

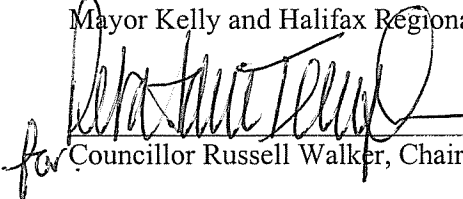
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Halifax Regional Council  
December 16th, 2003

**TO:** Mayor Kelly and Halifax Regional Council

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

**DATE:** November 26th, 2003

**SUBJECT:** By-law T-212, An Amendment to By-law T-201 Respecting Tax Exemption for Non-Profit Organizations: 2003-04. New Applications 2003-04.

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**ORIGIN**

This report originates with staff of the Grants Program, HRM Financial Services. The report makes recommendations for the approval of Regional Council regarding appeals, additions, deletions, and corrections to By-law T-201.

Due to a lack of a quorum at the HRM Grants Committee meeting of November 3<sup>rd</sup>, 2003, the Committee Members present voted to approve the submission of this report to Regional Council through staff. A public hearing is required under the Municipal Government Act (1996) and a timely decision is needed so as to adjust tax billing accounts prior to the end of the fiscal year 2003-04.

**RECOMMENDATIONS**

It is recommended that Regional Council:

1. Approve the addition of the new organizations as recommended in Section A of the Discussion section of this report, effective from April 1<sup>st</sup>, 2003;
2. Approve the decline of applications as recommended in Section B of the Discussion section of this report;
3. Approve the deferral of applications as recommended in Section C of this report;
4. Approve the revisions to Schedules 26 to 29 as recommended in Attachment 1 of this report.

**PLEASE RETAIN FOR PUBLIC HEARING**

**BACKGROUND**

The Municipal Government Act (1998) permits municipalities, at their discretion, to provide partial or full tax exemption to non-profit organizations. HRM presently provides property tax subsidies to eligible registered organizations and charities under the authority of By-law T-201. This report cover appeals resulting from By-law T-201 (April, 2003) and new applications for fiscal year 2003-04.

**DISCUSSION****A. Recommend Approval:****1. Coastal Communities Economic Development Cooperative Limited, 1030 Terrance Bay Road, Terence Bay - Appeal**

In April 2003, an application for tax exemption was awarded a deferral of taxes owing for a period of up to two (2) years while staff consulted with HRM Legal Services and reviewed the organization's Constitution and By-laws with respect to member equity. Subsequent meetings between staff and the facility operator have confirmed (a) that the Constitution and By-laws contains a clause prohibiting personal financial dividends for members of the cooperative, and (b) staff of HRM recreation facilities have confirmed public benefit to be derived from the proposed development of a park and over-flow parking for users of the abutting HRM-owned boat launch. There is also public access to a deep well on site.

*Staff recommend a Conversion from the Commercial to Residential tax rate (except where commercial activity is conducted on the premises) conditional upon the following: (i) annual application shall include the most recent Constitution and By-laws, (ii) public access to the park area at no cost, (iii) public access to the water supply at no cost, and (iv) cooperation in the provision of over-flow parking for users of the abutting HRM public boat launch, effective April 1, 2003. The estimated annual cost is \$3,146.*

*Rationale:* Staff will confirm that the clause in the Cooperative's By-laws prohibiting dividends to individual members is in effect, overcrowding at the HRM-owned boat launch can present a public risk with respect to parking congestion, and access to a water source is considered to be a community service.

**2. Eastern Shore Ground Search & Rescue, 5688 Highway #7, Porters Lake.**

In July 2003, Eastern Shore Ground Search & Rescue purchased a privately owned property. The facility will be used by the volunteer members of the team for vehicle and equipment storage, for meetings and training classes. Full exemption from property taxes is recommended on the basis that services provided by volunteers supplement HRM's mandate in emergency services and public safety (ground searches, evidence searches, emergency evacuation, and safety training for adults and children).

*Staff recommend 100% tax exemption, effective as of date of the closing of the Agreement of Purchase and Sale, 2003. The estimated annual cost is \$190.*

A new tax account has come into effect with the change in registered title-holder.

**3. Frances Margaret Pet Sanctuary, Highway #7, Lake Echo**

The organization was established in June, 2002 to provide care for abandoned pets using private property

which is due to be donated to the group by the current owner. The organization is a registered non-profit organization with the NS Registry of Joint Stocks and has made application to Revenue Canada for charitable status. Presently, the group is in a developmental stage and has 7 volunteers caring for 35 abandoned animals. The property used for the provision of services includes three (3) lots: one has a residential dwelling (3215 Highway #7) and two are vacant land holdings (107 Highway #7). The operations of the society will be through the donation of cash, in-kind services, and supplies.

*Staff recommend Conversion from the Commercial tax rate and a partial exemption at 50% of the Residential rate for all three (3) properties, effective as of the date of transfer of title to the Frances Margaret Pet Sanctuary Society. The estimated annual cost is \$823.*

Note: Following confirmation of title transfer, HRM staff will request a revised assessment from Nova Scotia Assessment Services to determine a new classification for the property which is presently assessed as Residential and Resource.

#### **4. Society of St. Vincent de Paul, 436 Herring Cove Road, Halifax.**

Hand in Hand is an outreach ministry established in 1990 by the Society of St. Vincent de Paul, a federally registered charity. The program provides clothing and household items free or at low cost to individuals and families primarily living in the Spryfield area. The property is owned by the Society of St. Vincent de Paul, Halifax Conference and currently assessed at the Commercial rate. Application has been made for a reduction in property tax.

