

Re: EXEMPTION FROM TAXATION - 1989

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendations from the Director Finance be adopted.

* * * * *

TO: MUNICIPAL MANAGER
FROM: DIRECTOR FINANCE

1988 July 06
File: G69-1a

RE: EXEMPTION FROM TAXATION - 1989

RECOMMENDATIONS

1. THAT bylaws to exempt from taxation in 1989 those properties listed in Part III(A) 100% (1-34) and 50% (35-44) be brought forward; and
2. THAT bylaws to exempt from taxation in 1989 those properties listed in Part III(B) be brought forward; and
3. THAT bylaws to exempt from taxation in 1989 those properties as listed in Part III(C) 100% (1-28) and 50% (29-30) be brought forward; and
4. THAT a resolution be adopted by Council to exempt from taxation in 1989 those properties listed in Part III(D).

SUMMARY

This is the annual report presented to Council as part of the municipal process of granting permissive property tax exemptions. The recommendations for exemption in 1989 are the same as those approved by Council for 1988, with the following exceptions:

1. Implementation of Council's guidelines for assessing permissive exemptions on the land surrounding churches, schools and hospitals continues to be delayed pending the outcome of the municipal appeal to the Supreme Court.
2. Eleven new applications for exemption have been received:
 - . 8 are being recommended for 100% exemption in 1989
 - . 1 is being recommended for 50% exemption in 1989
 - . 2 are not being recommended for exemption
3. Two community care facilities are being recommended for 50% exemption in 1989. These organizations received 100% exemption in 1988. These organizations no longer comply with the policy on seniors housing and community care homes adopted by Council in 1987 and consequently their exemption is being phased out.

Statutorily, buildings used as churches, schools, hospitals and other similar uses are exempt from taxation. Included in this exemption is the building and the land on which the building stands (footprint). This exemption is determined by the B.C. Assessment Authority as part of the assessment process.

In addition to the statutory exemption, Council is empowered to exempt land and buildings (such as parking lots, playgrounds, church halls) as may be determined as necessary to the principal purpose of the statutory exemption. Council may also exempt various other properties used by charitable and philanthropic organizations, athletic clubs and associations operating recreational facilities for the public.

To exercise its discretion, Council must annually pass bylaws and resolutions by August 31 to exempt those lands and improvements which are within their authority. This report lists the properties proposed for exemption in 1989.

REPORT

There are three parts to this report. Part I is an overview of Council's guidelines for assessing applications for permissive exemption from taxation. Part II discusses new applications and changes in the status of existing exemptions which are being considered for permissive exemption in 1989. Part III sets out the recommendations for permissive exemptions from taxation for the 1989 assessment roll.

PART I: PERMISSIVE EXEMPTION POLICY

Council on 1986 June 23 adopted a set of guidelines as the basis for assessing applications for permissive exemption from taxation. The guidelines ensure that organizations recommended for permissive exemption under Sections 398 and 400 of the Municipal Act are:

- a) consistent with municipal policies, plans, bylaws, codes and regulations
- b) non-profit
- c) complementary extensions to municipal services and programs
- d) accessible to the public
- e) used primarily by Burnaby residents

Council adopted these guidelines to ensure that the broad range of community organizations in Burnaby are dealt with consistently and receive equal treatment and consideration for tax exemption. The spirit in using the guidelines is one of identifying the services and organizations which are the most complementary extensions of municipal services, and for which the burden resulting from the exemption is a justifiable expense to the taxpayers of Burnaby.

Background information on the guidelines is attached, along with a detailed explanation of each guideline.

In adopting these guidelines, Council supported a phased approach to implementation. This approach would, in time, see the guidelines applied to all types of permissive exemptions.

As a further step in dealing with permissive exemptions, Council in 1987 resolved that seniors housing, community care facilities, licenced group homes, private hospitals, and assisted family housing, would not be considered for permissive exemption from taxation (Item 23, Report No. 44, 1987 June 29).

