



Committee of the Whole Report

For the Meeting of September 12, 2019

To: Committee of the Whole **Date:** August 30, 2019
From: Jo-Ann O'Connor, Deputy Director of Finance
Subject: 2020 – 2022 Permissive Exemptions

RECOMMENDATIONS

That Council:

1. Direct staff to bring forward a 2020-2022 permissive tax exemption bylaw for properties as follows:
 - a) Renewal Applications Recommended for Approval (Appendix A)
 - b) New Application Recommended for Approval: (Appendix B)
 - i. *The Salvation Army, folio 12814031, 943 Fullerton Ave*
 - c) City of Victoria Exemptions Recommended for Approval (Appendix D)

EXECUTIVE SUMMARY

The purpose of this report is to outline applications from non-profit organizations requesting permissive property tax exemptions for 2020 to 2022 for Council's consideration. Section 224 (4) of the Community Charter requires the permissive property tax exemption bylaw be adopted by October 31 for the next calendar year.

In May 2013, Council revised the City's permissive tax exemption policy, moving to three-year exemptions, placing a cap of 1.6% of property taxes and removing grandfathering provisions. The 1.6% cap based on the 2019 property taxes is \$2,235,204.

For 2020 to 2022 there were 130 permissive tax exemption applications received from 104 organizations. Tax exemption requests total \$1,988,294 or 1.47% of the municipal portion of taxes. Current and recommended exemptions total \$1,888,779 or 1.35% of the municipal portion of property taxes; leaving \$346,425 for off cycle applicants.

The renewal requests listed in Appendix A indicate no change in status, meet the criteria of the Permissive Tax Exemption Policy (Appendix E) and are put forward for inclusion on the 2020 to 2022 bylaw. There is one new application in Appendix B which meets the criteria of the City's property tax exemption policy and is recommended for approval. As well, there are three City of Victoria exemptions recommended for approval in Appendix D.

This report details: (A) renewal applications recommended for approval, (B) new application recommended for approval, (C) new applications not recommended for approval, (D) City of Victoria

exemptions recommended for approval, and (E) Discussion Item.

PURPOSE

The purpose of this report is to outline applications from non-profit organizations requesting permissive property tax exemptions for 2020 to 2022 for Council's consideration.

BACKGROUND

Section 224 of the Community Charter allows the City to provide property tax exemptions to non-profit organizations that provide services which Council considers directly related to the purposes of the organization. It also provides for permissive exemptions for some properties in addition to statutory exemptions, such as church halls or land surrounding places of public worship. Exemptions provided for in section 224 are at the discretion of Council and there is no obligation to give the exemption.

The City's Permissive Tax Exemption Policy (Appendix E) further guides permissive exemption by providing specific eligible categories for exemptions. The City's policy provides exemptions to 7 broad categories of properties shown below:

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

Should Council choose to provide an exemption, section 224(4) requires that the permissive tax exemption bylaw be adopted by October 31st at the latest for the following tax year. In other words, Council must approve a permissive tax exemption bylaw by October 31, 2019 for exemptions in the 2020 tax year.

Providing permissive exemptions does not reduce the revenue received by the City; it simply redistributes the property tax levy to other taxpayers.

There were 130 permissive tax exemption applications received from 104 organizations with six new applicants. Tax exemption requests total \$1,988,294 or 1.47% of the municipal portion of taxes. Current and recommend exemptions total \$1,888,779 or 1.35% of the municipal portion of taxes. Included in these totals are properties given permissive exemptions which are still mid-cycle and not yet up for review.

ISSUES & ANALYSIS

The applications have been summarized into the following five groups:

A. Renewal Applications – Recommended for Approval (Appendix A)

Renewal Applications that are recommended for approval are detailed in Appendix A. The majority of applications have remained the same since the last cycle except for those affected by the Permissive Tax Exemption Policy Review phase out, which reduces some exemptions from 100% down to 50% over a ten-year period. The following will receive 65%, 60%, and 55% exemptions in 2020, 2021, and 2022 respectively:

- Clover Point Angler's Association, folio 03181006, Clover Point Park
- James Bay Anglers Association, folio 02106034, 187 Dallas Road

B. New Application – Recommended for Approval (Appendix B)

1. *The Salvation Army, folio 12814031, 943 Fullerton Road:* This property qualifies for the tax exemption under the Place of Worship category and is therefore recommended for approval. Approving this application would exempt the organization from \$4,269 in municipal taxes and \$6,406 in total taxes.

C. New Applications – Not Recommended for Approval (Appendix C)

1. *Together Against Poverty Society, folio 01006019, 828 View Street:* This organization has applied for an exemption under the Social Service category but is not the registered owner of the property. The Permissive Tax Exemption policy requires that the applicant be on title as the owner of the property and consequently it is recommended that this application be denied. Approving this application would exempt the organization from \$16,121 in municipal taxes and \$24,960 in total taxes.
2. *RealHomes Management Corporation, folio 01015021, 1950 Blanchard Street:* This organization has applied for an exemption under the Social Service category. The property is currently being used to provide affordable housing and the City does not provide permissive exemptions for affordable housing under the current policy. In 2016, the Kiwanis Village Society submitted a similar application for exemption (affordable housing for seniors) which was declined by Council as it does not fit within the City's policy. Approving this application would exempt the organization from \$15,369 in municipal taxes and \$24,243 in total taxes.
3. *Victoria Cool Aid Society, folio 01497008, 959 Balmoral Road:* This organization has applied for an exemption under the Social Service category. This property is a single-room occupancy building suitable for singles needing a modest place they can afford. This property is providing affordable housing and the City does not provide permissive exemptions for affordable housing under the current policy. Approving this application would exempt the organization from \$2,900 in municipal taxes and \$4,594 in total taxes.
4. *White Eagle Polish Association, folio 02125002, 90 Dock Street:* This organization has applied for an exemption under the Arts and Cultural category. The non-profit organization is located in James Bay and serves the Polish Community of Greater Victoria, as well as surrounding communities, with programs in arts, culture, education, sport, and entertainment. The upper floor of the property has hall space available for rent for special events and the lower floor of the property is used for: community meetings, library with archives, language school, museum

of Canadian/Polish/English combatants, as well as a meeting place for veterans.

