

NO: **R185**

COUNCIL DATE: **October 7, 2019**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **October 1, 2019**

FROM: **General Manager, Corporate Services**

FILE: **1970-04**

SUBJECT: **Proposed Permissive Property Tax Exemption for the SAFE Centre**

RECOMMENDATION

The Corporate Services Department recommend that Council:

1. Receive this report as information; and
2. Authorize the City Clerk to bring forward *SAFE Centre Tax Exemption Bylaw, 2019, No. 19913* (the “Bylaw”), as documented in Appendix “I” of this report, for the required readings.

INTENT

The purpose of this report is to request that Council consider a permissive tax exemption for the SAFE Centre located at 901 - 13485 Central Avenue (the “Centre”) pursuant to Section 224(2)(b) of the *Community Charter, S.B.C. 2003, Chap. 26* and in accordance with the City's Tax Exemption Policy.

BACKGROUND

In February 2019, the City of Surrey leased an 888 square metre (9,553 square foot) unit from Kwantlen Polytechnic University for use as office space for a period of 3 years and at a cost of \$400,366.23 for the full term. The terms of the lease agreement require that the City assume responsibility for the lands, including the payment of taxes. The Centre is utilized by the City's Surrey Anti-Gang Family Empowerment (SAFE) Program as a collaborative space to develop a new approach to a healthier, safer community. Given that the City will be providing a municipal service on the lands, the properties are eligible under Section 224(2)(b) for a permissive property tax exemption.

DISCUSSION

The lands being proposed for exemption are Unit 901, 13485 Central Avenue. 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. It has been determined that the Centre qualifies for exemption under this Section. The proposed tax exemption and Bylaw will have a term of three years to coincide with the term of the lease. In addition, the Bylaw provides for a supplemental tax assessment to be applied to the lands if the City ceases to occupy the lands prior to the expiration of the property tax exemption period.

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 each of the following three years.

The estimated total value of the exemption, as recommended in the proposed Bylaw, is as follows:

Year	Value of Exemption
2020	\$33,850
2021	\$34,824
2022	\$35,827

Legal Services Review

The City's Legal Services Division has reviewed this report and the related Bylaw and have no concerns.

SUSTAINABILITY CONSIDERATIONS

The work of the proposed property tax exemption supports the objectives of the City's Sustainability Charter 2.0. In particular, this project supports the Sustainability Charter 2.0 theme of Inclusion. Specifically, this project supports the following Desired Outcome ("DO"):

- Social Infrastructure and Innovation DO24: Surrey has a strong social infrastructure that supports the needs of its diverse and growing population.

CONCLUSION

Based on the above discussion, it is recommended that Council authorize the City Clerk to bring forward *SAFE Centre Tax Exemption Bylaw, 2019, No. 19913* for the required readings.

Rob Costanzo
General Manager, Corporate Services

Appendix "I": *SAFE Centre Tax Exemption Bylaw, 2019, No. 19913*

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CITY OF SURREY

BYLAW NO. 19913

A Bylaw to provide for the exemption from taxation
of certain 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 certain properties;

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 "SAFE Centre Tax Exemption Bylaw, 2019, No. 19913".

Exemptions

2. Pursuant to Section 224 of the *Community Charter*, that 9,553 sq. ft. portion of land and improvements, leased and occupied by the City of Surrey, described as follows, is hereby exempt from taxation for Tax Years 2020 to 2022 inclusive, subject to the conditions provided for in this Bylaw:

PID: 030-364-132

Air Space Parcel 2, Section 27, Block 5, North Range 2 West, NWD Air Space Plan EPP67860

(Unit 901 – 13485 Central Avenue)

(the "Exempt Property")

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;

the Exempt Property shall be liable to taxation from the date the lease or occupation ceases, or the date of the change of use, 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 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 , 2019.

PASSED SECOND READING on the th day of , 2019.

PASSED THIRD READING on the th day of , 2019.

NOTICE OF INTENTION ADVERTISED in the Surrey Now Leader and Peace Arch Newspapers on the th and th of , 2019.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk and sealed with the Corporate Seal on the th day of , 2019.

_____MAYOR

_____CLERK