

NO: R137

COUNCIL DATE: September 14, 2020

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## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **September 8, 2020**

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

SUBJECT: **Proposed Permissive Property Tax Exemptions for Heritage Properties for the 2021 Tax Year**

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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 *Section 225 Tax Exemption Bylaw, 2020, No. 20156* (the "Bylaw"), as documented in 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, Chap. 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 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 a staff team and verifications 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 meet to review any applications that may contain an anomalous situation and subsequently forwards recommendations to Council for consideration.

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 property tax exemption, there are a few exceptions where the exemption is recommended for a portion of the respective property. In these cases, the partial exemption relates to 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 on or before October 31 of the year prior to the tax year for which the exemption is approved by an affirmative vote of at least 2/3 of Council members.

## **DISCUSSION**

### **New Applications**

The City has received two new applications for permissive tax exemption:

1. Louis Dahl House, 11334 River Road – Schedule A, Item 12  
This is a new heritage property protected by a Heritage Revitalization Agreement. The property was subject to a development proposal to subdivide the lands into 13 lots and to relocate the heritage home to the smallest lot. As part of the relocation, a new basement was constructed, and a landscaping plan was established to recreate the historic landscape context of the house. The City Landscape Architect advises that the landscaping has not received final approval. At this time, the Committee is recommending permissive property tax exemption for the house and land beneath for the 2021 tax year. A further review of the shared driveway and the landscaping will be conducted once final approval for the landscaping has been granted. An exemption map has been provided and the property has been included in the schedule for Council's consideration.
2. Baron von Mackensen House, 9564 – 192 Street – Schedule A, Item 2  
This is a new heritage property protected by a Heritage Revitalization Agreement, which permits an adaptive interior use. As such, the interior of this building has undergone extensive renovation in order to accommodate its current commercial use as a bar and restaurant. The surrounding lands have been improved and converted to parking for the commercial retail units onsite. Due to the extensive changes to the surrounding lands, only the original heritage home and the land beneath is recommended for permissive property tax exemption for the 2021 tax year. An exemption map has been provided and the property has been included in the schedule for Council's consideration.

### **Applications Not Recommended**

The following application does not meet the criteria under the Policy and therefore permissive exemption is not recommended for 2021:

1. Robert Dougal MacKenzie House, 5418 – 184 Street  
An inspection of the property was conducted and staff advise that the perimeter hedge, listed as a character defining element, has not been maintained and the property is in contravention of the *Heritage Property Standards of Maintenance Bylaw, 2017, No. 18931*. The property is not recommended for permissive property tax exemption for 2021, however the owner is still eligible for grant monies available to heritage properties.

The schedule to the proposed Bylaw includes the above-referenced amendments, which have been bolded for clarity. There are 20 distinct properties which are recommended for either full or partial 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, as recommended in the proposed Bylaw, is as follows:

Year	Value of Exemption
2021	\$65,771
2022	\$67,590
2023	\$69,492

### SUSTAINABILITY CONSIDERATIONS

The work of the proposed property tax exemptions supports the objectives of the City's Sustainability Charter 2.0. In particular, this project supports the Sustainability Charter 2.0 themes of Inclusion and Education and Culture. Specifically, this project supports the following Desired Outcomes ("DO"):

- Community Pride and Engagement DO<sub>23</sub>: Numerous active local clubs and agencies contribute to the community's well-being;
- Social Infrastructure and Innovation DO<sub>24</sub>: Surrey has a strong social infrastructure that supports the needs of its diverse and growing population; and
- Arts and Heritage DO<sub>10</sub>: Surrey celebrates, protects and promotes its natural and built heritage sites.

## CONCLUSION

Based on the above discussion, it is recommended that Council authorize the City Clerk to bring forward *Section 225 Tax Exemption Bylaw, 2020, No. 20156* for the required readings.

Rob Costanzo  
General Manager, Corporate Services

Appendix "I": "Section 225 Tax Exemption Bylaw, 2020, No. 20156

[https://surreybc.sharepoint.com/sites/corporateservicesadmin/corporate reports final/09-14-2020/section 225 property tax exemptions.docx](https://surreybc.sharepoint.com/sites/corporateservicesadmin/corporate%20reports%20final/09-14-2020/section%20225%20property%20tax%20exemptions.docx)  
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CITY OF SURREY

BYLAW NO. 20156

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, 2020, No. 20156".

**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 2021 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, 2019, No. 1991" is hereby repealed.