In evaluating eligibility of applications, staff consider the definition for the category the organization has applied under, as well as previous Council decisions to guide the interpretation. The City has historically granted art and cultural exemptions to art galleries, museums, theatres, music centres, and public gardens and historic sites. Examples of current exemptions include the Art Gallery of Greater Victoria, The Conservatory of Music, Belfry Theatre Society, and The Land Conservancy of BC. Applications previously declined by Council include: the Hungarian Society of Victoria; the Italian Assistance Centre; and the Taoist Tai Chi Society.

Based on the review of previous Council decisions and consistent interpretation of the City Permissive Tax Exemption Policy, the recommendation would be to decline this application. If the application were approved, the permissive exemption would apply only to the portion of the building related to the arts and culture activities and would not apply to the residential portion of the property. Approving this application would exempt the organization from approximately \$11,213 in municipal taxes and \$16,284 in total taxes.

5. *Firefighters Burn Fund, folio 08559024, 2510 Richmond Road:* This organization does not meet the requirements of the Permissive Tax Exemption Policy as exemptions are based on the principal use of the property, not the charitable service of the organization as a whole. This property is vacant land and it is being held as an investment for the time being; the organization will be discussing future potential with Royal Jubilee Hospital and VIHA. Approving this application would exempt the organization from \$1,976 in municipal taxes and \$3,129 in total taxes.

D. City of Victoria Exemptions – Recommended for Approval (Appendix D)

The Community Charter requires that the City adopt a permissive tax exemption bylaw to exempt itself from paying taxes on properties the City leases.

1. *City of Victoria – Capital Park, folio 02142029, 355 Menzies Street:* Council directed staff to negotiate a lease for a library branch at Capital Park in James Bay. Such an exemption would result in a positive financial impact to the City of approximately \$78,386 annually since the City would also be exempted from paying taxes to other agencies such as School, Transit, CRD and Hospital.
2. *City of Victoria – folio 09663022, 950 Kings Road:* Building is used by the City for Community Services programs. Such an exemption would result in a positive financial impact of approximately \$16,646 since the City would also be exempted from paying taxes to other agencies such as School, Transit, CRD and Hospital.
3. *City of Victoria – folio 01016025, 1803 Douglas Street:* The City currently leases a portion of this property for an extension of space for city staff. Such an exemption would result in a positive financial impact of approximately \$13,847 annually since the City would also be exempted from paying taxes to other agencies such as School, Transit, CRD and Hospital.

E. Discussion Item – The Royal Canadian Legion Trafalgar Pro Patria Branch Application

The Royal Canadian Legion Trafalgar Pro Patria Branch folio 10748002, 411 Gorge Road East, applied for a Permissive Tax Exemption. This property has mixed assessment classes: class 6 (business) and class 8 (recreational). Staff have confirmed with the Legion that they are applying for the full exemption on both class 6 and 8.

On June 27, 2019 Council approved a motion to refer the discussion of tax relief for the Canadian Legion Trafalgar Pro Patria Branch No. 292 to the meeting with the 2020-2022 Permissive Tax Exemptions.

Section 224 of the Community Charter permits municipalities to grant permissive tax exemptions to land and improvements used by a charitable, philanthropic or not for profit corporations. For the purposes of permissive tax exemptions, the Royal Canadian Legion may be considered a charitable and non-profit organization. Section 25(1) of the Community Charter, however, prohibits municipalities from providing assistance to business except in certain circumstances expressly authorized by the Act.

In many circumstances, municipalities interpret this to mean that a permissive exemption cannot be granted to the class 6 (business) portion of Legion properties; however municipalities have different policies and practices. BC Assessment leaves this interpretation up to municipalities and will allow exemptions as determined by municipalities.

Prior to the current application, The Royal Canadian Legion Trafalgar Pro Patria Branch has not applied for a permissive tax exemption on the recreational portion of the properties since the 2006 and 2007 tax year. Each year these exemptions were denied based on the guidelines set out in the Permissive Tax Exemption Policy on the basis that a recreation or community facility must be accessible by the public, and the activities carried out on the property must be enjoyed by a significant proportion of the general public. The Legion's membership requirements have since changed and membership is no longer restricted to veterans or service people; all people are welcome.

Should Council wish to provide a permissive exemption to the Royal Canadian Legion, Council may consider adding a new and separate category for the Legion to the permissive tax exemption policy or simply allow such an exemption as an exception to the policy. Alternatively, Council could choose to issue a grant for tax relief.

Approving this application would exempt the organization from \$68,057 in municipal taxes with \$50,452 belonging to class 6 and \$17,605 to class 8. The total tax exemption would be \$103,680 with \$78,114 relating to class 6 and \$25,566 for class 8. If approved, exemptions would total \$1,956,836 or 1.40% of the municipal portion of property taxes; leaving \$278,368 for off cycle applicants.

