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## Information Item No.3

HRM Grants Committee  
December 7, 2015

**TO:** Chair and Members of HRM Grants Committee

**SUBMITTED BY:** original signed  
Amanda Whitewood, Director of Finance and Information Technology/CFO

**DATE:** October 21, 2015

**SUBJECT:** Tax Relief to Non-Profit Organizations Program

### INFORMATION REPORT

#### ORIGIN

November 30, 2014 – Application deadline for new applications to the 2015-16 *Tax Relief to Non-Profit Organizations Program* and renewal of awards for those previously accepted.

#### LEGISLATIVE AUTHORITY

*HRM Charter* (2008) s. 79 (1) sub-section (av) Council may expend money required by the Municipality for a grant or contribution to:

- (i) a society within the meaning of the Children and Family Services Act,
- (ii) a mental health clinic in receipt of financial assistance from Her Majesty in right of the Province,
- (iii) an exhibition held by an educational institution in the Municipality,
- (iv) a club, association or exhibition within the meaning of the Agriculture and Marketing Act,
- (v) any charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within the Province,
- (vi) a day care licensed under the Day Care Act,
- (vii) a registered Canadian charitable organization.

*Administrative Order 20014-001-ADM Tax Relief to Non-Profit Organizations* Section 4A to be eligible for consideration under the policy a registered non-profit organization or charity must be a charitable, community, cultural, educational, fraternal, recreational, religious or sporting organization; a not-for-profit corporation; or created by a statute that expressly names the non-profit organization.

## **BACKGROUND**

This report addresses (i) records management, (ii) applications to add a property, and (iii) requests for an increase in amount of tax relief not recommended for funding in 2015.

## **DISCUSSION**

### **I. Records Management**

**Removal :** A total of ten (10) properties are to be removed from the program in 2015-16 as shown below in Table 1. Where applicable, any pro-rated tax relief has been noted in the staff recommendation report regrading renewals, proposed additions, and pro-rated awards.

<b>Table 1. Properties Removed from Program in 2015</b>		
<b>Organization</b>	<b>Civic Address</b>	<b>Rationale</b>
Beacon House Inter-Faith Society	450 Cobequid Road, Sackville	Employment-related benefit. Potential consolidation under future development.
Dartmouth Lawn Bowls Club/HRM <i>Land lease:05/07/2014</i>	2 Mount Hope Avenue, Dartmouth	Lease expired July 5, 2014. Recommend assistance under Valuation Allowance 2015.
Society of St. Vincent De Paul	440 Herring Cove Road, Halifax	Consolidation.
Metro Community Housing Association	2690 Gottingen Street, Halifax	Sold. December 1, 2014.
Indo-Canadian Community Centre Association	164 Chain Lake Drive, Halifax	Sold. March 3, 2015.
Lake Echo Lions Club/HRM <sup>1</sup> <i>Lease: 30/08/2013</i> <i>Pro-rated to November/2015</i>	3168 Highway #7, Lake Echo	Lease expired. Recurring room rental under negotiation. Recommend pro-rated assistance under Valuation Allowance.
Creighton/Gerrish Development Association <i>Pro-rated to October 15/2015</i>	2256 Gottingen Street, Halifax	Sold. October 15, 2015.
Dartmouth Non-Profit Housing Society <i>Pro-rated to May 22/ 2015</i>	357 Portland Street, Dartmouth	Sold. May 22, 2015.
New Armdale Westside Housing Co-operative Limited	12 Sylvia Avenue, Halifax	Residence demolished.
Northwoodcare Inc <sup>2</sup>	5534 Almon Street, Halifax	Title transfer to affiliate April 1, 2013. Reinstatement recommended.

**Name Change:** Schedule 29 is amended due to a change in incorporated name: (i) Bay Road Community Hall Association is now registered as Estabrook Community Hall and (ii) Bridge Centre for Arts & Technology is now registered as McPhee Centre for Creative Learning.

