



Corporate Report

NO: R063

COUNCIL DATE: April 20, 2009

REGULAR COUNCIL

TO: Mayor & Council **DATE:** April 20, 2009

FROM: Deputy City Manager **FILE:** 6750-01
General Manager, Engineering 3900-20-9011
General Manager, Finance and Technology 6630-01
General Manager, Planning and Development 6930-01
City Solicitor

SUBJECT: City of Surrey Economic Investment Action Plan – Implementation Measures

RECOMMENDATION

The Deputy City Manager and General Managers of Engineering, Finance and Technology, and Planning and Development Departments and City Solicitor recommend that Council:

1. Receive this report as information;
2. Approve the City Centre Economic Investment Zone and Revitalization Tax Exemption Program By-law and related Agreement as documented in Appendix 1 of this report (the "City Centre By-law");
3. Approve the Bridgeview/South Westminster Economic Investment Zone and Revitalization Tax Exemption Program By-law and related Agreement as documented in Appendix 2 of this report (the "Bridgeview/South Westminster By-law");
4. Authorize staff to give notice of the by-laws referenced in 2. and 3. in accordance with the provisions of Section 227 of the *Community Charter*, S.B.C. 2003, c. 26 (the "*Community Charter*");
5. Approve an amendment to Surrey Building By-law, 1987, No. 9011, (the "Building By-law") as documented in Appendix 3 to this report;

6. Authorize the City Clerk to bring forward the by-laws referenced in 2., 3. and 5. for the required readings; and
7. Approve amendments to the Interim Bonus Density Policy No. O-54, as documented in Appendix 4 to this report.

INTENT

The purpose of this report is obtain Council approval to measures that are required to implement the City of Surrey Economic Investment Action Plan (the "Action Plan") that is focussed on encouraging investment and job creation in the City of Surrey.

BACKGROUND

The Action Plan is a six-element strategy to assist in stimulating Surrey's economy by promoting business development and job creation. The strategy includes the following elements:

1. Capital spending to create construction and permanent jobs;
2. Mayor's Advisory Committee on Investment and Job Creation;
3. Business Retention and Expansion Program;
4. Establishment of Economic Investment Zones;
5. Streamlining Approval Processes; and
6. Pre-Servicing with Engineering Services of Business Lands.

A copy of a brochure providing more details about the elements of the strategy is attached as Appendix 5 to this report. A number of actions need to be taken to allow various elements of the Action Plan to be fully implemented.

DISCUSSION

1. Capital spending to create construction and permanent jobs

Council approved the 2009-2013 Five-Year Plan that includes a capital expenditure budget of \$465 million over the next three years. Approximately 4,200 jobs will be created as a result of this capital investment.

The City is financially strong with sufficient capacity to expand our capital program as grants from senior levels of government become available under Economic Stimulus Programs being rolled out by these other orders of government. The City is actively communicating with other levels of government regarding "shovel-ready" capital projects that could be moved forward and is optimistic that partnership opportunities will be realized.

2. Mayor's Advisory Committee on Investment and Job Creation

The Mayor's Advisory Committee on Investment and Job Creation is Chaired by Councillor Linda Hepner and held its first meeting on February 25, 2009. The Committee members bring expertise and experience from a broad cross-section of sectors of the economy and backgrounds.

The Committee will be tasked with:

- Providing advice and recommendations to Surrey City Council regarding actions the City should take to encourage continued investment and job growth in Surrey;
- Ensuring that Surrey is properly positioned for new investment opportunities that will provide jobs and a high quality of life for Surrey residents into the future;
- Meeting on a quarterly basis to provide ideas, feedback and advice about strategies that the City is considering or should consider to respond to the challenges of the current economy; and
- Considering matters ranging from regulatory and process improvements, identification and promotion of investment opportunities, as well as investment readiness initiatives.

3. Business Retention and Expansion Program

The Business Retention and Expansion program delivers proactive outreach to our business community through one-on-one business visits as well as business forums. This program has the dual purpose of allowing the City to gain insight into the changing dynamics of our business community as well as identifying how the City can enhance the success and ongoing viability of businesses.

A target list has been developed, encompassing over 500 businesses from seven different sectors. The Economic Development Office arranges visits and communications with these businesses with a view to better understanding their needs and opportunities for the City to assist them.

Post-interview, collected data is entered into a database, which will be used to generate reports and identify trends in our business community. In addition, the Economic Development staff will work quickly to provide the business representative with responses to questions or concerns raised during the interview.

In an effort to provide an opportunity to engage with the broader business community, the City will be conducting a number of business forums. One such significant outreach effort is the Surrey Regional Economic Summit that will feature Tony Blair, former Prime Minister of the UK as the keynote speaker. The event is scheduled for October 2009 and follows the very successful first regional

economic summit held last Fall that featured Rudy Giuliani, former Mayor of New York City.

4. Establishment of Economic Investment Zones

To encourage new investment in Surrey City Centre and in the Bridgeview/South Westminster areas, the City is establishing each of these areas as an Economic Investment Zone.

CITY CENTRE ECONOMIC INVESTMENT ZONE

The City Centre Economic Investment Zone will provide incentives to the developers of both eligible business-related projects as well as eligible high density residential projects.

Business-related (Commercial/Industrial) Projects

The following incentives will apply to these types of projects:

- Elimination of municipal property taxes for a three-year period from completion of construction;
- Reduction in development cost charges (DCCs) payable by approximately 33% in comparison to current rates;
- Deferral of the payment of DCCs to a later stage in the building approval process than is currently available;
- Reduction in building permit fees by 50%; and
- The City's density-bonus policy will be waived.

High Density Residential Projects:

The following incentives will apply to these types of projects:

- Deferral of the payment of DCCs to a later stage in the building approval process than is currently available;
- Reduction in building permit fees by 50%; and
- The City's density-bonus policy will be waived.

Boundary of the City Centre Economic Investment Zone

The boundaries of the City Centre Economic Investment Zone are illustrated on the map attached as Schedule "A" to Appendix 3 to this report. This is the same

area that is defined in the City's Zoning By-law as the "City Centre". Only projects on lands within this area are eligible for the above-described incentives.

Project Eligibility Criteria

Business-related Projects

Commercial or industrial projects having a building permit value of at least \$10 million for which a development application is received by the City before March 31, 2010 are eligible for the incentives, provided that construction commences by December 31, 2010 and on which the developer proceeds to complete construction with due diligence in accordance with an agreement between the City and the developer, but in any case, no later than December 31, 2012.

High Density Residential Projects

High density residential projects having a building permit value of at least \$25 million for which a development application is received by the City before March 31, 2010 are eligible for the incentives, provided that construction commences by December 31, 2010 and on which the developer proceeds to complete construction with due diligence in accordance with an agreement between the City and the developer, but in any case, no later than December 31, 2012.

When the Action Plan was announced, the threshold value for high density residential projects was set at \$50 million. After more review of the value of typical high density (high rise) residential projects currently being constructed in City Centre, it has been determined that a threshold value of \$25 million is more appropriate.

Elimination of Municipal Property Tax

To provide this incentive, Council must adopt a by-law under Section 226 of the *Community Charter*. This incentive would eliminate the municipal portion of property taxes on eligible projects by exempting the incremental assessed value of the improvement that is constructed. The tax exemption would be for a period of three years with the three-year period commencing no later than the year of completion of construction but, in any case, it would be by agreement between the City and the property owner.

Once the referenced revitalization by-laws are adopted, an eligible property owner would be required to enter into an agreement with the City that would specify the conditions that would need to be satisfied for the tax exemption to apply and the eligible property would be issued a tax exemption certificate. The tax exemption will only apply to the general municipal portion of the property taxes and does not include utility rates or other parcel taxes and levies. The tax exemption under the City Centre By-law and the Bridgeview/South Westminster By-law is equal to 100% of the municipal property tax payable on the assessed value of the

improvements on the parcel, as of the date of the issuance of a final occupancy permit or earlier, as specified in the agreement between the City and the property owner. The term of the property tax exemption will be three years, subject to the terms and conditions of the agreement.

Reduction of Development Cost Charges

The Economic Investment Zone for City Centre includes a reduction in the DCCs payable by eligible business-related projects. This matter is the subject of a separate report that will be forwarded to Council for consideration at the same meeting as this report.

Deferral of Development Cost Charges

Recognizing that cash flow is an important factor in any development project, the City will be working with developers to establish a means to defer the payment of DCCs to a later stage in the building approval process than is currently available. A further report will be provided to Council on this element in due course.

Reduction of Building Permit Fees

An amendment to the Building By-law, as documented in Appendix 3 to this report, is required to allow for the 50% reduction in building permit fees as provided in the Action Plan. In order to meet the required timelines as contained in the proposed amendments to the Building By-law, the City must receive the building permit application for the eligible project no later than September 1, 2010 to provide a reasonable amount of time for a building permit to be issued and construction to commence before December 31, 2010.

Interim Bonus Density Policy

Under the provisions of Section 904 of the *Local Government Act*, R.S.B.C. 1996, c. 323, municipalities may, through zoning by-laws, establish conditions that entitle an owner to a higher density, subject to the provision of amenities, including the provisions of affordable housing and special needs housing or other specified community amenities.

Surrey's Official Community Plan ("OCP") sets out allowable densities by establishing an "Allowable Floor Area Ratio" for designations in the City Centre and Town Centres, and states that these densities "may be increased through the density bonusing provisions of the Zoning By-law".

On October 1, 2007, Council considered Corporate Report No. C020 and approved the Interim Bonus Density Policy, Policy No. O-54, which applies to the City Centre area. The Policy requires that for densities in excess of those currently allowed in the OCP, and for greater than 3.5 FAR in the City Centre Designation, the benefiting developer is to provide 75% of the "lift" in the market value of the land related to the additional density as value back to the City.

Under Policy No. O-54, the base density currently allowed in the City Centre designation and in the Commercial designation of City Centre is 3.5 FAR, and in the Multiple Residential designation in City Centre, 2.5 FAR.

On February 25, 2008, Council considered Corporate Report No. R027 and adopted revisions to the Interim Bonus Density Policy to:

- Phase-in contributions for new applications as set out the Policy;
- Allow payment or security for amenities at the time of building permit, and for phased projects, at each phase of the project; and
- Provide for a portion of the value of the amenity contribution for the inclusion of acceptable "green building" features, which are subject to bonus density.

To reflect the incentive intended under the Action Plan, Section 1 - Location of the Interim Bonus Density Policy No. O-54 (Appendix I) needs to be further revised as shown in *italics* below:

1. **Location** – the policy will apply to sites in the City Centre and Guildford Town Centre as shown on the attached maps (Appendices "A" and "B" respectively), *except that in the City Centre as shown on Appendix A, the policy will **not** apply to business-related development projects which have a construction value in excess of \$10 million, or to high density residential projects which have a construction value in excess of \$25 million where a development application is submitted prior to March 31, 2010, construction commences by December 31, 2010 and final approval is granted by December 31, 2012.*

Under the Policy, an application is deemed to be "complete" and, therefore, construction can commence, "when the related rezoning by-law has been adopted, development permit approval has been granted by Council, and the City has issued a building permit". This definition is not proposed to change.

BRIDGEVIEW/SOUTH WESTMINSTER ECONOMIC INVESTMENT ZONE

The Bridgeview/South Westminster Economic Investment Zone will provide incentives to the developers of eligible business-related (commercial/industrial) projects.

The following incentives will apply to these types of projects:

- Elimination of municipal property taxes for a three-year period from completion of construction;

- Deferral of the payment of DCCs to a later stage in the building approval process than is currently available; and
- Reduction in building permit fees by 50%.

Boundary of the Bridgeview/South Westminster Economic Investment Zone

The boundaries of the Bridgeview/South Westminster Economic Investment Zone are illustrated on the map attached as Schedule "B" to Appendix 3 to this report. Only projects on lands within this area are eligible for the above-described incentives.