OPTIONS & IMPACTS

Option 1 (Recommended)

Direct staff to bring forward a 2020-2022 Permissive Tax Exemption Bylaw for the properties listed in Appendices A, B and D.

This option provides continuity to organizations who have received permissive tax exemptions in the past, grant exemptions to new qualifying applicants and properties leased by the City; while staying within the established policy cap.

Option 2

Provide alternate direction to staff on which properties to exempt.

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 many Strategic Plan objectives including those of Health, Well-Being and a Welcoming City and Strong, Liveable Neighbourhoods.

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.

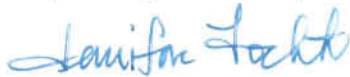
Official Community Plan Consistency Statement

Not applicable to permissive property tax exemptions.

CONCLUSION

The City has a long-standing practice of providing support to non-profit organizations through property tax exemptions. Approving exemptions for a three-year period also provides organization with certainty for a number of years.

Respectfully submitted,



Jennifer Lockhart
Manager, Revenue



Jo-Ann O'Connor,
Deputy Director of Finance



Susanne Thompson
Deputy City Manager/CFO

Report accepted and recommended by the City Manager:



Date:

September 6, 2019

List of Attachments

- Appendix A: Renewal Applications – Recommended for Approval
- Appendix B: New Application – Recommended for Approval
- Appendix C: New Applications – Not Recommended for Approval
- Appendix D: City of Victoria Exemptions – Recommended for Approval
- Appendix E: Permissive Tax Exemption Policy

APPENDIX A: RENEWAL APPLICATIONS – RECOMMENDED FOR APPROVAL

APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
1UP Victoria Single Parent Resource Centre Society	602 Gorge Road East	Provides single parents, caregivers and children opportunities for learning and growth through our resources and services	Social Services	100%
Anawim Companions Society	973 Caledonia	Provides transitional housing, meals, laundry and bath facilities for those living in poverty	Supportive Housing	100%
Anglican Church of Saint Barnabas	1633 Belmont Ave	Land under and around the building	Place of Worship	100%
Anglican Church of Saint Barnabas	1525 Begbie St	Land under and around the building	Place of Worship	100%
Anglican Church of Saint Barnabas	1555 Begbie St	Land under and around the building	Place of Worship	100%
Anglican Church of St. John the Divine	930 Mason St	Land under and around the church	Place of Worship	100%
Anglican Synod of The Diocese of BC St. Matthias Church	600 Richmond Ave	Land under and around the building	Place of Worship	100%
Art Gallery of Greater Victoria	1040 Moss St	Collecting, caring for and presenting visual art. Facilitating the interaction of artists and their work with the public	Arts & Culture	100%
Arthritis Society	2680 Richmond Rd	Support for people with Arthritis. Portion of the property occupied by exempt activities	Social Services	100%
Bayanihan Cultural & Housing Society	1709 Blanshard St	Land under and around the church	Place of Worship	100%
Beacon Community Association	1450 Elford St	Laurel House provides drop in day programs for individuals living with mental illness. Focus is on developing life skills	Social Services	100%
Beacon Community Association	2717 Quadra St	Thrift Shop on main floor, proceeds used to support programs. Upper floor houses the home support program. Serves residents of Victoria, Saanich Peninsula, Gulf Islands and Saanich	Social Services	100%

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APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
Belfry Theatre	1291 Gladstone	Not for profit theatre company with a mandate to produce contemporary theatre with an emphasis on Canadian work. Produce/present shows annually and serve people from all walks of life	Arts & Culture	100%
Blue Bridge Theatre Society	2657 Quadra St	Promoting literacy in the history of dramatic arts through publication of 5,000 free background programs	Arts & Culture	100%
British Columbia Society for Prevention of Cruelty to Animals	3150 Napier Lane	Investigate acts of cruelty and neglect, shelter lost, unwanted and surrendered animals. Lost and found animal services, humane education, spay and neuter services for the community	Social Services	100%
Canadian Cancer Society	2202 Richmond Rd	Vancouver Island Lodge - Mission is to eradicate cancer and to enhance the quality of life of people living with cancer. Society provides support and education	Social Services	100%
Casa Maria Emergency Housing Society	CONFIDENTIAL	Short term low rental housing for families & individuals in crisis, women from transition homes. Longer term support for displaced families (up to 3 years), helping them get established the children in school. Committed to ongoing education about the causes of displaced people	Supportive Housing	100%
Centennial United Church	649 Gorge Road East	Property for spiritual worship	Place of Worship	100%

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APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
Central Baptist Church	823 Pandora Ave	Land under and around the church	Place of Worship	100%
Chabad of Vancouver Island	2955 Glasgow St	Land under and around the building	Place of Worship	100%
Chinese Presbyterian Church (Victoria)	812 North Park St	Land under and around the church	Place of Worship	100%
Church of Latter Day Saints	2990 Quadra St	Land under and around the building	Place of Worship	100%
Church of Our Lord	626 Blanshard St	Land under and around the church	Place of Worship	100%
Church of Truth	111 Superior St	Land under and around the building	Place of Worship	100%
Clover Point Anglers Association	1307 Clover Point	Foster interest in angling and boating; encourage propagation of salmon; maintain boathouse and boat ramp for local residents; assist with saving life at sea	Recreational	65%
Community Of Christ	495 Burnside Rd. E	Land under and around the building	Place of Worship	100%
Congregation Emanu – EI	1461 Blanshard St	Land under and around the church	Place of Worship	100%
Cornerstone Christian Fellowship	1161 Prince Ave	Land under and around the building	Place of Worship	100%
Craigdarroch Castle Historical Museum Society	1000 Craigdarroch Blvd	Operate Craigdarroch as an historic house museum, including development of craftsmanship, curatorial skills and architectural history. Designated a national Historic Site	Arts & Culture	100%
Craigdarroch Castle Historical Museum Society	1044 Joan Cres	Operate Craigdarroch as an historic house museum, including development of craftsmanship, curatorial skills and architectural history. Designated a national Historic Site	Arts & Culture	100%
Craigdarroch Castle Historical Museum Society	1070 Joan Cres	Operate Craigdarroch as an historic house museum, including development of craftsmanship, curatorial skills and architectural history. Designated a national Historic Site	Arts & Culture	100%

