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Halifax Regional Council

Aug 2, 2005

Aug. 9, 2005
Sept. 13, 2005

TO: Mayor Kelly and Halifax Regional Council

SUBMITTED BY:

for Russell Walker
Councillor Russell Walker, Chair, HRM Grants Committee

DATE: June 7, 2005

SUBJECT: By-law T-216: An Amendment to By-law T-200: Tax Exemption for Non-Profit Organizations: 2005-2006. New Applications.

ORIGIN

This reports originates with staff of the Grants Program, HRM Financial Services and the HRM Grants Committee. The report makes recommendations for the approval of Regional Council regarding appeals, additions, and changes to By-law T-200. This report was approved by the HRM Grants Committee June 13, 2005.

RECOMMENDATIONS

HRM Grants Committee recommends that Regional Council:

1. Direct staff to set a public hearing date to approve the recommendations set out in the Discussion section of this report and amendments to Schedules 26 to 30, effective April 1st, 2005, unless otherwise noted.

PLEASE RETAIN FOR PUBLIC HEARING

BACKGROUND

The Municipal Government Act (1996) permits municipalities, at their discretion, to provide partial or full tax exemption to non-profit organizations and charities under the authority of By-law T-200. This report covers new applications to the program, appeals, and deletions. The program will be reviewed in 2005-06 for possible revisions to eligibility criteria and subsidy levels. The 2005-06 program received 18 applications for a total of 90 properties; 13 were from organizations new to the program and 5 from groups already on By-law T-200 who requested an increase in subsidy level. A total of seven (11) properties are to be removed from the by-law at an estimated saving of \$112,009. See: **Attachment1** for outstanding commitments (these have been approved under previous reports but have not been added to the tax roll as of March, 2005).

Conversion*	Portion of the property assessed as Commercial is taxed at the Residential tax rate	Organization pays full Residential tax
Partial Exemption*	Portion of the property assessed as Commercial is converted to the Residential tax rate; then a portion of the Residential tax is paid by HRM.	25% - organization pays 75% of the Residential tax 50% - organization pays 50% of the Residential tax. 75% - organization pays 25% of the Residential tax.
Tax Exempt*	Full exemption from payment of property tax. HRM pays the full amount.	Organization pays no property tax.
Fire Protection Tax	Organizations on By-law T-200 receive the equivalent tax subsidy for the fire protection tax (eg. conversion, partial or full exemption).	

* Excludes commercial activity, b/o tax, LIC's, false alarm charges and fines.

DISCUSSION

A. Recommend Approve

1. Canadian Mental Health Association, 63 King Street, Dartmouth Heritage

The Canadian Mental Health Association is a federally registered charity that provides public education, client advocacy, referral and support services for mental health consumers and their families. The association owns and operates "Samuel Greenwood House" c.1797, a municipally registered heritage property. The property is assessed at the Commercial rate and taxes are \$5,889. The property is on By-law T-200 at a Conversion from the Commercial to the Residential tax rate. The applicant has requested an increase in subsidy level to 100% tax exempt as a heritage property.

Staff recommend 100% exemption for a community-owned and operated registered heritage property. The estimated additional annual cost to the program is \$2,195.

2. Khyber Arts Society, 1588 Barrington Street, Halifax- Arts

The Khyber Centre for the Arts is an artist-run exhibition and educational program that leases the former Church of England Institute, a municipally registered heritage property. The building is owned by HRM and is under a 5-year lease due to expire in 2008. The Khyber Arts Society sub-leases space to non-profit and business enterprises. The property is assessed as Commercial (with business occupancy levied on business operators) and taxes are \$16,571. The applicant has requested an increase in subsidy level to 100% for that portion of the premises occupied by non-profit organizations (primarily heritage and arts groups).

Staff recommend 100% exemption on that portion of the property occupied by registered non-profit organizations conditional upon compliance with the terms and conditions of a payment plan for tax and false alarm arrears, and compliance with HRM by-laws. The estimated annual cost is \$9,554.¹

Note: excludes proportional share of the Commercial taxes and business occupancy tax for commercial activities (ie. the Khyber Club and sub-tenants, including sole proprietorships).

3. United Church of Canada (Brunswick Street United Church - Camp Brunswick,) 42 Mines Road, East Chezzetcook - Recreation

The Brunswick Street United Church, Halifax, is registered Canadian charity who own the property known as Camp Brunswick. The campground used to be used by the church for summer recreation programs for inner city children. Since 2000, the camp has not been operational. In 2004, the Camp Brunswick Society was formed. This non-profit organization will lease the camp from the church and oversee it's operations and future development. The society will have to assume all operating and capital costs for the property. The site will continue to provide programs for children and youth but will also be made available to community non-profit groups, primarily those serving low income or special needs individuals and families. The camp is assessed at the Residential and Resource rate for a combined total of \$4,398. Application has been made for 100% tax exemption.