Project Eligibility Criteria

Commercial or industrial projects having a building permit value of at least \$5 million for which a development application is received by the City before March 31, 2010 are eligible for the incentives, provided that construction commences by December 31, 2010 and on which the developer proceeds to complete construction with due diligence in accordance with an agreement between the City and the developer, but in any case, no later than December 31, 2012.

When the Action Plan was announced, the threshold value for business-related projects in this Economic Investment Zone was set at \$10 million. After more review of the value of a typical larger business-related project currently being constructed in this area, it has been determined that a threshold value of \$5 million is more appropriate.

Elimination of Municipal Property Tax:

(See the Section of the report with the same title under the City Centre Economic Investment Zone earlier in this report.)

Deferral of Development Cost Charges

(See the Section of the report with the same title under the City Centre Economic Investment Zone earlier in this report.)

Reduction of Building Permit Fees:

(See the Section of the report with the same title under the City Centre Economic Investment Zone earlier in this report.)

5. Streamlining Approval Processes

The City has recently completed a thorough review of its land development and building permit approval processes. This review identified a number of areas where improvements can be implemented to expedite approvals including:

- Establishment of an industrial/commercial investment team for the purpose of priority processing of business related development applications;
- Establishment of a City Centre investment team with a focus of priority processing of development inquiries and applications for high density projects in City Centre;
- Development and application of a "checklist" to aid in establishing certainty by providing processing schedules for applicants seeking approval for new development applications;
- Stronger focus on improving inter-departmental communications to facilitate a more responsive development application process;
- On-line status reporting for development applications; and
- Enhanced e-business processes to reduce the need to attend City Hall to do business.

Action is being taken to fully implement these process improvements.

6. Pre-Servicing with Engineering Services of Business Lands

As part of the Action Plan, the City will invest \$5 to \$10 million in the construction of engineering services in business areas of the City to ensure there are "building permit ready" lots available for businesses seeking to expand or locate in Surrey. Engineering Department staff are currently reviewing appropriate properties as well as funding options in an effort to complete this program in a timely manner. A further report on this matter will be provided to Council in due course.

CONCLUSION

Based on the above discussion, it is recommended that Council:

- Receive this report as information;
- Approve the City Centre Economic Investment Zone and Revitalization Tax Exemption Program By-law and related Agreement as documented in Appendix 1 of this report;
- Approve the South Westminster/Bridgeview Economic Investment Zone and Revitalization Tax Exemption Program By-law and related Agreement as documented in Appendix 2 of this report;
- Authorize staff to give notice of the by-laws referenced in Recommendations 2. and 3. in accordance with the provisions of Section 227 of the *Community Charter*);

- Approve an amendment to Surrey Building By-law, 1987, No. 9011, as documented in Appendix 3 to this report;
- Authorize the City Clerk to bring forward the by-laws referenced in Recommendations 2., 3. and 5. for the required readings; and
- Approve amendments to the Interim Bonus Density Policy No. O-54, as documented in Appendix 4 to this report.

Original signed by
Dan Bottrill
Deputy City Manager

Original signed by
Vincent Lalonde
General Manager,
Engineering

Original signed by
Vivienne Wilke
General Manager,
Finance and Technology

Original signed by
Jean Lamontagne
General Manager,
Planning and Development

Original signed by
Craig MacFarlane
City Solicitor

DB/mc/saw

Attachments:

- Appendix 1 City Centre Economic Investment Zone and Revitalization Tax Exemption Program By-law
- Appendix 2 Bridgeview/South Westminster Economic Investment Zone and Revitalization Tax Exemption Program By-law
- Appendix 3 Proposed Amendments to Surrey Building By-law, 1987, No. 9011
- Appendix 4 Proposed Amendment to the Interim Bonus Density Policy No. O-54
- Appendix 5 City of Surrey Economic Investment Action Plan

Note:

Schedule "A" to Appendix 3

Map Showing Boundaries of City Centre Economic Investment Zone

Schedule "B" to Appendix 3

Map Showing Boundaries of Bridgeview/South Westminster Economic Investment Zone

CITY OF SURREYBY-LAW NO. _____A by-law to establish a City Centre Economic Investment Zone
and Revitalization Tax Exemption Program
.....

- (a) WHEREAS a City Council may, pursuant to Section 226 of the *Community Charter*, establish a revitalization tax exemption program by by-law;
- (b) AND WHEREAS certain areas of the City require economic revitalization;
- (c) AND WHEREAS Council recognizes the importance of accelerating new business and industrial investment, construction, and permanent new employment;
- (d) AND WHEREAS Council wishes to establish a revitalization tax exemption program in the City Centre Economic Investment Zone for the purpose of accelerating new business and industrial investment, construction, and permanent new employment;
- (e) AND WHEREAS the reduction of Municipal Property Taxes for a three (3) year period for new construction commencing by the end of 2010 and having a value in excess of ten million dollars (\$10,000,000.00) in the City Centre Economic Investment Zone is part of a strategy to stimulate the economy in Surrey;
- (f) AND WHEREAS Council has considered the Economic Investment Zone in conjunction with the objectives and policies set out in the City's five-year financial plan;
- (g) 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 Council of the City of Surrey, in open meeting assembled, ENACTS AS FOLLOWS:

CONTENTS

- 1. Title
- 2. Definitions
- 3. Establishment of Economic Investment Zone and Tax Exemption Program
- 4. Tax Exemption
- 5. Project Qualifications
- 6. Tax Exemption Certificates
- 7. Application Requirements
- 8. Cancellation
- 9. Exemption Agreement
- 10. Authority of Council

1. Title

- 1.1 This By-law be cited for all purposes as "Surrey City Centre Economic Investment Zone and Revitalization Tax Exemption Program By-law, 2009, No. _____".

2. Definitions

- 2.1 In this By-law:

"Agreement"

means a revitalization tax exemption agreement between the Owner of a Parcel and the City pursuant to this By-law and Section 226(7) of the *Community Charter* in the form attached to and forming part of this By-law as Schedule "B";

"Application Form"

means the application form prescribed by the General Manager, Finance and Technology;

"Building By-law"

means Surrey Building By-law, 1987, No. 9011, as may be amended from time to time;

"Building Inspector"

has the same meaning as "Building Inspector" in the Building By-law;

"Building Permit Value"

has the same meaning as "Building Value" as defined under the Building By-law and as calculated by the Building Inspector;

"City"

means the City of Surrey;

"*Community Charter*"

means S.B.C. 2003, c. 26, as may be amended from time to time (the "*Community Charter*")

"Council"

means the council of the City of Surrey;

"Economic Investment Zone "

means the area designated as the City Centre Economic Investment Zone in Schedule "A" attached to and forming part of this By-law;

"Final Approval"

means the final approval granted by the Building Inspector for the Project in accordance with the Building By-law;

"General Manager, Finance and Technology"

means the Officer position of the City financial administration officer or his or her designate who is the municipal officer for the purpose of Section 226(13) of the *Community Charter*;

"General Manager, Planning and Development"

means the Officer position of the Planning and Development Department or his or her designate;

"Improvements"

means improvements as defined in the *Assessment Act*, R.S.B.C. 1996, c. 20, as may be amended from time to time;

"Land or Lands"

means land or lands as defined in the *Community Charter*;

"Municipal Property Tax"

means only property value taxes Council has imposed pursuant to Section 197(1)(a) of the *Community Charter*, and does not include any other property taxes;

"Officer"

means the persons defined as officers in the Surrey Officer and Indemnification By-law, 2006, No. 15912, as amended, or his or her authorized representative;

"Owner"

means an owner as defined in the *Community Charter* and who is also an owner of a Parcel;

"Parcel"

means any Land:

- (a) of which fifty-one percent (51%) or more of the land area is within the Economic Investment Zone and upon which an Owner proposes or constructs a Project; and
- (b) that is within Class 4, 5 or 6 of the *Assessment Act – Prescribed Classes of Property Regulation*, B.C. Reg. 438/81;

"Project"

means the construction of a new commercial or industrial Improvement on a Parcel where the new Improvement has a Building Permit Value of at least ten million dollars (\$10,000,000.00);

"Tax Exemption"

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

"Tax Exemption Certificate"

means a revitalization tax exemption certificate issued by the General Manager, Finance and Technology pursuant to this By-law and pursuant to the provisions of Section 226(8) of the *Community Charter*, in the form attached to and forming part of this By-law as Schedule "C".

3. Establishment of Economic Investment Zones and Tax Exemption Program

3.1 There is hereby established a revitalization tax exemption program for the Economic Investment Zone under Section 226 of the *Community Charter* for the issuance of Tax Exemption Certificates for the Parcels.

3.2 The terms and conditions upon which a Tax Exemption Certificate may be issued are as set out in this By-law, the Agreement and the Tax Exemption Certificate.

4. Tax Exemption

4.1 The Tax Exemption under this By-law is equal to one-hundred percent (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 is issued.

4.2 A Tax Exemption shall apply to a Parcel only after the following conditions are met:

- (a) the Owner has satisfied all the provisions of this By-law;
- (b) the Owner has entered into a valid Agreement with the City;
- (c) the Owner has satisfied all terms and conditions as set out in the Agreement; and
- (d) a Tax Exemption Certificate has been issued for the Parcel.

5. Project Qualifications

5.1 In order for a Project to be considered by Council for an Agreement, Project construction must commence on or before December 31, 2010.

6. Tax Exemption Certificates

6.1 The maximum term of a Tax Exemption pursuant to this By-law and the applicable Agreement is three (3) years.

6.2 After December 31, 2012, no Tax Exemption Certificates will be issued pursuant to this By-law.

6.3 Prior to the issuance of a Tax Exemption Certificate by the General Manager, Finance and Technology, the Owner must fulfill the requirements, terms and conditions of this By-law and the Agreement.

6.4 After all the provisions, terms and conditions in this By-law and the Agreement are met, and after Council authorizes the issuance of the Tax Exemption Certificate, the General Manager, Finance and Technology, shall issue a Tax Exemption Certificate for the Parcel.

6.5 The Tax Exemption Certificate must, in accordance with the conditions established in this By-law and the Agreement set out in Schedule "C", specify the following:

- (a) the civic address of the Parcel;
- (b) the legal description of the Parcel;
- (c) the date of issuance of the Tax Exemption Certificate;
- (d) the term of the Tax Exemption;
- (e) the amount of the Tax Exemption or the formula for determining the exemption;
- (f) the conditions on which the Tax Exemption is provided; and
- (g) that a recapture amount is payable if the Tax Exemption Certificate is cancelled and how that amount is to be determined.

6.6 A Tax Exemption Certificate does not apply to taxation in a calendar year unless the Tax Exemption Certificate is issued on or before October 31 in the preceding year.

6.7 A Tax Exemption Certificate is subject to the following conditions:

- (a) the Project must receive Final Approval on or before December 31, 2012;

- (b) the Owner must not sell, assign, or otherwise transfer all or a portion of its equitable legal interest in the Parcel unless the transferee takes an assignment of this Agreement and agrees to be bound by it; and
- (c) the property taxes in respect of the Parcel must not go into arrears or become delinquent.

7. Application Requirements

7.1 An Owner who wishes to apply for a Tax Exemption must submit, to the City Clerk, a completed Application Form in writing.

7.2 The following must be submitted with the Application Form to the City Clerk:

- (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 copy of the current property assessment notice for the Parcel as issued by the British Columbia Assessment Authority;
- (c) a description of the Project;
- (d) a certificate from the Owner's design professional in a form satisfactory to the Building Inspector certifying that the construction value of the Project will exceed ten million dollars (\$10,000,000.00); and
- (e) an application fee in the amount of five-hundred dollars (\$500.00).

7.3 All Application Forms and other information required in Sections 7.1 and 7.2 of this By-law must be submitted to the City Clerk on or before December 22, 2010, and must be received by the City prior to issuance of the building permit for the Project.

8. Cancellation

8.1 A Tax Exemption Certificate may be cancelled by Council:

- (a) on the request of the Owner; or
- (b) if any of the conditions specified in the Tax Exemption Certificate are not met.

8.2 A Tax Exemption Certificate cancellation does not apply to taxation in a calendar year unless the Tax Exemption Certificate is cancelled on or before October 31 in the preceding year.

