



## **Committee of the Whole Report**

### **For the Meeting of September 21, 2017**

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**To:** Committee of the Whole **Date:** September 12, 2017  
**From:** Susanne Thompson, Director of Finance  
**Subject:** 2018 - 2019 Permissive Property Tax Exemptions

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### **RECOMMENDATION**

That Council:

1. Approve all applications for permissive property tax exemption detailed in Table 2 for the 2018 - 2019 tax years
2. Direct staff to prepare a 2018 - 2019 permissive property tax exemption bylaw for Council's consideration

### **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 2018 - 2019.

The City received applications from 9 organizations. Four 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 2018 – 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 2018 - 2019 tax years.

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 2018 - 2019 permissive tax exemption applications from 9 organizations. Recommended approvals total \$80,419. Already approved exemptions for the 2017-2019 tax years total \$1,577,164 or 1.26% of the City's 2017 tax levy. Approximately \$421,000 in off-cycle permissive tax exemptions can be approved without exceeding the 1.6% cap. For permissive tax exemptions to apply for the 2018 - 2019 tax years, a bylaw must be passed on or before October 31, 2017.

### Applications Recommended for Approval

1. *Victoria Social Innovation Centre Society – 1004 North Park Street:* This property was purchased in June of 2017 by Victoria Social Innovation Centre Society. This organization has applied under the social services category and meets the requirements of the Permissive Tax Exemption Policy. The Victoria Social Innovation Centre Society is a non-profit under the BC Society's Act. The Centre is called the Social Innovation Society (SIS) which provides administration services including overseeing building management, space allocation, governance and administration of the corporation on behalf of its member non-profit, social service providing agencies. The member agencies are: Victoria Immigrant and Refugee Centre Society and Family Services of Greater Victoria. Approving this application would exempt the organization from \$5,496 in municipal taxes and \$9,037 in total taxes.
2. *Victoria Cool Aid Society – 3020 Douglas Street/584 Burnside Rd E:* This property was purchased in March 2017 by Victoria Cool Aid Society. This organization has applied under the supportive housing category and meets the requirements of the Permissive Tax Exemption Policy. This property provides permanent housing for up to 51 tenants, including supports such as life skills, medication monitoring, volunteer opportunities, regular tenant meetings, organized outings, and internal social gatherings. Approving this application would exempt the organization from \$67,166 in municipal taxes and \$110,435 in total taxes.
3. *Victoria Truth Centre – 2815 Cedar Hill Road:* This property was purchased by the Victoria Truth Centre in February 2017. This organization has applied under the Place of Worship category and meets the requirements of the Permissive Tax Exemption Policy. Approving this application would exempt the organization from \$2,874 in municipal taxes and

\$4,560 in total taxes.

4. *Winners Chapel International Victoria – 810 Cormorant Street:* This organization has applied under the Place of Worship category and meets requirements of the Permissive Tax Exemption Policy. Approving this application would exempt the organization from \$1,892 in municipal taxes and \$3,002 in total taxes.

**Table 2: Summary of Applications Recommended for Approval**

Applicant	Property Address	Category	Amount
Victoria Cool Aid Society	584 Burnside Rd. E	Supportive Housing	\$ 2,991
Victoria Cool Aid Society	3020 Douglas St.	Supportive Housing	67,166
Victoria Social Innovation Centre Society	1004 North Park	Social Services	5,496
Victoria Truth Centre	2815 Cedar Hill Rd.	Place of Worship	2,874
Winners Chapel International Victoria	810 Cormorant St.	Place of Worship	1,892
Total			\$ 80,419

Applications Not Recommended for Approval

1. *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 \$997 in total taxes.
2. *Bialy Orzel Polish Association White Eagle – 90 Dock Street:* This organization has applied 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 Bayanihan Cultural Centre; the Hungarian Society of Victoria; the Italian Assistance

Centre; and the Taoist Tai Chi Society.

Based on this review of previous Council decisions, consistent interpretation of the City Permissive Tax Exemption Policy would be to decline this application.

If the application were approved, the permissive exemption would apply only to the lower portion of the building and would not apply to the upper level rental hall or residential portion of the property. Approving this application would exempt the organization from approximately \$7,600 in total taxes.

3. *James Bay Child Care Society – 149 Montreal Street:* This organization has applied for an exemption however the property use does not fall into any of the categories of the City's Permissive Tax Exemption Policy. The property is used to provide licensed, non-profit childcare to working families in Victoria. Approving this application would exempt the organization from \$3,960 in total taxes.
4. *Vancouver Coastal Health Authority – 2680 Richmond Road:* This organization is not the registered owner of the property and consequently does not meet the requirements of the Permissive Tax Exemption Policy. This property is leased from a non-profit organization (The Arthritis Society) and is used to provide health care services to manage and treat the physical and psychological impacts of arthritis including physical therapy, occupational therapy, registered nurse and social work counselling. The application would otherwise meet the requirements of the Permissive Tax Exemption Policy in the social service properties category. While the property owner organization and the applicant organization share the same goals, the Vancouver Coastal Health Authority has its own mandate, guided by legislation. Since the leased portion is not separate on the BC Assessment roll information, we are unable to determine the amount of an exemption at this time.
5. *Victoria Disability Resource Centre – 815 Fort Street:* This organization is not the registered owner of the property and consequently does not meet the requirements of the Permissive Tax Exemption Policy. Since the leased portion is not separate on the BC Assessment roll information, we are unable to determine the amount of an exemption at this time.

**Table 3: Summary of Applications Not Recommended for Approval**

Applicant	Property Address	Category	Reason for Ineligibility	\$ Amount
1. Hands-On Summer Camp	1190 Kings Rd.	Social Services	Leased Property	\$ 997
2. Bialy Orzel Polish Association White Eagle Hall	90 Dock Street	Arts and Cultural	Does not fit policy category	7,600
3. James Bay Child Care Society	149 Montreal Street	NA	No Category	3,960
4. Vancouver Coastal Health Authority	2680 Richmond	NA	Leased Property	Not determined
5. Victoria Disability Resource Centre	815 Fort Street	Social Services	Leased Property	Not determined
Total				\$ 12,557

## 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 is estimated at \$80,419, increasing the total municipal portion of permissive exemptions to \$1,657,583 or 1.33%.

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 \$1,577,164 or 1.26%

### *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,



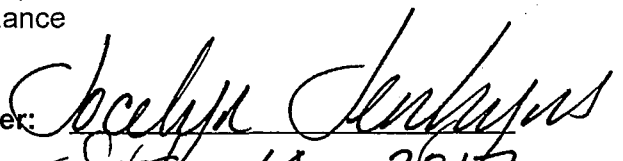
Laurel Westinghouse  
Manager-Accounting



Susanne Thompson  
Director of Finance

Report accepted and recommended by the City Manager:

Date:

  
Sept. 14, 2017

### **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