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APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
Fernwood Community Association	1923 Fernwood Rd	Activities include community hall & boardroom available for rental & community activities, land use & safety meetings, cultural events, recovery support groups, theatre, art therapy distribution centre for Good Food Box program, coordinate allotment gardens	Social Services	100%
Firefighter's Burn Fund	2504 Richmond Ave	Accommodates families of burn patients free of charge and serves as the burn office. Provide equipment and education to the Burn Unit and staff	Social Services	100%
First Baptist Church Victoria	877 North Park St	Land under and around the church	Place of Worship	100%
First Church of Christ, Scientist, Victoria BC	1205 Pandora Ave	Land under and around the building	Place of Worship	100%
First Metropolitan United Church	932 Balmoral Road	Land under and around the church	Place of Worship	100%
First Open Heart Society	1580 Pembroke	Low cost accommodation for spouses & family of heart patients receiving treatment at Royal Jubilee Hospital	Supportive Housing	100%
Franciscan Friars of Western Canada	1076 Joan Cres	Land under and around the building	Place of Worship	100%
Freshwater Fisheries of BC	101 - 80 Regatta Landing	Outreach Instructors work out of this location to deliver Learn to Fish and Rod Loan programs in the City of Victoria and surrounding communities	Recreational	50%
Fung Loy Kok Institute of Taoism	865 Catherine St	Land under and around the building	Place of Worship	100%
Girl Guides of Canada	938 Mason St	Program to provide girls & young women an opportunity to be confident, resourceful and courageous and to make a difference in the world	Social Services	100%

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APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
Glad Tidings Church	1800 Quadra St	Land under and around the church	Place of Worship	100%
Gov Council Salvation Army in Canada	521 Johnson St	Supply the basic needs of the street community and lower income men in the community. Food, clothing, shelter and spiritual needs of the residents are met. Operate a hostel, emergency shelter, halfway house, counselling and other services	Social Services	100%
Gov Council Salvation Army in Canada	1019 Hillside Ave	Emergency assistance with food, clothing and household items. Clinical counseling program	Social Services	100%
Grace Evangelical Lutheran Church	1273 Fort St	Land under and around the building	Place of Worship	100%
Greater Victoria Citizen's Counselling Centre	941 Kings Rd	Provides affordable, accessible, short term individual, couples and group counselling for adults; building houses administrative and counselling offices	Social Services	100%
Greater Victoria Women's Shelter	CONFIDENTIAL	Margaret Laurence House - Low rental housing for women and children from abusive relationships for up to one year: includes counselling, support and an outreach program	Supportive Housing	100%
Gurdwara Singh Sabha Society of Victoria	482 Cecelia Rd	Land under and around the building	Place of Worship	100%
Gurdwara Singh Sabha Society of Victoria	486 Cecelia Rd	Land under and around the building	Place of Worship	100%
Innovative Communities. Org	1230 Styles St	Provides residences with support with support for mentally ill residents	Supportive Housing	100%

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APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
Island Community Mental Health Association	125 Skinner St	Programs for persons with serious mental illness: Psychiatric rehabilitation and recovery services, employment services, recovery and recreation services and socialization for seniors with severe mental illness.	Social Services	100%
James Bay Angler Association	187 Dallas Rd	Boat launch providing marine services to the community with access to the harbour for fishers, COV Police & Fire, CRD, DND, Federal fisheries, Coast Guard and others	Recreational	65%
James Bay Health & Community Services Society	547 Michigan St	Neighbourhood focused & governed community health centre, providing a range of family & community programs, medical services and social support. Portion of the property occupied by exempt activities	Social Services	100%
James Bay United Church	511 Michigan St	Land under and around the building	Place of Worship	100%
John Howard Society	540 - 542 Manchester Rd	The Society operates a halfway house for persons released from an institution. The halfway house assists the community by providing support, supervision and assistance during the transition period back into the community	Supportive Housing	100%
John Howard Society	535 Cecelia Rd	The Society operates a halfway house for persons released from an institution. The halfway house assists the community by providing support, supervision and assistance during the transition period back into the community	Supportive Housing	100%
John Howard Society	548 Cecelia Rd	The Society operates a halfway house for persons released from an institution. The halfway house assists the community by providing support, supervision and assistance during the transition period back into the community	Supportive Housing	100%