*Staff recommend 100% tax exemption. The estimated annual cost is \$1,084.*

#### **5. Ketch Harbour Area Residents Association, Wharf, Highway 349, Ketch Harbour**

The Ketch Harbour Residents Association is a registered non-profit organization whose members purchased the site from the Federal Government, Department of Fisheries and Oceans in November, 2001, for the sum of \$1.00. The group pay insurance and operating costs associated with the facility's use. The property is presently taxed at the Commercial rate and application has been made for tax exemption. The wharf was badly damaged during the recent hurricane.

*Staff recommend 100% tax exemption conditional upon public access to the wharf for recreational activities. The estimated annual cost is \$202.*

#### **6. Laing House Association, 1225 Barrington Street, Halifax.**

Laing House is a community support centre for adolescent mental health consumers funded by the Central Regional Health Board, Nova Scotia Department of Health, grants, donations, and special events fundraising. The property, owned and operated by the Association, serves as a day centre for youth aged 17-24 diagnosed with mental health disorders. Programming includes information and referrals for individuals (accommodation, employment, support services), peer support and group social activities, laundry, and a youth-run cafe. The property is currently assessed at the Commercial tax rate.

*Staff recommend Conversion to the Residential tax rate and a partial exemption at 50% of the Residential rate. The estimated annual cost is \$7,948.*

Rationale: The facility is not a residential facility and therefore the level of tax subsidy is less than short-stay or group homes for mental health consumers.

**7. Moser River & Area Historical Society, 28961 Highway #7, Moser River.**

The Moser River & Area Historical Society is a registered non-profit organization and federally registered charity. In September, 2002, the organization purchased a former private residence to serve as an attraction for residents, tourists and visitors interested in local history and arts and crafts of the area.

*Staff recommend 100% tax exemption for a period of one (1) year, effective April 1st, 2003 to March 31st, 2004. The estimated annual cost is \$371.*

Note: Full tax exemption has been awarded on a conditional basis only pending confirmation of the programming conducted from the premises. The house is not a registered heritage property. A referral has been made to the HRM Heritage Planner and Nova Scotia Assessment Services.

**8. Royal Nova Scotia Yacht Squadron, 376 Purcell's Cove Road, Halifax.**

The R.N.S.Y.S was founded in 1837 as the Halifax Yacht Club and registered as a non-profit organization under an Act of the Nova Scotia Legislature in 1888. The club was originally located on the Halifax Harbour and purchased its present site on Purcell's Cove Road in 1971. The former residence on the site which now serves as the club house was designed by the noted architect Andrew Cobb (c. 1906). The club's operations are primarily seasonal (April-Oct) with year-round access to the marina mooring and clubhouse.

In addition to instructional swimming and sailing programs and services for members, the club offers Learn to Sail programs to non-members, Operator's Competency certification under the Canadian Coast Guard, marina services to visiting pleasure boats, tourism-related promotions such as Cruising Club of America, events hosting such as the Sail East Regatta in 2004, Venetian Night Parade or the Marblehead to Halifax Ocean Race, and assists local charitable fundraising such as the "Turkey Bowl Regatta" (a rotation of charities) and "Big Buoy Up" (Ronald MacDonald House). The property is not serviced with municipal water or sewage. The club pumps water from the Williams Lake run-off and treats the water to Nova Scotia Department of Environment standards at a cost of about \$2,000/yr.

*Staff recommend Conversion from the Commercial to Residential tax rate. The estimated annual cost is \$28,351.*

A referral has been made to the HRM Heritage Planner regarding potential heritage registration for the clubhouse.

**9. Khyber Arts Society, 1588 Barrington Street, Halifax.**

The Khyber Arts Society is a registered non-profit organization who presently lease an HRM-owned property under a management agreement. Since 1998, the group has operated the former Church of England Institute, a municipally registered heritage building, as an artist-run centre containing a gallery, a licensed social club, a multi-media centre, and sub-leases to non-profit arts groups. Programming includes workshops, and amateur performance arts events. The property is taxable at the Commercial tax rate and are billed to the principle tenant (Khyber Arts Society). In 2003, the property assessment was \$400,600. The society has applied for tax exemption.

Staff have reviewed the sub-leasing arrangements presently in effect and note that the social club is operated by an independent business operator under a profit-sharing arrangement with the society. By-law T-201 does not provide public subsidy to a business enterprise, hence this portion of the property

should remain at the commercial tax rate. With the exception of the social club, all sub-leases to business interests are billed separately as business occupancy accounts.

*Staff recommend a Conversion from the Commercial to Residential tax rate and partial exemption at 75% of the Residential tax rate, excluding the bar/social club and business occupancy accounts, subject to an annual review of the tenant composition of the building. The estimated annual cost is \$13,791.*

Note: Staff have requested a separate tax account be established for the licensed social club.

#### **10. Association for Women's Residential Facilities, 36 Greenhead Road, Lakeside.**

The Association for Women's Residential Facilities is a federally registered charity which owns and operates several properties that provide short-stay or transitional accommodations to individual women/children many of whom are homeless, at risk of homelessness, or leaving abusive relationships (Adsum House, Halifax; Venite Court, Dartmouth; Nahum Centre, Lakeside). The Association has applied for tax deferral for the period in which the property was vacant and under construction in 2002.

Because the property was formerly a public school there is no existing tax assessment account. The Agreement of Purchase and Sale negotiated between HRM and the Association will be registered and an assessment completed. Staff have provided an estimate of cost based on the property's 2002-03 market value.

*Staff recommend Conversion from the Commercial to the Residential tax rate and partial exemption at 75% of the Residential tax rate, effective April 1, 2003. The estimated annual cost of \$1,576.*

#### **11. Community Care Network Society, Maynard Street, Halifax**

The Community Care Network is a federally registered charity which operates a program to collect and distribute food, clothing, furniture and household items to low income individuals and families. The facility also has a CAP site and skills training courses in association with Nova Scotia Community College. The facility at 2415 Maynard Street, Halifax, receives a 100% tax exemption on By-law T-201. In 2003-04, HRM provided a multi-year capital grant towards the purchase of four abutting lots located on Maynard Street. Funding is conditional upon a multi-year business plan for sustainability. Application has been made for 100% tax exemption on all properties.

