

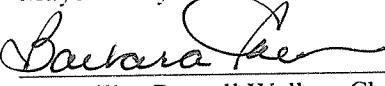


PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 11.3.1

Halifax Regional Council
March 3, 2009

TO: Mayor Kelly and Members of the Halifax Regional Council

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

DATE: February 27, 2009

SUBJECT: By-law T-200 Tax Exemption for Non-Profit
Organizations: Appeal Community Care Network

ORIGIN

Grants Committee meeting of February 16, 2009.

RECOMMENDATION

It is recommended that Halifax Regional Council decline an increase in exemption level for the Community Care Network property located at 2425 Maynard Street, Halifax in fiscal year 2008-2009.

BACKGROUND

See staff supplementary report dated January 19, 2009, Attachment 1 to this report.

BUDGET IMPLICATIONS

See staff supplementary report dated January 19, 2009, Attachment 1 to this report.

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 supplementary report dated January 19, 2009, Attachment 1 to this report.

ATTACHMENTS

1. Supplementary Report dated January 19, 2009,
2. Letter received in Mayor's office January 16, 2009,

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.

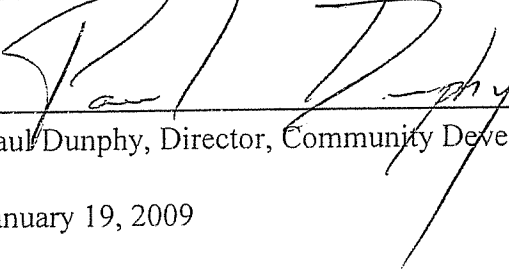
Report Prepared By: Barbara Coleman, Legislative Assistant.



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

HRM Grants Committee
February 16, 2009

TO: Chair and Members of HRM Grants Committee

SUBMITTED BY: 
Paul Dunphy, Director, Community Development

DATE: January 19, 2009

SUBJECT: By-Law T-200 Tax Exemption for Non-Profit Organizations: Review of Conditional Awards: Appeal - Community Care Network

SUPPLEMENTARY REPORT

ORIGIN

At the public hearing of January 5th, 2009, the Grants Committee recommendation, to continue tax exemption at 50% of the Residential tax rate for the property owned by the Community Care Network located at 2425 Maynard Street, Halifax, was appealed and referred back to the committee for consideration to increase the level of assistance to 100% exempt. Further, the supplementary report was to include the implications regarding other organizations on By-law T-200.

RECOMMENDATION

It is recommended that:

An increase in exemption level for the Community Care Network property located at 2425 Maynard Street, Halifax, be declined in fiscal year 2008-2009.

BACKGROUND

In 2000, the Community Care Network's property located at 2415 Maynard Street, Halifax, was added to By-law T-200 at 100% exempt (By-law T-201). This facility primarily serves as a food and furniture bank. This level of exemption was renewed under By-law T-223 (June 23, 2008).

In 2003, the society acquired three (3) abutting properties. Two of the properties, 2437 and 2477 Maynard Street, were vacant lots and awarded 100% exemption pending re-development by the society. The third property, 2425 Maynard Street, included a building which was to be used for a variety of programs directly or indirectly related to the society's operations. This property was awarded a Conversion from the Commercial to Residential rate and a further discount at 50% of the Residential rate. This award was conditional upon confirmation of on-site operations.

In 2008, the Community Care Network sold the two vacant lots to the Metro Non-Profit Housing Association for an affordable housing project. Tax exemption is non-transferable and these two properties have been removed from By-law T-200 (By-law T-223). A site visit by staff was made in September, 2008, to confirm the on-site operations at 2425 Maynard Street, Halifax. Staff recommended continuation of the current level of tax subsidy pending a review of the *Tax Exemption for Non-Profit Organizations Program*.

DISCUSSION

Appeal: The appeal is based on the nature of the programming conducted at 2425 Maynard Street, Halifax, ie. skills development/employment programs to help participants leave social assistance and enter the workforce. According to support documentation provided in the society's renewal application, courses offered to date include flooring installation, automotive parts and inventory clerk, customer service employability program, building supplies customer service, and siding, window and door installation. Computer training programs are also offered in basic word processing and database management. These programs are supported through provincial and federal grant programs. Notably, the Nova Scotia Department of Education, Nova Scotia Community College, and industry associations. The enrollment criteria is not stated (ie. are participants recipients of social assistance, unemployed or under employed? Are stipends or subsidies provided by Nova Scotia Community Services?).

1. Level of Assistance.

To date, 100% tax exemption has been awarded to organizations whose primary mandate is the provision of a food bank, a community feeding program ("soup kitchen"), clothing, and household furnishings. Other organizations in this category on By-law T-200 include Beacon House Inter-Faith Society, Society of St. Vincent de Paul (Hand to Hand Program), Bread of Life Ministries, Feed Nova Scotia, Feeding Others of Dartmouth, and the Community Care Network's food and furniture bank located at 2415 Maynard Street, Halifax. An application from the Safe Harbour Metropolitan Church (Manna for Health Food Bank) has been deferred pending an increase in program budget

capacity. Typically, these groups are supported by a church or inter-denominational collective and are primarily volunteer-based and self-funded. These groups do not usually receive core funding from any level of government and rely heavily on donations and fundraising.

