

Corporate Report

NO: R091

COUNCIL DATE: May 5, 2003



TO: **Mayor &
Council** DATE: **April
23,
2003**

FROM: **General Manager, Finance, FILE: 0580-029
Technology & HR**

SUBJECT: **Property Tax Write-Off (Section 248 of the
Local Government Act) for
BC Lions Football Club Inc. \$39,350.47 (City
Portion \$ 17,605.53)**

RECOMMENDATION

That Council apply to the Minister of Community, Aboriginal and Women's Services to issue an order pursuant to Section 248 of the Local Government Act, R.S.B.C. 1996, c.323 (the "*Local Government Act*") for authorization to write off 1996 property taxes (\$39,350.47) deemed to be uncollectible due to bankruptcy of the previous tenant.

BACKGROUND

In 1991, the District of Surrey purchased the following properties from BC Pavilion Corporation (PAVCO):

10601-135 th St.	2220-84201-0	Land Only
10605-135 th St.	2220-84101-7	Land & Bldg

As part of this purchase, Surrey also assumed the leases with Prime Sports, owner of the BC Lions. On October 1st 1992, Prime Sports, declared bankruptcy, leaving unpaid rent and taxes and a facility in very poor repair. The City made the necessary claims and eventually received all of the outstanding taxes.

In January 1993, B.C. Lions Football Limited Partnership under the control of Bill Comrie became the new owner of the BC Lions and the City's new tenant. In September 1996, the City of Surrey was again served with a declaration of bankruptcy from Price Waterhouse, the representatives of B.C. Lions Football Limited Partnership. Again, the City made the necessary claims for the 1996 outstanding taxes but they were never paid.

In February 1997, the City of Surrey entered into a new agreement with BC Lions Football Club Inc., under the ownership of David Braley. The BC Lions Football Club Inc. agreed to pay property taxes beginning in 1997 but not the 1996 taxes of \$39,350.47 that were outstanding at the time they took over the football club and the property. Surrey released the club from

payment of these outstanding taxes.

BC Lions Football Club Inc. has paid the current taxes, as agreed, by the due date every year since they became the new tenants.

However, the following 1996 property taxes still remain outstanding:

2220-84101-7	\$30,534.06 (City portion \$13,911.20)
2220-84201-0	<u>\$ 8,816.41</u> (City portion \$ 3,694.33)
Total	<u>\$39,350.47</u> (City portion \$17,605.53)

CONCLUSION

As there is no likelihood of collecting the outstanding 1996 property taxes on the two properties in question, we are recommending Council pass a resolution requesting the Minister's approval for the disposal of this asset (the receivable) under Section 248 of the Local Government Act.

Vivienne Wilke, CGA,
General Manager, Finance,
Technology & HR