##### **a) Lot 86 and Lot 87, 2425 Maynard Street, Halifax**

The property located at 2425 Maynard Street comprises two (2) lots with a former commercial building. The Community Care Network plan to re-develop the building for use as a day care, job skills training site, a wellness centre, medical office, and expansion of the Parker Street Food & Furniture Bank (office space). The property is assessed at the Commercial tax rate.

*Staff recommend Conversion to the Residential tax rate and partial exemption at 50% of the Residential rate, effective as of the closing date of the Agreement of Purchase & Sale. The estimated annual cost is \$7, 137. The level of exemption shall be reviewed after a period of one (1) year once the operations of the building have been finalized.*

The 50% level of exemption is provided for the use of a portion of the facility in association with the

provision of a food bank, clothing, furniture and household items provided by the Parker Street Food & Furniture Bank. Medical/health assessment services or employment training do not fit within the municipal mandate.

**b) 2437 and 2447 Maynard Street, Halifax.**

The property located at 2447 and 2437 Maynard Street are vacant lots that were used for parking by the former business operator. The Community Care Network plan to develop the two lots for youth residential housing.

*Staff recommend 100% tax exemption, effective as of the closing of the Agreement of Purchase and Sale, conditional that the land remain vacant. The intent is to assist in reducing holding costs during the development phase of an affordable housing project. The estimated annual cost for both lots is \$1,805.*

Note: Should title to the land be transferred, or ownership shared among partners, the tax exemption status is subject to review. Once the occupancy has been determined for the new facility, staff will confirm exemption level eligibility.

**12. Nova Scotia Nature Trust, Halifax**

Founded in 1994, the Nova Scotia Nature Trust is a federally registered charity whose mandate is to conserve ecologically significant lands throughout the province. The Trust receives donations and bequests of property, acquires property through purchase or exchange, and manages conservation easements to protect woodlands, wetlands, coastal plains, islands, waterways, wildlife and plants. The Trust also encourages private land stewardship and public education. Application has been made for a total of nine (9) properties; all of which are vacant resource lands acquired and held in trust by NS Nature Trust for the purpose of environmental conservation.

**(a) Shelter Cove, Popes Harbour**

- I. 01986813 - Porcupine Hill, Popes Harbour - Land
- II. 08566283 - Lot 5 - 80 Acres, Tangier

**(b) Ostrea Lake Road, Ostrea Lake**

- III. 07724292 - Lot 4Z - Ostrea Lake Rd, Ostrea Lake,
- IV. 07724284 - Lot 3 - Ostrea Lake Rd, Ostrea Lake,
- V. 07724276 - Lot 2 - Ostrea Lake Rd , Ostrea Lake,
- VI. 07724268 - Lot 1 - Ostrea Lake Rd , Ostrea Lake,
- VII. 05227763 - Lot 5Y - Ostrea Lake Rd, Musquodoboit Harbour
- VIII. 04958535 - Woodland - Narrows Lake, Ostrea Lake,
- IX. 07662599 - 48 Acres East Side of Ostrea Lake Rd, Ostrea Lake

*Staff recommend 100% tax exemption, effective as of the date of closing for the Agreement of Purchase and Sale for those properties acquired in 2003-04 fiscal year. The estimated annual cost is \$2,882.*

**13. Nature Conservancy of Canada (Atlantic Region)**

The Nature Conservancy of Canada is a national organization with branches throughout Canada; the organization's mandate is the protection of plants, animals and natural ecosystems through habitat conservation. Programs include database development and conservation planning, site acquisition and protection, and evaluation. The Nova Scotia Department of Natural Resources recently donated three (3)

properties in HRM. Because these lands were formerly owned and operated by government there is no tax assessment account. Application has been made for 100% tax exemption.

**(a) Prospect Head, Main Road (40043309, 005573907, and 40043267)**

The combined property size totals 266 acres in one of only two areas of Nova Scotia defined as “Granite Barrens” (the other is in Canso). This type of ecosystem provides purification of ground water which flows into the coastal shoreline and supports the plankton growth which attracts whales, dolphins and seals to the area. The barrens also provides marsh, wetland and coastal forest habitat for migratory birds, native plant species, and small mammals. The area is of major significance in protecting the Harlequin Duck, an endangered species in Canada.

*Staff recommend 100% tax exemption, effective as of the date of closing for the Agreement of Purchase and Sale for those properties acquired in 2003-04 fiscal year. The estimated annual cost is \$1528.*

**14. Waegwoltic Club, 6541 Coburg Road, Halifax**

The Waegwoltic Club was founded in 1908 to provide social and recreational amenities and programs for its members and acquired the residence of the former Lt. Governor of Nova Scotia (c.1861) for a clubhouse on the North West Arm. The Waegwoltic Club, 6549 Coburg Road, is presently on By-law T-201 at Conversion from Commercial to Residential tax rate. The club is noted for its swimming, tennis, and sailing facilities and instructional classes but also hosts dances, social teas, beach volleyball, and a children’s playground. In 2002, the club purchased the former Archbishop’s residence at 6451 Coburg Road from HRM and subsequently demolished the building. The property is presently vacant and serves as “green space” with a small patio/outdoor seating area.

*Staff recommend conversion from the Commercial tax rate to the Residential tax rate. The estimated annual cost is \$6,978.*

Staff recommend that this is conditional upon consolidation of lots.