Staff recommend 100% tax exemption for a community-owned and operated recreation facility. The estimated annual cost is \$4,398.

4. Lesbian, Gay and Bisexual Youth Project Society, 2281 Brunswick Street, Halifax - Youth/Health

The Lesbian, Gay and Bisexual Youth Project Society is a registered non-profit organization that serves youth (age <25) and their families. The group also provides professional development for practitioners and organizations serving youth. Services include counselling, social activities, a day program for youth who are completing their education outside the public school system, and emergency supports. Operational funding is primarily from the Metro United Way and the Nova Scotia Department of Health. The organization owns and operates a property on Brunswick Street, Halifax, that is assessed at the Commercial rate. Taxes are \$5,348. Application has been made for a Conversion to the Residential tax rate.

¹ 75% exempt approved under By-law T-214, dated December 14, 2004. An increase to 100% exempt approved February 1, 2005. under By-law T-214. Effective April 1, 2005 - the subsidy returns to 75% exemption.

Staff recommend a Conversion from the Commercial to the Residential tax rate. The estimated annual cost is \$3,251.

5. Beaver Bank Kinsac Community Centre Association, 1583A Beaver Bank Road, Beaver Bank Recreation

The Association was formed in March, 2003, and is a registered non-profit organization. The organization's mandate is to operate and promote the Beaver Bank Kinsac Community Centre, an HRM-owned property. The operations of the facility are primarily funded through an area rate and the Association's own fund-raising. Presently, there are no paid staff, volunteers are responsible for operations and fund-raising. The facility's programming is intended to focus on children, youth and seniors. There is also a proposed commercial day care operator to provide a pre-school program in a portion of the premises (the tenant shall be required to pay the proportional share of Commercial tax). Application has been made for 100% tax exemption for that portion of the premises that operates as a community recreation centre.

Staff recommend 100% tax exemption for the community centre . Any portion of the premises leased for commercial purposes (including sole proprietorships) shall be taxed at the Commercial rate. The estimated annual cost is \$4,842.

6. Nova Scotia Nature Trust, Island, Musquodoboit Harbour- Environment

The Nova Scotia Nature Trust is a federally registered Canadian charity. The trust promotes the conservation of ecologically important lands through purchase, conservation easements, cooperative agreements, or property donations. The operations of the society are primarily funded through donations, grants, and fund-raising. The Trust has acquired title to an island located in Musquodoboit Harbour. The island terrain provides undisturbed coastal habitat in the Musquodoboit Harbour Estuary which is of international importance for migrating Canada Geese and wild fowl.

Staff recommend 100% tax exemption, effective as of the date of closing for the Purchase and Sale Agreement. The estimated annual cost is \$36.

7. Alice Housing (W. Williams Non-Profit Housing Association), Dartmouth Supportive Housing

Alice Housing is a registered non-profit organization that owns and operates "second stage" housing for women and their children, and single women, leaving abusive relationships. This form of housing differs from "first stage" overnight or short-stay emergency shelters; residents are accommodated at affordable rental rates for a extended period of time while they secure employment and move towards fully independent living in the community. Application has been made for a partial reduction to 75% exempt at the Residential rate for the two (2) properties listed below.

a)

A 5-unit apartment building comprising bachelor and one-bedroom units. All units are eligible for subsidy. Residential taxes are \$2,393. A 75% exemption will cost ~\$1,794.

b)

The property is a triplex of 3- two bedroom apartments. The property was purchased in January, 2004. Residential taxes are \$2,709. A 75% exemption will cost ~\$2,031.

Staff recommend partial tax exemption at 75% of the Residential rate. The estimated cost is \$3,825.

8. Charles Court Housing Co-Operative Limited, Block H-C-2 2565 Wood Avenue, Halifax Affordable Housing

Charles Court Housing Cooperative Limited was established in 1984 and is membership-based, self-governing organization. The non-refundable membership fee is \$5. Members do not have an equity position in the property, shares, or dividends. Rental rates vary by type of accommodation and range from \$520 to \$728. Two units are accessible for disabled persons. The Cooperative's budget is structured on a breakeven basis, with a capital replacement reserve and a subsidy fund for tenants unable to pay rent.

Rent subsidies are provided by the federal government, through the Nova Scotia Department of Community Services, under the Agreement: Assistance to Non-Profit Cooperatives Associations Section 56.1. As part of the operating agreement, Charles Court receives \$8,045 per month annual federal subsidy for tenants unable to pay full rent. The number of subsidies varies with tenant turnover but averages 65%-70% of residents. Service Nova Scotia and Municipal Relations, Co-operatives Branch, have confirmed that Charles Court operates as a non-profit organization in accordance with Section 61, A-F, of the Co-Operative Associations Act See: **Attachment 2** for legislation regarding the non-profit status requirements for cooperatives.

