement, and of all matters incidental to the Agreement, is solely that of the Owner.
 27. The Owner represents and warrants to the City that:
 - (1) all necessary corporate actions and proceedings have been taken by the Owner to authorize its entry into and performance of this Agreement;
 - (2) upon execution and delivery on behalf of the Owner, this Agreement constitutes a valid and binding contractual obligation of the Owner;
 - (3) neither the execution and delivery, nor the performance of this Agreement shall breach any other Agreement or obligation, or cause the Owner to be in default of any other Agreement or obligation, respecting the Lands; and
 - (4) the Owner has the corporate capacity and authority to enter into and perform this Agreement.

**CITY OF SURREY
CITY CENTRE REVITALIZATION
TAX EXEMPTION CERTIFICATE**

Date of Issuance: _____, 20____

Date of Expiry: December 31, 20__

P.I.D. _____ - _____ - _____ Folio #: _____

Address: _____ (the "Property")

Amount

The amount of the tax exemption is equal to the municipal property tax payable or the increase in the assessed value of land and improvements on the Property between:

- (a) the year before the Project began; and
- (b) the year in which this revitalization tax certificate is issued.

Term

This tax exemption shall be in effect for five (5) years from the date of issuance.

Conditions

This tax exemption is issued on the condition that the Property alterations for which Building Permit # _____ issued on _____, 20__ are completed to the satisfaction of the City and final approval for the work has been issued by the City.

Recapture amount

Pursuant to the issuance of this certificate, if the terms and conditions are not met, the owner of the Property for which the certificate was issued will remit to the City an amount equal to the value of the exemption received after the date of cancellation of the certificate.

Issued By: _____
Financial Officer for the City of Surrey

This certificate is not transferable with the sale of the Property.

This certificate may be revoked by the City of Surrey at any time should it be determined that the Property alterations on which this certificate is based have not been initiated or completed in accordance with Surrey City Centre Revitalization Tax Incentive By-law, 2008, No. 16783 and amendments thereto.