**15. St. John Council for NS/PEI, 101 Main Street, Dartmouth**

St. John Council for NS/PEI is a non-profit organization whose mandate is to enable Canadians to improve their health, safety and quality of life through training and community service. The majority of programs and revenues are from First Aid courses and related product sales. In 2001-2002, the Provincial Government revised the Nova Scotia First Aid Regulations and effectively opened the market to create competition among service providers. The council also delivers programs in workplace safety (WHIMIS), Lifesmart first aid training for high school students and teachers, the St. John Ambulance Brigade provides community first aid coverage by volunteers at local events, and a Therapy Dog Program which sends teams of dogs and their handlers to local institutions, seniors’ residences, and hospitals.

In June, 2002, the Council purchased an additional property located at 101 Main Street, Dartmouth which is the site for the Maritime School of Paramedicine; the only site of its kind in Nova Scotia. The operating costs for the facility are not subsidized by any level of government and are paid through student tuition fees and St. John’s Ambulance Brigade.

*Staff recommend conversion from the Commercial to the Residential tax rate. The estimated annual cost is \$10,131.*

**16. Affirmative Industry Association of Nova Scotia, 64-66 Lakecrest Drive, Dartmouth**

The Affirmative Industry Association is a non-profit organization serving mental health consumers. The organization provides employment and life skills support to clients and assists individuals integrate into the broader community and self-sufficiency. The Association has approached HRM for the sale at less than market value of HRM-owned surplus property located at 64-66 Lakecrest Drive, Dartmouth for the construction of an affordable housing project under the Federal/Provincial Bi-Lateral Affordable Housing Agreement. Presently, there are no taxes charged on the property tax account because the municipality is title-holder.

*Staff recommend 100% tax exemption for the period in which the land is vacant and during the construction phase of the project, effective as of the closing date of the Agreement of Purchase and Sale. The estimated annual cost is \$5,311. Once the building is operational the property tax assessment will be revised based on use.*

Note: conditional upon Regional Council's approval of sale.

**17. S.S Atlantic Heritage Park Society, 180 Sandy Cove Road, Terence Bay**

The S.S Atlantic Society is a non-profit organization which conserves the history of the S.S Atlantic sinking off the coast of Terence Bay. Activities include commemorative events, a heritage trail, monument care, and recently the construction of an interpretation centre on adjacent lands owned by the Anglican Parish of St. Paul's. The interpretation centre has a display of artifacts, interpretation panels, a tea room, meeting room, and craft sales. The proceeds from sales support the heritage preservation activities of the Society.

The Society and the Parish have entered into an Operating Agreement whereby the Society has the use of church lands upon which to construct and operate an interpretation centre. The church provides basic insurance and snow ploughing while the Society is responsible for all capital and operating costs, site maintenance and garbage collection. Because the land now has a structure and is not "a place of worship" the site will be assessed at the Commercial tax rate. Application has been made for 100% tax exemption.

*Staff recommend 100% tax exemption as an historical attraction, conditional upon a signed agreement between the S.S Atlantic Heritage Park Society and the Anglican Parish of St. Timothy's and St. Paul's which assigns responsibility for the payment of municipal property taxes and applicable charges to the Society, effective April 1, 2003. The estimated annual cost is \$5,961.*

An assessment has been completed by Nova Scotia Assessment Services and a tax account will be in effect for 2003-04.

**18. Eastern Shore Community Centre, 67 Park Road, Musquodoboit Harbour**

The Eastern Shore Community Centre Association is a federally registered charity who owned and operated the Eastern Shore Community Centre ("The Centre") in Musquodoboit Harbour which includes an ice arena and ballfields. In 2003-04 the Association entered into negotiations with HRM under which title to the property would be transferred to the municipality and a facility management agreement



established for the operation of the facility. Both accounts are presently on By-law T-201 at 100% exempt but because of a change in ownership must be added under the new lease agreement which should be registered with the Nova Scotia Land Registry.

*Staff recommend continuation at 100% tax exemption for the provision of recreational amenities and programming, effective April 1, 2003, conditional upon a Facility Management Agreement between HRM and the Eastern Shore Community Centre Association. The estimated annual cost is \$369.*

HRM Real Property & Asset Management Services to provide a signed copy of the facility management agreement.

#### **19. Habitat For Humanity, 530 Herring Cove Road, Spryfield.**

Habitat For Humanity is a federally registered charity which constructs affordable housing for independent living through a combination of financing, homeowner "sweat equity", volunteer labour, corporate and government donations. Under the Bi-Lateral Affordable Housing Initiative HRM is negotiating for the sale of a property declared surplus in 1991 (the former Riverview School) to Habitat For Humanity for the construction of owner-occupied homes in the Spryfield area. The property is presently assessed at the Commercial tax rate.

*Staff recommend 100% exemption for the duration of the planning and construction phase of the housing development, effective as of the closing date of the Agreement of Purchase and Sale. Once completed, the homes will be sold to individual homeowners and will revert to full Residential tax status. The annual estimated cost is \$8,177 with the present building structure but would decrease significantly once the building is demolished and the land should revert to Resource pending new construction.*

Note: Pending Regional Council's approval of sale and approval of re-zoning from Park-Institutional to Residential.

#### **20. Club 24, 3 Dundas Street, Dartmouth**

Club 24 is a federally registered charity which owns and operates a meeting/social facility for local Alcoholics Anonymous meetings. The property is presently listed on By-law T-201 at 50% exempt at the Residential tax rate. Application has been made for 100% exemption.