As reported to Council in 1987, we have continued to delay applying the guidelines to organizations applying for exemption under Section 398 of the Municipal Act (primarily churches, schools and hospitals) pending the outcome of a case which is scheduled to come before the Supreme Court in the near future.

The issue centres on the municipal appeal of the Supreme Court's decision that the wording in Section 398 of the Municipal Act requires Council to determine "how much" surrounding land is to be exempted, as opposed to "whether or not" there should be an exemption. The legal firm acting for the Corporation in this matter advises that they anticipate a court date later this year, perhaps in October. A decision at that time would be too late to apply our policies to 1989 exemptions.

We have applied the guidelines to all applications which will be considered by Council for 1989 exemption under Section 400 of the Municipal Act. This includes primarily organizations renting School Board properties and recreational/services organizations.

PART II: DISCUSSION OF NEW APPLICATIONS AND CHANGES
IN THE STATUS OF EXISTING EXEMPTIONS FOR 1989

A. Eleven applications for exemption from taxation in 1989 have been received. Eight organizations are being proposed for 100% exemption in 1989 as they are consistent with Council's guidelines. Those organizations are:

1. Western Community Central College for the Retired
4443 Irmin Street (Sussex School)

- provides a variety of courses in academic, recreation, exercise and instruction on how to generally live better and longer to persons 55 years of age and older.

It should be noted that for the past several years, this organization has received a municipal grant. (\$1,000 in 1987.) To date, no application has been received by the Grants Committee for 1988.

2. Burnaby Young Men's Christian Association
8525 Forest Grove Drive (Forest Grove Elementary School)
3. Burnaby Young Men's Christian Association
350 Holdom Avenue (Capitol Hill Elementary School)
4. Burnaby Young Men's Christian Association
50 S. Gilmore Avenue (Gilmore School)
5. Burnaby Young Men's Christian Association
2740 Beaverbrook Crescent (Stoney Creek School)

The Y.M.C.A. provides before and after school care for children of working parents.

6. French for Kids Playschool
7231 Frances Street (Duthie-Union Elementary School)

- this is a non-denominational organization which provides exposure to the French language to preschoolers.

7. Vancouver Krishnaland League of Devotees
5462 S.E. Marine Drive

This is the Hare Krishna organization. The application is for the land and building (other than the church) used for the activities associated with their religious services. This includes the parking area, accessory buildings of the church, and the garden area used for religious meditation. Not included are the agricultural lands to the east of the church and the residential buildings located along Marine Drive.

The B.C. Assessment Authority advises that for 1989 this organization qualifies for statutory exemption on the church building and footprint. Previously they could not meet statutory requirements concerning ownership of the property. The municipality has traditionally granted permissive exemption on all land and accessory buildings used in support of the primary church function. While this position may be re-examined once the Supreme Court appeal is heard, permissive exemption is recommended to be consistent with other facilities of this type.

8. Douglas College
250 Willingdon Avenue (Burnaby Heights School)

302

Douglas College is providing prenatal classes which were formerly provided by the Burnaby Health Department.

- B. One organization is being recommended for 50% exemption in 1989 as their services are offered to a regional clientele.

1. Public Education for Peace Society
#4 - 4340 Carson Street (Riverway West School)

- provides information dealing with peace through books, pamphlets and videos to the general public, teachers, churches and other special interest groups, to increase public understanding of peace issues and to provide people, especially children, with the skills to live more peacefully in our community. Resource material is available for use by the Burnaby School Board or other instructional agencies. This agency is active on a national and an international basis and is therefore recommended for 50% exemption.

The municipality granted 100% permissive exemption to two community care facilities in 1988 which no longer conform to Council's guidelines for determining exemptions. As this non-conformity resulted from the policy on seniors housing and community care facilities adopted by Council in 1987 it was agreed that the permissive exemption for these organizations would be phased out (100% in 1988, 50% in 1989, no exemption in 1990). Therefore the following two organizations are proposed for 50% permissive exemption from taxation in 1989:

1. Rehabilitation and Counselling Services
3755 Banff Avenue
2. L'Arche Greater Vancouver-Sussex
7401 Sussex Avenue

Both organizations were informed of the change in status of their exemption in 1987.