PASSED FIRST READING on the \_\_\_ day of \_\_\_\_\_, 2020.

PASSED SECOND READING on the \_\_\_ day of \_\_\_\_\_, 2020.

PASSED THIRD READING on the \_\_\_ day of \_\_\_\_\_, 2020.

NOTICE OF INTENTION ADVERTISED in the SURREY NOW/LEADER AND PEACE ARCH NEWS newspapers on the \_\_\_ and the \_\_\_ day of \_\_\_\_\_, 2020.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk and sealed with the Corporate Seal on the \_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_MAYOR

\_\_\_\_\_CLERK

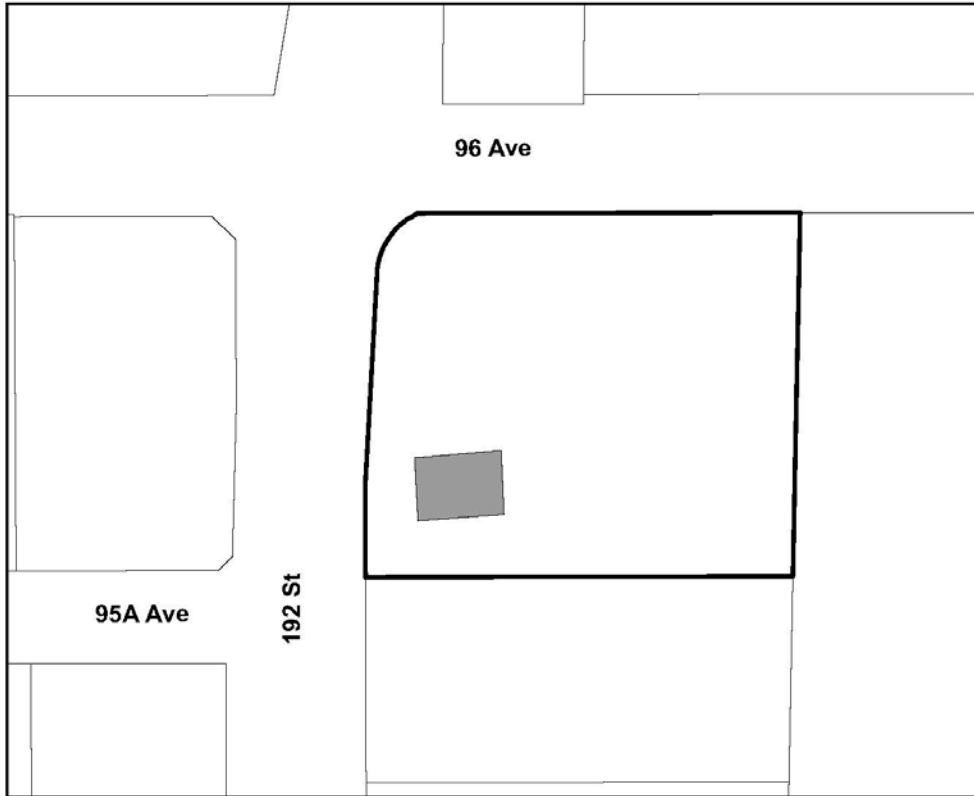
## Section 225 Tax Exemption Bylaw 2020, No. 20156