### **II. Applications Not Recommended for Addition to the Program**

The rationale to decline an application may vary from year-to-year in response to the program's budget capacity or changes to legislative or policy. The most common reasons for a decline include:

- applicant does not meet the eligibility requirements of the program;

- nominal tax payable;
- non-profit registration lapsed;
- delinquent reporting or tax arrears with no payment plan;
- partial occupancy in private property;
- no tax account or incorrect assessment classification;
- owner has the option to consolidate with a property in receipt of tax relief;
- private parking;
- limited provision of program/service to residents of the region (eg. international aid, religious);
- employment-related benefit; or
- a strategic holding or remnant parcel that provides no direct public benefit.

<b>Table 2. Not Recommended for Addition to the Program or Ineligible for Consideration</b>			
<b>Request</b>	<b>Organization</b>	<b>Civic Address</b>	<b>Rationale</b>
100%	Bayside United Baptist Camp Association	Lot R1-349 Highway #349, Sambro Head	At 359 acres the property might qualify for Recreation Tax Rate. Owner might consider consolidation with abutting campground (98 acres).
100%	City of Halifax Non-Profit Housing Society	2421 Creighton Street, Halifax	Vacant land conveyed for \$1 conditional upon consolidation (August 7, 2001).
		Lot 13 North Street, Halifax	Private parking lots. Applicant not title-holder/no lease as per s.5 and 5A of policy. Refer to HRM Real Estate.
		Lot 11- 2555 Gottingen Street, Halifax	
		Lot 46-2599 Gottingen Street, Halifax	
		Lot 12 Gottingen Street, Halifax	
100%	Halifax Rowing Club/HRM <i>Occupancy Lease: 31/03/2014</i>	1641 Fairfield Road, Halifax	No tax account/billing as of date of application. Term of lease does not comply with HRM policy.
100%	Nova Scotia Nature Trust	PID#40028243 Gerard's Island, Spry Bay	Applicant not title-holder (only partial interest) and tax billed to out-of-country estate executor.
		PID#4002837 Gerard's Island, Spry Bay	
100%	Royal Nova Scotia International Tattoo Society	Lot S-1 Cunard Street, Halifax	Private parking lot. Owner has the option to consolidate with abutting warehouse.
100%	Sheet Harbour & Area Ground Search & Rescue/HRM <i>Land Lease: 31/12/2025</i>	Lot FH-79A PID#40619561 22835 Highway 7, Sheet Harbour	No tax account/billing as of date of application per s.5A of policy.
100%	Halifax Young Women's Christian Association/Maxwell Properties Limited <i>Occupancy Lease: 14/10/2027</i>	Portion of 1233 Barrington Street, Halifax	Annual charge back from Paramount Management. See: Attachment 1.
75%	Affirmative Ventures Association	139 Main Street, Dartmouth	Tax arrears. Business occupancy registration not current. See:

			Attachment 1.
<b>Table 2 Continued. Not Recommended for Addition to the Program or Ineligible for Consideration</b>			
<b>Request</b>	<b>Organization</b>	<b>Civic Address</b>	<b>Rationale</b>
Conversion	Bedford Basin Yacht Club	PID#00431015, Lot 4 - 379 Shore Drive, Bedford	Incorrectly assessed as Residential. Conversion redundant. Owner might consolidate with abutting clubhouse property.
Conversion	Fung Loy Kok Institute of Taoism	2035 North Park Street, Halifax 2035 North Park Street, Halifax	Parking lots. Owner might consider consolidation with abutting property.
Conversion	North End Community Clinic	2230 Maitland Street, Halifax	Parking lot. Owner might consider consolidation with abutting property. Declined in 2014.
25% exempt	Albro Court Housing Co-Operative Limited	Lot C1- PID# 00056028, Cedar Court, Dartmouth	Nominal tax (\$11). Small vacant land holding. Owner might consider consolidation if abutting.
25% exempt	Needham Housing Co-Operative Limited	3724 Basinview Drive, Halifax 20 Birch Street, Bedford 3410 Claremont Street, Halifax 85 Frederick Avenue, Halifax 3724 Basinview Drive, Halifax 20 Birch Street, Halifax	Applicant does not hold title to the properties or a tenant as per HRM administrative order.
25% exempt	Spryview Housing Co-Operative Limited	1872 Old Sambro Road, Halifax	Applicant not titleholder as per HRM administrative order. Late application (March 25, 2015).
<b>TOTAL</b>	<b>14</b>	<b>26</b>	

### III. Applications for an Increase in Level of Tax Relief

Eleven (11) organizations requested an increase in level of tax relief for a total of 34 properties, including organizations previously declined. This pattern of repeat application creates administrative inefficiencies. Further, increasing tax relief on the basis of individual appeals has contributed to inconsistency across the program. Presently, organizations providing an identical or similar type of service may receive different levels of tax relief: a situation that provokes frustration and perceived preferential consideration.

