



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

Item No. 12.3.1
Audit and Finance Standing Committee
July 20, 2016

TO: Chair and Members of the Audit and Finance Standing Committee

SUBMITTED BY:

Original Signed

Councillor Barry Dalrymple, Chair, Grants Committee

DATE: June 30, 2016

SUBJECT: Tax Relief for Non-Profit Organizations: Proposed Renewal of Tax Relief for Leases Removed from Administrative Order 2014-001-ADM Schedules.

ORIGIN

June 22, 2016 meeting of the Grants Committee .

LEGISLATIVE AUTHORITY

Grants Committee Terms of Reference "The duties of the HRM Grants Committee are to:

- 4.1 Advise Regional Council on all matters related to the allocation of grants, as defined by Regional Council [and]
- 4.3 Evaluate programs and services managed under the auspices of the HRM Grants Program portfolio in cooperation with HRM staff , stakeholders, and the general public with a view to making recommendations to Regional Council respecting scope of programming, service standards, and funding capacity.

HRM Charter (2008) sub-clauses 79 (1) (av)(v)(vii) "The Council may expend money required by the Municipality for... (av) a grant or contribution to (v) any charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within the Province,

...

(vii) a registered Canadian charitable organization;"

- HRM Charter (2008) subsection 79 (2) "The Municipality shall publish annually a list of the organizations and grants or contributions made pursuant to clause (1) (av) in a newspaper circulating in the Municipality."

HRM Charter (2008) subsection 71(2) "The Municipality may not grant a tax concession or other form of direct financial assistance to a business or industry."

Administrative Order 2014-001-ADM Respecting Tax Relief to Non-Profit Organizations.

RECOMMENDATION

The Grants Committee recommend Regional Council approve a grant for the nine (9) organizations/ten (10) properties listed in Table 1 of this report for fiscal year 2016-17, effective April 1, 2016, unless otherwise stated, at an estimated combined estimated cost of \$109,743 from Account M311-8006.

BACKGROUND/DISCUSSION

The Grants Committee considered the staff report dated June 14, 2016 at their June 22, 2016 meeting. The Grants Committee passed the staff recommendation.

FINANCIAL IMPLICATIONS

As outlined in the attached staff report dated June 14, 2016

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this Report. The risks considered rate Low.

COMMUNITY ENGAGEMENT

The Grants Committee is comprised of a voting membership of up to twelve (12) members, with six (6) members of large from the community. The meetings of the Grants committee are open to the public.

ENVIRONMENTAL IMPLICATIONS

None identified.

ALTERNATIVES

None identified

ATTACHMENTS

Attachment 1 – Staff Report dated June 14, 2016.

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Cathy Collett, Legislative Assistant 902.490.6517

HALIFAX

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

Item No.

HRM Grants Committee
June 27, 2016

TO: Chair and Members of Grants Committee

Original Signed

SUBMITTED BY:

Amanda Whitewood, Director of Finance & ICT/CFO

DATE: June 14, 2016

SUBJECT: Tax Relief for Non-Profit Organizations: Proposed Renewal of Tax Relief for Leases Removed from Administrative Order 2014-001-ADM Schedules.

ORIGIN

March 18, 2014 – Implementation of Administrative Order 2014-001-ADM Respecting Tax Relief to Non-Profit Organizations.

LEGISLATIVE AUTHORITY

- *HRM Charter* (2008) s.79(1) "The Council may expend money required by the Municipality for... (av) a grant or contribution to a charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization or a registered Canadian charitable organization.
- *Administrative Order 2014-001-ADM* Section 5A to be eligible for consideration a lease or license must be for a minimum of five (5) years with three (3) years remaining at the time tax relief is initially applied for and the lease requires that the tenant be responsible for payment of property tax.
- Audit & Finance Standing Committee, Terms of Reference, clause 8(a)." "The Audit and Finance Standing Committee shall review and make recommendations on proposals coming to the Council outside of the annual budget or tender process including:....(a) new programs or services not yet approved or funded;"

RECOMMENDATION

It is recommended that the Grants Committee recommend that the Audit & Finance Standing Committee recommend Regional Council approve a grant for the nine (9) organizations/ten (10) properties listed in Table 1 of this report for fiscal year 2016-17, effective April 1, 2016, unless otherwise stated, at an estimated combined estimated cost of \$109,743 from Account M311-8006.

BACKGROUND

Several organizations previously accepted into the tax relief program were in long-term leases agreements with the Municipality that reached the end of the term of the agreement and while not formally renewed, they still occupy the property. One (1) lease is with the Province of Nova Scotia. While these agreements generally meet the spirit of the program they do not meet the technical requirements of Section 5A of the Administrative Order and have been removed from the Schedules that form part of the Administrative Order as required under Section 18.