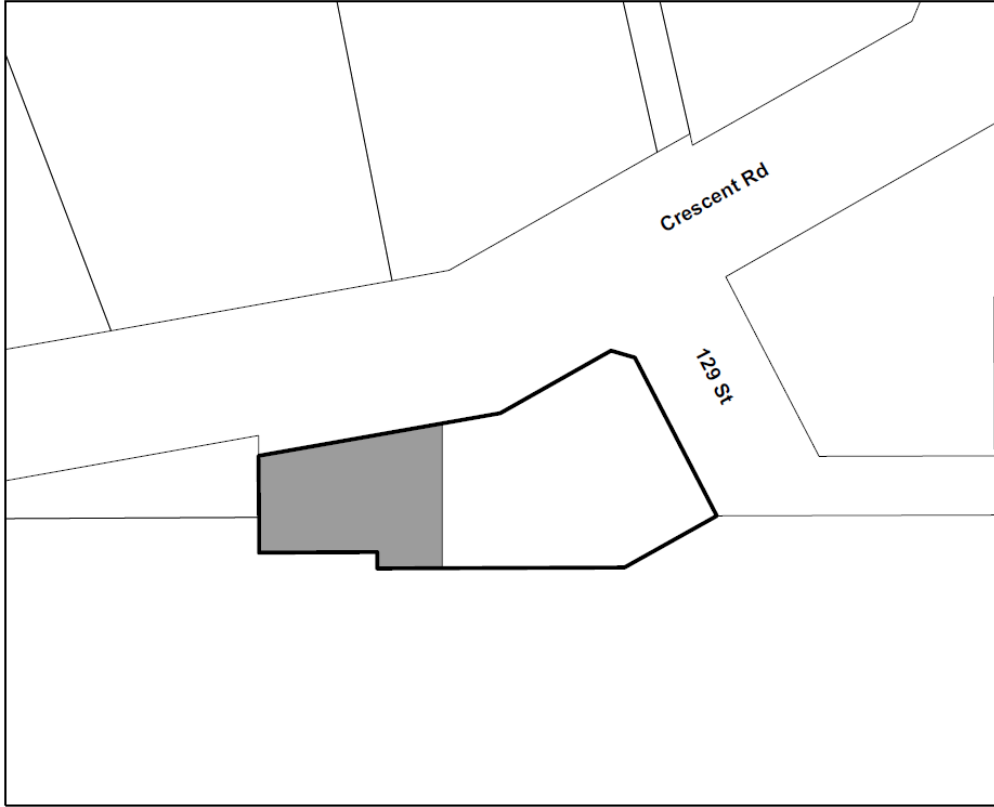
	P.I.D.	LEGAL	Name	Address	Folio No.
1.	028-028-414	Lot 3 Block 5N Section 36 Range 3W NWD Plan BCP42131	Arthur Hedley House	11927 – 96A Avenue	3360-02031-5
2.	026-323-184	<b>Lot 1 Section 34 Township 8 NWD Plan BCP17777 (with exempt portion shown hatched on sketch attached hereto)</b>	<b>Baron von Mackensen House</b>	<b>9564 – 192 Street (9568 – 192 Street)</b>	<b>8343-00015-8</b>
3.	025-971-832	Lot 1, Section 7 Township 8, NWD Plan BCP11903 (with exempt portion shown hatched on sketch attached hereto)	Boothroyd House	Portion of 16811 – 60 Avenue	8073-00023-4
4.	030-610-443	Lot 2 Section 20 Township 1 NWD Plan EPP80813 (with exempt portion shown hatched on sketch attached hereto)	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 (with exempt portion shown hatched on sketch attached hereto)	Cobblestones	2854 O'Hara Lane	5700-36004-4
7.	025-635-794	Lot 2 District Lot 157 NWD Plan BCP4864 (with exempt portion shown hatched on sketch attached hereto)	Daniel Johnson House	13951 Crescent Road	5700-01132-3

	P.I.D.	LEGAL	Name	Address	Folio No.
8.	026-507-323	Lot 2, Section 21, Township. 1, NWD Plan BCP 21102 (with exempt portion shown hatched on sketch attached hereto)	Feedham House	Portion of 14040 – 32 Avenue	5214-01024-2
9.	025-110-209	Lot 5, Section 10, Township 2, NWD Plan LMP49644 (with exempt portion shown hatched on sketch attached hereto)	George Rankin House	Portion of 14805 – 57 Avenue	6101-04015-X
10.	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
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	<b>Lot 4 Section 35 Range 3W NWD Plan EPP31775</b>	<b>Louis Dahl House</b>	<b>11334 River Road</b>	<b>3350-03010-5</b>
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 (with exempt portion shown hatched on sketch attached hereto)	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, (with exempt portion shown hatched on sketch attached hereto)	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