The property is assessed at the Residential rate and taxes are \$28,672. The applicant has requested a partial tax exemption at 25% of the Residential rate.

Staff recommend a partial tax exemption of 25% of the Residential rate, excluding any commercial activity conducted on the premises, conditional upon annual submission of the Constitution and By-laws prohibiting dividends to members. The estimated annual cost is \$4,397.

9. Alexandra Children's Centre, 201-1600 Young Street, Halifax Social Services

The Alexandra Children's Centre is a federally registered charity that provides licensed child care for about 125 children, many of whom are subsidized placements through Nova Scotia Community Services. In 2003-04, the society acquired a portion of the HRM-owned land adjacent to the Devonshire Arena for the construction of a new day care. The Centre was awarded 100% tax exemption, effective as of the date of closing the Purchase and Sale Agreement, during the holding and construction period. The agreement has not been signed and the estimated annual taxes cannot be confirmed until the sub-division of land is complete and a tax account created.

While awaiting the construction of a new facility at the Devonshire Avenue site, the Alexandra's Children's Centre have leased 5,350 sq. ft in the private sector. Commercial taxes are included in the tenant's rent but the landlord has agreed to provide a separate invoice for taxes (separate from base rent) based on proportional occupancy. The applicant has requested a Conversion from the Commercial rate and partial exemption at 75% of the Residential rate. The estimated Commercial taxes are \$6,214.

Staff recommend a Conversion from the Commercial to the Residential tax rate for 2005-06. Annual renewal conditional upon a lease agreement that includes separate tax billing verified by HRM staff. The estimated annual cost is \$3,778.

Application may be made for a further reduction in 2006-07, as applicable, subject to the budget capacity of the Tax Exemption for Non-Profit Organizations Program.

Note: the recommendation is restricted to a Conversion so as to protect the public interest and the integrity of the tax subsidy program: the lease has not been registered and the applicant is not billed by HRM; the property cannot serve as security because the applicant is not the owner.

B. Recommend Decline

1. Capital Health District Authority(Queen Elizabeth II Health Sciences Centre)Medical/Mental Health

The Capital Health District Authority is a federally registered charity and comprises the major medical and health facilities in HRM including hospitals, and outreach services in community health, mental health, screening, and addictions treatment. With the de-institutionalization of mental health services and an aging population, there is a need to increase in-patient treatment capacity within existing hospitals (an average 7%-8% increase in need for beds). Therefore, the authority is moving several clinical services out into the community. This trend is expected to continue as hospitals cater to an elderly population and so as to provide better accessibility to residents through out-patient and satellite operations. Many mental health consumers, for example, need public transit access to amenities. This change in service provision has resulted in the rental of private, municipal, and community-owned facilities which results in the payment of Commercial property tax either in base rent or in addition to base rent.

The authority have requested 100% tax exemption. The authority does not receive a tax bill directly. Therefore, any exemption awarded by HRM would be conditional upon the landlord's agreement to provide a separate tax bill to the tenant or to register the lease and create a separate tax account in the name of the tenant.

- a) **Unit 101, 1673 Bedford Row, Halifax**(Addictions Prevention & Treatment)
Copy of lease not received.
- b) **Unit 105, 11 Glendale Avenue, Lower Sackville**(Community Mental Health)
The property is operated by Davis Developments Limited and Capital Health lease ~4,870 sq.ft.
The lease is for five years (ends 2006).
- c) **16 Portland Street, Dartmouth**(Mental Health)
The property is operated by Urchin Holdings Limited and the Capital Health District lease ~7,200 sq.ft. The lease is for 5 years (ends 2006).
- d) **Unit 202, 1496 Bedford Highway, Bedford**(Public Health)
The property is operated by Universal Property Management Limited and Capital Health lease ~1,232 sq.ft. The lease is for three years with the option to renew for a further two years (ends 2008).
- e) **Unit 4, 201 Brownlow Avenue, Dartmouth**(Public Health)
The property is operated by Summitreit Property Management Limited and Capital Health lease ~ 11,954 sq.ft. The lease is for five years (ends 2009).