**Table 3. Not Recommended for Increase in Tax Relief**

Request	Organization	Civic Address	Rationale
25% to 75%	Adsum Association for Women & Children	2380 Gottingen Street, Halifax	Declined in 2014. 5-unit residence. After tax relief \$774/unit which is well below the average residential tax for the region and lower income homeowners assisted under the Residential Tax Rebate Program.
Conversion to 100%	Atlantic Division Canoe-Kayak Canada/HRM <i>Land Lease: 20/08/2017</i>	Portion of 34 Boathouse Lane, Dartmouth	Less than market value land lease. Assessment under review. Declined in 2013 and 2014.
75% to 100%	North Preston Medical Society	52 Cain Street, North Preston	Current level same or higher than other daycares. Declined in 2014.
25% to 75%	City of Halifax Non-Profit Housing Society <sup>1</sup>	2444-2445 Barrington Street, Halifax	Current level of tax relief same or higher than other affordable housing providers.
		2219 Brunswick Street, Halifax	
		2289 Brunswick Street, Halifax	
		2485-87 Brunswick Street, Halifax	
		2497 Brunswick Street, Halifax	
		2515 Brunswick Street, Halifax	
		2525-35 Brunswick Street, Halifax	
		2537-47 Brunswick Street, Halifax	
		2569-75 Brunswick Street, Halifax	
		2581 Brunswick Street, Halifax	
		5515 Buddy Daye Street, Halifax	
		5215 Artz Street, Halifax	
		5219 Artz Street, Halifax	
		5221 Artz Street, Halifax	
		2579 Brunswick Street, Halifax	
		2014-2020 Maynard Street, Halifax	
		2540 Maynard Street, Halifax	
		32 Old Sambro Road, Halifax	
		34 Old Sambro Road, Halifax	
		2388 Gottingen Street, Halifax	

Table 3 Continued. Not Recommended for Increase in Tax Relief			
Request	Organization	Civic Address	Rationale
75% to 100%	Dartmouth Daycare Society/HRM <i>Land Lease: 01/08/2019</i>	28 Caledonia Road, Dartmouth	Less than market value land lease. Level same or higher than other child care facilities in receipt of HRM tax relief.
Conversion to 100%	Deanery Project Co-operative Limited	37 Deanery Road, Ship Harbour	Declined in 2014.
75% to 100%	Friends of Children Atlantic Association	1133 Tower Road, Halifax	Level of tax relief high (adjunct health service). Declined in 2012, 2013, and 2014.
Conversion to 100%	Lake Echo Lions Club/HRM <i>Occupancy Lease: 30/09/2013</i>	3168 Highway #7, Lake Echo	Lease expired. Recurring room rental under negotiation.
50% to 100%	Second Stage Housing Association of Dartmouth	ANN#08945942	Commercial assessed: primarily non-residential use. Tax relief increased in 2014.
75% to 100%		ANN#03900061	Declined in 2013 and 2014.
		ANN#00822701	Declined in 2013 and 2014.
		ANN#00501409	Declined in 2013 and 2014.
		ANN#04597176	Declined in 2013 and 2014.
Conversion to 25% at the Residential rate	St. George's Lawn Tennis Club <sup>2</sup>	6 St. George's Lane, Dartmouth	Level of tax relief consistent with South End Lawn Tennis Club <sup>3</sup> .
50% to 75%	Society for the Rehabilitation of Addicted Persons	1374 Robie Street, Halifax	Adjunct health service: 12-bed facility.
TOTAL	11	34	

Notes to Table 3:

1. City of Halifax Non-Profit Housing Society has eight (8) properties on Schedule 26 at 100% exempt by virtue of registered heritage status.
2. The tennis club's current level of tax relief (Conversion) is consistent with sailing, curling, and rifle clubs but lower than soccer, gymnastics, paddling, archery, and a snowmobile club. A difference in level of tax relief to membership-based sports clubs is historical.