As an interim measure, assistance was provided in the 2014-15 fiscal year under the Valuation Allowance but because these tax accounts are not uncollectable, or the consequence of an assessment appeal or billing correction, Regional Council approved the provision of a grant in 2015-16 by a resolution of the Council. For consistency, these awards have been awarded at the level previously granted under the formal tax relief program. Currently, HRM real estate is negotiating lease renewals and these contracts should be complete by fiscal year 2017-18.

Note: This approach is intended as interim and not an on-going practice. Approval applies only to those organizations accepted into the program prior to the implementation of Administrative Order 2014-001-ADM in fiscal year 2014 and will not continue after fiscal year 2016.

DISCUSSION

The eight organizations listed in Table 1 were formerly included in the municipal tax relief program but the lease or license agreement has expired. Hence, it is recommended that Regional Council award continuation of full or partial tax relief by resolution for 2016-17 in an amount equivalent to the value of the grant these organizations would have received under Administrative Order 2014-001-ADM had they been eligible for renewal.

Table 1. Recommended Tax Relief Grant for Renewals (M311-8006)						
2016 Assessment Value and Tax Rates						
#	Organization/Owner	Civic Address	Rationale	2016 Tax	Tax Relief	Pays
Former Schedule 26						
1	Abernaki Aquatic Club/HRM Land Lease	20A-22 Swanton Drive, Dartmouth	Lease expired	\$17,564	(\$17,564)	\$0
1	Association of Special Needs Recreation/HRM Land License	82 Cobblestone Lane, Musquodoboit Harbour	License expired	\$825	(\$825)	\$0
1	Dartmouth Lawn Bowls/HRM/Province of Nova Scotia Land Lease	2 Mount Hope Avenue, Dartmouth	Lease expired	\$5,118	(\$5,118)	\$0
1	River Community Association/HRM ¹	28975 Highway 7, Moser River	Lease expired	\$1,189	(\$1,189)	Pro-Rated
1	Kinsmen Club of Sackville/HRM Land Lease	PID#00359968 1A Kingfisher Way and 71 First Lake Drive, Sackville	Lease expired	\$53,536	(\$53,536)	\$0
1	Sackville NS Lions Club/HRM Land Lease	101 Beaver Bank Road, Lower Sackville	Lease expired	\$13,204	(\$13,204)	\$0

Table 1 Continued. Recommended Tax Relief Grant for Renewals (M311-8006) Continued 2016 Assessment Value and Tax Rates						
#	Organization/Owner	Civic Address	Rationale	2016 Tax	Tax Relief	Pays
1	Sackville NS Lions Club/Province of Nova Scotia Land Lease	PID# Lot 2 Beaver Bank Road, Lower Sackville	Lease expired	\$4,942	(\$4,942)	\$0
1	Senobe Aquatic Club/HRM Land Lease	PID#00636308 Nowlan Street, Dartmouth	Lease expired	\$1,514	(\$1,514)	\$0
Former Schedule 27						
1	South End Daycare/HRM Partial Occupancy Lease	5594 Morris Street, Halifax	Lease expired	\$16,741	(\$10,596)	\$6,145
Former Schedule 29						
1	Atlantic Division : Canoe-Kayak Canada/HRM Land Lease	20 Boathouse Lane, Dartmouth	Lease not executed	\$1,984	(\$1,256)	\$728
10	TOTAL			\$116,617	(\$109,743)	\$6,874

1. The property located owned by the River Community Association located at PID#00545830 Highway 7, Moser River, used as a ballfield remains on Schedule 26 of the tax relief program pending conveyance to HRM. However, if approved, both awards to the River Community Association will be pro-rated because the application for renewal has not been received as of the date of this report.

FINANCIAL IMPLICATIONS

All figures in this report have been rounded to the nearest dollar and are estimates that exclude any assessment appeal, account corrections, termination or non-renewal.

2016-17 Budget M311-8006	\$3,775,000
Less Proposed Awards to Leases to be Renewed (Table 1)	(\$109,743)
Balance	\$3,665,257

COMMUNITY ENGAGEMENT

Not applicable.

ENVIRONMENTAL IMPLICATIONS

None.

ALTERNATIVES

The Grants Committee could overturn or amend approval of tax relief for the nine (9) organizations and ten (10) properties listed in Table 1 of this report.

ATTACHMENTS

None.

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Peta-Jane Temple, Team Lead Grants & Contributions, Finance & ICT 902.490.5469;
Shelley Hutt, Grants Program Technician, Finance & ICT

Original Signed

Report Approved by: Bruce Fisher, Manager Financial Policy and Planning, Finance & ICT 902.490.4493