Recommendations for exemptions are included in Part III of this report.

C. Not Proposed for Exemption

Two organizations have applied for permissive exemption from taxation in 1989 and are not being recommended for the following reasons:

1. Burnaby Central Contact Centre
4939 Canada Way (Burnaby Central High School)

This agency provides instruction and classes in film making and film acting, and does not qualify as a non-profit organization.

2. Barry Jones Constituency Office
#31 - 250 Willingdon Avenue (Burnaby Heights School)

This is the local MLA's office, open for the public to make enquiries or receive information or direction on Provincial affairs. This is not considered to be a complementary extension to municipal services as its primary purpose is to deal with matters beyond municipal jurisdiction.

Both organizations have been advised of our recommendation.

PART III: PROPOSED EXEMPTIONS FROM TAXATION FOR 1989

A. School Board Properties

Section 400 of the Municipal Act empowers Council to exempt from taxation, by bylaw adopted by two-thirds of its members, School Board facilities rented or leased by a non-profit organization.

To exempt tenants of the following properties from 100% of taxation for 1989, bylaws are required for:

Duthie-Union School
7231 Francis Street
Roll No. 0740-7231

1. Capitol Hill Day Care Society
2. French for Kids Playschool

Parkcrest School
6055 Halifax Street
Roll No. 1210-6065

3. Faith Church Nursery School
Forest Grove School
8525 Forest Grove Drive
Roll No. 1276-8525

4. Burnaby Y.M.C.A.
Cameron School
9540 Erickson Drive
Roll No. 1834-9540

5. Burnaby Y.M.C.A.
Inman School
3963 Brandon Street
Roll No. 2440-3963

6. Burnaby Y.M.C.A.
Windsor School
6166 Imperial Street
Roll No. 3100-6166

7. Garden Village Pre-School
Sussex School
4443 Irmin Street
Roll No. 3380-4443

8. Lifeline Society
9. St. Michael's Centre
10. Western Community Central College for the Retired

Riverway West School
4340 Carson Street
Roll No. 3600-4340

11. Hillview Preschool
12. St. John's Ambulance
Glenwood School
5787 Marine Drive
Roll No. 3700-5787

13. St. Matthew's Day Care Society
Armstrong School
5757 Armstrong Avenue
Roll No. 4502-8757

14. Burnaby Association for the Mentally Handicapped
15. Pied Piper Pre-School
16. Western Montessori Learning Centre Society



Cascade Heights School
4343 Smith Avenue

Roll No. 5205-4343

17. Rainbow Pre-School

304

Gilmore School
50 S. Gilmore Avenue

Roll No. 5365-0050

18. Gilmore Pre-School Society
19. Burnaby Y.M.C.A.

Burnaby Heights School
250 S. Willingdon Avenue

Roll No. 5655-0250

20. Boy Scouts of Canada
21. B.C. Amateur Boxing Association
22. Burnaby Association for the Mentally Handicapped
23. Burnaby Family Life Institute
24. Burnaby Information and Community Services Society
25. Burnaby Volunteer Centre
26. United Way Burnaby Division
27. Douglas College

Brentwood School
1455 Delta Avenue

Roll No. 5945-1455

28. Brentwood Nursery School Society

Marlborough School
6037 Marlborough Avenue

Roll No. 5965-6037

29. Burnaby French Language Play School

Royal Oak School
6037 Royal Oak Avenue

Roll No. 5965-6037

30. Burnaby Association for the Mentally Handicapped

Riverside School
7855 Meadow Avenue

Roll No. 6337-7855

31. The Society for the Education of Children
with Specific Learning Disabilities
(The Kenneth Gordon School)

Burnaby North School
751 Hammarskjold Drive

Roll No. 6463-0751

32. C.A.S.I. (Comitata Attivita Scolastiche Italiane)

Capitol Hill School
350 S. Holdom Avenue

Roll No. 6245-0350

33. Burnaby Y.M.C.A.

Stoney Creek School
2740 Beaverbrook Crescent

Roll No. 8282-2740

34. Burnaby Y.M.C.A.

To exempt tenants of the following properties from 50% of taxation for 1989 bylaws are required for:

Sussex School
4443 Irmin Street

Roll No. 3380-4443

35. Canadiana Costume Society

Riverway West School
4340 Carson Street

Roll No. 3600-4340

- 36. Vancouver Childbirth Association
- 37. Women's Skills Development Workshop
- 38. Public Education for Peace

Glenwood School
5787 Marine Drive

Roll No. 3700-5787

39. Institute of Communications Art

Burnaby Heights School
250 S. Willingdon Avenue

Roll No. 5655-0250

- 40. B.C. Parents in Crisis
- 41. Dorset College
- 42. Carpentry Apprenticeship Joint Board
- 43. Burnaby Unemployment Action Centre

Royal Oak School
6037 Royal Oak Avenue

Roll No. 5965-6037

44. Columbia College

It is recommended that bylaws to exempt from taxation in 1989 those properties listed in Part III(A) 100% (1-34) and 50% (35-44) be brought forward.

B. Recreational Facilities, Athletic or Service Clubs, Charitable and Philanthropic Organizations

Section 400 of the Municipal Act empowers Council to exempt by bylaw land or improvements or both, owned or held by an athletic or service club or association when the facilities are available for use by the public, or non-profit charitable or philanthropic organizations providing certain services to the community. A bylaw enacted for these exemptions requires approval of two-thirds of Council.

The Parks and Recreation Commission on 1988 May 18 adopted the Director Recreation and Cultural Services' recommendation that the organizations listed below qualify for exemption.

To exempt the following properties from taxation in 1989 bylaws are required for:

- 1. Young Men's Christian Association of Burnaby
4970 Canada Way
Roll No. 1770-4970
- 2. Burnaby Winter Club
4990 Canada Way
Roll No. 1770-4990
- 3. Burnaby Horsemen's Association
9080 Avalon Avenue
Roll No. 3128-9080
- 4. Burnaby Host Lions Activities Society
(Occupied by South Burnaby Golden Age Society)
5024 Rumble Street
Roll No. 3420-5024
- 5. Boys' Clubs of Vancouver, B.C.
518 S. Howard Avenue
Roll No. 6185-0518
- 6. Burnaby Tennis Club
3890 Kensington Avenue
Roll No. 6545-3890

In addition to the six properties recommended for exemption by the Parks and Recreation Commission, a bylaw is required for the following property leased from B.C. Hydro for park purposes.

- 7. Highland Park Line Roll No. 9901-0163-0002

It is recommended that bylaws to exempt from taxation in 1989 those properties listed in Part III (B) be brought forward.

C. Hospitals, Schools and Churches for Which a Bylaw is Required for Exemption from Taxation

Section 398 of the Municipal Act exempts from taxation buildings used solely as hospitals, other than private hospitals; buildings set apart and in use for the public worship of God; every building which is used as an incorporated institution of learning giving instruction equal to that furnished in a public school, and the land on which such buildings actually stand ("footprint"). These are statutory exemptions made at the assessment level by the B.C. Assessment Authority. In addition to this basic exemption, Council is empowered to exempt additional areas of land surrounding such buildings as may be determined as necessary to the principal use. Staff has determined the amount of such areas, i.e. in addition to the footprint, that could be considered eligible for exemption. Generally, they relate only to reasonable yards, parking areas and playgrounds. In those instances where only a portion of the entire parcel is exempted, a bylaw is required in order to specifically define the area, in addition to the footprint, that is to be exempted.