*Staff recommend the application for 100% exemption be declined.*

*Staff recommend an increase in exemption level to 75% exemption to bring the level of subsidy to that of AlCare and the Freedom Foundation of NS, effective April 1<sup>st</sup>, 2003. The estimated additional cost is \$350.*

#### **21. Canadian Cancer Society - NS Division, 5826 South Street, Halifax**

The Canadian Cancer Society is a federally registered charity. The property has administrative offices for the national organization, administrative offices for the local branch, and a short-stay residential lodge. The property is presently assessed for Commercial taxes (the office portion of the premises) and Residential (for the Lodge). Under By-law T-201 the Society receives a Conversion from the Commercial tax rate to the Residential tax rate for the administrative portion of the premises and pays full Residential tax on the Lodge. Application has been made for partial reduction in the Residential rate.

*Staff recommend that the administrative portion of the premises remain at a Conversion from the Commercial to the Residential tax rate.*

*Staff recommend Conversion to the Residential tax rate and a partial tax exemption at the 50% of Residential rate for the Lodge portion of the premises. The estimated annual increase in cost of the partial exemption is \$17,129.*

Staff recommend a 50% partial exemption level on the basis that the 75% level is provided to premises which constitute a “home” or principle place of residence. The Lodge is a temporary accommodation and serves a wide geographic jurisdiction (the public benefit extends beyond HRM’s boundaries).

## **22. Alexandra Children’s Centre, 3395 Devonshire Avenue, Halifax**

The Alexandra Children’s Centre is a federally registered charity which provides licensed child care for about 125 children, many of whom are subsidized placements through Nova Scotia Community Services. In 2003-04, the Centre acquired a portion of HRM-owned land located at 3395 Devonshire Avenue, Halifax, for the construction of a new child care facility (Regional Council, July 15, 2003). The property is currently an HRM-owned property is not taxed.

*Staff recommend 100% tax exemption for the planning and construction phase of the development, effective as of the closing date of the Agreement of Purchase and Sale. The property tax status shall revert to Commercial once the facility becomes operational at which time application for partial tax exemption may be made under By-law T-201. Estimated annual cost at Commercial rate is as yet unknown, as only a portion of the complete property will become taxable.*

Note: Pending any required zoning approvals and an assessment to determine the value of the sub-divided lot and tax category.

## **23. Cole Harbour Rural Heritage Society, 1436 Cole Harbour Road, Cole Harbour**

The Cole Harbour Rural Heritage Society is federally registered charity which owns and operates the Cole Harbour Heritage Farm Museum. The site includes several municipally registered heritage buildings which are presently on By-law T-201 at 100% exempt on the basis of a registered heritage site (471 and 475 Poplar Drive, Cole Harbour). Application has been made for 100% tax exemption for a new property (1436 Cole Harbour Road, formerly a church) which is assessed at the Commercial tax rate.

*Staff recommend 100% tax exemption, effective April 1, 2003, for a heritage conservation site and historical attraction. The estimated annual cost is \$1,584.*

### **B. Recommend Decline:**

#### **1. Canadian Blood Services, 1940 Gottingen Street, Halifax.**

Canadian Blood Services is a federally registered charity which provides blood collection, testing, and delivery services to 50 hospitals located in Nova Scotia and Prince Edward Island. The organization was formed in 1998 and its operations are funded by provincial departments of health and service users (notably hospitals). The Canadian Blood Services rents a portion of the premises at 1940 Gottingen Street, Halifax and has applied for 100% tax exemption. The provision of health/medical services is not

within the municipality's mandate.

Under the terms of the lease agreement (1998) with the Canadian Red Cross Society. Canadian Blood Services pay their proportional share of property taxes in the form of additional rent to the landlord (Item 4.1). The lease does permit the tenant to be billed separately for property taxes, to apply for relief from property taxes as applicable, or to pay taxes in the form of additional rent. Presently, Canadian Blood Services pays property taxes in the form of rent.

*Staff recommend the application for 100% tax exemption be declined. The applicant is not the owner of the property and there is no separate tax account in the tenant's name. HRM does not recognize applicants who are not the party assessed for payment of property taxes.*

Note: The applicant might have the option to re-negotiate the terms of their lease agreement such that a separate tax account be created through Nova Scotia Assessment Services. However, the property owner/landlord is not obliged to create a separate tax account, or to transfer any cost savings realized through a municipal tax subsidy. Staff recommend that the lease agreement be registered with Nova Scotia Land Registry to effect an assessment and separate tax billing.

### **2. Friends of Children Atlantic Association (Ronald MacDonald House) , 1133 Tower Road, Halifax.**

The Friends of Children Atlantic Association is a federally registered charity which operates Ronald MacDoanld House, a temporary accommodation for families of children receiving medical treatment in Halifax. Operations are supported largely through donations, fundraising and room rentals. The facility is taxed at the Residential rate and is presently on By-law T-201 at 75% exempt. Application has been made for 100% exemption.

*Staff recommend full exemption be declined. The present 75% subsidy is comparable to other non-profit residential facilities.*

### **3. Halifax Curling Club, 948 Bland Street, Halifax.**

The Halifax Curling Club is presently on By-law T-201 at a Conversion from the Commercial to the Residential tax rate. Application has been made for partial exemption.

*Staff recommend partial exemption be declined. The present Conversion rate is comparable to other curling clubs (sports clubs) in HRM. The capacity to raise additional revenues may exist in terms of maximizing the use of space through leasing.*

### **4. Royal Canadian Naval Association - Peregrine Branch, 2623 Agricola Street, Halifax.**

The Association is a registered non-profit organization serving a membership of naval veterans, with access to service personnel and various veterans associations. The property is presently on By-law T-201 at a Conversion from Commercial to Residential tax rate. The Association has requested 100% tax exemption.

