

August 16, 2004
File: 1970-40

First Lutheran Church & School
4091 Lakeshore Road
Kelowna, BC V1W 1V7

Attention: Mr. Harold W. Decksheimer

Dear Mr. Decksheimer:

Re: 2004 Property Tax Notice – Tax Roll 10937.308

Thank you for your letter of June 28, 2004. I have reviewed the details provided in your letter with the Financial Services department and wish to respond to your concerns and timing issues:

- Exemption for the building and footprint of schools is a statutory exemption determined by the BC Assessment Authority who use occupancy at October 31st each year as the criteria for the next year's exemption. City Council, under permissive tax exemption legislation, will *subsequently* consider exemption of the surrounding lands.
- Exemption cannot be provided on two separate properties in any one year unless both are concurrently being used for worship services. There is a 2004 exemption on your 1575 Bernard Avenue property.
- Approval through fourth and final reading by October 31st annually of permissive tax exemption bylaws for all local governments in the province is a requirement under the Community Charter, our governing legislation. While the date appears early relative to situations like yours, it is intended to provide certainty around the annual tax roll for local governments.
- The City has had similar situations with 2 schools over the past 7 years. In both of those instances, there were no improvements on the property in the year prior to an exemption being granted which did serve to mitigate the tax burden for the property owners.

While I appreciate your belief that this situation is unfair, the City has been consistent in the application of permissive tax exemption policy in this, and similar instances. Nonetheless, we will forward a report to Council for grant consideration of the Municipal share of the 2004 taxes for the school associated portion of the property (\$12,314.99). This will be on the August 30, 2004 agenda and you will be advised of the result shortly thereafter. If you wish to be in attendance, the meeting begins at 1:30 p.m. and items are dealt with in agenda order with no specifically assigned times.

In closing, we will be forwarding your request for a 2005 permissive tax exemption to Council this fall with a positive recommendation for both the school and church properties.

Yours truly,

Ron Born
City Manager

c.c. Revenue Supervisor