Amendment to By-law T-200

- f) **Unit S, 309 Bayers Road, Halifax**(Public Health)
The property is operated by OAIC Halifax and Capital Health lease ~2,900 sq.ft. The lease is for five years (ends 2007).
- g) **Forest Hills Shopping Centre, Head of Jeddore**(Public Health)
The property is operated by Forest Hills Shopping Centre Limited and Capital Health lease ~2,450 sq.ft. The original lease was for five years (ended 1994) and continues on a month-to-month basis. Negotiations for a new lease are in progress.
- h) **Unit 105, 7001 Mumford Road, Halifax**(NS Breast Screening Clinic)
The property is operated by 20 Vic Management Inc and Capital Health lease ~1,070 sq.ft. The lease is for five years (ends 2008).
- i) **Unit 103, 7001 Mumford Road, Halifax**(NS Mammography Clinic)
The property is operated by 20 Vic Management Inc and Capital Health lease ~2,715 sq.ft. The lease is for five years (ends 2008).
- j) **Captain Spry Centre, 10 Kidston Road, Halifax**(Addictions)
The property is an HRM-owned and operated recreation centre. No tax account on file.
- k) **Cole Harbour Place, 51 Forest Hills Parkway, Cole Harbour**(Mental Health)
The property is an HRM-owned recreation centre operated under a facility management agreement with Community Builders Incorporated [tenant]. No tax account on file. Under the terms of the lease, Section 7.2, the landlord [HRM] is responsible for payment of property taxes. No taxes have been remitted to date for sub-leases negotiated by the operator with third parties.
- l) **North Preston Community Centre, 44 Simmonds Road, North Preston**(Community Health)
The property is an HRM-owned and operated recreation centre. Capital Health lease 750 sq.ft. The lease is for three years. The lease makes no reference to property tax and has not been registered, therefore there is no tax account on file. The lease is for three years (ends 2007).
- m) **Cowie Hill Professional Centre, 15 Shoreham Lane, Halifax**(Medical Clinic)
The property is operated by Melville Ridge Holdings Limited and Capital Health lease 4,000 sq.ft. The lease is for five years (ends 2007).

Staff recommend that tax exemption be declined: health, medical services or therapeutic counselling are not within HRM's mandate in program and service delivery. To provide a tax exemption to a government agency leasing in the private sector would set a precedence that could prove cost-prohibitive. Property tax is a standard operating cost, one that HRM assumes when leasing space in the private sector without recourse to exemption.

Staff recommend that leasing to third parties in HRM-owned properties be subject to property tax through a lease registration process.

2. Cultural Federations of Nova Scotia, 113 Marginal Road, Halifax Arts

The Cultural Federations of Nova Scotia (CFNS) is a registered non-profit organization that operates a facility which accommodates eight (8) groups, all of who are registered charities: Dance Nova Scotia, Theatre Nova Scotia, Nova Scotia Choral Association, Federation of Nova Scotia Heritage, Writers Federation of NS, NS Designers Craft Council, Visual Arts NS, and the Multicultural Association of NS. Essentially, the CFNS is an umbrella organization formed for the purpose of operating the facility (leased from the Halifax Port Authority) and has no direct programming. The property is taxed at the Commercial rate for \$7,860.

The CFNS is presently on By-law T-200 at a Conversion from the Commercial to 50% of the Residential tax rate (the estimated annual cost is \$4,778). The CFNS annual operating grant from the provincial government has been cut 25% and the organization has applied for an increase in municipal tax subsidy to 100% exempt.

Staff recommend that the request for full tax exemption be declined. The facility is largely administrative and does not replace a program or service that would otherwise be a municipal mandate. The property remains at a partial exemption (50% of the Residential rate).

3. Association for the Development of Childrens Residential Facilities (Hawthorne House), 131 Prince Albert Road, Dartmouth- Social Services

The applicant was declined a property tax subsidy in March, 2002 (By-law T-209). Staff find no basis for a reversal of the previous decision of Regional Council.

The Association for the Development of Children's Residential Facilities is a registered charity. The organization operates six (6) "therapeutic residential youth care" facilities; male youth admitted to the facilities include temporary or permanent care and custody agreements. Three of the properties are owned by the Nova Scotia Department of Transportation and do not pay taxes, and three properties are owned by St. Paul's Home Board and do not pay property taxes. The property located at Prince Street, Dartmouth, is taxed at the Residential rate and taxes are \$2,441. The applicant has requested a reduction

As stated in the audited financial statement for 2003-2004:

"The Association derives substantially all of its revenues from the Province of Nova Scotia. As a result the Association is economically dependent on the Provincial government. In addition, residences utilized by the Association, with the exception of Hawthorne House, have been provided on a no fee basis by government and another not-for-profit organization" (p.9)

In 2003-04, the Association received an annual core operating grant of \$3,729,540 and per diem subsidy of \$1,082,122 from the Nova Scotia Department of Community Services. An examination of the Association's financial statements indicates an ability to pay (tax as % of revenue is 0.04%).

Staff recommend no tax subsidy. Remains at the Residential rate.

Grants Program staff have asked Nova Scotia Assessment Services to review the tax status of the six (6) properties.

4. Harbour City Homes Society, 2559 Gottingen Street, Halifax- Affordable Housing

The property is owned by HRM and leased to Harbour City Homes. Presently, the property has been operated as a parking lot. The land is assessed as Residential and taxes are \$353. The applicant has requested tax exemption.

Staff recommend no tax exemption for parking: the lot is not consolidated with an abutting residential property and therefore is not considered ancillary to use.