8.3 Subject to Sections 8.2 and 8.3, if for any reason whatsoever the Tax Exemption Certificate is cancelled, the Owner of the Parcel for which the Tax Exemption 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 Tax Exemption Certificate.

- 8.4 Despite Sections 8.2 and 8.3, if the Project does not receive Final Approval on or before December 31, 2012, the Owner of the Parcel will remit to the City an amount equal to the total value of the Tax Exemption received under the Tax Exemption Certificate.
- 8.5 The General Manager, Finance and Technology, shall notify the Owner as soon as practicable after a Tax Exemption Certificate is cancelled.

9. Exemption Agreement

9.1 Council shall not enter into an Agreement with an Owner unless all requirements of the Application Form and Sections 7.1 to 7.3 of this By-law are met.

9.2 An Agreement may include any terms and conditions deemed necessary by the General Manager, Finance and Technology, in his or her sole discretion, acting reasonably.

10. Authority of Council

10.1 Council may consider entering into an Agreement with an Owner after the Owner has met the requirements of the Application Form and of Sections 7.1 to 7.3.

READ A FIRST, SECOND AND THIRD TIME on the _____ day of _____, 2009.

NOTICE OF INTENTION ADVERTISED on the _____ and _____ day of _____, 2009 in the NOW Community newspaper.

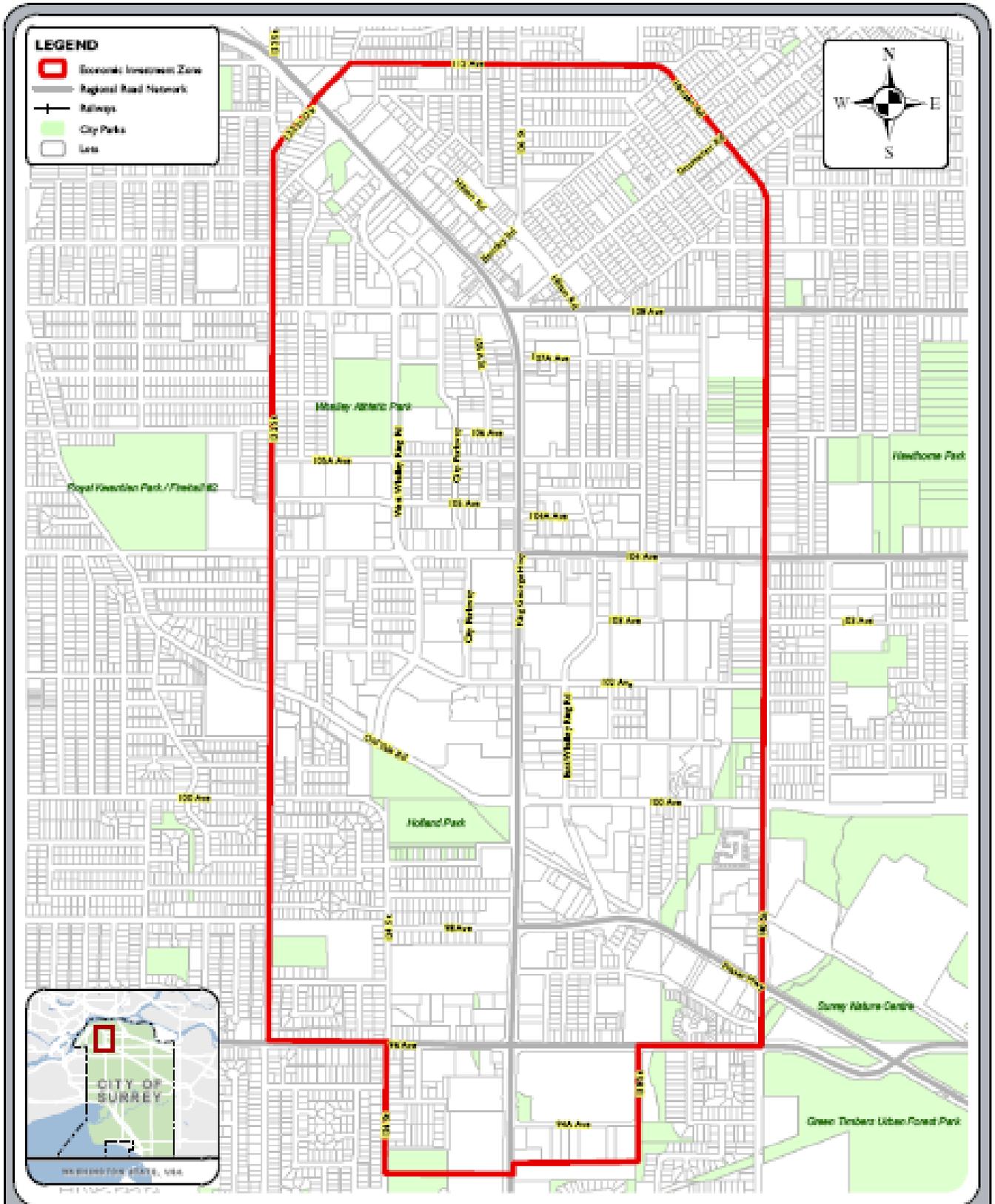
RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the _____ day of _____, 2009.

_____ MAYOR

_____ CLERK

SCHEDULE "A"

CITY CENTRE ECONOMIC INVESTMENT ZONE



City Centre Economic Investment Zone

This information is provided for information and complete accuracy only. Accuracy, legal description and ownership must be confirmed by the Title Office.

Source: GIS Section, City of Surrey, 2014. Prepared: GIS Section, City of Surrey, December 2014. Page 22 of 22

SCHEDULE "B"

REVITALIZATION TAX EXEMPTION AGREEMENT

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

BETWEEN

[Insert name and address of owner of land in respect of which the revitalization exemption will apply]

(the "Owner")

AND

CITY OF SURREY
14245 – 56th Avenue
Surrey, British Columbia V3X 3A2

(the "City")

GIVEN THAT:

- A. The Owner is the registered owner in fee simple of Land in the City of Surrey at [civic address] legally described as [*legal description*];
- B. Council has established an economic revitalization tax exemption program for the purpose of encouraging revitalization in parts of the Surrey City Centre, and has included within the "Surrey City Centre Economic Investment Zone and Revitalization Tax Exemption Program By-law, 2009, No. _____" a designation of areas, which include the Land, as an Economic Investment Zone;
- C. The Owner proposes to construct new improvements on the Land and has applied to the City to take part in the revitalization tax exemption program in respect of the Project and the City has agreed to accept the Project under the program; and
- D. The Owner and the City wish to enter into this Agreement and register it against the title to the Land as a covenant under Section 219 of the *Land Title Act*, R.S.B.C., c. 250, as amended.

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;

"Building Permit Value" has the same meaning as "Building Value" as defined under Surrey Building By-law, 1987, No. 9011, as may be amended from time to time (the "Building By-law");

"By-law" means the "Surrey City Centre Economic Investment Zone and Revitalization Tax Exemption Program By-law, 2009, No. _____", as amended;

"Final Approval" means the final approval granted by the Building Inspector in accordance with the Building By-law;

"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;

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

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

"Municipal Property Tax" means only property value taxes Surrey City Council has imposed pursuant to Section 197(1)(a) of the *Community Charter*, S.B.C. 2003, c. 23, and does not include any other taxes;

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

"Project" means construction on or to the Land for which the City has issued Building Permit No. _____, on _____, 20____;

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

"Tax Exemption Certificate" means a revitalization tax exemption certificate issued by the General Manager, Finance and Technology pursuant to the By-law and pursuant to the provisions of Section 226(8) of the *Community Charter*, in the form prescribed by the By-law.

REVITALIZATION TAX EXEMPTION

2. Subject to fulfilment of the conditions set out in this Agreement and in the By-law, the City shall issue a Tax Exemption Certificate entitling the Owner to a Tax Exemption in

respect of Municipal Property Tax for the calendar year(s) set out in this Agreement. The Tax Exemption Certificate shall be in the form prescribed by the By-law.

TERM

3. Provided the requirements of this Agreement and of the By-law are met, the Tax Exemption shall be for the taxation years _____ to _____, inclusive.
4. Throughout the term of this Agreement, the Owner shall operate, repair and maintain the Lands and Project and will keep the Lands and Project in a state of good repair as a prudent owner would.

CONDITIONS

5. The following conditions must be fulfilled before the City will issue a Tax Exemption Certificate to the Owner in respect of the Land:
 - (a) The Owner must commence construction of the Project on or before December 31, 2010;
 - (b) The Owner must complete or cause to be completed construction of the Project in a good and workmanlike fashion and in strict compliance with the building permit and the plans and specifications attached to and forming part of this Agreement as Appendix "____" and the Project must be officially opened for use as [*describe permitted use*] _____ and for no other purpose;
 - (c) The completed Project must substantially satisfy the performance criteria set out in Appendix "____" attached to and forming part of this Agreement, as determined by the City's General Manager, Planning & Development in his or her sole discretion, acting reasonably; and
 - (d) The Project must have a Building Permit Value in excess of ten million dollars (\$10,000,000.00).
6. A Tax Exemption Certificate is subject to the following conditions:
 - (a) the Project must receive Final Approval on or before December 31, 2012;
 - (b) the Owner must not sell, assign, or otherwise transfer all or a portion of its equitable or legal interest in the Parcel unless the transferee takes an assignment of this Agreement and agrees to be bound by it; and
 - (c) the property taxes in respect of the Parcel must not go into arrears or become delinquent.
7. The Owner shall construct the Project and, at all times during the term of the Tax Exemption, use and occupy the Land and the Project in compliance with all statutes, law, regulations and orders of any authority having jurisdiction, and without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, by-laws

licences, permits or approvals, including all the rules regulations policies guidelines criteria or the like made under or pursuant to any such laws.

8. The Owner must pay to the City in relation to the Project 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.
9. For greater certainty, under no circumstances will the Owner be entitled under this Agreement or the By-law to any cash credits, any carry forward tax exemption credit or any return for any taxes paid or Municipal Property Tax paid.

TAX EXEMPTION

10. The Tax Exemption under this By-law is equal to one-hundred percent (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 is issued.

CANCELLATION

11. The Council may in its sole discretion cancel the Tax Exemption Certificate at any time:
 - (a) on the written request of the Owner; or
 - (b) effective immediately if at any time any of the conditions in the Tax Exemption Certificate are not met.
12. A Tax Exemption Certificate cancellation does not apply to taxation in a calendar year unless the Tax Exemption Certificate is issued or cancelled, as applicable, on or before October 31 in the preceding year.
13. Subject to Section 12, if for any reason whatsoever the Tax Exemption Certificate is cancelled, the Owner of the Parcel for which the Tax Exemption Certificate was issued will remit to the City an amount equal to the value of the Tax Exemption received after the date of the cancellation of the Tax Exemption Certificate.
14. Despite Sections 12 and 13, if the Project does not receive Final Approval on or before December 31, 2012, the Owner of the Parcel will remit to the City an amount equal to the total value of the Tax Exemption received under the Tax Exemption Certificate.

CITY'S RIGHTS AND POWERS

15. 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 Land, all of which may be fully and effectively exercised in relation to the Land if this Agreement had not been executed and delivered by the Owner.

GENERAL PROVISIONS

16. 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.
17. 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.
18. 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.
19. 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.
20. This Agreement shall enure to the benefit of and is binding on the parties and their respective heirs, executors, administrators, successors and assigns.
21. 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.
22. Time is of the essence of this Agreement.
23. 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.
24. 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.

