



Committee of the Whole Report

For the Meeting of September 6, 2018

To: Committee of the Whole
From: Susanne Thompson, Director of Finance
Subject: 2019 Permissive Property Tax Exemptions

Date: August 17, 2018

RECOMMENDATION

That Council:

1. Approve all applications for permissive property tax exemption detailed in Table 2 for the 2019 tax year.
2. Direct staff to prepare a 2019 permissive property tax exemption bylaw for Council's consideration at the September 6, 2018 Council meeting.

EXECUTIVE SUMMARY

Under current policy, Council considers permissive property tax exemptions on a three-year cycle. Council approved permissive property tax exemptions for 2017 - 2019 in the fall of 2016. Each subsequent year, additional applications are considered by Council. This report addresses the applications received this year requesting permissive property tax exemptions for 2019 as well as correcting an error for one exemption previously granted. During 2016 and 2017, Fresh Water Fisheries received a full exemption instead of a partial exemption.

The City received applications from five organizations. Two properties comply with the City's Permissive Exemption Policy (Appendix A) and are recommended for approval as detailed in Table 2. The complete applications recommended for approval can be found in Appendix B. Applications not recommended for approval are attached in Appendix C.

PURPOSE

The purpose of this report is to outline applications from non-profit organizations requesting permissive property tax exemptions for 2019 for Council's consideration.

BACKGROUND

Permissive property tax exemptions are granted pursuant to section 224 of the Community Charter. Exemptions may only be granted for properties used by a variety of non-profit organizations that provide services which Council considers directly related to the purposes of the organization.

In 2013, Council approved amendments to the Permissive Property Tax Exemption Policy. Among

other things, these amendments set a cap on permissive tax exemptions, established a three year exemption approval cycle and set limits on off-cycle applicants. This report is the opportunity for Council to review off-cycle applicants for the 2019 tax year.

The City's policy provides exemptions to 7 broad categories of properties.

Table 1: Permissive Policy Categories

Category	Brief description
1. Special needs and supportive housing	Short term, crisis or emergency housing, housing for people with special needs, transitional or halfway houses, group homes with supportive staff
2. Social services	Services provided to community members who are disadvantaged
3. Arts and Culture	Preparation and delivery of artistic and cultural events or exhibits to the public
4. Educational Facilities	Independent schools
5. Athletic or Recreational Facilities	Provide space and equipment for physical and mental enjoyment of participants
6. Places of Worship	Properties occupied or owned by a religious organization
7. Rail/Track	Rail or track property or administrative offices owned by related organizations

ISSUES & ANALYSIS

The City received 2019 permissive tax exemption applications from five organizations. Recommended approvals total \$17,893. Already approved exemptions for the 2017-2019 tax years total \$1,964,081 or 1.52% of the City's total tax levy. Approximately \$127,766 in off-cycle permissive tax exemptions can be approved without exceeding the 1.6% cap. For permissive tax exemptions to apply for the 2019 tax years, a bylaw must be passed on or before October 31, 2018.

Application Recommended for Approval

1. *Victoria Women's Transition House Society – address is confidential.* This property was purchased in November 2017 by Victoria Women's Transition House Society. This organization has applied under the supportive housing category and meets the requirements of the Permissive Tax Exemption Policy. This location will provide shelter, support, counselling and education to women of all ages, with or without children, so that they can live free from the effects of abuse in intimate relationships. Approving this application would exempt the organization from \$2,872 in municipal taxes and \$4,514 in total taxes.
2. *Fairfield United Church – 1303 Fairfield Road.* This property is used to support the activities of the Fairfield United Church that include weekly worship, bible studies and congregational support groups. These activities benefit the community by providing a safe place to support the Fairfield Gonzales community and their spiritual needs and requirements. Approving this application would exempt the organization from \$15,021 municipal taxes and \$21,785 in total taxes.