5. Royal Canadian Naval Association: Peregrine Branch, 2623 Agricola Street, Halifax Service Club

The Royal Canadian Naval Association Peregrine Branch is a registered non-profit organization. The service club is presently on By-law T-200 at a Conversion from the Commercial to Residential tax rate. Application has been made for 100% exemption based on the age (c.1898) and condition of the premises.

Staff recommend full tax exemption be declined. The applicant will be referred to the HRM Heritage Properties Program should they wish to pursue a heritage designation for the property.

6. Westmoor 57 Co-Op Limited, Halifax- Affordable Housing - Late Application

The Westmoor 57 Co-Op Limited was incorporated in 1979 as a non-profit housing cooperative under the Nova Scotia Co-Operative Associations Act. The cooperative owns 57 single dwelling 3-bedroom homes located on Cook Avenue, Vaughan Avenue, and Coleman Court in Halifax. The applicant has requested a partial tax exemption of 25% of the Residential rate (affordable housing). Total combined taxes on 57 properties in 2004-05 was \$108,341; a partial exemption of 25% is estimated to cost \$27,085.

Staff recommend the application be declined for 2005-06 based on late application, program budget, and further review of the organization's constitution and by-laws. May re-apply for 2006-07.

C. Recommend Defer

Staff recommend that any consideration of partial property tax subsidies on properties owned or leased by Harbour City Homes be deferred pending (a) a signed payment plan agreement between HRM and the society for arrears, and (b) the closing of applicable Purchase and Sale Agreements between HRM and the society.

1. Harbour City Homes, Halifax- Affordable Housing

Harbour City Homes is a federally registered charity formed under the former City of Halifax. The organization owns and operates residential properties in central Halifax and Spryfield for low income individuals and families. Presently, rents are calculated below the low-end of market value rents. Many apartment rents are maintained at the level of shelter allowances provided under the Social Assistance, others are rent-g geared-to-income, and all residents meet the Canada Mortgage & Housing Corporation's definition of "core need".

Staff recommend that any decision on further tax subsidies to the Harbour City Homes Society be deferred pending confirmation of an active payment plan with HRM for tax arrears, and the close of the Purchase and Sale Agreements for four of the following HRM-owned properties in 2005.

- a) **2350-2358 Gottingen Street, Halifax**
The property is a 16-unit apartment building with street level commercial leasing. The property is assessed at the Residential and Commercial tax rate and taxes are \$2,142 Residential and \$10,261 Commercial.
Staff recommend a partial tax exemption at 25% of the Residential rate (Schedule 30) The estimated annual cost is \$2,142.
- b) **2388 Gottingen Street, Halifax**
The property is a 24-unit apartment building for low income families. The property is assessed at the Residential tax rate and taxes are \$10,675.
Staff recommend a partial tax exemption at 25% of the Residential rate (Schedule 30). The estimated annual cost is \$2,668.
- c) **2014-2020 Maynard Street, Halifax**
The property is a 4-unit apartment building for low income families. The property is assessed at the Residential tax rate and taxes are \$2,605.
Staff recommend a partial tax exemption at 25% of the Residential tax rate (Schedule 30). The estimated annual cost is \$651.
- d) **2444-2450 Barrington Street, Halifax**
The property is a 23-unit apartment building for low income families. The property is assessed as Exempt Residential and taxes are estimated to be \$13,518
Staff recommend a partial tax exemption at 25% of the Residential rate (Schedule 30). The estimated annual cost is \$3,379.

2. Alice Housing (W. William Non-Profit Housing)
Supportive Housing

Alice Housing is a registered non-profit organization that owns and operates "second stage" housing for women and their children, and single women, leaving abusive relationships. The property is two storey residence with basement; all three levels are used for programming (a drop-in centre) and administrative offices. The property is assessed at the Residential rate and taxes are \$2,285. A partial reduction has been requested. The premises is not a permanent place of residence (a "home") and therefore HRM staff question the assessment classification.

Staff recommend a decision be deferred pending confirmation of the Residential assessment classification for premises that serve a programming and administrative function. An inquiry has been sent to Nova Scotia Assessment Services.

3. 309070726 Nova Scotia Limited (Craig Foundation), 1456 Brenton Street, Halifax
Medical/Mental Health - Late Application

The Craig Foundation is a federally registered charity. The Foundation is a private foundation whose investments earnings are dispersed in the form of grants and donations to community non-profit organizations and public institutions. Title to the property located at 1456 Brenton Street, Halifax, is held

by a numbered company established by the Craig Foundation for legal liability purposes. Presently, the property is leased to a federally registered charity, the Provincial Autism Centre Association, who provide educational and social support programs for persons with autism and their families. The property is assessed at the Commercial tax rate and taxes are \$\$12,809. Application has been made for 100% tax exemption.

Staff recommend a decision be deferred pending further review. The title-holder is a registered company.

