

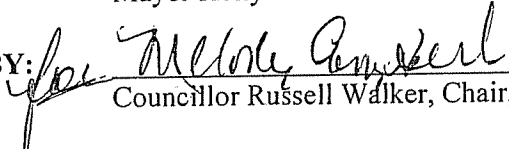


PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

Item No. 11.1.7

Halifax Regional Council  
February 12, 2008  
February 19, 2008  
February 26, 2008

TO: Mayor Kelly and Members of the Halifax Regional Council

SUBMITTED BY:   
Councillor Russell Walker, Chair, HRM Grants Committee

DATE: February 4, 2008

SUBJECT: By-law T-222: An Amendment to By-law T-200 - Appeals 2007-2008

**ORIGIN**

Grants Committee meeting of February 4, 2008.

**RECOMMENDATION**

It is recommended that Regional Council approve:

1. Application from Club 24 for 100% tax exemption be declined but that the club be offered assistance through a payment plan, or a pre-authorized payment plan, whereby the club's proportional share of property tax could be paid in smaller, monthly installments;
2. The Dartmouth Kinsmen Club be removed from Schedule 29 (Conversion from Commercial to Residential tax), effective April 1, 2007;
3. The motion passed by Regional Council on January 8, 2008, that the effective date for the Kinsmen be July 1, 2008, be amended to the Dartmouth Kinsmen Club be awarded 100% tax exemption at the Residential rate (Schedule 26) for fiscal year 2007-2008, effective April 1, 2007.
4. Approve in principle By-Law T-222 and set a date for a public hearing.

## **BACKGROUND**

See staff report dated January 10, 2008, Attachment 1 to this report.

## **BUDGET IMPLICATIONS**

By-law T-221 was approved with a program budget over-expenditure of \$48,184.66. If approved by the Grants Committee and Regional Council, the recommendations set out in this report will increase the budget overrun by \$1,445 for a revised total of \$49,629.66. This increase would be the consequence of increasing the tax exemption award to the Dartmouth Kinsmen Club from a Conversion (cost \$2,666) to 100% exempt (cost \$4,111) for 2007-2008 only. As a one-time interim measure, this year's program budget deficiency will be covered by using residual capacity in the HRM Community Grants Program 2007-2008 budget (M311-8004).

## **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

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

## **ALTERNATIVES**

See staff report dated January 10, 2008, Attachment 1 to this report.

## **ATTACHMENTS**

1. Staff Report dated October 10, 2008: By-law T-222: An Amendment to By-law T-200 - Appeals 2007-2008
2. By-Law T-222, An Amendment to By-Law T-200.

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: Melody Campbell, Legislative Assistant.



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

HRM Grants Committee  
February 4th, 2008

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

**SUBMITTED BY:**

A handwritten signature in cursive script that reads "Dale MacLennan". The signature is written over a solid horizontal line.

Dale MacLennan, CA, Director of Finance

**DATE:** January 10, 2008

**SUBJECT:** By-law T-222: An Amendment to By-law T-200 - Appeals 2007-2008

**ORIGIN**

At the public hearing for By-law T-221 (January 8, 2008) an appeal from Club 24 was referred back to the Grants Committee for further review. Subsequent to the public hearing, Councillor Younger has also asked for an amendment to the motion regarding tax exemption for the Dartmouth Kinsmen Club.

**RECOMMENDATION**

It is recommended that:

1. Application from Club 24 for 100% tax exemption be declined but that the club be offered assistance through a payment plan, or a pre-authorized payment plan, whereby the club's proportional share of property tax could be paid in smaller, monthly installments;
2. The Dartmouth Kinsmen Club be removed from Schedule 29 (Conversion from Commercial to Residential tax), effective April 1, 2007.
3. The motion passed by Regional Council on January 8, 2008, that the effective date for the Kinsmen be July 1, 2008, be amended to the Dartmouth Kinsmen Club be awarded 100% tax exemption at the Residential rate (Schedule 26) for fiscal year 2007-2008, effective April 1<sup>st</sup>, 2007.

## BACKGROUND

The 2007-2008 *Tax Exemption for Non-Profit Organizations Program* received three appeals: ( 1.) Club 24, Dartmouth, has requested an increase in the value of exemption. See: **Attachment 1.** (2.) The original motion regarding the Dartmouth Kinsmen Club needs to be amended to reflect the actual intent, and (3.) the appeal regarding Dartmouth Non-Profit Housing Society has been revoked based on new information. See: **Attachment 2.**

The call for application to the 2008-2009 program closed November 30<sup>th</sup>, 2007, and will be evaluated for next year's program subject to budget capacity. A review of By-law T-200 and the *Tax Exemption for Non-Profit Organizations Program* will be undertaken in 2008.