*Staff recommend full tax exemption be declined. Service clubs usually receive only a Conversion to the Residential tax rate unless they own and operate a facility that provides programming within the municipal mandate (such as an arena, park, community recreation centre etc).*

**5. Covenant Place Support & Renewal Society, 7044 Highway #207, West Chezzetcook**

Covenant Place is a federally registered charity which provides crisis counselling and facilitates placement for troubled youth and women in abusive relationships. The organization leases the use of a building (a former convent) located at 7044 Highway #207 from a private owner and has a verbal agreement for access to an abutting site for recreational activities. The property is presently on By-law T-201 at 75% exempt at the Residential rate. The organization has requested 100% exemption.

*Staff recommend full tax exemption be declined. The presently level of exemption is comparable to other residential rehabilitation or counselling services which do not replace a municipal program or service.*

**6. Sackville Family Day Care Association, 22 Memory Lane, Lower Sackville**

Sackville Family Day Care Association is a federally registered charity which owns and operates the Memory Lane Family Place which provides in-home child care for low income families. The property is presently on By-law T-201 at 75% exempt at the Residential tax rate. Application has been made for 100% tax exemption.

*Staff recommend full tax exemption be declined. The present level of tax exemption is comparable to similar family service provider facilities, child care services, and subsidized day care services. Social services is not a municipal mandate and does not replace a municipal program.*

**7. St. George's Tennis Club, 6 St. George's Lane, Dartmouth**

The St. George's Tennis Club provides recreational and instructional tennis programs for children and adults. The property is presently on By-law T-201 at a Conversion from the Commercial to the Residential tax rate. Application has been made for partial exemption.

*Staff recommend partial tax exemption be declined. The present level of tax exemption is comparable to other sports clubs.*

**8. Dartmouth District Masonic Properties Foundation Limited, 24 Mount Hope Avenue, Dartmouth**

Dartmouth Masonic Properties Foundation Limited is the owner of the property known as the Masonic District Community Centre located on Mount Hope Avenue, Dartmouth. The Masonics are a service club who raise funds in support of local hospitals, seniors residences, and amateur sports clubs. The property is presently on By-law T-201 at a Conversion from the Commercial to the Residential tax rate. Application has been made for partial exemption at 50% of the Residential tax rate.

*Staff recommend application for 50% exemption be declined. All service clubs on By-law T-201 are granted a Conversion to the Residential rate ( we do not fund fundraising but do recognize these clubs are not a commercial venture). Full tax exemption has only been provided to service clubs who own and operate a recreational facility that would otherwise be a municipal expense (such as an arena, a park, a playground, lakefront or beach etc).*

**9. Eastern Star Lodge #51, 70-72 Ochterloney Street, Dartmouth**

The Trustees of Eastern Star Lodge are a service club who raise funds for local community causes such as hospitals, food banks, health organizations and schools. The premises serve as a social and

administrative base for the Lodge as well as occasional meetings and events organized by local community groups. The property is presently listed on By-law T-201 at a Conversion from the Commercial tax rate to the Residential tax rate. Application has been made for partial tax exemption.

*Staff recommend application for partial exemption be declined. All service clubs on By-law T-201 are granted a Conversion to the Residential tax rate unless they own and operate a facility that would otherwise be a municipal responsibility.*

#### **10. Freedom Foundation of Nova Scotia, 15 Brule Street, Dartmouth**

The Freedom Foundation of NS is a federally registered charity which owns and operates a transition home for adult males recovering from drug or gambling addictions. The property is presently on By-law T-201 at 75% exempt at the Residential tax rate. Application has been made for 100% exemption.

*Staff recommend the application for 100% tax exemption be declined. The 75% exemption level is comparable to other assisted living, short-stay and transitional accommodations. Further, health and social services are not a municipal mandate and therefore would not qualify for 100% exemption on the basis of alternate service delivery.*

#### **11. North End Community Health Association, Lot 86 and Lot 87, 2230 Maitland Street, Halifax**

The North End Community Health Centre is a federally registered charity which provides primary health care services (physicians, nursing, counselling, screening, health promotion, and referral) and social worker supports to residents of the North End and self-referrals from other geographic communities. The clinic is located at 2165-67 Gottingen Street and is presently on By-law T-201 at Conversion from the Commercial tax rate to the Residential tax rate. A second property located at 2230 Maitland Street is a parking lot and application for partial tax exemption was declined under a prior application (the rationale: public subsidy of private parking). Application has been made for Conversion from the Commercial to the Residential tax rate for the Maitland Street property.

*Staff recommend application for partial exemption be declined. The provision of public subsidy for private parking (ie. staff parking, restricted access) does not constitute a 'public' benefit.*

#### **12. Cultural Federations of Nova Scotia, 1113 Marginal Road, Halifax**

The CFNS is a registered non-profit organization which acts as an umbrella organization for eight (8) 'resident' cultural organizations: Dance NS, Theatre NS, NS Choral Federation, Federation of NS Heritage, NS Designer Crafts Council, Visual Arts NS, Writers Federation of NS, and the Multicultural Association of NS - all of whom are registered non-profit organizations. The property is leased from the Halifax Port Authority and is presently on By-law T-201 at 50% of the Residential tax rate.

Application has been made for an increase in public subsidy to 100% tax exempt on the basis of the provision of shared services and amenities to other non-profit groups through photocopying, postage metre, fax, internet, meeting room, reception, and marketing. Each member group also offers assistance to community groups through access to resources and program development such as the Writer's Federation of NS (Children's Aid Society newsletter for teens, Canadian Cancer Society, writer in residence studio) and school programs (music, heritage, visual arts, theatre)

*Staff recommend application for 100% exemption be declined. The provision of administrative office space is not a service that replaces a municipal mandate.*

**13. Parish of St. James' Church, Seaforth, 53 Millside Drive, Porter's Lake.**

On February 15, 2003, the rectory, office, and meeting room of the Parish of Seaforth was destroyed by fire. Verification that the building was considered a total loss has been submitted on behalf of the applicant by the church's insurance agency (Cunningham Lindsey Canada Limited, April 17, 2003). The parish has applied for full tax exemption for 2003-04 property taxes while their insurance claim is processed and the building remains vacant.