To exempt the following properties from taxation in 1989, bylaws are required for:

- 1. St. Helen's Catholic Church
3871 Pandora Street Roll No. 0600-3871
- 2. Vishva Hindu Parishad of B.C.
3885 Albert Street Roll No. 0630-3885
- 3. Aga Khan Foundation Canada
4040 Canada Way Roll No. 1770-4040
- 4. St. Theresa's Catholic Church
5146 Laurel Street Roll No. 1790-5146
- 5. First United Spiritualist Church
5584 Kincaid Street Roll No. 2002-5584
- 6. St. Michael's School and Church
9387 Holmes Street Roll No. 2550-9387
- 7. Foursquare Gospel Church of Canada
4045 Kingsway, 4061 Kingsway Roll No. 2690-4045
- 8. Parish of St. John the Divine
3861 Kingsway, 3875 Kingsway
3891 Kingsway Roll No. 2690-3861
2690-3875, 2690-3891
- 9. Our Lady of Mercy School and Church
7880 Kingsway Roll No. 2690-7880
- 10. South Burnaby Pentecostal Assembly
5855 Imperial Street Roll No. 3100-5855
- 11. St. Francis de Sales School and Church
6597 and 6656 Balmoral Street,
6627 Arcola Street Roll No. 3170-6597
3170-6656, 3220-6627
- 12. Burnaby Unit of Jehovah's Witnesses
5525 Short Street Roll No. 3190-5525

- 13. The Christian School Association
8260 - 13th Avenue
Roll No. 4500-8260
 - 14. Armstrong Avenue Baptist Church
8585 Armstrong Avenue
Roll No. 4502-8585
 - 15. St. Thomas More High School
7450 - 12th Avenue
Roll No. 4540-7450
 - 16. Church of the Nazarene
8094 - 11th Avenue
Roll No. 4560-8094
 - 17. The Pentecostal Assemblies of Canada
Iglesia Evangelica Pentecostal Hispania
4830 Boundary Road
Roll No. 5105-4830
 - 18. St. Andrew's Anglican Church
3426 Smith Avenue
Roll No. 5205-3426
 - 19. Burnaby General Hospital
3880 Ingleton Avenue
Roll No. 5245-3880
 - 20. St. Michael's Centre Hospital Society
7451 Sussex Avenue
Roll No. 5795-7451
 - 21. Grace Lutheran Church of South Burnaby
7283 Nelson Avenue
Roll No. 5895-7283
 - 22. Holy Cross School and Church
1450 Delta Avenue
Roll No. 5945-1450
 - 23. Brentwood Park Presbyterian Church
1640 Delta Avenue
Roll No. 5945-1640
 - 24. Canadian Ramgarhia Society
6908 McPherson Avenue
Roll No. 6195-6908
 - 25. Faith Evangelical Lutheran Church
1005 Kensington Avenue
Roll No. 6545-1005
 - 26. Cliff Avenue United Church
1600 Cliff Avenue
Roll No. 6835-1600
 - 27. N.W. Branch Pentecostal Holiness Church
7716 Cumberland Avenue
Roll No. 7665-7716
 - 28. Marian Regional High School
7650 Sapperton Avenue
Roll No. 8425-7650
- To exempt the following organizations from 50% of taxation for 1989 a bylaw is required for:
- 29. Rehabilitation and Counselling Services
3755 Banff Avenue
Roll No. 6107-3755
 - 30. L'Arche Foundation of B.C.
7401 Sussex Avenue
Roll No. 5795-7401

It is recommended that bylaws to exempt from taxation in 1989 those properties as listed in Part III (C) 100% (1-28) and 50% (29-30) be brought forward.

D. Churches and Schools for Which a Resolution is Required

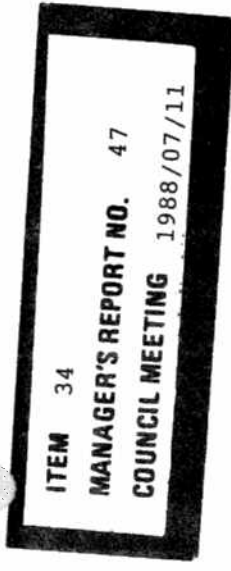
308

to Exempt from Taxation

The churches and schools listed below will receive their basic statutory exemption under Section 398, i.e. building and footprint. This exemption is made at the assessment level by the B.C. Assessment Authority. In addition to that basic exemption, it has been determined that the remainder of the parcel of land on which the church or school is situated relates to reasonable yards and parking areas. Therefore when Council gives exemption for these yards and parking areas, the entire parcel becomes exempt. When an entire parcel is exempted, that exemption can be granted by resolution of Council pursuant to Section 223 of the Act.