## DISCUSSION

### 1. Club 24, 3 Dundas Street, Dartmouth

Club 24 is a membership-based club that owns and operates a property primarily serving Alcoholics Anonymous and related recovery groups (~50 members). Rental rates vary according to an ability to pay. Various peer support groups meet at this location during the day and host social events in the evening and weekends (darts, cards, supper club etc). Presently, the club receives 75% exemption at the Residential rate. HRM pays \$3,566 and the club pays \$307 (2007-08 rates).

In a letter dated October 31, 2007, the club requested an increase to 100% tax exempt on the basis of the club's reliance on member's contributions and fundraising. The Grants Committee recommendation to decline the request for full exemption was appealed by Councillor McCluskey and referred back to the committee for further review based upon access to the facility by other groups; in effect Club 24 subsidized the operations of these smaller peer support groups.

Staff have reviewed HRM's assistance to Club 24 within the context of assistance provided other addictions support organizations on By-law T-200. Specifically, the Society for the Rehabilitation of Addicted Persons, Halifax (50% exempt), Society for Women Healing from Addictions & Abuse, Lakeside (50% exempt), Freedom Foundation of Nova Scotia, Dartmouth (75% exempt)<sup>1</sup>. These organizations receive core funding from the NS Department of Community Services based upon residential programs; some funding from the NS Department of Health is also provided for specific addictions treatment programming. Overall, it appears that the level of tax assistance provided to Club 24 is comparable to other community-owned addictions recovery facilities.

*Staff recommend that application for 100% tax exemption be declined.*

*Staff recommend that Club 24 be assisted through the option of a payment plan arrangement whereby the club's proportional share of property tax could be paid in monthly installments. A payment plan, or pre-authorized payment plan, could assist with budgeting and cash flow.*

In 2007-08, a payment plan would have resulted in monthly payments of \$25.50.

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<sup>1</sup>There is an AA group that meets at Sackville Heights Community Centre but this facility is 100% tax exempt. The centre is funded through an area rate. The tax status of tenant leasing in the premises is to be reviewed as agreements become due for renewal.

Staff note the variance in level of tax exemption awarded this category of community-based programming. Specifically, the Society for the Rehabilitation of Addicted Persons (50% exempt) and the Society for Women Healing from Addictions & Abuse (50% exempt) are residences. Arguably, residents are persons with special needs (some may be at risk of homelessness) yet they receive a lower level of exemption as compared to the Freedom Foundation of NS and residences serving mental health consumers, persons with disabilities, or emergency shelters (75% exempt). Staff recommend the variance in level of assistance to different forms of non-profit housing be examined under the review of By-law T-200 in 2008. Club 24's exemption level was increased from 50% to 75% in 2002; this level does seem appropriate given that the group is volunteer and self-supporting.

## **2. Dartmouth Kinsmen Club, Lot BF-2, 30 Caledonia Road, Dartmouth**

At the public hearing of January 8, 2008, Regional Council overturned the Grants Committee recommendation to award a Conversion from the Commercial to the Residential rate (Schedule 29) and approved an amendment that stated "...the effective date for the Kinsmen Club be July 1, 2008". The intent of the motion was to award the Dartmouth Kinsmen Club 100% tax exemption until such time as the new East Dartmouth Recreation Centre was operational. The motion presumes a continuation of tax exempt status but in fact the club has never been added to the by-law and the motion would result in the club paying Commercial taxes for all of 2007-2008 and until July 1<sup>st</sup> of 2008-2009. To rectify this situation, the club must first be removed from Schedule 29 (Conversion) and then added to the by-law at fully tax exempt on Schedule 26 (Exempt).

*Staff recommend removal of Dartmouth Kinsmen Club from Schedule 29, effective April 1, 2007.*

*Staff recommend the motion passed by Regional Council on January 8, 2008, that the effective date for the Dartmouth Kinsmen Club be July 1, 2008, be amended to the Dartmouth Kinsmen Club be awarded 100% tax exemption at the Residential rate (Schedule 26) for fiscal year 2007-2008, effective April 1<sup>st</sup>, 2007, at a cost of \$4,111.*

Staff's initial recommendation to award a Conversion from the Commercial to the Residential tax rate did not account for the limitations of the site ie. a portion of public parking. As such, staff propose a partial tax exemption, at 50% of the Residential rate (Schedule 28), be considered for the 2008-2009 fiscal year, subject to approval through a public hearing process.