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APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
Jubilee Congregation of Jehovah's Witness	2780 Shelbourne St	Land under and around the building	Place of Worship	100%
Kalghidhar Sharomani Society of Victoria	2721 Graham St	Land under and around the building	Place of Worship	100%
Keystone Victoria Christian Ministries	804 Queens Ave	Land under and around the building	Place of Worship	100%
Khalsa Diwan Society	2910 Blackwood St	Empty parking lot to provide for congregation parking	Place of Worship	100%
Khalsa Diwan Society	2906 Blackwood St	Empty parking lot to provide for congregation parking	Place of Worship	100%
Khalsa Diwan Society	1210 Topaz Ave	Land under and around the building	Place of Worship	100%
Kiwanis Club of Victoria	2117 Vancouver St	Shelter provides care of youth at risk, provides counselling & encouragement to return home or into a foster home and off the street	Supportive Housing	100%
Kiwanis Club of Victoria	2652 Cook St	Provides a support system for single parent families with infant children, learning life-skills. Transitional housing with treatment program and support staff	Supportive Housing	100%
Langham Court Theatre	805 Langham Crt	Performing arts theatre for local audiences	Arts & Culture	100%
Laren Society Journey From Inside Out	138 Dallas Rd	Mudge residence provides a residential, communal home setting for men on conditional release. Staffed 24/7, there is counselling and supervision for the transition period	Supportive Housing	100%
Maplewood Gospel Hall	1159 Tolmie Ave	Place to worship God, hold regular services, bible studies etc.	Place of Worship	100%
Mustard Seed Church	625 Queens Ave	Land under and around the church	Place of Worship	100%
Oak Bay Gospel Assembly	1900 Oak Bay Ave	Land under and around the building	Place of Worship	100%
Oaklands Chapel	2736 Fernwood Rd	Land under and around the building	Place of Worship	100%

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APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
Oaklands Community Association	2629 Victor St	Satellite location for community programs in the area of health & wellness, recreation, education, family support and daycare	Social Services	100%
Open Door Spiritualist Church/Inner Quest Foundation	1600 Cook St	Land under and around the church	Place of Worship	100%
Open Space Arts Society	510 Fort St	Artist-run art gallery promoting interest in the study of contemporary art, including visual arts, inter-arts, new media, digital arts, new music and contemporary literature. Free admission to most events. Portion of the property occupied by exempt activities	Arts & Culture	100%
Pacifica Housing Advisory Association	829 Fisgard	15 of 29 units reserved by VIHA for use for special needs individuals who have severe physical disabilities and who meet VIHA eligibility requirements. Covenant restricts ability to modify the make-up of tenants	Supportive Housing	100%
Parkdale Evangelical Free Church	1095 Tolmie Ave	Land under and around the building	Place of Worship	100%
Paroisse Francaise St. Jean-Baptiste	301 Richmond Ave	Land under and around the building	Place of Worship	100%
Phoenix Human Services Association	1095 Joan Crescent	Support for vulnerable individuals and families providing social and life skills development, employment training, counselling and behavioral support to adults with moderate to severe developmental disabilities	Social Services	100%
Religious Society of Friends (Quakers)	1831 Fern St	Land under and around the building	Place of Worship	100%
Religious Society of Friends (Quakers)	1831 Fern St	Land under and around the building	Place of Worship	100%
Ross Bay Villa Society	1490 Fairfield Rd	Protects areas of cultural and environmental sensitivity, Ross Bay Villa has been restored and will be used as a visitor centre for Ross Bay cemetery	Arts & Culture	100%
Royal McPherson Theatres Society	3 Centennial Square	Performing arts theatre for local audiences and rent the facilities to presenters	Arts & Culture	100%

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APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
Saint Germain Foundation (Victoria Branch)	1017 McClure St	Worship services, public lectures of spiritual culture.	Place of Worship	100%
Saint Sophia Parish of the Russian Orthodox Church	195 Joseph St	Land under and around the building	Place of Worship	100%
Scouts Canada, 2nd Fort Victoria Scouts	459 Chester	Programs for youth with emphasis on development of well-rounded young adults with leadership skills, concern for the environment and the community	Social Services	100%
Shekinah Homes Society	3114 Irma St	Group home for adults with developmental disabilities	Supportive Housing	100%
Society of Saint Vincent de Paul of Vancouver Island	828 View St	Houses social concern office, thrift shop & voucher outlet. Exists to assist people in need regardless of religious affiliation. Portion of the property occupied by exempt activities	Social Services	100%
St. Andrew's Cathedral	1202 Blanchard St	Land under and around the church; clergy living onsite	Place of Worship	100%
St. Andrew's Presbyterian Church	924 Douglas St	Land under and around the church	Place of Worship	100%
St. Andrew's Presbyterian Church	680 Courtney St	Land under and around the church	Place of Worship	100%
The Anglican Synod of the Diocese	911 Quadra St	Land under and around the building	Place of Worship	100%
The B.C Muslim Association	2218 Quadra St	Land under and around the building	Place of Worship	100%
The Canadian Red Cross	909 Fairfield Road	Disaster services, humanitarian program - youth; community volunteers, injury prevention - water safety; and first aid, medical equipment loan services, violence and abuse prevention program	Social Services	100%
The Cridge Centre for the Family	1307 Hillside Ave	Provide inclusive childcare for 185 children from infants to 12 years old, a teen parenting outreach program, supportive housing and counselling for 29 low income families and single women; services for abused women and their children. Portion of the property occupied by exempt activities	Social Services	100%

