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ADMINISTRATIVE REPORT

Report Date: February 22, 2010
Contact: Liz Jones
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VanRIMS No.: 08-2000-20
Meeting Date: April 6, 2010

TO: Vancouver City Council

FROM: Director of Finance in Consultation with Director of Legal Services

SUBJECT: Amendment to Heritage Taxation Exemption By-law (No. 9036) for 5 West Pender Street

RECOMMENDATION

- A. *THAT Council approve an amendment to Heritage Taxation Exemption By-law (No. 9036) for 5 West Pender Street, a copy of which is annexed hereto as Appendix A, to change the commencement date for the property tax exemption period provided therein to January 1, 2010.*
- B. *THAT Council direct that the Director of Legal Services bring forward for enactment a by-law to amend the Heritage Taxation Exemption By-law (No. 9036) generally as set out in Appendix B.*

CITY MANAGER'S COMMENT

The City Manager RECOMMENDS approval of the foregoing.

COUNCIL POLICY

Heritage Building Rehabilitation Program Policies and Procedures for Gastown, Chinatown and Hastings Street Corridor.

PURPOSE

The purpose of this report is to seek Council approval to amend Heritage Taxation Exemption By-law (No. 9036) for 5 West Pender Street to change the commencement date for the property tax exemption period provided for therein to January 1, 2010.

BACKGROUND

Council enacted Heritage Taxation Exemption By-law (No. 9036) on May 10, 2005. The by-law granted the subject property an exemption from real property taxes to a maximum of \$247,294 or for 10 years, whichever occurs first. The property tax exemption was granted as an incentive for certain heritage rehabilitation work authorized under development application no. DE 408526 for the building situated at 5 West Pender. The period of the exemption was to commence January 1 of the calendar year following the year in which an occupancy permit was issued for the heritage rehabilitation work, after completion thereof, if the occupancy permit was issued prior to October 31, or on January 1 of the year after that, if the occupancy permit was issued after October 31.

DISCUSSION

An occupancy permit (no. 428971) for the heritage rehabilitation work was issued on April 5, 2007. Under the terms of By-law No. 9036, the property tax exemption was to have commenced on January 1, 2008.

Due to an administrative oversight, however, issuance of the occupancy permit was not communicated to BC Assessment, which administers the City's property tax exemptions. Neither the City nor BC Assessment was made aware of this error until the fall of 2009 when the owner of the subject property enquired about the status of the exemption. Staff has since reviewed and rectified the process to prevent a similar oversight from recurring.

As property tax exemptions cannot be adjusted retroactively to prior tax years, staff recommends that By-law No. 9036 be amended to change the commencement date of the exemption to January 1, 2010. All other terms and conditions remain unchanged.

The owner of the subject property has communicated to staff that, as far as the owner is concerned, this adjustment to the exemption period commencement date is an acceptable way to deal with the matter.

FINANCIAL IMPLICATIONS There are no financial implications to this proposed by-law amendment. The administrative oversight resulted in a deferral of the exemption, but its maximum value remains \$247,294.

CONCLUSION

Council approval is required to amend the Heritage Taxation Exemption By-law (No. 9036) for 5 West Pender Street to change the commencement date of the property tax exemption to January 1, 2010.

* * * * *

BY-LAW NO. 9036

Heritage Taxation Exemption By-law
for 5 West Pender Street

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

1. Council exempts from real property taxation the eligible heritage property legally described as PID: 015-380-980 Lot A, PID: 015-380-998 Lot B, PID: 015-381-005 Lot C, All of: Block 18, District Lot 541, Plan 321:

(a) to a value of \$247,294.00, calculated from and after the commencement date;
or

(b) for 10 years, calculated from and after the commencement date;

whichever first occurs.

2. If issuance of an occupancy permit for the heritage rehabilitation work authorized under development application no. DE408526 occurs:


(a) before October 31st, the commencement date will be January 1st of the next calendar year;

(b) on or after October 31st, the commencement date will be January 1st of the calendar year after the next calendar year.

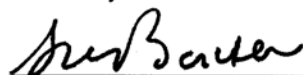
3. If the applicant for the development permit does not fulfil, or cause to be fulfilled, all requirements necessary to obtain issuance of an occupancy permit for the work authorized pursuant to development application no. DE408526 within 60 months after the enactment date of this by-law, this By-law will expire and have no further force or effect.

4. This By-law is to come into force and take effect on the date of its enactment.

ENACTED by Council this 10th day of May, 2005



Mayor



City Clerk

BY-LAW NO. _____

A By-law to amend Heritage Taxation Exemption By-law No. 9036 for 5 West Pender Street

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

1. This By-law amends the indicated provisions of By-law No. 9036.
2. Council repeals sections 2 and 3, and substitutes:

"2. The commencement date for the exemption from real property taxation for the eligible heritage property is January 1, 2010."
3. This By-law is to come into force and take effect on the date of its enactment.

ENACTED by Council this _____ day of _____, 2010

Mayor

City Clerk

EXPLANATION

**Heritage Taxation Exemption Amending By-law
re 5 West Pender Street**

On February 15, 2005, Council approved a heritage taxation exemption for eligible heritage property at 5 West Pender Street to a value of \$247,294.00 or 10 years, whichever first occurs. On April 6, 2010, Council resolved to change the commencement date to January 1, 2010. This amendment will change the commencement date for the heritage taxation amendment in accordance with Council direction.

Director of Legal Services
April 6, 2010