## **BUDGET IMPLICATIONS**

By-law T-221 was approved with a program budget over-expenditure of \$48,184.66. If approved by the Grants Committee and Regional Council, the recommendations set out in this report will increase the budget overrun by \$1,445 for a revised total of \$49,629.66. This increase would be the consequence of increasing the tax exemption award to the Dartmouth Kinsmen Club from a Conversion (cost \$2,666) to 100% exempt (cost \$4,111) for 2007-2008 only. As a one-time interim measure, this year's program budget deficiency will be covered by using residual capacity in the *HRM Community Grants Program 2007-2008 budget (M311-8004)*.

## **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and

Operating reserves, as well as any relevant legislation.

**ALTERNATIVES**


1. The Grants Committee could overturn staff recommendations.

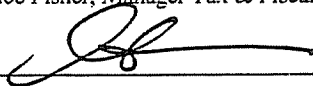
**ATTACHMENTS**

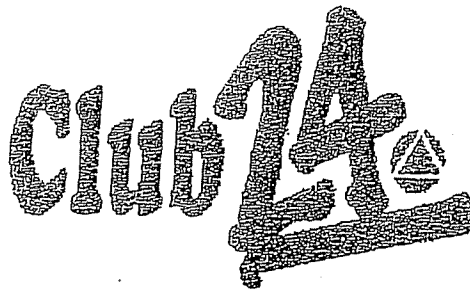
1. Letter to HRM from Club 24 dated October 3, 2008.
2. Letter to HRM from Dartmouth Non-Profit Housing Society dated January 4, 2008.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate 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 Tax, Grants & Special Projects 490-5469

Report Approved by:  *Andre MacNeil for*  
Bruce Fisher, Manager Tax & Fiscal Policy

Report Approved by:   
Catherine Sanderson, Sr. Manager, Financial Services, 490-1562



Mail: Box #3, Station Main @ Street 3 Dundas St. Dartmouth, N.S. BZY 3Y2 PH: 469-3420

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Facsimile Transmittal

Number of pages: 1  
Date: October 31, 2007  
To: P.J. Temple  
Company:  
Location: Nova Scotia  
Fax Number: 902-490-5622  
From: Frank Smith-President  
RE: Tax Exemption for  
"Club 24"

Dear Ms. Temple:

There have always been people in 12 step programs who have sought a place to go for coffee and conversation; a spot where members could gather for lunch; a place where they could gather socially on weekends and holidays. Club 24 provides this for people in need and also provides a meeting place to hold special events for the community.

The Club provides several 12 step meetings per week and other social events such as Art Classes, Dart Tournaments, Friday night dinners and a Saturday night Jam Session. These events provide a safe -drug and alcohol free environment for people in recovery. It is also available to be rented out for other events for people in the community.

In an organization such as ours, which is non profit, we must rely on the contributions of others and fundraising events to remain viable.

Therefore, we are making an application for a full tax exemption.

We trust the above will be found in order. However, if more information is required, please contact me at 435-9967 or Holly Blackler at 429-7310 and/or go to our website at <http://www.club24dartmouth.org>

Regards,

A handwritten signature in black ink, appearing to read "F. Smith", is written over a horizontal line.

Frank Smith  
President, Club 24

11/20/2008 02:17:11 10:00:00 01

# Dartmouth Non-Profit Housing Society

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53 Ochterloney Street  
Dartmouth, Nova Scotia  
B2Y 1G3  
459-0543

ATTACHMENT # 2

January 4, 2008

Halifax Regional Municipality  
P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5

ATTENTION: Ms. Christine Buckley  
Program Technician  
Tax & Grants Program

RE: 53-55 OCHTERLONEY STREET

Dear Ms. Buckley:

With reference to your correspondence dated December 12<sup>th</sup> which we received on December 27, 2007; please be advised that Dartmouth Non-Profit will not be renting any parking spaces at the above mentioned property.

If you require any further information, please do not hesitate to contact the undersigned.

Yours truly,



Doreen Tinkham  
Executive Director



**HALIFAX REGIONAL MUNICIPALITY**

**BY-LAW NUMBER T-222**

**BY-LAW RESPECTING TAX EXEMPTIONS**

Be it enacted by the Council of Halifax Regional Municipality, under the authority of Section 71, of the Municipal Government Act, Chapter 18, R.S.N.S 1989, is amended as follows:

**1. Schedule 29 of By-Law T-200 is amended by:**

- a) Delete AAN# 00769363, Dartmouth Kinsmen Club, Lot BF-2, 30 Caledonia Road, Dartmouth.

**2. Schedule 26 of By-law T-200 is amended by:**

- a) Add AAN# 00769363, Dartmouth Kinsmen Club, Lot BF-2, 30 Caledonia Road, Dartmouth.