Table 2: Application Recommended for Approval

Applicant	Property Address	Category	Amount
Victoria Women's Transition House Society	Confidential	Special Needs and Supportive Housing	\$2,872
Fairfield United Church	1303 Fairfield Road	Place of Worship	\$15,021
New Application Total			\$17,893
Fresh Water Fisheries Correction (50 % exemption correction)	101 – 80 Regatta Landing	Recreation	\$9,103

Applications Not Recommended for Approval

1. *Broadmead Care – 530 Simcoe Street:* This organization has applied for an exemption under the Social Service category; however, the property use does not fall into any of the categories of the City's Permissive Tax Exemption Policy. The property provides 64 residential complex care beds for seniors in the James Bay community plus one more respite bed which is used by the Adult Day program. Residents admitted to the Lodge have significant and complex care requirements and most have some form of dementia. The lodge provides 24 x 7 nursing care and personal assistance for most daily activities (such as dressing and bathing). Medical care is provided by physicians who are part of the Broadmead Care Physician Group. Care offered in this facility appears to be long-term in nature and would not meet the definition of support services and programs as is mentioned in the policy under Social Service. Approving this application would exempt the organization from \$21,805 in municipal taxes and \$34,499 in total taxes.
2. *Elizabeth Buckley School/Hands on Summer Camp Society – 1190 Kings Rd:* In 2013 it was discovered that the Elizabeth Buckley School and Hands on Summer Camp Society were erroneously receiving a permissive tax exemption. The exemption was erroneously applied because the City granted an exemption to the owners of the property, the Cridge Centre. BC Assessment was unaware that the School occupied a portion of the property and thus did not assess the school. On October 29, 2013, Council approved a bylaw that permissively exempted the School for 2014 only. In 2014, the Elizabeth Buckley School applied for a permissive exemption for the 2015-2016 tax years. This application was declined. The school does not meet the requirements of the Permissive Tax Exemption Policy because the school is not the owner of the property. Approving this application would exempt the organization from \$950 in municipal taxes and \$1,488 in total taxes
3. *The Bateman Foundation – 300 – 470 Belleville Street:* This organization has applied under the Arts and Cultural category. The non-profit organization is located in James Bay displays over 80 works by Robert Bateman and houses the definitive collection of his work spanning over seven decades as one of Canada's most influential painters. On level one of the property operates The Robert Bateman Gallery Gift Shop. This application was declined as this application does not meet the requirements of the Permissive Tax Exemption policy because the Foundation is not the registered owner of the property. Approving this application would exempt the organization from \$18,753 in municipal taxes and \$30,234 in total taxes.

Table 3: Summary of Applications Not Recommended for Approval

Applicant	Property Address	Category	Reason for Ineligibility	\$ Amount
1. Broadmead Care	530 Simcoe St	NA	No Category	\$ 21,805
2. Hands-On Summer Camp	1190 Kings Rd	NA	No Category	950
3. The Bateman Foundation	300 – 470 Belleville St	Arts and Cultural	Leased Property	18,735
4. Total				\$ 41,490

OPTIONS & IMPACTS

Option 1 (recommended): Approve exemptions detailed in Table 2 and direct staff to prepare a permissive tax exemption bylaw.

The municipal portion of these exemptions are estimated to be \$17,893, increasing the total municipal portion of permissive exemptions to \$1,981,974 or 1.52%.

Option 2: Decline to provide exemptions for this cycle or provide alternate direction to staff.

Should Council decline to approve any applications, the municipal portion of permissive exemptions would remain at \$1,964,081 or 1.52%.

Accessibility Consideration

Not applicable in regards to permissive property tax exemptions.

2015 – 2018 Strategic Plan

While permissive property tax exemptions are not identified in the City's Strategic Plan, the services provided by many of the organizations that receive permissive exemptions align with various Strategic Plan objectives.

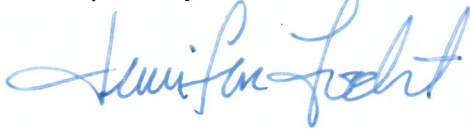
Impacts to Financial Plan

Approving permissive tax exemptions do not impact the City's Financial Plan since the City will levy the required amount of property taxes to support all the City's programs and services. However, providing exemptions does shift the tax burden to non-exempt properties.

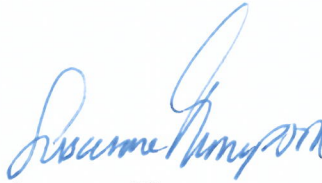
Official Community Plan Consistency Statement

Not applicable in regards to permissive property tax exemptions.

Respectfully submitted,




Jennifer Lockhart
Manager - Revenue



Susanne Thompson
Director of Finance

Report accepted and recommended by the City Manager:

Date:


August 17, 2018

List of Attachments

Appendix A – Permissive Tax Exemption Policy

Appendix B – Permissive Tax Exemption Applications Recommended for Approval

Appendix C – Permissive Tax Exemption Applications Not Recommended for Approval