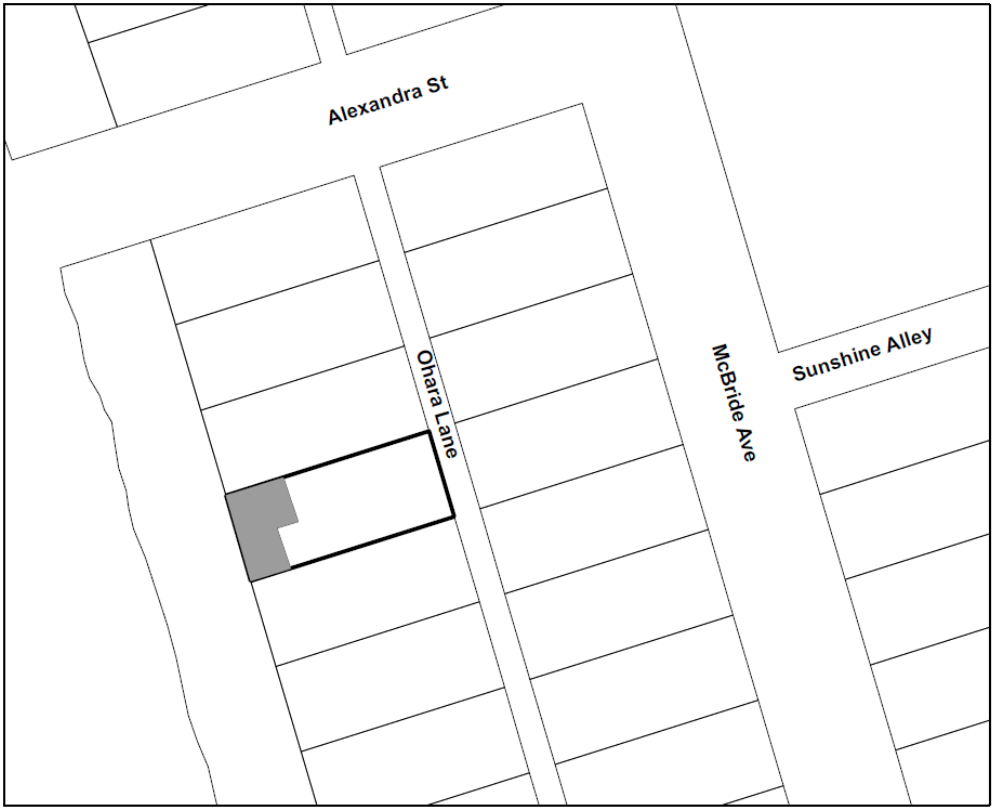
	P.I.D.	LEGAL	Name	Address	Folio No.
17.	013-215-051	Parcel 5 (Reference Plan 6696), North West Quarter, Section 11, Township 2, Except: Firstly: Parcel "One" (Explanatory Plan 10684), Secondly: Parcel "C" (Bylaw Plan 62479), Thirdly: Part Dedicated Road on Plan LMP 32970, NWD.	Sullivan Community Hall	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





**Brynjolfson Residence**  
 Folio: 5203-01018-3  
 12876 Crescent Road  
 (12888 Crescent Road)

**Legend**  
 ■ EXEMPT: 633 Sq/m  
 □ NOT EXEMPT: 1243 Sq/m  
 □ Total Area: 1876 Sq/m



**Cobblestones**  
 Folio: 5700-36004-0  
 2854 O'Hara Lane

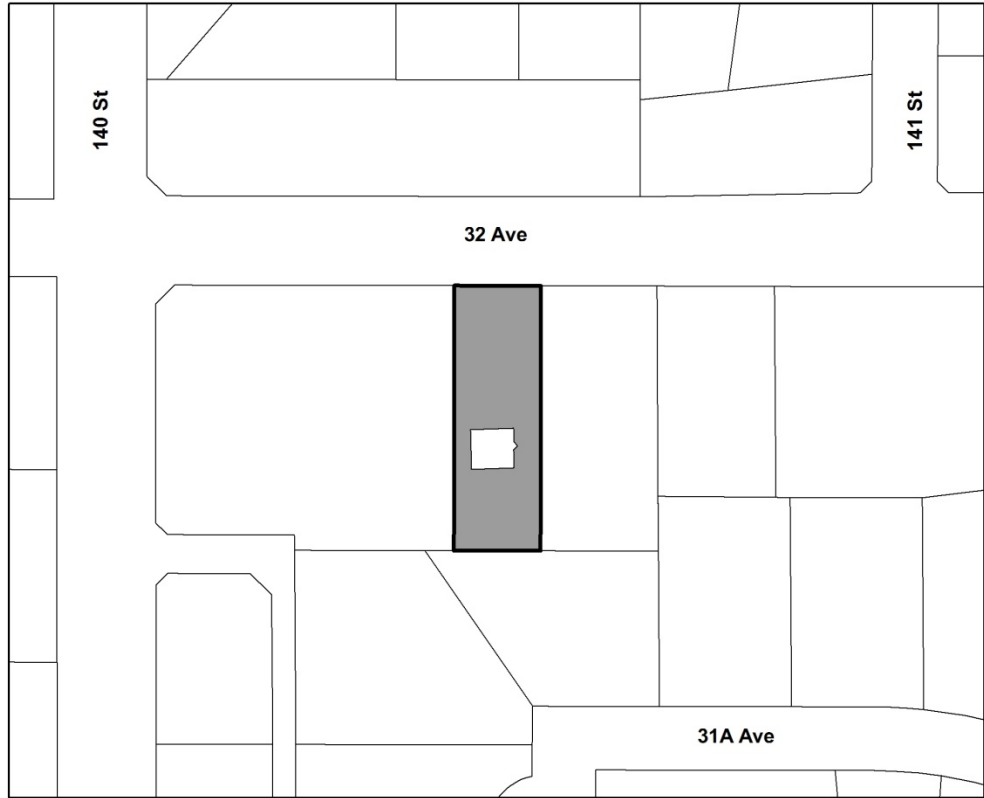
**Legend**  
 ■ EXEMPT: 134 Sq/m  
 □ NOT EXEMPT: 423 Sq/m  
 □ Total Area: 557 Sq/m