D. Deletions

1. Creighton-Gerrish Development Association, 2337-2351 Creighton Street, Halifax Affordable Housing

The Creighton-Gerrish Development Association is a registered non-profit organization whose focus is the development of affordable housing in urban Halifax. HRM has provided 100% tax exemption for the six (6) properties listed below during the land holding and construction period only. The properties were sold in 2004 and revert to full Residential taxation resulting in an estimated \$12,600 a year in tax revenue for HRM.

- a) **2337 Creighton Street, Halifax**
- b) **2339 Creighton Street, Halifax**
- c) **2343 Creighton St, Halifax**
- d) **2345 Creighton Street, Halifax**
- e) **2349 Creighton Street, Halifax**
- f) **2351 Creighton Street, Halifax**

Staff recommend the removal of the properties located at 2337, 2339, 2343, 2345, 2349, and 2351 Creighton Street, Halifax, from By-law T-200. The estimated annual saving to the tax exemption program is \$1,241.

2. Habitat for Humanity, 530 Herring Cove Road, Spryfield Affordable Housing

In 2004, HRM received an unsolicited request from Habitat for Humanity for the acquisition of 530 Herring Cove Road, Spryfield, for re-development as an affordable housing project under the Bi-Lateral Affordable Housing Initiative. The property was added to By-law T-212 as 100% exempt during the holding and construction period, effective as of the closing date for the Purchase and Sale Agreement. HRM has been advised that the proponent has withdrawn their interest in the property.

Staff recommend removal of 530 Herring Cove Road, Spryfield, from By-law T-200. No tax account and therefore no cost saving to the program.

3. Dartmouth Family Resource Centre, 47 Wentworth Street, Dartmouth Social Services

The Dartmouth Family Resource Centre lease an HRM-owned property on Wentworth Street, Dartmouth. In 2004, the Dartmouth Family Resource Centre was added to By-law T-200 (By-law T-213, October 12, 2004) at 100% tax exempt as a registered heritage property. In April, 2005, HRM received notice of the tenant's intent to vacate.

Staff recommend removal of 47 Wentworth Street, Dartmouth from By-law T-200. The lease had not been registered and therefore there is no cost-saving to the program in 2005-06.

4. Spryfield Lions Club, 25 Drysdale Road, Spryfield- Recreation

In 2005, HRM acquired title to the property known as the Spryfield Lions Arena. The intent is to negotiate a facility management agreement with the Lions Club for the operation of an HRM-owned property. Presently, the property is 100% tax exempt under By-law T-200.

Staff recommend removal of 25 Drysdale Road, Spryfield, effective as of the closing date of the Purchase and sale Agreement. The estimated annual saving to the tax exemption program is \$42,718.

5. St. Margaret's Centre Association, 12 Westwood Boulevard, Upper Tantallon- Recreation

In 2004, HRM acquired title to the St. Margaret's Centre complex and the facility is now operated under a facility management agreement by the St. Margaret's Centre Association. Presently, the property is 100% tax exempt under By-law T-200. There is still a cost to HRM but one not recorded publicly under the *Tax Exemption for Non-Profit Organizations Program*.

Staff recommend removal of 12 Westwood Boulevard, Upper Tantallon, from By-law T-200, effective April 1st, 2005. The estimated annual saving to the program is \$50.

6. Lake District Recreation Association, 133 First Lake Drive, Lower Sackville Recreation

The Association owns and operates an arena located on land leased from the Province of Nova Scotia. The Taiso Gymnastics Club also own and operate a building on the site. The property was added to By-law T-201 at 100% tax exempt. In June, 2005, HRM received notification from Assessment Services, Service Nova Scotia & Municipal Relations, that they have recognized Lake District Recreation Association as tax exempt under a private members bill dated 1975. There is still a cost to HRM but one not recorded publicly under the *Tax Exemption for Non-Profit Organizations Program*.

Staff recommend removal of 133 First Lake Drive, Lower Sackville, from By-law T-200, effective April 1st, 2005. The estimated annual saving to the program is \$68,000.

Note: Grants Program staff will follow up with Assessment Services and the Lake District Recreation Association regarding the Taiso Gymnastics Club land lease and tax status.

E. Records Management

Name Change

1. Association for Women's Residential Facilities to Adsum Association for Women & Children

The former Association for Women's Residential Facilities changed their name to Adsum for Women & Children; this name change applies to four (4) properties on By-law T-200: AAN#05208432, ANN# 04563042, ANN# 03393062, and ANN# 00661929 on Schedule 27.

2. Sackville Family Day Care to Memory Lane Family Place

The former Sackville Family Day Care changed their name to Memory Lane Family Place in 2004; this name change applies to ANN#04550501 on Schedule 27.

Short-Term Deferrals

3. Pier 21 Society, 1055 Marginal Road, Halifax (Report to Council, February 20th, 2001) - arrears retired in full 2004-05.