25. No amendment or waiver of any portion of this Agreement shall be valid unless in writing and executed by the parties to this Agreement.
26. Waiver of any default by a party shall not be deemed to be a waiver of any subsequent default by that party.
27. This Agreement is not intended to create a partnership, joint venture, or agency between the Owner and the City.
28. This Agreement shall be construed according to the laws of the Province of British Columbia.
29. A reference in this Agreement to the City or the Owner includes their permitted assigns, heirs, successors, officers, employees, and agents.
30. 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.
31. 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.
32. 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.
33. The Owner represents and warrants to the City that:

- (a) all necessary corporate actions and proceedings have been taken by the Owner to authorize its entry into and performance of this Agreement;
 - (b) upon execution and delivery on behalf of the Owner, this Agreement constitutes a valid and binding contractual obligation of the Owner;
 - (c) 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
 - (d) the Owner has the corporate capacity and authority to enter into and perform this Agreement.
34. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that is invalid shall not affect the validity of the remainder of the Agreement.
35. If there is any conflict between the terms and conditions of this Agreement and the provisions of the By-law, the By-law shall take precedence to the extent of the conflict.
36. Wherever the singular or masculine is used in this Agreement, the same shall be construed as meaning the plural, the feminine or body corporate where the context or the parties there to require.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

Executed by the CITY OF SURREY by
its authorized signatories:

Mayor

City Clerk

Executed by _____
by its authorized signatories:

Name:

Name:

SCHEDULE "C"

**CITY OF SURREY
ECONOMIC INVESTMENT ZONE
TAX EXEMPTION CERTIFICATE**

Date of Issuance: _____, 20__

Date of Expiry: December 31, 20__

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

Address: _____ (the "Parcel")

Amount

The Tax Exemption under this Tax Exemption Certificate is equal to one-hundred percent (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 is issued.

Term

This Tax Exemption Certificate shall be in effect for three (3) years from the date of issuance.

Conditions

This Tax Exemption Certificate is issued on the following conditions:

- (a) the Project must receive Final Approval on or before December 31, 2012;
- (b) the Owner must not sell, assign, or otherwise transfer all or a portion of its equitable or legal interest in the Parcel unless the transferee takes an assignment of this Agreement and agrees to be bound by it;
- (c) the property taxes in respect of the Parcel must not go into arrears or become delinquent; and
- (d) all requirements, terms and conditions of the By-law, the Agreement and this Tax Exemption Certificate have been met by the Owner.

Cancellation

A cancellation of this Tax Exemption Certificate does not apply to taxation in a calendar year unless it is cancelled on or before October 31 in the preceding year.

If the terms and conditions of this Tax Exemption Certificate are not met, the City may cancel the Tax Exemption Certificate and the Owner will remit to the City an amount equal to the value of the Tax Exemption received after the date of cancellation of this Tax Exemption Certificate.

However, if the Project on the Parcel does not receive Final Approval on or before December 31, 2012, the Owner of the Parcel will remit to the City an amount equal to the total value of the Tax Exemption received under the Tax Exemption Certificate.

Definitions

All words and phrases in this Tax Exemption Certificate shall have the same meaning as in Surrey City Centre Economic Investment Zone and Revitalization Tax Exemption Program By-law, 2009, No. _____.

Issued By: _____
General Manager, Finance and Technology for the City of Surrey

CITY OF SURREYBY-LAW NO. _____

A by-law to establish a Bridgeview/South Westminster Economic Investment Zone and Revitalization Tax Exemption Program

- (a) WHEREAS a City Council may, pursuant to Section 226 of the *Community Charter*, establish a revitalization tax exemption program by by-law;
- (b) AND WHEREAS certain areas of the City require economic revitalization;
- (c) AND WHEREAS Council recognizes the importance of accelerating new business and industrial investment, construction, and permanent new employment;
- (d) AND WHEREAS Council wishes to establish a revitalization tax exemption program in the Bridgeview/South Westminster Economic Investment Zone for the purpose of accelerating new business and industrial investment, construction, and permanent new employment;
- (e) AND WHEREAS the reduction of Municipal Property Taxes for a three (3) year period for new construction commencing by the end of 2010 and having a value in excess of five million dollars (\$5,000,000.00) in the Bridgeview/South Westminster Economic Investment Zone is part of a strategy to stimulate the economy in Surrey;
- (f) AND WHEREAS Council has considered the Economic Investment Zone in conjunction with the objectives and policies set out in the City's five-year financial plan;
- (g) 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 Council of the City of Surrey, in open meeting assembled, ENACTS AS FOLLOWS:

CONTENTS

- 1. Title
- 2. Definitions
- 3. Establishment of Economic Investment Zone and Tax Exemption Program
- 4. Tax Exemption
- 5. Project Qualifications
- 6. Tax Exemption Certificates
- 7. Application Requirements
- 8. Cancellation
- 9. Exemption Agreement
- 10. Authority of Council

1. Title

- 1.1 This By-law be cited for all purposes as "Surrey Bridgeview/South Westminster Economic Investment Zone and Revitalization Tax Exemption Program By-law, 2009, No. _____".

2. Definitions

- 2.1 In this By-law:

"Agreement"

means a revitalization tax exemption agreement between the Owner of a Parcel and the City pursuant to this By-law and Section 226(7) of the *Community Charter* in the form attached to and forming part of this By-law as Schedule "B";

"Application Form"

means the application form prescribed by the General Manager, Finance and Technology;

"Building By-law"

means Surrey Building By-law, 1987, No. 9011, as may be amended from time to time;

"Building Inspector"

has the same meaning as "Building Inspector" in the Building By-law;

"Building Permit Value"

has the same meaning as "Building Value" as defined under the Building By-law and as calculated by the Building Inspector;

"City"

means the City of Surrey;

"*Community Charter*"

means S.B.C. 2003, c. 26, as may be amended from time to time (the "*Community Charter*")

"Council"

means the council of the City of Surrey;

"Economic Investment Zone "

means the area designated as the Bridgeview/South Westminster Economic Investment Zone in Schedule "A" attached to and forming part of this By-law;

"Final Approval"

means the final approval granted by the Building Inspector for the Project in accordance with the Building By-law;

"General Manager, Finance and Technology"

means the Officer position of the City financial administration officer or his or her designate who is the municipal officer for the purpose of Section 226(13) of the *Community Charter*;

"General Manager, Planning and Development"

means the Officer position of the Planning and Development Department or his or her designate;

"Improvements"

means improvements as defined in the *Assessment Act*, R.S.B.C. 1996, c. 20, as may be amended from time to time;

"Land or Lands"

means land or lands as defined in the *Community Charter*;

"Municipal Property Tax"

means only property value taxes Council has imposed pursuant to Section 197(1)(a) of the *Community Charter*, and does not include any other property taxes;

"Officer"

means the persons defined as officers in the Surrey Officer and Indemnification By-law, 2006, No. 15912, as amended, or his or her authorized representative;

"Owner"

means an owner as defined in the *Community Charter* and who is also an owner of a Parcel;

"Parcel"

means any Land:

- (a) of which fifty-one percent (51%) or more of the land area is within the Economic Investment Zone and upon which an Owner proposes or constructs a Project; and

- (b) that is within Class 4, 5 or 6 of the *Assessment Act – Prescribed Classes of Property Regulation*, B.C. Reg. 438/81;

"Project"

means the construction of a new commercial or industrial Improvement on a Parcel where the new Improvement has a Building Permit Value of at least five million dollars (\$5,000,000.00);

"Tax Exemption"

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

"Tax Exemption Certificate"

means a revitalization tax exemption certificate issued by the General Manager, Finance and Technology pursuant to this By-law and pursuant to the provisions of Section 226(8) of the *Community Charter*, in the form attached to and forming part of this By-law as Schedule "C".

3. Establishment of Economic Investment Zones and Tax Exemption Program

3.1 There is hereby established a revitalization tax exemption program for the Economic Investment Zone under Section 226 of the *Community Charter* for the issuance of Tax Exemption Certificates for the Parcels.

3.2 The terms and conditions upon which a Tax Exemption Certificate may be issued are as set out in this By-law, the Agreement and the Tax Exemption Certificate.

4. Tax Exemption

4.1 The Tax Exemption under this By-law is equal to one-hundred percent (100%) of the Municipal Property Tax payable on the increase in the assessed value of Land and Improvements on the Parcel between:

- (b) the year before the Project began; and
- (b) the year in which the Tax Exemption Certificate is issued.

4.2 A Tax Exemption shall apply to a Parcel only after the following conditions are met:

- (a) the Owner has satisfied all the provisions of this By-law;
- (b) the Owner has entered into a valid Agreement with the City;
- (c) the Owner has satisfied all terms and conditions as set out in the Agreement; and
- (d) a Tax Exemption Certificate has been issued for the Parcel.

5. Project Qualifications

5.1 In order for a Project to be considered by Council for an Agreement, Project construction must commence on or before December 31, 2010.

6. Tax Exemption Certificates

6.1 The maximum term of a Tax Exemption pursuant to this By-law and the applicable Agreement is three (3) years.

6.2 After December 31, 2012, no Tax Exemption Certificates will be issued pursuant to this By-law.

6.3 Prior to the issuance of a Tax Exemption Certificate by the General Manager, Finance and Technology, the Owner must fulfill the requirements, terms and conditions of this By-law and the Agreement.

6.4 After all the provisions, terms and conditions in this By-law and the Agreement are met, and after Council authorizes the issuance of the Tax Exemption Certificate, the General Manager, Finance and Technology, shall issue a Tax Exemption Certificate for the Parcel.

6.5 The Tax Exemption Certificate must, in accordance with the conditions established in this By-law and the Agreement set out in Schedule "C", specify the following:

- (h) the civic address of the Parcel;
- (i) the legal description of the Parcel;
- (j) the date of issuance of the Tax Exemption Certificate;
- (k) the term of the Tax Exemption;
- (l) the amount of the Tax Exemption or the formula for determining the exemption;
- (m) the conditions on which the Tax Exemption is provided; and
- (n) that a recapture amount is payable if the Tax Exemption Certificate is cancelled and how that amount is to be determined.

6.6 A Tax Exemption Certificate does not apply to taxation in a calendar year unless the Tax Exemption Certificate is issued on or before October 31 in the preceding year.

6.7 A Tax Exemption Certificate is subject to the following conditions:

- (d) the Project must receive Final Approval on or before December 31, 2012;

- (e) the Owner must not sell, assign, or otherwise transfer all or a portion of its equitable legal interest in the Parcel unless the transferee takes an assignment of this Agreement and agrees to be bound by it; and
- (f) the property taxes in respect of the Parcel must not go into arrears or become delinquent.

7. Application Requirements

7.1 An Owner who wishes to apply for a Tax Exemption must submit, to the City Clerk, a completed Application Form in writing.

7.2 The following must be submitted with the Application Form to the City Clerk:

- (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 copy of the current property assessment notice for the Parcel as issued by the British Columbia Assessment Authority;
- (c) a description of the Project;
- (d) a certificate from the Owner's design professional in a form satisfactory to the Building Inspector certifying that the construction value of the Project will exceed five million dollars (\$5,000,000.00); and
- (e) an application fee in the amount of five-hundred dollars (\$500.00).

7.3 All Application Forms and other information required in Sections 7.1 and 7.2 of this By-law must be submitted to the City Clerk on or before December 22, 2010, and must be received by the City prior to issuance of the building permit for the Project.

8. Cancellation

8.1 A Tax Exemption Certificate may be cancelled by Council:

- (a) on the request of the Owner; or
- (b) if any of the conditions specified in the Tax Exemption Certificate are not met.

8.2 A Tax Exemption Certificate cancellation does not apply to taxation in a calendar year unless the Tax Exemption Certificate is cancelled on or before October 31 in the preceding year.

8.3 Subject to Sections 8.2 and 8.3, if for any reason whatsoever the Tax Exemption Certificate is cancelled, the Owner of the Parcel for which the Tax Exemption 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 Tax Exemption Certificate.

- 8.4 Despite Sections 8.2 and 8.3, if the Project does not receive Final Approval on or before December 31, 2012, the Owner of the Parcel will remit to the City an amount equal to the total value of the Tax Exemption received under the Tax Exemption Certificate.
- 8.5 The General Manager, Finance and Technology, shall notify the Owner as soon as practicable after a Tax Exemption Certificate is cancelled.

9. Exemption Agreement

9.1 Council shall not enter into an Agreement with an Owner unless all requirements of the Application Form and Sections 7.1 to 7.3 of this By-law are met.