**Daniel Johnson House**  
 Folio: 5700-01132-3  
 13951 Crescent Rd

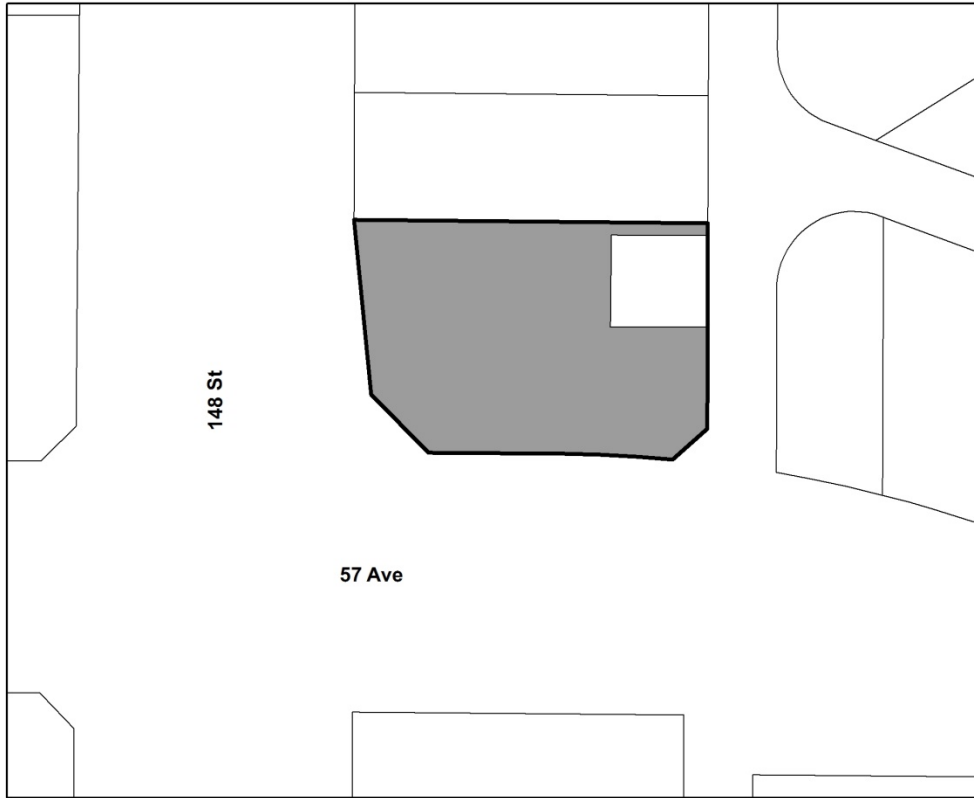
**Legend**  
 ■ EXEMPT: 2156 Sq/m  
 □ NOT EXEMPT: 4489 Sq/m  
 □ Total Area: 6645 Sq/m