**FINANCIAL IMPLICATIONS**

None.

### **ENVIRONMENTAL IMPLICATIONS**

None

### **COMMUNITY ENGAGEMENT**

The program is publicized through an advertisement placed in the regional edition of the Chronicle-Herald newspaper and HRM's web site. In accordance with the s.79(2) of the *HRM Charter*, notice of a grant issued by the Municipality pursuant to s 79(1) shall be published in a newspaper circulating in the region. The Municipality complies with legislation by placing a notice in the Municipal Notices section of the Chronicle-Herald newspaper.

### **ATTACHMENTS**

1. Not Recommended for Funding: Narrative Description.

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Peta-Jane Temple, Team Lead Grants & Contributions, Finance & ICT 490-5469; Shelly Hutt, Grants Program Technician, Finance & ICT; Peter Greechan, Community Developer, Finance & ICT.

Report Approved by: \_\_\_\_\_  
Original signed

Bruce Fisher, Manager, Financial Policy & Planning, Finance & ICT 490-4493

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Attachment 1

**Not Recommended for Funding: Narrative Description**

**1. Affirmative Ventures Association, 139 Main Street, Dartmouth – Late Application/Debt to HRM/Unregistered Business**

In 2010, the Association acquired property abutting their residential facility on Main Street, Dartmouth, for the purpose of expanding their operations. At the time of acquisition the property was occupied by a commercial venture. The property is assessed as Commercial (\$8,868) and application has been made for partial tax relief (50% of the Residential rate). The purpose of the property acquisition is to construct a new building in partnership with a private developer. In the interim, the premises are occupied by the Association's administrative office and Common Values Gifts & Goods Emporium, a retail business<sup>1</sup> operated by Affirmative Industry Association Incorporated, a limited company. The company's registration status was revoked for non-payment in 2012 and the applicant has arrears back-dated to 2013 and 2014. Staff held an on-site meeting with the applicant and advised that eligibility would require that tax arrears be addressed (including the option of a payment plan), the property's use confirmed, and details of the proposed private sector development of the site.

**2. Halifax Young Women's Christian Association/Maxwell Properties Limited, Portion of 1233 Barrington Street, Halifax – Lease (Partial Occupancy)**

The Halifax YWCA is registered Canadian charity whose primary programming includes family services and supportive housing for women and their children. The local branch of the YWCA was incorporated under an Act of the Nova Scotia Legislature (1897) and exempt real property tax only on property to which they hold title. When the applicant sold the subject property to a developer they entered into a long-term lease agreement for 5862 sf for a daycare (3,700 sf), administrative office (2,162 sf), storage and 6 designated private parking. The lease includes base rent plus additional charges. The additional charges include a proportional share of property tax including common areas (40.95% of Commercial tax), snow removal, heat, and garbage removal. The rent is paid monthly plus HST. The tenant is not the party assessed for tax or billed directly by HRM, and the property has multiple commercial and residential tenants. HST applied to rent and charge-backs, including property tax, is ineligible for a municipal grant.

**3. Nova Scotia Nature Trust, PID#40028243 and PID#40028375 Gerrard's Island, Spry Bay – Ownership/Billing**

The Trust is a registered charity whose mandate is to conservation of ecologically important lands through acquisition and conservation easements. In 2014, the Trust received a partial interest (tenants in common) in two parcels of land. The properties are assessed as Residential (\$285) and Resource (\$28). Full exemption requested.

The lands are ineligible for tax exemption under the Conservation Property Tax Exemption Act (2008) because (i) the land must be assessed as Resource or designated a permanent wilderness area pursuant to the Wilderness Areas Protection Act (1998) or (ii) there are private interests in the land with no permanent conservation easement as per the Conservation Easements Act (2001). The applicant is only partial owner, the tax payable is nominal (the Trust's proportional share of tax would be 1/16<sup>th</sup>), and the tax billing is to an out-of-country estate executor.

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<sup>1</sup> Registration as The Neighbourhood Dollar Store revoked for non-payment in 2012.