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APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
The Foursquare Gospel Church of Canada	735 Kings Rd	Land under and around the building	Place of Worship	100%
Threshold Housing Society	1502 Dawe St	Transitional housing for at risk youth in danger of becoming homeless. Property houses 8 youth and provides support services	Supportive Housing	100%
TLC, The Land Conservancy of BC	1964 Fairfield	Abkazi Garden is a heritage garden managed for the benefit of the people and open to the public	Arts & Culture	100%
TLC, The Land Conservancy of BC	507 Foul Bay	Abkazi Garden is a heritage garden managed for the benefit of the people and open to the public	Arts & Culture	100%
Ukrainian Catholic Church of St. Nick	1909 Cook St	Land under and around the building	Place of Worship	100%
Umbrella Society for Addictions and Mental Health	512 Cecelia Road	Provide safe & supportive long term recovery beds for men healing from addictions	Supportive Housing	100%
Victoria Association for Community Living (DBA Community Living Victoria)	1112 McKenzie Ave	McKenzie Home provides a permanent home for adults with developmental disabilities	Supportive Housing	100%
Victoria Association for Community Living (DBA Community Living Victoria)	937 Redfern St	Redfern Home provides a permanent home for adults with developmental disabilities	Supportive Housing	100%
Victoria Chinese Alliance Church	2845 Gosworth Rd	Land under and around the building	Place of Worship	100%
Victoria Chinese Pentecostal Church	2215 Dowler Pl	Land under and around the building	Place of Worship	100%
Victoria Conservatory of Music	907 Pandora Ave	A centre of excellence for music through education, performance and music therapy	Arts & Culture	100%
Victoria Cool Aid Society	809 Burdett St	Sandy Merriman provides emergency shelter for 25 women who are homeless. They welcome trans women, gender fluid and non-binary people. Guests receive safe shelter, meals, laundry, shower and support	Supportive Housing	100%
Victoria Cool Aid Society	713 Johnson St	Health centre for inner city patients. Support groups for chronic conditions such as pain management and hep C	Social Services	100%

APPENDIX A: RENEWAL APPLICATIONS – RECOMMENDED FOR APPROVAL

APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
Victoria Cool Aid Society	2317 Dowler Pl	Next Steps Transitional Shelter - Provides an opportunity for emergency shelter clients to access resources and services to get back on track. Up to 15 individuals staying at one time for up to 30 to 90 days	Supportive Housing	100%
Victoria Cool Aid Society	3020 Douglas St	Act to end homelessness; committed to working with adults experiencing marginalization in a non-judgment way	Supportive Housing	100%
Victoria Cool Aid Society	584 Burnside Rd E	Act to end homelessness; committed to working with adults experiencing marginalization in a non-judgment way	Supportive Housing	100%
Victoria Native Friendship Centre	1321 Fernwood	Affordable rental property for women with children who are low income/and or at risk of homelessness	Social Services	100%
Victoria Native Friendship Centre	1250 Balmoral	Affordable rental for foster parents who are providing a safe home for children at risk	Social Services	100%
Victoria Native Friendship Centre	120 Gorge	Affordable housing development for First Nations people which includes at risk children, youth, students and elders	Supportive Housing	100%
Victoria Shambhala Centre	2033 Belmont Ave	Land under and around the building	Place of Worship	100%
Victoria Social Innovation Centre Society	1004 North Park St	Charitable serve provision of human services and space for social collaborations beneficial for community development	Social Services	100%
Victoria Truth Centre	2815 Cedar Hill Rd	Land under and around the building	Place of Worship	100%
Victoria Women In Need Community Cooperative	1803 Cook St	Thrift store. Retail sales of donated clothing and household goods are primary source of funding for Society's programs	Social Services	100%
Victoria Women's Sexual Assault Centre Society	201-3060 Cedar Hill Rd	Provide services to individuals impacted by sexual violence	Social Services	100%
Victoria Women's Transition House Society	CONFIDENTIAL	Shelter for abused women and their children	Supportive Housing	100%

APPENDIX A: RENEWAL APPLICATIONS – RECOMMENDED FOR APPROVAL

APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
Victoria Women's Transition House Society	100 - 3060 Cedar Hill Rd	Community office offering outreach counseling and education for women & children	Social Services	100%
Victoria Women's Transition House Society	301 - 3060 Cedar Hill Rd	Community office offering outreach counseling and education for women & children	Social Services	100%
Victoria Women's Transition House Society	3060 Cedar Hill Rd	Community office offering outreach counseling and education for women & children	Social Services	100%
Victoria Youth Empowerment Society	533 Yates	Provides programs for assist at risk youth and make positive choices. Portion of the property occupied by exempt activities	Social Services	100%
Winners Chapel International Victoria	810 Cormorant St	Used primarily as a church; other times used for couple's nights for other churches and non-Christians	Place of Worship	100%

APPENDIX B: NEW APPLICATION – RECOMMENDED FOR APPROVAL

APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
The Salvation Army	943 Fullerton Ave	Property used primarily for worship and church related social services	Place of Worship	100%


APPENDIX C: NEW APPLICATIONS – NOT RECOMMENDED FOR APPROVAL

APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
Firefighter's Burn Fund	2510 Richmond Rd	Vacant land	No Category	100%
RealHomes Management Corporation	1950 Blanshard St	Affordable rental housing with 43 units	No Category	100%
Victoria Cool Aid Society	959 Balmoral Rd	Single room occupancy building that provides affordable housing	No Category	100%
Together Against Poverty	828 View St	Leased property. Provides free legal assistance to low-income residents of Greater Victoria	Social Services	100%
White Eagle Polish Association	90 Dock St	Polish Cultural Club	No Category	100%

