



# **Corporate** NO: R075

# **Report** COUNCIL DATE: April 9, 2001

<b>REGULAR COUNCIL</b>			
TO:	<b>Mayor &amp; Council</b>	DATE:	<b>March 2, 2001</b>
FROM:	<b>Acting City Clerk</b>	FILE:	<b>0580-001</b>
SUBJECT:	<b>Permissive Property Tax Exemption – Section 341, <i>Local Government Act</i> Muslim Youth Centre</b>		

## **RECOMMENDATION**

That the information be received and a copy of the corporate report be forwarded to the Muslim Youth Centre.

## **BACKGROUND**

Council-in-Committee received a delegation on February 5, 2001 representing the Muslim Youth Centre, requesting approval of a property tax exemption for the year 2001 for their property located at Units 208 and 209, 7750 128 Street in Surrey.

An application was received from the Muslim Youth Centre prior to the legislated October 31, 2000 deadline, however; it was not put forward to Council for consideration at that time as it did not meet the legislated requirements for tax exemption.

## **LEGISLATION**

Section 341 of the *Local Government Act* permits Council to exempt certain properties and improvements from property taxes:

‘On or before October 31 in any year, *a council may*, by bylaw adopted by 2/3 of its members, exempt land or improvements referred to in subsection (2), or both, from taxation... for the next calendar year, or with the assent of the electors, for a period not longer than 10 years.’

Subsection (2) sets out a number of possibilities that Council may consider for exemption from property taxes, including the following:

(b) land or improvements owned or held by an athletic or service club or association and used principally as a public park or recreation ground or for public athletic or recreational purposes.

The standard procedure for processing these (Section 341), and Section 339 (church) property tax exemption applications is:

- the City Clerk's office annually receives and reviews applications for exemption
- the City Clerk's office uses one or more of the following methods to resolve any discrepancies: a tax inquiry, title search, building file review, site visit or telephone call to the applicant or to the local B.C. Assessment Office.

## **MUSLIM YOUTH CENTRE APPLICATION**

On June 13, 2000, the City Clerk's office received an application for property tax exemption from the Muslim Youth Centre. The applicant requested tax exemption beginning April 7, 2000 when the group took possession of the property, but was advised of the legal requirement for tax exemptions to be approved in advance of the taxation year, that is, before October 31<sup>st</sup>. The applicant was informed the application could be considered for the year 2001, and that he may seek a grant through the Community Grants Committee to offset the taxes paid in 2000.

Site visits on July 12, 2000 and July 19, 2000 during the afternoon found the Youth Centre locked and unoccupied. In September, our office telephoned the applicant and arranged to meet him at the site on September 27, 2000. The building was locked when our employee arrived prior to the meeting. Subsequent visits at 1:15 p.m. on January 16, 2001 and 3:45 p.m. on January 31, 2001 found the doors locked and no activity.

This property consists of two units combined in a busy strata warehouse development on 128<sup>th</sup> Street about a block north of Dr. F.D. Sinclair Elementary School. The property is zoned IL, which is “Light Impact Industrial Zone” within Bylaw 12000, with accessory uses including “recreation facilities, excluding go-kart operations, drag racing and rifle ranges” permitted.

Property taxes for 2001 are: Unit 208 \$ 2,800  
Unit 209 \$ 2,900

The registered owner of both properties is: Pathmark Development Ltd.  
Incorporation No. 412885,  
12039 88 Avenue,  
Surrey, B.C.  
V3W 3J3

A Right to Purchase is registered against both Muslim Youth Centre  
properties by Incorporation No. S40714

Site observations - September 27, 2000 - the building had an unoccupied feeling to it, with little furniture within and only one sign outside. There were no opening times posted, no activities posted, no programs or other paperwork that would indicate a viable (or any) youth program was operating from the facility. There were no papers or paperwork in a very 'bare-bones' reception

area that would suggest it was being used at all, and three or four empty office-type areas with open closets and closet rods and two large washrooms. A large empty area contained two basketball hoops and some lines painted onto the cement floor. No other sports equipment or furniture was visible.

Discussion with the applicant indicated they rely on volunteers to operate the youth centre, and are open daily between 1 p.m. and 9 p.m. They do not charge membership fees or any fees for their programs. Anyone is allowed to use the facilities.

During a discussion following the tour on September 27<sup>th</sup>, the applicant was unable to provide any concrete examples of functions or events at the facility, either past or forthcoming, except to say that on some Sundays, some ladies and their daughters might use the back area for aerobics. The applicant was provided copies of Section 339 and Section 341 of the *Local Government Act*, and a discussion was held about the exemption criteria for each category in detail.

Following a lengthy discussion, the applicant was advised that the request would not be recommended for a property tax exemption, as it did not appear to meet the intent of the legislation. When the applicant asked what he would have to do in order to be eligible for property tax exemption, he was advised that the facility would have to demonstrate that it is an active and vibrant centre, in use and with clear signs of programs operating and youth in and out of the building. At that time, it did not.

The applicant was also advised that he would receive a letter from the City of Surrey in November 2000, advising that Council did not consider his application and that he may launch an appeal of this decision through the Mayor and Council.

## **COMPARABLE PROPERTIES**

Council has approved property tax exemptions for the following organizations under this section of the legislation:

- Softball City, 2201 148 Street

- Crescent Beach Swimming Club, 3136 & 3138 McBride Avenue
- Lower Fraser Valley Exhibition Association (Cloverdale Fairgrounds and buildings)
- Ocean Park Community Hall, Sullivan Community Hall, Unwin Community Hall, Kennedy Community Hall, and Tynehead Community Hall
- Camp Alexander (under the name Crescent Beach Community Services) 2916 McBride Avenue and 12210 Agar Street

Council has also approved a 50% property tax exemption under this section of the Act for the following organizations:

- Surrey Sailing Club, 3140 McBride Avenue
- Sunnyside Saddle Club, 2284 165 Street
- Panorama Ridge Riding Club, 5435 123 Street

Note: the Don Bosco Youth Centre, which was raised as an example at the Council-in-Committee session, is part of Our Lady of Good Counsel Catholic Church and School in the Guildford area and as such, is exempted under Section 339(1)(g) and (k) of the Act.

## **CURRENT STATUS**

Staff visited the Muslim Youth Centre facility and met with the applicant and two volunteers at 11:00 a.m. on Wednesday, February 28, 2001, to gather current information for this report. There were plenty of bulletins and notices hanging on the walls of the reception area, and the exterior window contained a calendar of upcoming and regularly scheduled events. The reception area is obviously in use and the three office type areas are being used for classroom instruction, for a conference room and for a change room. The offices and the reception area are furnished. There are extra chairs stacked in the reception area and there is a pool table and sports equipment located in the large area in back where the basketball hoops are located.

## CONCLUSION

This application for property tax exemption for a youth centre appears to be unique in Surrey in that no other youth-oriented organization has applied for property tax exemption for this type of property or usage

The Muslim Youth Centre now appears to be a facility that is being used for youth recreation and meeting purposes and could be considered by Council at the legislated time (ie., before October 31, 2001) for some type of property tax exemption for 2002.

M.R. Jones

Acting City Clerk

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