4. St. Margaret's Bay Sailing Club, 5 Foxberry Hill, St. Margaret's Bay(By-law T-206, May 22nd, 2001) - arrears retired in full in 2004-05.

5. Spencer House Seniors Centre, 5594-96 Morris Street, Halifax(Payment plan, May 2, 2001) - full compliance with payment plan.

6. South End Day Care, 5594-96 Morris Street, Halifax(Payment plan, May 2, 2001) - full compliance with payment plan

7. Khyber Arts Society, 1588 Barrington Street, Halifax(By-law T-215, January, 2005) - schedule sent by HRM for payment of arrears.

BUDGET IMPLICATIONS

The estimated cost for the 2005-06 for the non-profit tax exemption program, prior to any changes, is \$1,734,000, an increase of \$73,000 over the approved budget. In addition to that amount, there are three changes recommended under this by-law (T-216):

Addition of pre-commitments	\$11,887
New applications	\$24,653
Deletions	(\$112,009)
Total	(\$75,469)

The balance of (\$75,469) in existing capacity covers the assessment increase of \$73,000 for a final balance of (\$2,469). The program is, therefore, closed to any further applications for 2005-06.

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 Grants Committee.

This action is not recommended. Standard practice has been to refer disputed awards or recommendations, on a case-by-case basis, to the Grants Committee for further investigation.

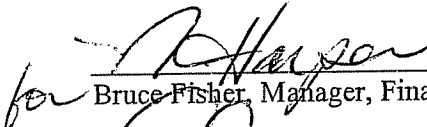
ATTACHMENTS

1. Outstanding Pre-Commitments: Approved Tax Exemptions to be Added to the Municipal Tax Roll.
2. Letter from Ronald Skibbens, Co-operatives Branch, Service Nova Scotia & Municipal Relations, to Peta-Jane Temple, HRM, dated February 2, 2005.
3. By-law T-216, Schedules 26 to 30, Respecting Tax Exemption for Non-Profit Organizations.

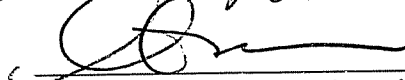
Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210 or fax 490-4208.

Report Prepared By: Peta-Jane Temple, Team Leader Tax, Grants & Special Projects, HRM
Financial Services 490-5469

Approved By:

for 

Bruce Fisher, Manager, Financial Planning, Financial Services



Catherine Sanderson, Acting Director, Financial Services

Attachment 1.

Outstanding Pre-Commitments: Approved Tax Exemptions to be Added to the Municipal Tax Roll.

- Affirmative Industry Association of Nova Scotia - Affordable Housing - purchase due in 2005
- Alexandra Children's Centre - Social Supports - property purchased in 2005
- Dartmouth Non-Profit Housing Society - Heritage - tile transferred in 2004
- Eastern Shore Recreation Commission - Recreation - HRM Facility Management Agreement
- Frances Margaret Pet Sanctuary - Benevolence - pending transfer of title for 3 properties
- Head of St. Margaret's Bay/Boutilier's Point Recreation Association - Recreation - Lease to Purchase Agreement
- Metro Food Bank Society - Social Supports - Lease to Purchase Agreement
- North Star Rowing Club - Recreation - Lease Agreement (land requires survey to separate from land leased to Nova Scotia Canoe Association)
- Nova Scotia Nature Trust - Environment - pending transfer of the title for 2 properties - Agreement of Purchase and Sale

Estimated value of pre-commitments \$77,334 to \$94,434 at 100% at 2005 tax rates (not all applicants would qualify for full tax exemption, so an estimate of \$70,000 may be realistic).

Also Note: Sport Nova Scotia tax account based on rental occupancy - vacancies in 2004-05 resulted in a decreased cost to HRM of ~\$12,000, if these vacancies are filled the account's cost to HRM will increase.

HRM staff are currently reviewing eligibility, policy and procedures for the lease of HRM-owned property. If approved by Regional Council, it is anticipated the adoption of a standardized, formal program will realize the collection of property taxes that are presently unidentified and uncollected.



Program Management & Corporate Services

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February 2, 2005

Ms Peta-Jane Temple
Grants Program Co-ordinator
4th Floor Duke Tower
PO Box 1749
Halifax, NS B3J 3A5

Dear Ms. Temple,

I am writing to you regarding the non-profit status of Charles Court Housing Co-operative, as it may relate to their application to the HRM Grants Committee for a municipal residential tax rebate (at 25%).

In my position at the Registry of Joint Stock Companies, I am responsible for the *Co-operative Associations Act*, and I also adjudicate the incorporation documents submitted by societies. In short, I am responsible for the filings of all non-profit associations in the province. I have been asked to offer my thoughts on housing co-operatives as one of those types of non-profit registrations.