*Staff recommend exemption be denied but the file referred to the revenue Division, HRM Financial Services, to assist the applicant with a payment plan for taxes due in 2003-04.*

Note: In 2001, Bill 12 was passed by the Provincial Legislature that gives municipality's the discretionary authority to provide full or partial tax relief on buildings destroyed or partially destroyed by fire. This form of property tax assistance has not been approved by Regional Council for privately owned residential properties, or for properties owned by registered non-profit organizations or charities. Tax relief or pro-rated tax adjustments for non-profit organizations will be reviewed as part of the proposed revisions to By-law T-201.

**Section C: Recommend Defer Decision****1. Canadian Red Cross, 1940 Gottingen Street, Halifax.**

The Canadian Red Cross is a federally registered charity. The organization's programming includes Disaster Services in cooperation with government emergency measures offices, a HomePartners Program which provides home supports to individuals and families (personal care), a Health Equipment Loan Program (short-term loans at no cost), RespectEd a violence prevention program, First Aid and Water Safety education. While health programs and home care are not a municipal jurisdiction, the organization's emergency response services and recreational programs are eligible for public subsidy through tax exemption.

HRM owns the property located at 1940 Gottingen Street and has a 25-year lease agreement for the land (\$35/yr). The Canadian Red Cross Society own the building but occupy only ~30% of the space; the balance is rented under a 1998 lease agreement to the Canadian Blood Services (a federally registered charity). The lease agreement stipulates property taxes are payable by the tenant (CBS) but allows the tenant to application for property tax exemption as applicable (Section 4.1). The property is assessed at the Commercial tax rate. The Canadian Red Cross has applied for 100% tax exemption for the portion of the premises they occupy.

*Staff recommend the deferral of a decision pending a review of the present land lease in effect between HRM and the Red Cross Society.*

**2. South End Lawn Tennis Club, 949 Young Street, Halifax.**

The South End Lawn Tennis Club provides recreational and competitive tennis programs to children and adults. In 2003-04, the Club applied to the *HRM Community Grants Program* for a one-time capital grant towards an \$85,000 capital project to re-surface the club's courts. The Club has exhausted its own capital reserve account (\$40,000), received a provincial Nova Scotia Sport & Recreation grant in the amount of \$35,000, and has secured the balance of costs (\$35,000) in the form of loan secured through personal guarantees by individual members.

The Club is presently on By-law T-201 at a Conversion from the Commercial to the Residential tax rate. Application has been made for a partial reduction in tax for a limited time period so as to re-direct the savings towards re-payment of the loan for the capital project. The Club pays about \$5,000 a year in property taxes after the Conversion (from \$13,745).

*Staff recommend a deferral of a decision pending (a) the close of applications for the HRM Community Grants Program 2004-05 under the Property Development & Community Facilities sector.*

### **3. Harbour City Homes Society, Halifax**

Harbour City Homes Society is a registered charity which operates a portfolio of residential properties leased to low income individuals and families in the urban core. Application for partial tax exemption under By-law T-201 have been deferred pending the settlement on an expropriation claim against HRM. Application has been made for a short-term deferral of 2003-04 property taxes as a consequence of property damage caused by Hurricane Juan. Several properties owned by Harbour City Homes sustained damage during the storm for an estimated \$100,000. The organization's property insurance has a \$50,000 deductible.

*Staff recommend deferral of a decision pending settlement of the expropriation settlement negotiations in progress and settlement of arrears.*

### **4. Ostrea Lake Wharf Preservation Society, Wharf Road, Musquodoboit Harbour**

The Ostrea Lake Wharf Preservation Society is a registered non-profit organization who maintain a wharf and immediate premises under a 5-year agreement with the federal government, Department of Fisheries and Oceans. The society's membership operate the wharf for recreational users such as boaters, fishing, and leisure craft. The property is presently taxed at the Commercial tax rate. Application has been made for 100% tax exemption (taxes are presently \$478/yr).

*Staff recommend deferral of a decision pending receipt of a complete application.*

Note: The wharf was damaged during the recent hurricane and operating costs now exceed the projected 2003-04 budget.

## **BUDGET IMPLICATIONS**

The Tax Exemption for Non-Profit Organizations Program budget for 2003-2004 is \$1,640,800. By-law T-211 (organizations presently on the by-law) accounts for \$1,501,104 of capacity leaving a balance of \$139,696 available for new applications in 2003-04. If approved by Regional Council, the addition of organizations recommended under By-law T-212 are estimated to cost \$125,735. Staff anticipate that the balance of the program's budget (\$13,961) will be used once an assessment for properties listed under Alexandra Children's Centre and the Nature Conservancy of Canada have been confirmed and added to the tax roll.

## **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 other relevant legislation.

ALTERNATIVES

1. Regional Council could decline or amend the recommendations of the HRM Grants Committee.

Standard practice has been to refer disputed awards, on a case-by-case basis, to the HRM Grants Committee to review on the basis of additional information or for further investigation by staff.

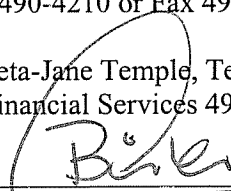
ATTACHMENTS

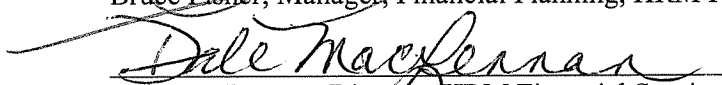
1. By-law T-212, Schedule 26 to Schedule 29, 2003-04.