**Feedham House**  
 Folio: 5214-01024-2  
 14040 32 Ave

**Legend**  
 ■ EXEMPT: 1429 Sq/m  
 □ NOT EXEMPT: 115 Sq/m  
 □ Total Area: 1544 Sq/m

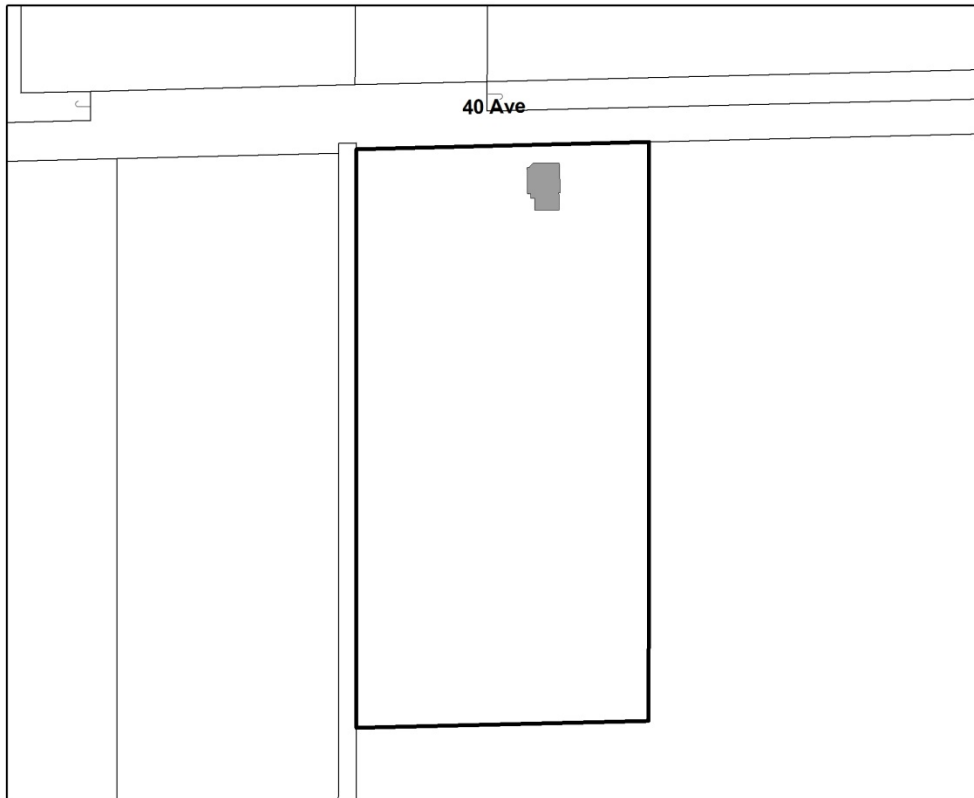




**George Rankin House**  
**Folio: 6101-04015-X**  
**14805 57 Ave**

**Legend**

- EXEMPT: 514 Sq/m
- NOT EXEMPT: 66 Sq/m
- Total Area: 580 Sq/m



**Historic Collishaw Farm**  
**Folio: 5254-03002-1**  
**16520 40 Ave**

**Legend**

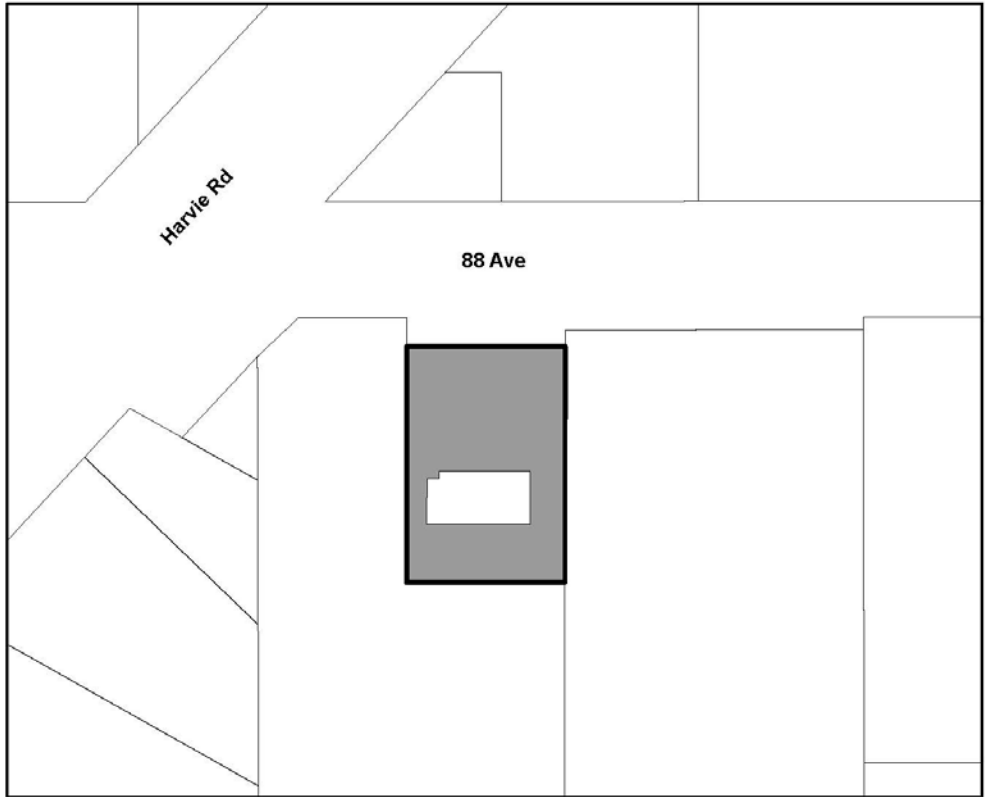
- EXEMPT: 163 Sq/m
- NOT EXEMPT: 20060 Sq/m
- Total Area: 20223 Sq/m





