



City of Richmond

Report to Committee

To: General Purposes Committee

Date: September 13, 2006

From: Ivy Wong, CMA
Revenue Manager

File: 03-0925-02-04/2006-Vol
01

Re: Eligibility For 2007 Permissive Exemptions

Staff Recommendation

That the India Cultural Centre be removed from the list of organizations receiving 2007 permissive tax exemptions.

Ivy Wong
per Ivy Wong, CMA
Revenue Manager
(4046)

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ROUTED TO:		CONCURRENCE		CONCURRENCE OF GENERAL MANAGER	
Law.....		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		<i>A. Wong</i>	
REVIEWED BY TAG		YES <input checked="" type="checkbox"/> <i>GS</i>		NO <input type="checkbox"/>	
		REVIEWED BY CAO		YES <input checked="" type="checkbox"/> <i>JE</i>	
				NO <input type="checkbox"/>	
				<i>(ACTING)</i>	

Staff Report

Origin

Commencing in 2002, a number of religious properties on No 5 Road were required to farm the backlands in exchange for property tax exemptions. Annually, staff visit each site to ensure compliance with the farming regulation. During the 2006 visit, it was found that the India Cultural Centre at 8600 No 5 Road has not met the farming requirement.

Analysis

The following table lists the correspondence and the notes for the India Cultural Centre site visits over the years.

2002 Response to Farming Requirement	2003
<ul style="list-style-type: none"> • Planning to create a turf farm on backlands 	<ul style="list-style-type: none"> • Backland levelled and turf laid • Contact at Centre explained that they will not be selling the turf for three years as harvesting in the first year will strip the soil of all the newly added nutrients. Harvesting at a later date preserves healthier soil conditions.
2004	2005
<ul style="list-style-type: none"> • Property not adequately maintained to provide turf of marketable quality. • Various weeds and dried patches found on property. • Centre rectifying situation by promising to lay down underground sprinkler system to address watering issues. • Staff sent letter to the Centre regarding the requirement to sell the turf by the third (2005) year as indicated in their initial response letter 	<ul style="list-style-type: none"> • Turf continues to have an abundance of weeds even though the Centre have applied ample weed killers • Since the letter of 2004, the Centre has installed automatic in-ground watering devices and has attempted to bring up the turf quality. • Representative states they are hoping to harvest in 2006.

The chronology of events since the 2005 visit are as follows:

- October 18, 2005
- Met with representatives of the Centre on various issues including the need to sell turf by 2006. Representatives advised that a lease was signed with Herb's Landscaping Ltd for the back area to be used as a turf farm. The scope of the work includes improving the quality of the turf and eventually harvesting and selling the product.
 - Staff requested a copy of the lease agreement to be provided as soon as possible.

- April 4, 2006
- Letter to India Cultural Centre with second request for a copy of lease and for Herb's contact information.
- April, 2006
- Telephone conversation with Mr. Jawanda of the Centre. He explained that the proprietor for Herb's is hospitalized and is uncertain as to when he can be in contact with the City.
 - Staff advised that the City must have a copy of the lease agreement and an expected date of when the turf will be harvested in order for the Centre to obtain a 2007 tax exemption
 - The Business Licences Division confirm that Herb's Landscaping is not registered for a business licence in Richmond and therefore should not be conducting business in this City.
- June 7, 2006
- Final letter to India Cultural Centre addressing the lack of response to the City's requests.
 - Letter advised that staff had visited the premises and found little improvement to the turf and that the Centre will not qualify for 2007 tax exemptions.
- August, 2006
- Received a call from Mr. Gosal of the India Cultural Centre requesting to meet regarding 2007 exemptions.
- August 29, 2006
- Site visit and meeting with Mr. Gosal and other representatives for the Centre.
 - Staff observations concluded that turf is still not of marketable quality. Turf has some brown patches and many weeds. Young fruit trees were planted along the perimeter but insignificant to be considered as a farm crop.
 - Mr. Gosal explained that Herb's Landscaping has been working on the property and has applied weed and feed to reduce the amount of weeds in the field. In addition, the Centre recently planted 50 fruit trees along the perimeter of the turf in an attempt to comply with our farming requirement.
 - Staff raised the issue that the current in-ground irrigation system would make turf harvesting difficult. Any attempts of harvesting with machinery would damage the sprinkler heads. Centre's suggestion of manually harvesting would be costly and time consuming.
 - Centre requested a 1-year extension of permissive exemptions in order to give Herb's Landscaping ample time to improve the turf. The centre suggested that the situation be reassessed in June 2007 to determine whether they would need to change their farming strategy.

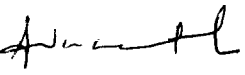
Though the organization has the intention of meeting the City's requirements, it has had little success in the four years since the City started its monitoring. Extending exemptions for 2007 may not provide the necessary incentive for the organization to take immediate steps to bring the property to a state that can be considered as farming. As the requirement for the original rezoning/development application was that the property be farmed, allowing permissive exemptions when there is no evidence of farming would set precedent for all other organizations on No 5 Road who are faced with the same requirements.

Financial Impact

In 2006, India Cultural Centre received \$5,510.41 in municipal tax exemptions.

Conclusion

In order to encourage the India Cultural Centre to farm their property as soon as possible, it should be removed from the 2007 permissive exemption bylaw. 2008 tax exemptions should be considered once the organization can provide evidence of farming.


Ivy Wong, CMA
Revenue Manager
(4046)

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