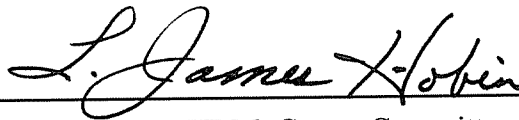

Halifax Regional Council
February 5th, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



J.L. Hobin, Chair, HRM Grants Committee

DATE: December 20, 2001

SUBJECT: **By-law T-201 Tax Exemption for Non-Profit Organizations: Saint Thomas Moore Church, 2 Belvedere Drive, 4 Belvedere Drive and 20 Lethbridge Avenue, Dartmouth**

ORIGIN

By-law T-206: Amendments to By-law T-200 was presented to Regional Council for approval on April 17th, 2001. The report noted that an application for tax exemption had been received from Saint Thomas Moore Church, Dartmouth, for relief from taxes on property used by HRM for a children's playground. Because the lease agreement between HRM and the parish was pending the application was considered incomplete and a decision deferred until the agreement was formal.

An agreement between HRM Parks & Recreation and Saint Thomas Moore Church was signed in January, 2002. Because the initial application was received by the application deadline, this case is now considered complete and eligible for tax relief.

RECOMMENDATION

The HRM Grants Committee recommend that Regional Council approve:

1. Tax exemption at the 100% rate for Saint Thomas Moore Church for the three (3) properties located at 22 Belvedere Drive, 4 Belvedere Drive, and 20 Lethbridge Avenue, Dartmouth, for the duration of the agreement with HRM Parks & Recreation for use as a children's playground.

BACKGROUND

The properties located at Belvedere Drive and Lethbridge Avenue combine to form a children's playground which has been used under an informal arrangement by the former City of Dartmouth and now HRM. The assessed value of the three lots is \$180,000 and are taxed at the urban residential rate. The annual taxes are \$2,702.89.

In 2001 HRM Parks & Recreation and Saint Thomas Moore parish moved to make the arrangement more equitable. The church provides the land at no cost to HRM, there are no revenues generated by the property, and HRM would have to buy land in the vicinity if this resource were not available for public enjoyment. An agreement has been signed by the two parties (see Attachment 1 of this report) and the taxes which were paid in full this year will be reimbursed by the *Tax Exemption for Non-Profit Organizations Program* in the amount of \$2,702.89.

DISCUSSION

The provision of this site by a community charitable organization creates a significant saving to HRM and is a direct benefit to local residents. This is a service cost that HRM would otherwise assume. Therefore, taxes should not be levied on a property used for provision of a service which conforms with the municipality's core mandate. The parish are in agreement with the terms and conditions of the by-law application process and have already submitted their renewal application form for 2002-2003 fiscal year.

COMMUNITY IMPACTS

This agreement safeguards the provision of a children's playground in Dartmouth through a cooperative agreement with a charitable organization.

BUDGET IMPLICATIONS

The estimated annual value of this tax exemption is \$2,703/year.

MULTI YEAR FINANCIAL STRATEGIES IMPACTS

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, capital and Reserves budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any other relevant legislation.

Application has been made in accordance with the terms and conditions of By-law T-201.

The reimbursement of taxes paid in full by Saint Thomas Moore parish are covered under the *Tax Exemption for Non-Profit Organizations Program* budget for 2001-2002.

ALTERNATIVES

1. Tax exempt status could be denied. This action is not recommended because public access to the parish lands provides a direct service to local residents (at no cost) which would otherwise be provided by the municipality at its own expense.

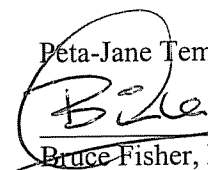
ATTACHMENTS

1. Agreement between Halifax Regional Municipality and the Roman Catholic Episcopal Corporation of Halifax, dated January, 2002.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210 or Fax 490-4208.

Report Prepared By: Peta-Jane Temple, Grants Coordinator 490-5469

Approved By:



Bruce Fisher, Manager, Financial Planning, Financial Services

clean and in good repair.

Right of Revocation

- (3) Subject to clause 4 of this Agreement the Church may, with 150 days written notice to HRM, cancel this Agreement.

First Option to Purchase

- (4) If the Church chooses to sell the Property, HRM shall have a first option to purchase the Property ("the Option") on the following terms and conditions:
- (a) the Option shall take effect upon the delivery of written notice to HRM by the Church of its intention to sell the Property;
 - (b) the Option may be exercised by HRM by written notice to the Church within 90 days of the Option taking effect, after which time the Option shall be null and void;
 - (c) the purchase price of the Property shall be the fair market value of the Property calculated as the average of two appraisals of fair market value. These appraisals shall be conducted by certified real estate appraisers; one of the appraisers shall be selected by the Church and the other shall be selected by HRM; and
 - (d) upon the exercising of this Option, HRM shall pay to the Church a deposit in the amount of XX% of the purchase price, which sum shall be held by the Church pending completion of the sale.

Equipment

- (6) All equipment placed on the Property by HRM remains the property of HRM.

Improvements

- (7) No improvements to the Property shall be commenced on the property by HRM without the consent of the Church. This includes, but is not limited to, new capital expenditures, playground expansion, cutting of trees, and sewer or utility work.
- (8) HRM is, at its own expense, responsible for any improvements to the Property. If the Church chooses to exercise its rights under clause 3 of this Agreement it shall not be required to

indemnify HRM for any improvements to the Property.

- (9) No improvements to the Property shall be commenced on the property by the Church which interfere with use of the Property as a public playground without the consent of HRM. This includes, but is not limited to, new capital expenditures, playground expansion, cutting of trees, and sewer or utility work.

Encumbrances

- (10) The Church shall not grant any encumbrances on the Property to a third party which interfere with HRM's use of the Property as a public playground without the consent of HRM.
- (11) HRM shall not grant any interest in the Property to a third party without the consent of the Church.

Limitation of Liability

- (12) HRM will indemnify and save harmless the Church from and against all claims arising from its use and occupation of the Property and including, without limiting the generality of the foregoing, all claims for personal injury or property damage resulting from the Property being utilized as a public playground.

Taxes

- (13) The assessment classification of the Property is taxable at the commercial rate. At the discretion of the Church, annual application to tax exemption shall be made through the HRM Tax Exemption for Non-Profit Organizations Program, By-law T-200. The Church is responsible for annual renewal as per the terms and conditions of By-law T-200. If in any year the application for tax exemption is not granted, HRM [Parks and Recreation Services] shall reimburse the Church for all taxes payable for that year with respect to the Property.
- (14) HRM shall refund the full amount of taxes paid on the Property for the tax year 2001.

Term

- (15) Subject to clause 3 of this Agreement the term of this Agreement is 10 years from the date of execution. At the end of the term HRM shall have the option to renew this Agreement for a term of 10 years.

Previous Agreements

- (16) All previous agreements between HRM and the Church with respect to the Property are hereby revoked.
- (17) This Agreement represents the entirety of the agreement between HRM and the Church with respect to the Property.

Costs

- (18) The Parties shall bear their own costs with respect to this Agreement.

IN WITNESS WHEREOF the Parties hereto have affixed their respective seals, attested to by the hands of their duly authorized officers.