APPENDIX D: CITY OF VICTORIA EXEMPTIONS – RECOMMENDED FOR APPROVAL

APPLICANT	PROPERTY ADDRESS	DESCRIPTION	CATEGORY	%
City of Victoria	355 Menzies St	Portion of the building which is James Bay Library	City Property	100%
City of Victoria	950 Kings Rd	Capital Regional Hospital District donates space to City of Victoria Quadra Village Community Centre for recreational/educational programming.	City Property	100%
City of Victoria	1803 Douglas St	City leased portion of the office building which 2,254 sq. ft.	City Property	100%

APPENDIX E

 CITY OF VICTORIA		CORPORATE POLICY GUIDE	
			Page 1 of 4
CHAPTER:	FINANCE		
SECTION:	REVENUE		
SUBJECT:	PERMISSIVE TAX EXEMPTION		
SPONSOR:	DIRECTOR OF FINANCE		
AUTHORIZED BY:	COUNCIL		
EFFECTIVE DATE:	May 23, 2013	REVISION DATE: May 2013	

PURPOSE / OBJECTIVES:

The purpose of this policy is to:

1. provide guidance in the evaluation of applications for exemption from property taxes pursuant to Section 224 of the Community Charter
2. set out the requirements from permissive tax exemption recipients in order to continue to receive support

BACKGROUND

Section 220 of the Community Charter provides for statutory tax exemptions for a range of properties including those held or used by the Province, municipalities, regional districts, libraries, hospitals, schools, cemeteries, and places for public worship. For some properties, such as those used for public worship, the statutory exemption is limited to the building and the land beneath the building – the land surrounding the building and land or ancillary buildings attached to the place of worship, may be given a permissive exemption by Council.

Section 224 provides for permissive tax exemptions for properties used by a variety of non-profit organizations that provide services which Council considers directly related to the purposes of the organization. It also provides for permissive exemptions for some properties which are additional to statutory exemptions under Section 220, such as church halls or land surrounding places for public worship and privately run schools.

The Community Charter permits exemption from municipal taxes. Similar provisions in other taxing authority legislation extend the exemption to those levies.

Exemptions provided for in Section 224 are at the discretion of Council. There is no obligation to give the exemption.

Exemptions cannot be granted if the organization does not qualify under the Community Charter.

APPLICATION AND RESPONSIBILITY

Council is responsible for:

1. approving this policy
2. approving each tax exemption request annually

The Finance Department is responsible for:

1. receiving and processing all permissive tax exemption applications
2. reviewing individual applications for tax exemptions and making recommendations to Council

POLICY RATIONALE

The intent of this policy and associated evaluation categories and guidelines is to identify the services and organizations which are the most complementary extensions of municipal services, and for which the burden resulting from the exemption is a justifiable expense to the taxpayers of Victoria. Support should be directed towards services the City would consider providing given adequate resources.

STATEMENT OF POLICY

1. The following information will be considered when determining whether to grant a permissive tax exemption:
 - the principal use of the property, including the services offered
 - the need for the services
 - the availability of the services
 - other funding sources
 - the use of volunteers to deliver services
2. A permissive tax exemption may not be granted where:
 - the organization is unable to demonstrate a need for its services
 - the organization has made no effort to obtain other funding sources for provision of services
 - the organization does not make use of volunteers to provide services
3. Exemptions are based on the principal use of the property, not on the charitable service of the organization as a whole.
4. Exemptions can only be granted to the portion of a property that meets all the requirements of this policy. The exemption may apply to the whole or part of the taxable assessed value of land, improvements or both.
5. Permissive tax exemptions approved in the current year for the subsequent tax year will not exceed 1.6% of the current year's total budgeted property tax requisition. The permissive exemption values will be calculated by using the current year's assessment multiplied by the current year's tax rates. In the case where the calculated permissive exemption values for the subsequent year exceed 1.6% of the current year's tax requisition, all permissive exemptions will be proportionately reduced.

6. Tax exemptions under section 224 (except rail and track properties) will be considered every three years unless a bylaw specifies a longer term. Exemptions for rail and track properties can be granted for a ten year term. The term cannot exceed ten years under section 224(4)(a) of the Community Charter. Applications received off cycle will be accepted as long as the exemptions do not exceed the exemption cap specified above. Such applications will be harmonized with the tax exemption cycle. All permissive tax exemptions must be renewed by application every three years on an approved form, including a copy of the organization's most recent financial statements. Exemption must not be assumed, even if obtained in a prior cycle.
7. Applications must be received by May 31st in each applicable year for exemptions that begin in the subsequent year. Applications received after the deadline or applications which do not include all required information may not be considered.
8. A tax exemption is similar in effect to a cash grant, and therefore is subject to budget considerations.
9. All recipients of tax exemptions from the City of Victoria are required to publicly acknowledge the exemption.
10. Grandfathered properties that received support above what this policy allows for will be harmonized over a ten year period. The difference between the grandfathered exemption and exemption value allowed under this policy will be reduced equally over a ten year period.
11. The organization must justify the need for the services and may be required to make a presentation to Council.
12. The use of the property must be consistent with and in compliance with all applicable municipal policies, bylaws and legislation.
13. Services and activities should be equally available to all residents of the City.
14. A recreation or community facility must be accessible by the public, and the activities carried out on the property must be enjoyed by a significant proportion of the general public.
15. The organization must be seen to be working towards self-sufficiency by seeking funding from other sources.
16. The organization may be required to show evidence of ongoing, active volunteer involvement.
17. Only that part of the property used for non-profit activities will be considered for exemption. Commercial activities will be excluded. For clarity, society administration is considered part of the non-profit's program delivery.
18. Applicants must show evidence of a clear mandate and competent administration.
19. Applicants must not be in arrears with the City.