9.2 An Agreement may include any terms and conditions deemed necessary by the General Manager, Finance and Technology, in his or her sole discretion, acting reasonably.

10. Authority of Council

10.1 Council may consider entering into an Agreement with an Owner after the Owner has met the requirements of the Application Form and of Sections 7.1 to 7.3.

READ A FIRST, SECOND AND THIRD TIME on the _____ day of _____, 2009.

NOTICE OF INTENTION ADVERTISED on the _____ and _____ day of _____, 2009 in the NOW Community newspaper.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the _____ day of _____, 2009.

_____ MAYOR

_____ CLERK

SCHEDULE "B"

REVITALIZATION TAX EXEMPTION AGREEMENT

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

BETWEEN

[Insert name and address of owner of land in respect of which the revitalization exemption will apply]

(the "Owner")

AND

CITY OF SURREY
14245 – 56th Avenue
Surrey, British Columbia V3X 3A2

(the "City")

GIVEN THAT:

- A. The Owner is the registered owner in fee simple of Land in the City of Surrey at [civic address] legally described as [*legal description*];
- B. Council has established an economic revitalization tax exemption program for the purpose of encouraging revitalization in parts of Bridgeview/South Westminster, and has included within the "Surrey Bridgeview/South Westminster Economic Investment Zone and Revitalization Tax Exemption Program By-law, 2009, No. _____" a designation of areas, which include the Land, as an Economic Investment Zone;
- C. The Owner proposes to construct new improvements on the Land and has applied to the City to take part in the revitalization tax exemption program in respect of the Project and the City has agreed to accept the Project under the program; and
- D. The Owner and the City wish to enter into this Agreement and register it against the title to the Land as a covenant under Section 219 of the *Land Title Act*, R.S.B.C., c. 250, as amended.

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;

"Building Permit Value" has the same meaning as "Building Value" as defined under Surrey Building By-law, 1987, No. 9011, as may be amended from time to time (the "Building By-law");

"By-law" means the "Surrey Bridgeview/South Westminster Economic Investment Zone and Revitalization Tax Exemption Program By-law, 2009, No. _____", as amended;

"Final Approval" means the final approval granted by the Building Inspector in accordance with the Building By-law;

"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;

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

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

"Municipal Property Tax" means only property value taxes Surrey City Council has imposed pursuant to Section 197(1)(a) of the *Community Charter*, S.B.C. 2003, c. 23, and does not include any other taxes;

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

"Project" means construction on or to the Land for which the City has issued Building Permit No. _____, on _____, 20____;

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

"Tax Exemption Certificate" means a revitalization tax exemption certificate issued by the General Manager, Finance and Technology pursuant to the By-law and pursuant to the provisions of Section 226(8) of the *Community Charter*, in the form prescribed by the By-law.

REVITALIZATION TAX EXEMPTION

2. Subject to fulfilment of the conditions set out in this Agreement and in the By-law, the City shall issue a Tax Exemption Certificate entitling the Owner to a Tax Exemption in

respect of Municipal Property Tax for the calendar year(s) set out in this Agreement. The Tax Exemption Certificate shall be in the form prescribed by the By-law.

TERM

3. Provided the requirements of this Agreement and of the By-law are met, the Tax Exemption shall be for the taxation years _____ to _____, inclusive.
4. Throughout the term of this Agreement, the Owner shall operate, repair and maintain the Lands and Project and will keep the Lands and Project in a state of good repair as a prudent owner would.

CONDITIONS

5. The following conditions must be fulfilled before the City will issue a Tax Exemption Certificate to the Owner in respect of the Land:
 - (a) The Owner must commence construction of the Project on or before December 31, 2010;
 - (b) The Owner must complete or cause to be completed construction of the Project in a good and workmanlike fashion and in strict compliance with the building permit and the plans and specifications attached to and forming part of this Agreement as Appendix "____" and the Project must be officially opened for use as [*describe permitted use*] _____ and for no other purpose;
 - (c) The completed Project must substantially satisfy the performance criteria set out in Appendix "____" attached to and forming part of this Agreement, as determined by the City's General Manager, Planning & Development in his or her sole discretion, acting reasonably; and
 - (d) The Project must have a Building Permit Value in excess of five million dollars (\$5,000,000.00).
6. A Tax Exemption Certificate is subject to the following conditions:
 - (d) the Project must receive Final Approval on or before December 31, 2012;
 - (e) the Owner must not sell, assign, or otherwise transfer all or a portion of its equitable or legal interest in the Parcel unless the transferee takes an assignment of this Agreement and agrees to be bound by it; and
 - (f) the property taxes in respect of the Parcel must not go into arrears or become delinquent.
7. The Owner shall construct the Project and, at all times during the term of the Tax Exemption, use and occupy the Land and the Project in compliance with all statutes, law, regulations and orders of any authority having jurisdiction, and without limiting the generality of the foregoing, all federal, provincial, or municipal laws, statutes, by-laws

licences, permits or approvals, including all the rules regulations policies guidelines criteria or the like made under or pursuant to any such laws.

8. The Owner must pay to the City in relation to the Project 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.
9. For greater certainty, under no circumstances will the Owner be entitled under this Agreement or the By-law to any cash credits, any carry forward tax exemption credit or any return for any taxes paid or Municipal Property Tax paid.

TAX EXEMPTION

10. The Tax Exemption under this By-law is equal to one-hundred percent (100%) of the Municipal Property Tax payable on the increase in the assessed value of Land and Improvements on the Parcel between:
 - (b) the year before the Project began; and
 - (b) the year in which the Tax Exemption Certificate is issued.

CANCELLATION

11. The Council may in its sole discretion cancel the Tax Exemption Certificate at any time:
 - (a) on the written request of the Owner; or
 - (b) effective immediately if at any time any of the conditions in the Tax Exemption Certificate are not met.
12. A Tax Exemption Certificate cancellation does not apply to taxation in a calendar year unless the Tax Exemption Certificate is issued or cancelled, as applicable, on or before October 31 in the preceding year.
13. Subject to Section 12, if for any reason whatsoever the Tax Exemption Certificate is cancelled, the Owner of the Parcel for which the Tax Exemption Certificate was issued will remit to the City an amount equal to the value of the Tax Exemption received after the date of the cancellation of the Tax Exemption Certificate.
14. Despite Sections 12 and 13, if the Project does not receive Final Approval on or before December 31, 2012, the Owner of the Parcel will remit to the City an amount equal to the total value of the Tax Exemption received under the Tax Exemption Certificate.

CITY'S RIGHTS AND POWERS

15. 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 Land, all of which may be fully and effectively exercised in relation to the Land if this Agreement had not been executed and delivered by the Owner.

GENERAL PROVISIONS

16. 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.
17. 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.
18. 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.
19. 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.
20. This Agreement shall enure to the benefit of and is binding on the parties and their respective heirs, executors, administrators, successors and assigns.
21. 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.
22. Time is of the essence of this Agreement.
23. 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.
24. 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.

25. No amendment or waiver of any portion of this Agreement shall be valid unless in writing and executed by the parties to this Agreement.
26. Waiver of any default by a party shall not be deemed to be a waiver of any subsequent default by that party.
27. This Agreement is not intended to create a partnership, joint venture, or agency between the Owner and the City.
28. This Agreement shall be construed according to the laws of the Province of British Columbia.
29. A reference in this Agreement to the City or the Owner includes their permitted assigns, heirs, successors, officers, employees, and agents.
30. 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.
31. 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.
32. 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.
33. The Owner represents and warrants to the City that:

- (a) all necessary corporate actions and proceedings have been taken by the Owner to authorize its entry into and performance of this Agreement;
 - (b) upon execution and delivery on behalf of the Owner, this Agreement constitutes a valid and binding contractual obligation of the Owner;
 - (c) 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
 - (d) the Owner has the corporate capacity and authority to enter into and perform this Agreement.
34. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that is invalid shall not affect the validity of the remainder of the Agreement.
35. If there is any conflict between the terms and conditions of this Agreement and the provisions of the By-law, the By-law shall take precedence to the extent of the conflict.
36. Wherever the singular or masculine is used in this Agreement, the same shall be construed as meaning the plural, the feminine or body corporate where the context or the parties there to require.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

Executed by the CITY OF SURREY by
its authorized signatories:

Mayor

City Clerk

Executed by _____
by its authorized signatories:

Name:

Name:

SCHEDULE "C"

CITY OF SURREY ECONOMIC INVESTMENT ZONE TAX EXEMPTION CERTIFICATE

Date of Issuance: _____, 20__

Date of Expiry: December 31, 20__

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

Address: _____ (the "Parcel")

Amount

The Tax Exemption under this Tax Exemption Certificate is equal to one-hundred percent (100%) of the Municipal Property Tax payable on the increase in the assessed value of Land and Improvements on the Parcel between:

- (b) the year before the Project began; and
- (b) the year in which the Tax Exemption Certificate is issued.

Term

This Tax Exemption Certificate shall be in effect for three (3) years from the date of issuance.

Conditions

This Tax Exemption Certificate is issued on the following conditions:

- (a) the Project must receive Final Approval on or before December 31, 2012;
- (b) the Owner must not sell, assign, or otherwise transfer all or a portion of its equitable or legal interest in the Parcel unless the transferee takes an assignment of this Agreement and agrees to be bound by it;
- (c) the property taxes in respect of the Parcel must not go into arrears or become delinquent; and
- (d) all requirements, terms and conditions of the By-law, the Agreement and this Tax Exemption Certificate have been met by the Owner.

Cancellation

A cancellation of this Tax Exemption Certificate does not apply to taxation in a calendar year unless it is cancelled on or before October 31 in the preceding year.

If the terms and conditions of this Tax Exemption Certificate are not met, the City may cancel the Tax Exemption Certificate and the Owner will remit to the City an amount equal to the value of the Tax Exemption received after the date of cancellation of this Tax Exemption Certificate.

However, if the Project on the Parcel does not receive Final Approval on or before December 31, 2012, the Owner of the Parcel will remit to the City an amount equal to the total value of the Tax Exemption received under the Tax Exemption Certificate.

Definitions

All words and phrases in this Tax Exemption Certificate shall have the same meaning as in Surrey Bridgeview/South Westminster Economic Investment Zone and Revitalization Tax Exemption Program By-law, 2009, No. _____.

Issued By: _____
General Manager, Finance and Technology for the City of Surrey

Proposed Amendments to Surrey Building By-law, 1987, No. 9011

The following amendment is proposed to Surrey Building By-law, 1987, No. 9011, as amended:

1. Insert the following new Section 18(1.1) immediately following existing Section 18(1):

(1.1) Economic Investment Zone Permit Fees

- (a) For the purposes of this Section 18(1.1) the following definitions apply:

"Economic Investment Zone or Zones" means the City Centre and Bridgeview/South Westminster areas designated as Economic Investment Zones in Schedules "A" and "B" respectively, attached to and forming part of this By-law.

"Parcel" means any parcel of land of which fifty-one percent (51%) or more of the land area is within an Economic Investment Zone and upon which a person applies to construct a Project.