A resolution is required to exempt the following properties from taxation in 1989:

1. Parish of St. Nicholas Church
3883 Triumph Street
Roll No. 0560-3883
2. St. Helen's School
3894 Triumph Street
Roll No. 0560-3894
3. Vancouver Heights Presbyterian Church
3815 Pandora Street
Roll No. 0600-3815
4. Vancouver Heights Baptist Church
3981 Albert Street
Roll No. 0630-3981
5. Council of the Salvation Army
4204 Hastings Street
Roll No. 0700-4204
6. Church of Christian Community in Canada
5050 Hastings Street
Roll No. 0700-5050
7. Pentecostal Assemblies Church of Canada
Burnaby Chinese Pentecostal Church
5209 Hastings Street
Roll No. 0700-5209
8. United Church of Canada
Willingdon Heights Community Church
4304 Parker Street
Roll No. 0900-4304
9. Parish of Christ the King - Anglican
4514 and 4550 Kitchener Street
Roll No. 1050-4514
1050-4550
10. Parkcrest Gospel Chapel
6641 Halifax Street
Roll No. 1210-6641
11. Arbab Rustam Guiv Darbe Mehr-Zordastrian
House of B.C.
6900 Halifax Street
Roll No. 1210-6900
12. Calvary Community Church
3905 Norland Avenue
Roll No. 1560-3905
13. Royal Oak Baptist Church
5170 Norfolk Street
Roll No. 1750-5170
14. New Westminster Evangelical Free Church
7873 and 7895 Canada Way
Roll No. 1770-7873
1770-7895
15. St. Stephen's Anglican Church
9887 Cameron Street
Roll No. 1800-9887
16. New Life Community Church
8765-67 Government Street
Roll No. 1940-8765



- 17. North Burnaby Kingdom Hall Society
5975 Sunset Street
Roll No. 1970-5975

- 18. The President Lethbridge Stake Church
5280 Kincaid Street
Roll No. 2002-5280

- 19. Danish Evangelical Lutheran Church
6010 Kincaid Street
Roll No. 2002-6010

- 20. St. Paul's United Church
3821 Lister Street and
4484 Smith Avenue
Roll No. 2200-3821
5205-4484

- 21. Deer Lake School
5526 Gilpin Street
Roll No. 2320-5526

- 22. Central Evangelical Free Church
6112 Rumble Street
Roll No. 3420-6112

- 23. Vancouver Krishnaland League of
Devotees
Roll No. 3700-5462

- 24. Presbyterian Church of Canada
Gordon Presbyterian
7457 Edmonds Street
Roll No. 4310-7457

- 25. St. Alban's Anglican Church
7717 - 19th Avenue
Roll No. 4330-7717

- 26. East Burnaby United Church
7772 Graham Avenue
Roll No. 4434-7772

- 27. First Christian Reformed Church
8255 - 13th Avenue
Roll No. 4500-8255

- 28. Burnaby Chinese Alliance Church
8611 Armstrong Avenue
Roll No. 4502-8611

- 29. B.C. Seventh Day Adventists
7925 - 10th Avenue and
7926 - 11th Avenue
Roll No. 4600-7925
4560-7926

- 30. Boundary Road Pentecostal Church
3420 Boundary Road
Roll No. 5105-3420

- 31. New Apostolic Church
271 Ingleton Avenue
Roll No. 5245-0271

- 32. Apostolic Church of Pentecost
4950 Barker Crescent
Roll No. 5595-4950

- 33. B.C. Confederation Mennonite Brethren Church
Willingdon Mennonite Church
4812 Willingdon Avenue
Roll No. 5655-4812

- 34. South Burnaby United Church
7551 and 7591 Gray Avenue
Roll No. 5755-7551
5755-7591