Note: this category does not include groups who provide such services as ancillary to their primary mandate. For example, social service organizations that provide clothing, food or toiletries to clients (eg. shelters or group homes, residential addictions treatment, daycares etc).

In the opinion of staff, the skills development and employment programs delivered at 2425 Maynard Street, Halifax, are *similar* to a vocational agency (also known as “social enterprise”). Typically, the primary mandate of a vocational agency is to create employment opportunities for persons with a mental or physical disability. Most receive core funding for this purpose from the Nova Scotia Department of Community Services.

Vocational agencies currently on By-law T-200 include Anchor Industries, a workshop operated by Homes for Independent Living, and Lake City Employment Services. Application has also been made by DASC Industries for 2009-2010. Presently, these organizations receive a Conversion to the Residential tax rate and then a further discount at 75% of the Residential rate¹.

2. Application Process.

In terms of the impact of awarding 100% tax exemption to the Community Care Network, HRM might expect organizations offering educational, employment, or training programs to request full exemption. For example, but not limited to, the vocational agencies listed above. Requests might also be expected from groups whose services include a CAP site, language/ESL courses etc.

Due process would include a formal application from the Community Care Network by the annual application deadline. Such a request would be considered within the context of applicants deferred because the program budget lacks sufficient capacity. As of January, 2009, this waiting list comprises 59 organizations and 327 properties. See: **Attachment 1**.

BUDGET IMPLICATIONS

The staff recommendation to not increase the level of tax exemption awarded to the Community Care Network for the property located at 2425 Maynard Street, Halifax, has no budget implications.

Based on applications received to date, if vocational agencies presently on By-law T-200 were increased to full exemption the additional cost to the program would be ~\$18,720 in 2008-2009.

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


If the staff recommendation is overturned and 100% tax exemption granted, the additional cost to the program (at 2008 assessment value and municipal tax rate) would be \$1,950.

ATTACHMENTS

1. Summary of Applications Deferred 2006 to 2009
2. Letter to Mayor Kelly from the Community Care Network

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.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 Grants & Contributions,
Community Relations & Cultural Affairs, Community Development 490-5469

Report Approved by: 
Andrew Whitemore, Manager, Community Relations & Cultural
Affairs, Community Development, 490-1585

Attachment 1

Summary of Applicants Deferred (as of January, 2009).				
Year of Application	Number of Applications	Number of Properties	2008-2009 Estimated Property Tax	Estimated Value of Awards
2006-2007	22	245	\$574,575	\$143,660
2007-2008	3	4	\$52,253	\$26,670
2008-2009	20	22	\$271,153	\$133,760
2009-2010	14	56	\$163,993	\$66,400
TOTAL	59	327	\$1,061,974	\$370,490

Notes:

- All figures rounded.
- Excludes appeals from those declined or by level of exemption.
- Estimated costs based on 2008-09 assessment values and tax rates. This could increase due to assessment value increases, municipal tax rates, area rates, mandatory provincial contributions, fire protection tax rate, elimination of business occupancy tax, new construction or expansion.
- Excludes any late applications ie. after November 30, 2008.

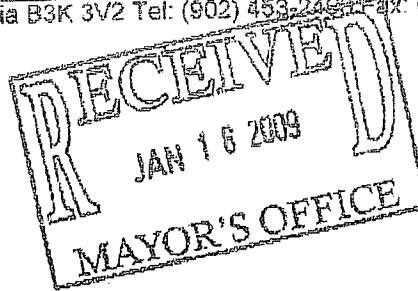
** These values are staff estimates only and may be amended by the HRM Grants Committee or Regional Council.



COMMUNITY CARE NETWORK SOCIETY 3001 T
THE PARKER STREET FOOD & FURNITURE BANK
"Reaching into the Community in Service and Love" #27886

2415 Maynard Street, Halifax, Nova Scotia B3K 3V2 Tel: (902) 453-2489 Fax: (902) 453-5673

Mel Boutilier
To: HRM Members of Council



Dear ladies and gentlemen,

The Parker Street Food and Furniture Bank has been serving less fortunate citizens of HRM for the past 25 years. We are a small nonprofit organization with a very limited working capital. All of our fundraising initiatives go directly back into our community, and yet we continue to face high operating costs which affect our efforts.

Parker Street currently has two buildings. One of which we pay no tax on the assessment, and the second to which we pay 50% of the assessment. This amount is approximately \$1,900.00. With our regular garbage, plus furniture that citizens drop off on weekends that is sometimes not usable, we are forced to incur annual dumping fees of over \$6,000.00 plus the expense of transporting it to the landfill.

As we begin in the New Year, we are all aware that difficult economical times are predicted to get even worse in 2009. We are asking that you will revisit the current assessment for our second building and change its classification to be 100% exempt.

Amounts of money such as \$1,900.00 and \$6,000.00 are so very important to a charity the size of Parker Street. We would be thrilled to have this money go towards our Emergency Fund which is currently overloaded with requests for financial assistance to help cover heating and utility bills for our clients.

Thank you in advance for your consideration on this matter.

Sincerely,

Mel Boutilier

Mel Boutilier
Volunteer (Executive Director)
Parker Street Food and Furniture Bank

"Charity literally means love, the love that understands, that does not merely share the wealth of the giver, but in true sympathy and wisdom, helps men to help themselves."
Franklin D. Roosevelt (1882-1945)