"Project" means the construction of a new improvement on a Parcel where:

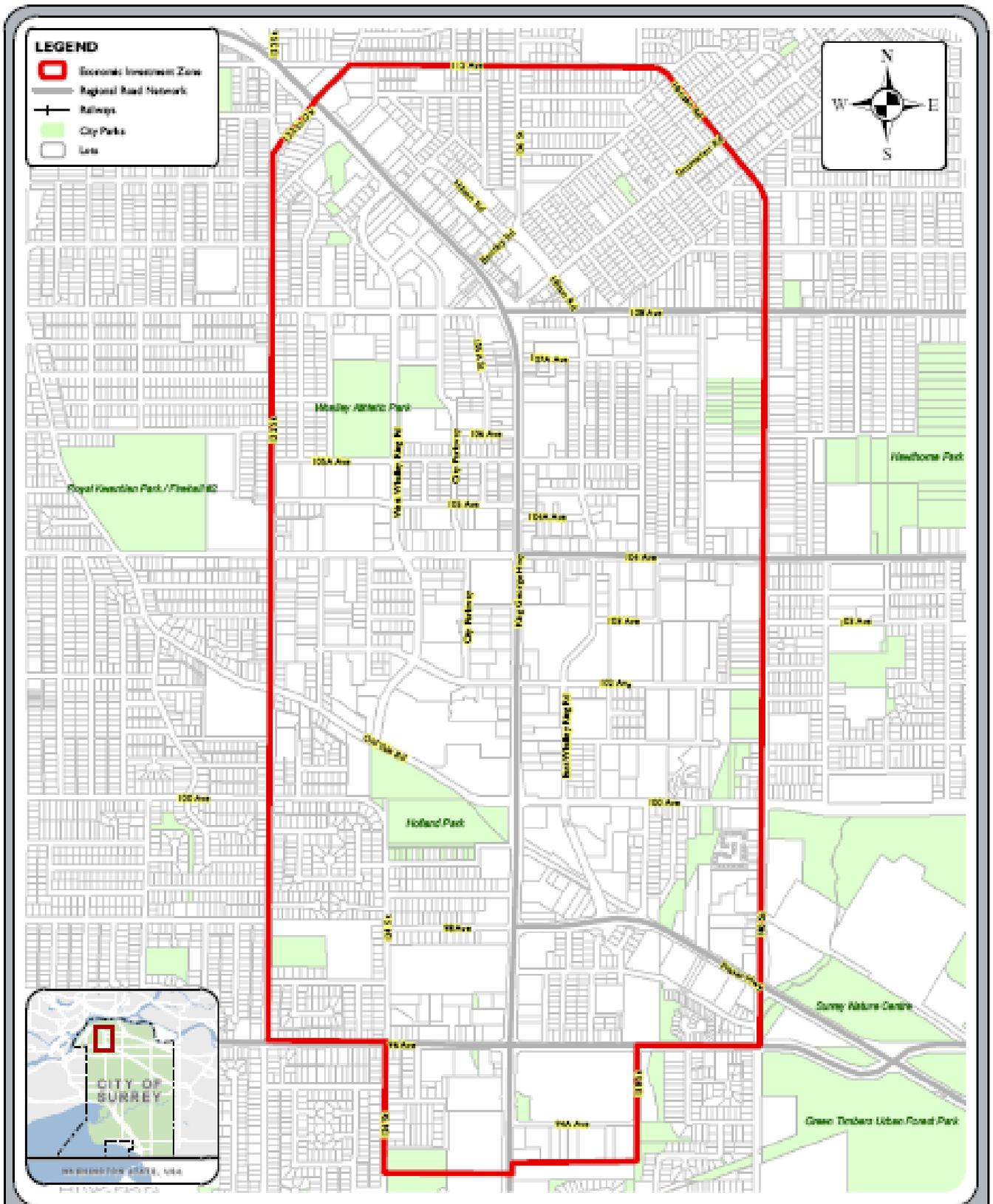
- (i) the new improvement is commercial or industrial and has a Building Value of at least:
 - (1) ten million dollars (\$10,000,000.00) for improvements in the City Centre Economic Investment Zone, and
 - (2) five million dollars (\$5,000,000.00) for improvements in the Bridgeview/South Westminster Economic Investment Zone; or
- (ii) the new improvement is a concrete high-rise residential building in the City Centre Economic Investment Zone with a Building Value of at least 25 million dollars (\$25,000,000.00),

and the building permit is issued on or before December 22, 2010.

- (b) Notwithstanding paragraphs 18(1)(a) to (e) above, the permit fee payable for any Project in an Economic Investment Zone shall be equal to fifty percent (50%) of the total permit fee calculated in accordance with paragraphs 18(1)(a) to (e) above.
- (c) If:
 - (i) construction on the Project pursuant to the permit does not commence on or before December 31, 2010; or

- (ii) the Project does not receive final approval from the Building Inspector on or before December 31, 2012,

then the permit fee shall no longer be discounted and the Owner shall pay to the City forthwith the remaining portion of the fee owing in an amount equal to fifty percent (50%) of the total permit fee calculated in accordance with paragraphs 18(1)(a) to (e) above, and failure to pay the remaining permit fee owing will result in cancellation of the building permit.



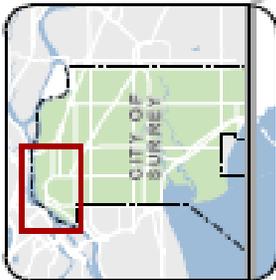
City Centre Economic Investment Zone

This data product is compiled from various sources and is NOT warranted to be accurate or reliable by the City of Surrey. The information provided for information and convenience purposes only. Symbols, legal descriptions and measurements must be confirmed with the local Title Office.
 Source: GIS Mapping and Information Services, City of Surrey, 1224 Main Street, Surrey, BC V4A 1A1. City of Surrey, 1224 Main Street, Surrey, BC V4A 1A1.



LEGEND

- Economic Investment Zone
- Surrey City Boundary
- City Parks
- Railways
- Regional Road Network



DEVELOPMENT
PLANNING DEPARTMENT
 10000 152 Street, Surrey, BC V3R 7X1
 Tel: 604.593.3100
 Fax: 604.593.3101



Bridgeview/South Westminster Economic Investment Zone

This map is provided for information only and is not intended to be used as a legal document. It is subject to change without notice. The City of Surrey is not responsible for any errors or omissions in this map. For more information, please contact the City of Surrey Planning Department at 604.593.3100.



CITY POLICY

No. 0-54

REFERENCE:	APPROVED BY:	CITY COUNCIL
REGULAR COUNCIL - PUBLIC HEARING MINUTES	DATE:	
	HISTORY:	OCTOBER 15, 2007 RES. R07-2745 FEBRUARY 25, 2008 RES. R08-433

TITLE: Interim Bonus Density Policy

Components of the Interim Bonus Density Policy are as follows:

1. **Location** - the policy will apply to sites in the City Centre and Guildford Town Centre, as shown on the attached maps (Appendices "A" and "B" respectively), except that in the City Centre as shown on Appendix "A", the policy will **not** apply to business-related development projects which have a construction value in excess of \$10 million, or to high density residential projects which have a construction value in excess of \$25 million where a development application is submitted prior to March 31, 2010, where the construction commences by December 31, 2010 and final approval is granted by December 31, 2012.
2. **Model** – The policy will be based on the Land Lift Valuation Approach and will require that the benefiting developer provide a percentage of the lift in the market value of the land as value back to the City. The policy will apply to development applications proposing densities greater than 3.5 floor area ratio (FAR) for lands designated City Centre and Commercial and greater than 2.5 FAR for lands designated Multiple Residential in City Centre and greater than 1.5 FAR for lands designated Multiple Family in Guildford Town Centre, as shown on the attached maps (Appendices "A" and "B", respectively).

The percentage Land Lift will be phased in according to the following schedule:

- a. Applications in-stream as of October 15, 2007 will be exempt from the provisions of the policy provided that they are **completed** by April 1, 2009. Applications that are not complete by April 1, 2009 will be subject to the contribution Phase-In as outlined below.

- **Applications received after October 1, 2007, but prior to July 1, 2009.**
 - These applications will be subject to an amenity contribution equal to **25%** of land lift.
 - Applications must be complete by October 1, 2010 to be subject to the 25% land lift.
 - Applications that are not complete by October 1, 2010, will be subject to a contribution equal to 50% land lift if they are complete by April 1, 2011.
 - If applications are not complete by April 1, 2011, they will be subject to the full 75% land lift.
 - If applications are completed in phases, the above provisions would apply at building permit issuance for each phase of development.

- **Applications received after July 1, 2009, but prior to January 1, 2011.**
 - These applications will be subject to an amenity contribution equal to 50% of land lift.
 - Applications must be complete by April 1, 2012 to be subject to the 50 % land lift.
 - Applications that are not complete by April 1, 2012, will be subject to the full 75% land lift.

- **Applications received after January 1, 2011.**

These applications will be subject to an amenity contribution equal to **75%** of land lift.

Applications are deemed to be **complete** when the related rezoning by-law has been adopted, development permit approval has been granted by Council and the City has issued a Building Permit.

3. **Mechanism** – The density bonus will be applied through rezoning using a Comprehensive Development Zone on each individual site;
4. **Payment Schedule** - The full amount of the amenity contribution will be made at the time of the issuance of the building permit. The density provided through the issuance of the permit will be linked to the payment of the contribution.

In the case of phased developments, the amenity contribution will be paid at Building Permit stage for each phase of the development, as noted above.

If the amenity contribution is not a cash contribution, but is a commitment to the provision of specific amenities in the development, these may be subject to the provision by the developer of a financial security in favour of the City at the time of building permit issuance.

5. **Amenity** – The policy will allow for the 'bonus density value to be achieved through amenities such as affordable housing, civic amenities including child care spaces, public meeting spaces, civic and cultural facilities, public art, open space, publicly accessible parks or gathering places, etc. or a cash-in-lieu payment provision. Council may decide to accept other amenities as it sees fit.

The provision of non-market affordable or special needs housing as an element of an amenity contribution will be subject to a housing agreement under section 905 of the *Local Government Act*.

The following would be eligible for consideration as affordable and special needs housing as an amenity contribution in an application for a density bonus:

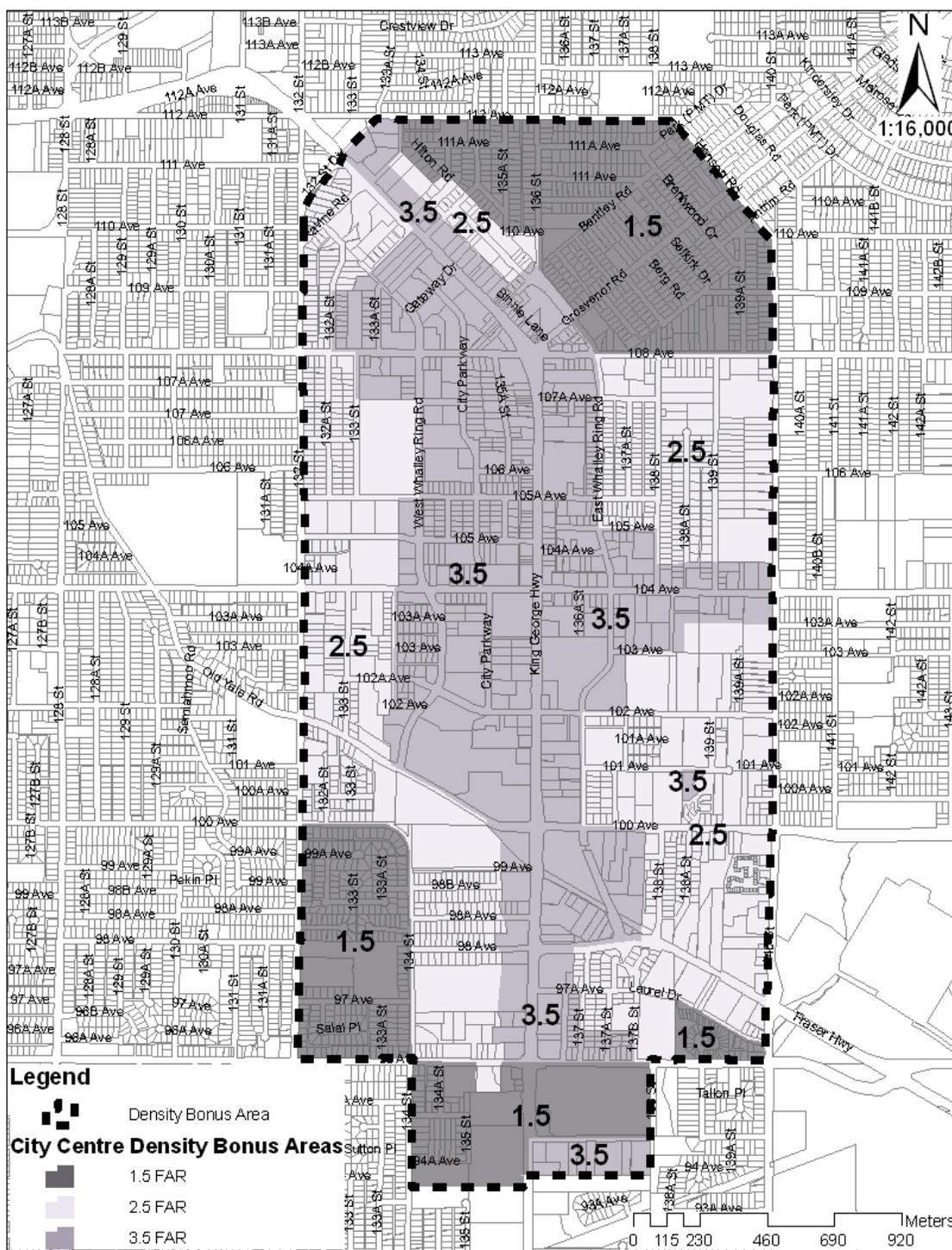
- units developed under senior government non-profit housing programs;
- units controlled or managed or owned by non-profit housing groups providing affordable housing;
- guaranteed rental units; and
- housing for people with special needs, such as those with physical or mental disabilities, those needing treatment for addictions or victims of violence.