Louis Dahl House  
 Folio: 3350-03010-5  
 11334 River Road

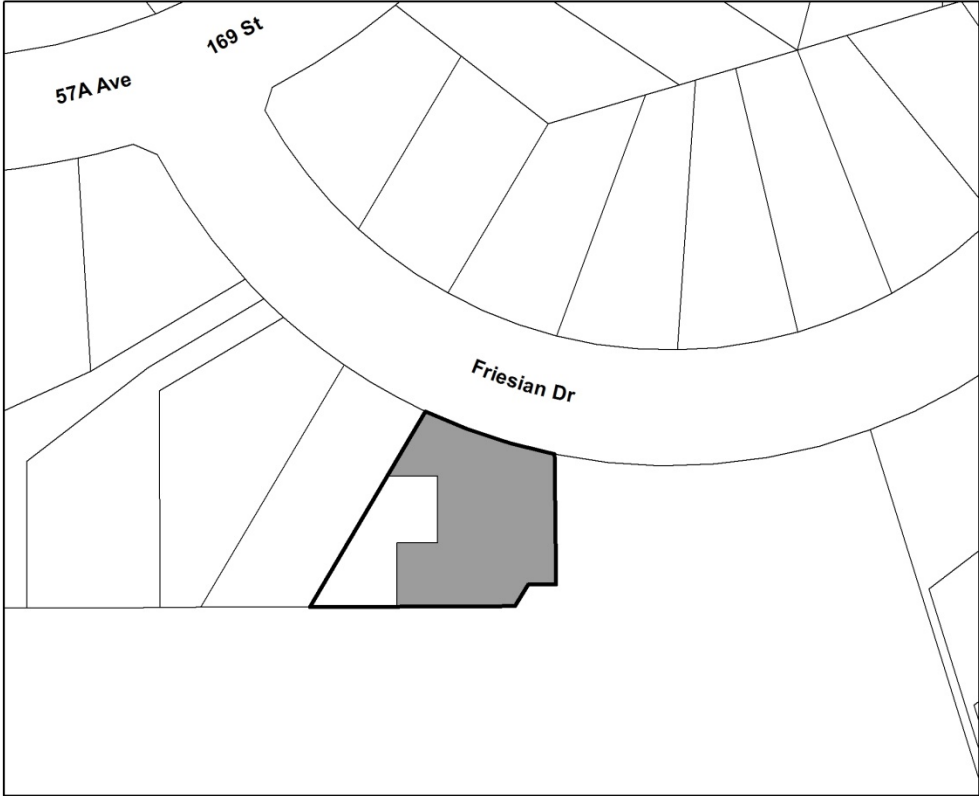
**Legend**  
 ■ EXEMPT: 86 Sq/m  
 □ NOT EXEMPT: 542 Sq/m  
 □ Total Area: 628 Sq/m



Port Kells Fire Hall No 7  
 Folio: 8284-00015-5  
 18922-88 Ave

**Legend**  
 ■ EXEMPT, 958 Sq/m  
 □ NOT EXEMPT, 160 Sq/m  
 □ Total Area, 1118 Sq/m





**Richardson House**  
**Folio: 8072-00021-4**  
**16940 Friesian Dr**

- Legend**
- EXEMPT: 708 Sq/m
  - NOT EXEMPT: 270 Sq/m
  - Total Area: 978 Sq/m