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, Team Leader Tax, Grants & Special Projects, HRM Financial Services 490-5469;

Report Approved :

  
Bruce Fisher, Manager, Financial Planning, HRM Financial Services

  
Dale MacLennan, Director, HRM Financial Services.



Attachment 1

HALIFAX REGIONAL MUNICIPALITY

BY-LAW NUMBER T-212

BY-LAW RESPECTING TAX EXEMPTIONS

Be it enacted by the Council of the Halifax Regional Municipality, under the authority of section 5 (1)(r) of the Assessment Act, Chapter 23, R.S.N.S. 1989, is amended as follows:

**1. Schedule 26 of By-law T-201 is amended by:**

- (a) Adding AAN # 02629313, Eastern Shore Ground Search and Rescue Team, Lot S-2 - Myatt Sub - Main Road - Head Chezzetcook
- (b) Adding AAN # 02169428, Society of St. Vincent De Paul of Halifax - Hand in Hand, 436 Herring Cove Rd
- (c) Adding AAN # 03383687, Ketch Harbour Area Residents Association, Wharf Access - Ketch Harbour
- (d) Adding AAN # 03330168, Moser River & Area Historical Society, No 7 Hwy - Moser River - Land Dwelling
- (e) Adding AAN # 00036897, Community Care Network Society, 2447 Maynard Street, Halifax
- (f) Adding AAN # 00036927, Community Care Network Society, 2437 Maynard Street, Halifax
- (g) Adding AAN # 0198613, Nova Scotia Nature Trust, Porcupine Hill - Popes Harbour - Land
- (h) Adding AAN # 08566283, Nova Scotia Nature Trust, Lot 5 - 80 Acres +/-, Tangier
- (i) Adding AAN # 07724292, Nova Scotia Nature Trust, Lot 4Z - Ostrea Lake Rd, Ostrea Lake
- (j) Adding AAN # 07724284, Nova Scotia Nature Trust, Lot 3 - Ostrea Lake Rd, Ostrea Lake
- (k) Adding AAN # 07724276, Nova Scotia Nature Trust, Lot 2 - Ostrea Lake Rd, Ostrea Lake
- (l) Adding AAN # 07724268, Nova Scotia Nature Trust, Lot 1 - Ostrea Lake Rd, Ostrea Lake
- (m) Adding AAN # 05227763, Nova Scotia Nature Trust, Lot 5Y - Ostrea Lake Rd, Musquodoboit Harbour
- (n) Adding AAN # 04958535, Nova Scotia Nature Trust, Woodland, Narrows Lake, Ostrea Lake
- (o) Adding AAN # 07662599, Nova Scotia Nature Trust, 48 Acres +/- East Side of Ostrea Lake Rd, Ostrea Lake
- (p) Adding AAN # 08887713, Nature Conservancy of Canada, 10 Acres +/- off Indian Point Rd, Prospect

- (q) Adding AAN # 09590153, Nature Conservancy of Canada, 280 Acres +/- Prospect Rd, Prospect
- (r) Adding AAN # 00165778, Affirmative Industry Association of Nova Scotia, 66 Lakecrest Dr., Dartmouth
- (s) Adding AAN # 04404351, S. S. Atlantic Heritage Park Society, 180 Sandy Cove Road, Terence Bay
- (t) Adding AAN # 00775274, Habitat for Humanity Halifax/Dartmouth, 530 Herring Cove Road, Halifax
- (u) Adding AAN # 04716914, Cole Harbour Rural Heritage Society Giles House, Land - BLDG - Cole Harbour Road - Cole Harbour

**2. Schedule 27 of By-law T-201 is amended by:**

- (a) Adding AAN # 00228354, Khyber Arts Society, 1588 Barrington Street, Halifax
- (b) Adding AAN # 08943605, Association for Women's Residential Facilities, 36 Greenhead Road, Lakeside
- (c) Adding AAN # 01150774, Club 24, 3Dundas Street, Dartmouth

**3. Schedule 28 of By-law T-201 is amended by:**

- (a) Adding AAN # 02317478, Frances Margaret Pet Sanctuary Society, Land - Dwell - Garage - Lake Echo
- (b) Adding AAN # 02316811, Frances Margaret Pet Sanctuary Society, Land - Lake Echo
- (c) Adding AAN # 02316765, Frances Margaret Pet Sanctuary Society, John Wood Lane, Lake Echo - Land
- (d) Adding AAN # 09227571, Laing House Association, 1225 Barrington St, Lot A - 1B Halifax
- (e) Adding AAN # 00036919, Community Care Network Society, 2425 Maynard St., Lots 86 & 87, Halifax
- (f) Adding AAN # 03984354, Canadian Cancer Society - NS Division, 5826 South Street, Halifax
- (g) Deleting AAN # 01150774, Club 24, 3 Dundas Street, Dartmouth

**4. Schedule 29 of By-law T-201 is amended by:**

- (a) Adding AAN # 04554035, Coastal Communities Economic Development Co-Operative Ltd, Lots 1 & 2 & Water Lot - Fish Plant - Terence Bay Road, Terence Bay - (excluding portion(s) used for commercial ventures).
- (b) Adding AAN # 04076192, Royal Nova Scotia Yacht Squadron, 376 Purcells Cove Rd, Halifax - Land Marina
- (c) Adding AAN # 03862941, Waegwoltic Limited, 6541 Coburg Rd, Lot A-2 - Former Archbishops Residence, Halifax
- (d) Adding AAN # 01292897, St. John Council for Nova Scotia/PEI, 101 Main Street - Lot B-2, Dartmouth
- (e) Deleting AAN # 03984354, Canadian Cancer Society - NS Division, 5826 South Street, Halifax