*Land Lift = Additional Floor Area (resulting from higher FAR) x Buildable Rate**

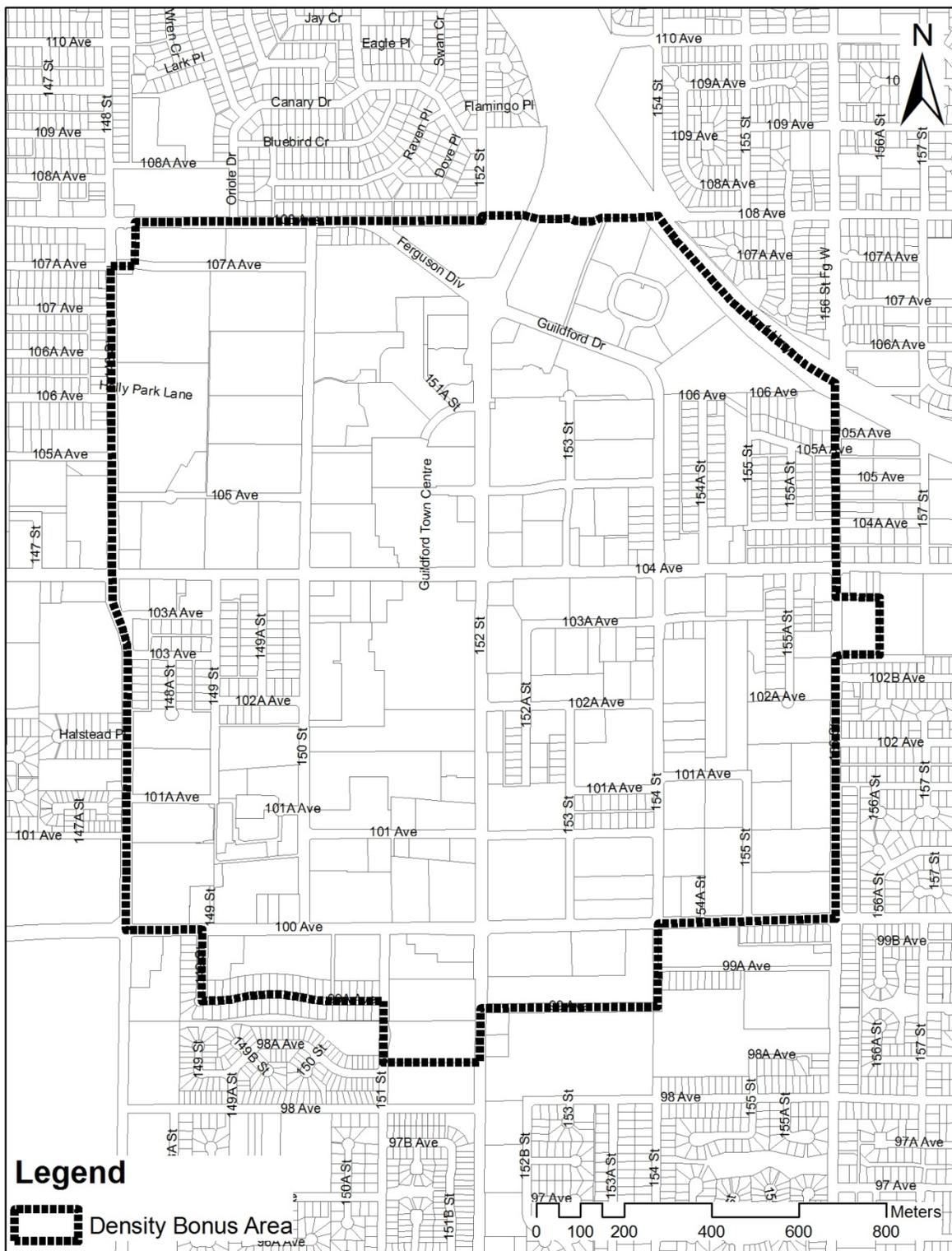
Buildable rate is calculated as follows: $\text{Buildable Rate} = \frac{\text{Land Value}*}{\text{Base Floor Area}}$

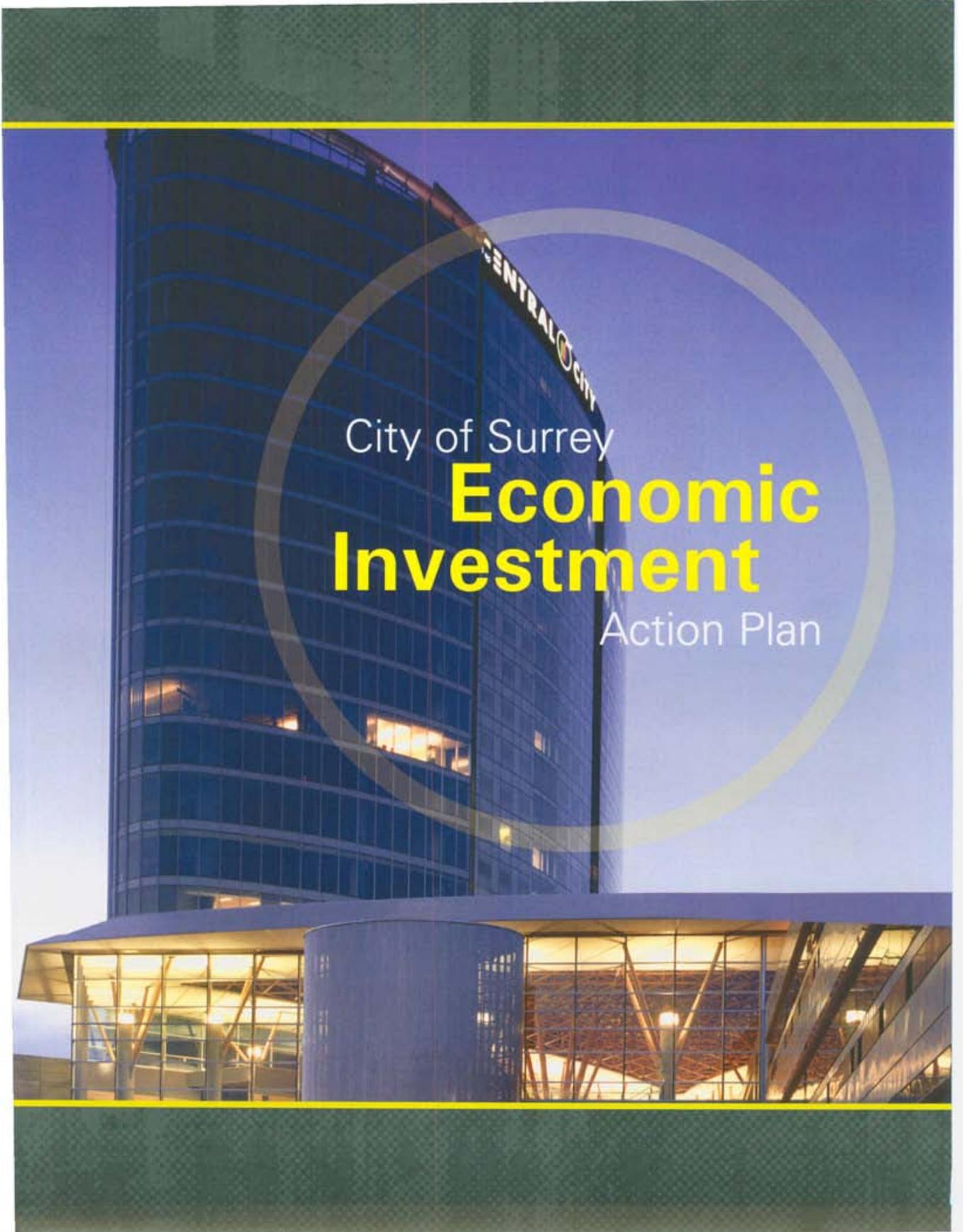
***Land Value is the current market value of the land as of third reading of the rezoning by-law.

Density Bonus Area in City Centre



Density Bonus Area in Guildford Town Centre





City of Surrey
**Economic
Investment**
Action Plan



Message from the Mayor

I am pleased to present the Surrey Economic Investment Action Plan. The Plan documents the actions that the City of Surrey will be taking to invigorate the economy in our City over the next 3 years. It is focused on making sure that Surrey is top of mind when businesses want to invest in this region. This Plan complements the Economic Stimulus Plans that have been announced by the Government of Canada and the Province of B.C. It is my view that, working together, we can take advantage of the opportunities that the current economic conditions provide and use them as a springboard to even greater prosperity as the economy rebounds.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dianne Watts'. The signature is fluid and cursive.

Dianne Watts
Mayor

City of Surrey **Economic Investment** Action Plan

The Surrey Economic Investment Action Plan is a six-element strategy to stimulate the economy in Surrey while achieving City of Surrey business development and job creation objectives.



THE ECONOMIC INVESTMENT ACTION PLAN INCLUDES THE FOLLOWING ELEMENTS:

- 1** Capital spending to create construction and permanent jobs;
- 2** Mayor's Advisory Committee on Investment and Job Creation;
- 3** Business Retention and Expansion Program;
- 4** Establishing Economic Investment Zones;
- 5** Streamlining Approval Processes; and
- 6** Pre-Servicing with Engineering Services of Business Lands.