20. Exemptions will not be granted for land held for future development or land greater than normally required for off street parking, buffer zones or to make a reasonably shaped parcel.
21. It is required that the organization is on title as owner of the property and responsible for payment of the property taxes except in the case of a place of worship.

EVALUATION CATEGORIES

All applications must meet the description of at least one of the categories below:

1. **Special needs and supportive housing properties:** short term emergency or crisis protection for members of the community, supportive housing for people with special needs, halfway houses , transitional homes and group homes with supportive staff and programs - 100% exemption
2. **Social service properties:** support services and programs to members of the community with special needs, who are in some way disadvantaged and need assistance in maximizing their quality of life - 100% exemption
3. **Arts and Cultural facilities:** preparation and delivery of artistic and cultural events or exhibits to the public – 100% exemption
4. **Educational facilities** – exemption will be equivalent to the percentage of provincial funding allotted based on Certificate of Group Classification issued by the Inspector of Independent Schools
5. **Athletic or recreational facilities:** provide space and equipment for the physical and mental enjoyment of the participants – 50% exemption
6. **Places of Worship**
 - a. facilities for public worship occupied by a religious organization as a tenant – 100% exemption
 - b. land surrounding places for public worship; church halls and land surrounding them or other property attached and deemed necessary – 100% exemption
7. **Rail/Track Property:** rail or track and other related property owned by a non-profit organization – 100%
8. **Affordable Rental Housing:** Specific projects reviewed at Council, Mar 25,2010, will be considered for exemption upon completion. The exemptions will be for a period not to exceed 10 years in length – 100% exemption

REVISION HISTORY

Amended May 2013
Amended February 2011
Amended April 2009
Amended June 2008
Amended September 2006

Permissive Property Tax Exemptions 2020-2022



Background - Legislation

- Statutory exemptions – automatically applied by BCA
 - Schools, hospitals, places of worship, provincial/federal properties
- Permissive exemption – may be granted by bylaw
 - Properties of non-profit organizations which Council considers are used for a purpose that is directly related to the purposes of the organization
 - Exemptions for portions of a property can be applied
 - All property taxes are exempted – City and other agencies
- Property Tax Class 3 Supportive Housing
 - Similar to a statutory exemption in that no taxes payable



Background - City Policy

- Establishes categories and parameters for eligibility
 - Based on principal use of the property, not the charitable service of the organization as a whole
- Categories
 - Special needs and supportive housing
 - Social services
 - Arts and cultural facilities
 - Educational facilities
 - Athletic or recreational facilities
 - Places of worship
 - Rail/track
- 3-year approval cycle
- Cap of 1.6% of prior year's municipal taxes



Permissive Property Tax Exemptions 2020-2022

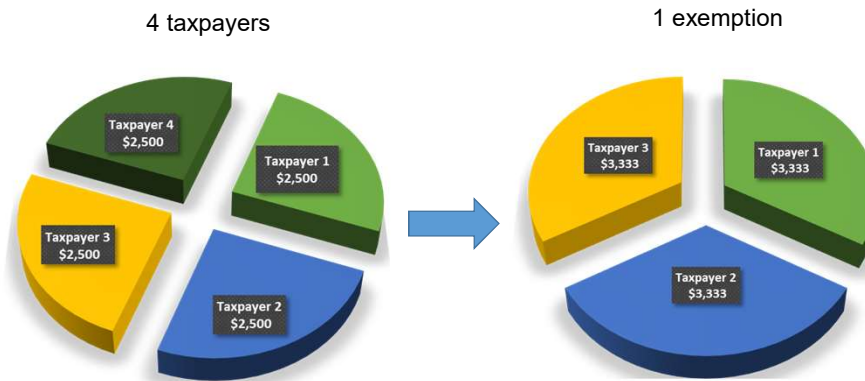
Budget and Permissives

- City's budget:
 - Determined by totaling cost of providing all programs and services
 - Amount of property taxes needed is the residual amount required after other revenues have been taken into account
- Granting permissive exemptions:
 - Does not impact the City's budget
 - Does not result in a revenue loss to the City
 - Shifts the burden of paying taxes to non-exempt properties



Permissive Property Tax Exemptions 2020-2022

Permissives - Shifting of Tax Burden



Permissive Property Tax Exemptions 2020-2022

Applications for 2020-2022

- 124 renewal applications
- 6 new applications
 - 1 recommended for approval
 - 5 recommended to be declined



Permissive Property Tax Exemptions 2020-2022

Canadian Legion Trafalgar Pro Patria Branch No. 292

- June 27 - Council referred discussion on tax relief for the Legion to this meeting
- Legion has applied for full exemption of the property – both class 6 and 8
- BCA has confirmed that it is up to each municipality to determine which portions of the property could be exempted, keeping in mind section 25 of the *Community Charter*
- The application does not comply with City Policy
- Value of exemption:
 - Class 8 \$25,566 (\$17,605 City portion)
 - Class 6 \$78,114 (\$50,452 City portion)



Permissive Property Tax Exemptions 2020-2022

Recommendations

Staff recommendations align with City's Policy.

That Council:

1. Direct staff to bring forward a 2020-2022 permissive tax exemption bylaw for properties as follows:
 - a) Renewal Applications Recommended for Approval (Appendix A)
 - b) New Application Recommended for Approval: (Appendix B)
 - i. The Salvation Army, folio 12814031, 943 Fullerton Ave
 - c) City of Victoria Exemptions Recommended for Approval (Appendix D)



Permissive Property Tax Exemptions 2020-2022