Charles Court is one of the housing co-operatives started with funding provided by CMHC, with the intention of creating continuous non-profit and affordable housing to families, seniors and persons with disabilities. When the first members of Charles Court signed the incorporation documents in 1983, they agreed that:

The objects for which the Association is established are to carry on on a co-operative basis: (a) a continuous non-profit housing co-operative offering housing accommodation to its members and (b) other services which are complimentary to the above objects which are in the interests of the members including the Acts and things set forth in Section 16 of the Co-operative Associations Act, R.S.N.S., 1977, Chapter 7.

Because not every housing co-operative was this clear in their incorporation documents, it is worth mentioning that the *Co-operative Associations Act* was amended in 2002 to specifically ensure that government-funded housing co-operatives are and shall remain non-profit. Specifically, sections 61A-F were added to the *Act* for this purpose. I have attached those sections for your convenience.

Finally, my 25 years of experience with housing co-operatives leads me to believe that this tax exemption would be a valuable assistance to many co-operatives. If I can provide any further information on this matter, please feel free to contact me at your convenience. For instance, I would be willing to make a presentation on housing co-operatives for your staff if you feel that would be beneficial.

Sincerely yours,

A handwritten signature in black ink that reads "Ronald Skibbens". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Ronald Skibbens
Inspector of Co-operatives

cc: Ms Barb Casey, Pathways Housing

Attachment 3

HALIFAX REGIONAL MUNICIPALITY

BY-LAW NUMBER T-216

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 # 02471523, Canadian Mental Health Association, 63 King Street, Dartmouth
- b) Adding AAN # 00228354, Khyber Arts Society, 1558 Barrington Street, Halifax
- c) Adding AAN # 04716965, Brunswick Street United Church - Camp Brunswick, 42 Mines Road, East Chezzetcook
- d) Adding AAN # 04334833, Beaver Bank Community Centre, 1583 Beaverbank Road, Beaver Bank - only the non-profit portion, excludes any commercial activity
- e) Adding AAN # 07724306, Nova Scotia Nature Trust, 2 Islands in Musquodoboit Harbour - Ostrea Lake
- f) Deleting, AAN # 04364651, Creighton/Gerrish Development Association, 2337 Creighton Street, Halifax
- g) Deleting, AAN # 04364694, Creighton/Gerrish Development Association, 2339 Creighton Street, Halifax
- h) Deleting, AAN # 09491570, Creighton/Gerrish Development Association, 2343 Creighton Street, Halifax
- i) Deleting, AAN # 01530887, Creighton/Gerrish Development Association, 2345 Creighton Street, Halifax
- j) Deleting, AAN # 02470101, Creighton/Gerrish Development Association, 2349 Creighton Street, Halifax
- k) Deleting, AAN # 09491546, Creighton/Gerrish Development Association, 2351 Creighton Steet, Halifax
- l) Deleting, AAN # 00775274, Habitat for Humanity Halifax/Dartmouth, 530 Herring Cove Road, Halifax
- m) Deleting AAN # 00852082, 47 Wentworth Street, Dartmouth
- n) Deleting AAN#02410591, 133 First Lake Drive, Lower Sackville
- o) Deleting AAN# 02565099, 25 Drysdale Road, Spryfield
- p) Deleting ANN# 063800441, 12 Westwood Boulevard, Upper Tantallon

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

- a) Adding AAN # 01744224, Alice Housing,
- b) Adding AAN # 04687558, Alice Housing,
- c) Deleting, AAN # 00228354, Khyber Arts Society, 1558 Barrington Street,

Halifax

- d) Changing name from Association for Women's Residential Facilities on AAN # 5208432, to Adsum for Women & Children
- e) Changing name from Association for Women's Residential Facilities on AAN # 04563042, to Adsum for Women & Children
- f) Changing name from Association Women's Residential Facilities on AAN # 03393062, to Adsum for Women & Children
- g) Changing name from Association for Women's Residential Facilities on AAN # 00661929, to Adsum for Women & Children
- h) Changing name from Sackville Family Day Care Association on AAN # 04550501, to Memory Lane Family Place
- i) Update assessment account number for Adsum for Women & Children from AAN # 5208432 to AAN # 05208432, 2421 Brunswick Street, Halifax
- j) Update assessment account number for Regional Residential Services Society from AAN # 0636843 to AAN # 00636843

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

- a) Deleting, AAN # 02471523, Canadian Mental Health Association, 63 King Street, Dartmouth
- b) Adding AAN # 03227626, Lesbian, Gay and Bisexual Youth Project Society, 2281 Brunswick Street, Halifax
- c) Adding AAN # 03715701, Alexandra Children's Centre, 6100 Young Street, Suite 201, Halifax for the 2005-2006 fiscal year only

4. Schedule 30 of By-law T-201 is amended by:

- a) Adding AAN # 00790818, Charles Court Housing Co-Operative Limited, Wood Avenue Block H-C-2, Halifax