1

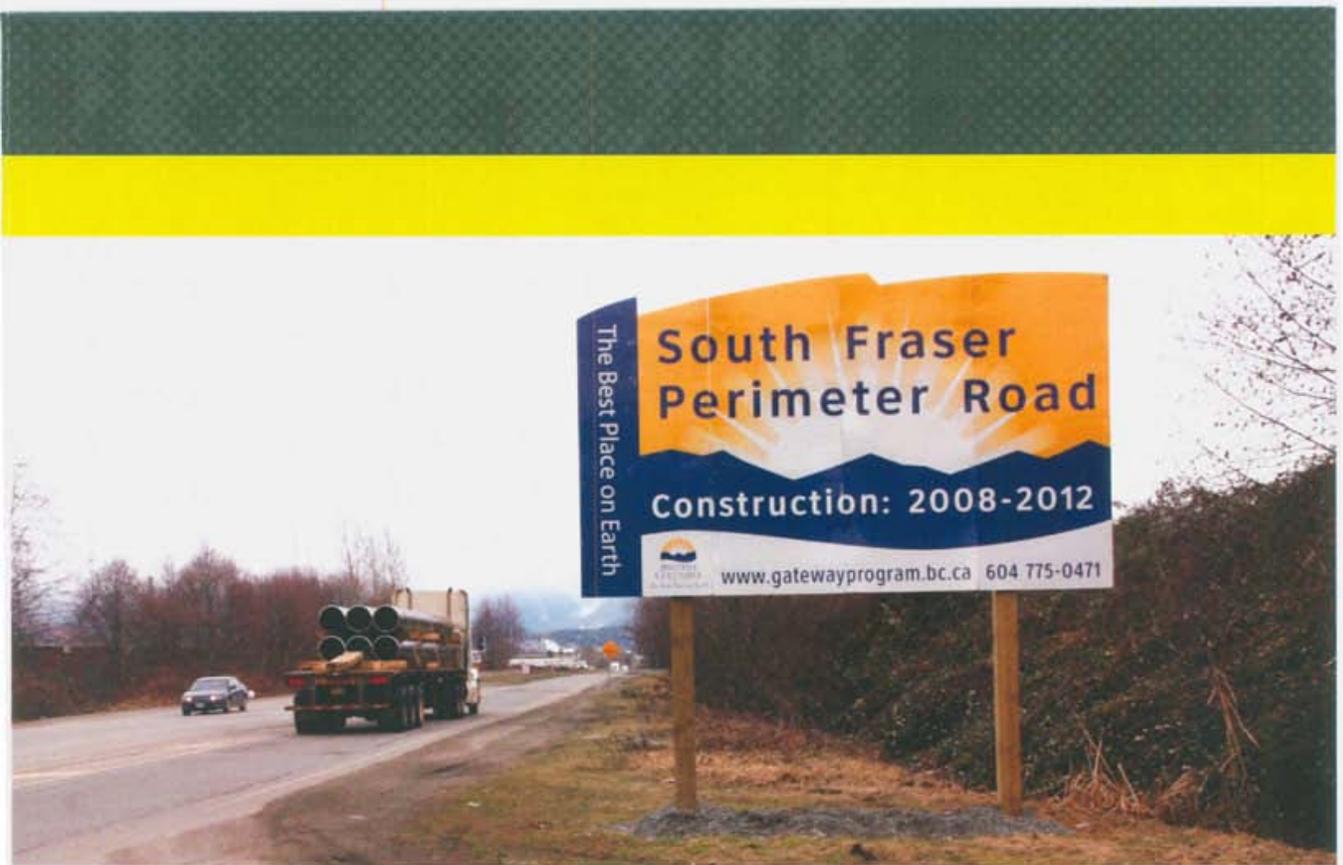
Capital Spending to Create Construction and Permanent Jobs

The following table documents the capital spending that will be undertaken by the City over the next 3 years and the estimated number of jobs that will be created as a result:

CAPITAL INVESTMENT	2009 (\$ MILLIONS)	2010 (\$ MILLIONS)	2011 (\$ MILLIONS)	JOBS CREATED
Roads	37.8	31.0	43.1	1,000
Water	14.4	9.8	17.0	400
Sewer	15.7	5.7	7.8	300
Drainage	10.9	20.2	18.8	450
Recreation & Cultural Facilities	40.5	1.6	30.5	650
City Centre Facilities		50	85	1,200
RCMP Facility Expansion	13.0			100
Park Improvements	1.7	4.0	1.0	50
Fire Hall		5.5		50
Total	134.0	127.8	203.2	4,200

The City will also take full advantage of capital funding that will become available through the Federal and Provincial governments' economic stimulus programs. The following table documents the value of "shovel-ready" projects that will be moved forward when Surrey receives capital funding from senior governments and the jobs that will be created as a result:

CAPITAL INVESTMENT	CONSTRUCTION VALUE (\$ MILLIONS)	JOBS CREATED
Roads	105.9	1,000
Sewer	9.0	100
Drainage	12.8	125
<i>Recreation & Cultural Facilities</i>	24.0	225
<i>RCMP Facility Expansion</i>	20.0	200
Total	171.7	1,650



Projects recently announced by the Provincial and/or Federal governments will also act to stimulate the Surrey economy including the following projects. The number of jobs that will be created by these projects is also noted.

PROJECT	CONSTRUCTION VALUE (\$ BILLIONS)	JOBS CREATED
South Fraser Perimeter Road	1.0	8,000
Port Mann Bridge Replacement	2.5	11,000
Surrey Memorial Hospital Expansion	0.5	4,000
Total	4.0	23,000

2

Mayor's Advisory Committee on Investment and Job Creation

A Mayor's Advisory Committee on Investment and Job Creation has been established with Councillor Linda Hepner as Chair. The Committee's members bring expertise from a broad array of perspectives in relation to investment readiness and job creation.

The Committee will be tasked with providing advice and recommendations to Surrey City Council regarding further actions the City can take to stimulate investment in Surrey. The Committee will assist in ensuring that the City is properly positioned to be inviting to new investment so as to accelerate the creation of good jobs for Surrey residents. This will provide for a high quality of life for our residents into the future.



4

Economic Investment Zones

To encourage new investment in the Surrey City Centre and in the Bridgeview and South Westminster areas, the City is designating these areas as Economic Investment Zones. The following incentives will be available for new development in these Zones:

CITY CENTRE ECONOMIC INVESTMENT ZONE:

Business-Related Development Applications:

The following incentives will apply to business-related projects for which an application is received during the next year, which has a construction value in excess of \$10 million and on which construction commences by the end of 2010:

1. Elimination of municipal property taxes for a three year period from completion of construction;
2. Reduction of development cost charges (DCCs) by approximately 33% compared to current rates;
3. Deferral of the payment of DCCs to a later stage in the building approval process than is currently available;
4. Reduction in building permit fees by 50%; and
5. The City's density-bonus policy will be waived.

The following table illustrates the estimated percentage reduction in the capital cost of a development project to which the above incentives will apply:

ECONOMIC ZONE - INCENTIVE
<i>Elimination of municipal property taxes (over a 3 year period)</i>
<i>Reduction in development cost charges</i>
<i>Reduction of building permit fees</i>

High Density Residential Development Applications in City Centre:

The following incentives will apply to high-density residential projects for which an application is received during the next year, which has a construction value in excess of \$50 million and on which construction commences by the end of 2010:

1. Deferral of the payment of DCCs to a later stage in the building approval process than is currently available;
2. Reduction in building permit fees by 50%; and
3. The City's density-bonus policy will be waived.

4

Economic Investment Zones

BRIDGEVIEW/SOUTH WESTMINSTER ECONOMIC INVESTMENT ZONE:

Business-Related Development Applications:

The following incentives will apply to business-related projects for which an application is received during the next year, which has a construction value in excess of \$10 million and on which construction commences by the end of 2010:

1. Elimination of municipal property taxes for a three year period from completion of construction;
2. Deferral of the payment of DCCs to a later stage in the building approval process than is currently available; and
3. Reduction in building permit fees by 50%.

In addition, the City will:

- In the next year, directly invest \$6 million in infrastructure pre-servicing in strategic locations in the area;
- In the next 60 days adopt an interim Sanitary Sewer Servicing strategy for the area;
- Coordinate preloading of business lands to expedite the building process for businesses wanting to locate to the area;
- Invest a further \$10 million dollars to improve transportation access to the local businesses in the area from the South Fraser Perimeter Road;
- Commit \$11 million in cost sharing with the Provincial and Federal governments \$34 million worth of flood control works to reduce the risk of flooding in the area; and
- Focus efforts on cleaning up, beautifying and adding police resources in the area.

Streamlining Processes

5

The City has recently completed a thorough review of our land development and building permit approval processes that identified a number of areas where improvements will be implemented including:

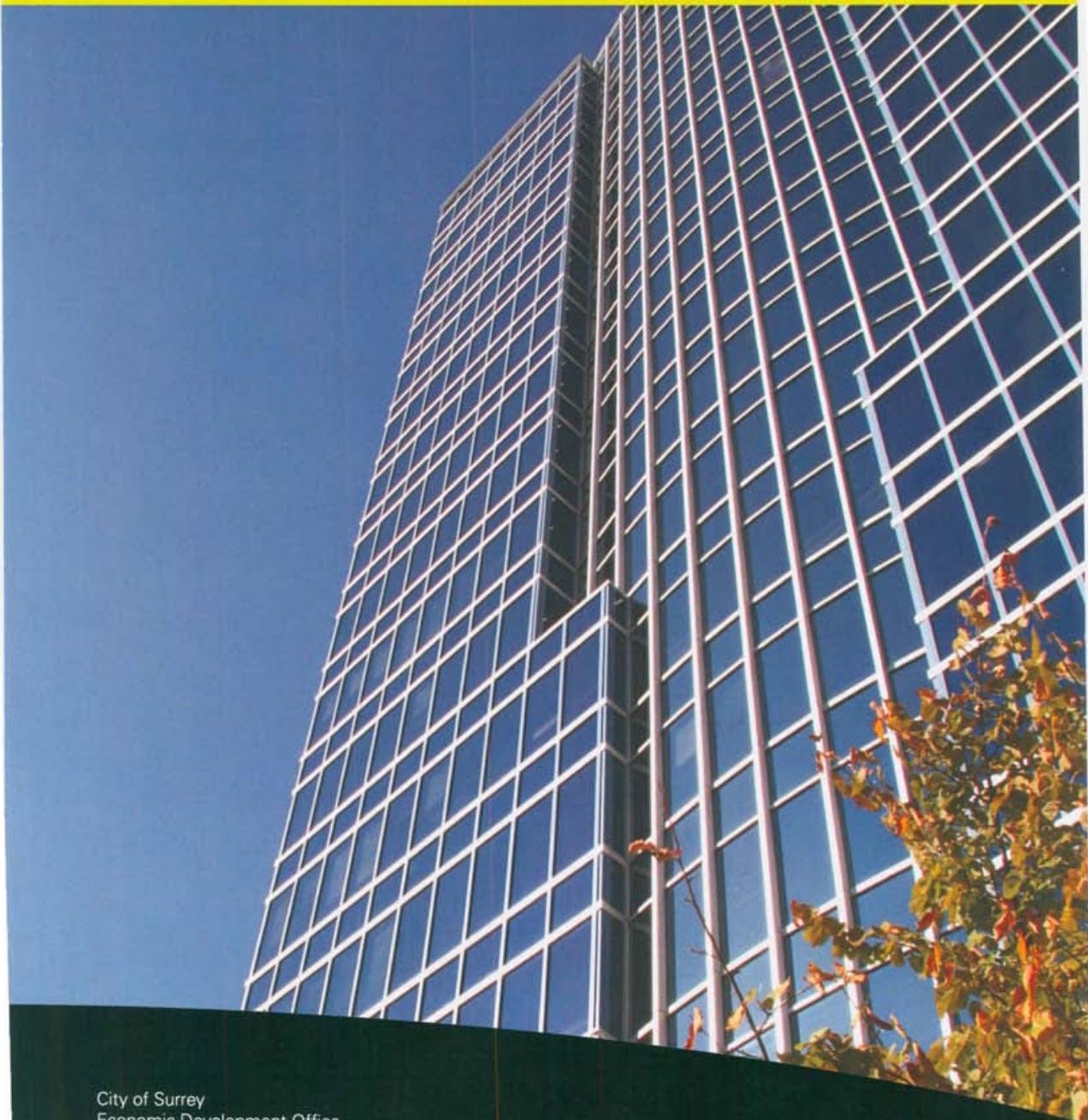
- Priority processing of business-related development applications through the establishment of an industrial-commercial investment team involving economic development, engineering, planning and building staff;
- Priority processing of development inquiries and applications for high density projects in City Centre through the establishment of a City Centre investment team;
- A strong focus on improving inter-departmental communications to facilitate expedited development applications processing;
- Preparation and use of a "checklist" to establish conditions of approval for all new development applications and the issuance of processing schedules for development applications to assist in establishing more certainty for applicants;
- On-line status reporting for development applications; and
- Enhanced e-Business processes and paperless transactions to eliminate the need to come to City Hall to do business with the City.

Council has recently amended the City's processes to allow for a 15-year recovery period for recoveries under latecomer agreements and development works agreements, which will assist in reducing risk related to new development in Surrey.

Pre-servicing of Business Lands

6

The City will invest \$5 to \$10 million in the construction of engineering services in business areas of the City across a range of Zones and lot sizes to ensure there are "building-permit ready" lots available for accommodating businesses that are interested in locating in Surrey.



City of Surrey
Economic Development Office
604.591.4128
econdev@surrey.ca

www.business.surrey.ca

CITY OF
SURREY
the future lives here.