- 35. West Burnaby United Church
6050 Sussex Avenue
Roll No. 5795-6050

- 36. Christian Reformed Church of Burnaby
5825 Nelson Avenue
Roll No. 5895-5825

- 37. Salvation Army Canada West
6125 Nelson Avenue
Roll No. 5895-6125

38. Brentwood Park Alliance Church
1410 Delta Avenue
Roll No. 5945-1410

310

39. Maranatha Tabernacle
380 Hythe Avenue
Roll No. 5995-0380

40. Parish of All Saints South Burnaby
- Anglican
7405 Royal Oak Avenue
Roll No. 6035-7405

41. Alta Vista Baptist Church
7175 Royal Oak Avenue
Roll No. 6035-7175

42. Ellesmere United Church
340 S. Ellesmere Avenue
Roll No. 6205-0340

43. St. Margaret's of Scotland Anglican Church
1030 Sperling Avenue
Roll No. 6695-1030

44. Central Burnaby United Church
5135 Sperling Avenue
Roll No. 6695-5135

45. Emmaus Lutheran Church
6344 Sperling Avenue
Roll No. 6695-6344

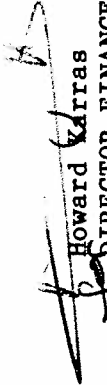
46. South Burnaby Church of Christ
7485 Salisbury Avenue
Roll No. 6895-7485

47. Convention of Baptist Churches of B.C.
7135 Walker Avenue
Roll No. 7015-7135

48. Westminster Gospel Chapel
7540 - 6th Street
Roll No. 7305-7540

49. The Governing Council of the Salvation
Army Canada West
7195 Cariboo Road
Roll No. 8045-7195

It is recommended that a resolution be adopted by Council to
exempt from taxation in 1989 those properties listed in Part
III(D).

“ ”

Howard Varras
DIRECTOR FINANCE

RE:PK:MB:gw
Attach.

cc: Director Recreation & Cultural Services
Municipal Clerk
Municipal Solicitor
Director Planning & Building Inspection
Area Assessor, B.C.A.A.
Secretary Treasurer, School District No. 41

ITEM 34

MANAGER'S REPORT NO. 47

COUNCIL MEETING 1988/07/11

ATTACHMENTS

1. EXEMPTIONS FROM TAXATION: PROGRESS REPORT
Item 23, Report No. 35, 1986 May 26
2. PART I: DETAILED GUIDELINES FOR PERMISSIVE EXEMPTION FROM TAXATION
- EXCERPT FROM EXEMPTIONS FROM TAXATION 1987
Item 12, Report No. 41, 1986 June
3. PART II: POLICY ON SENIORS HOUSING AND COMMUNITY CARE FACILITIES
- EXCERPT FROM EXEMPTIONS FROM TAXATION 1988
Supp. Item 23, Report No. 44, 1987 June 29

ITEM 34

MANAGER'S REPORT NO. 47

COUNCIL MEETING 1988/07/11

ATTACHMENT 1

312

TO: Municipal Manager 1986 May 22
FROM: Director Finance
SUBJECT: EXEMPTIONS FROM TAXATION: PROGRESS REPORT

=====

RECOMMENDATION:

1. THAT this report be received for the information of Council.

SUMMARY:

The Director Finance has developed a set of guidelines to be applied by his department when reviewing applications for permissive exemption from taxation. The guidelines reflect the operating principles of the Municipality and ensure that services and organizations recommended for exemption operate without profit motives; offer services which are complementary to those offered by the Municipality; are equally accessible to the public; and are used primarily by Burnaby residents.

The guidelines will be applied to rented School Board properties which will be returned to the roll by the Assessment Authority and to new applications for the 1987 assessment roll. There are about 50 organizations presently renting school properties.

The impact these guidelines have on organizations renting school properties and on new applications will be outlined in the annual exemption report which will be presented to Council in 1986 July. At that time we will ask Council for formal adoption of the guidelines.

Existing church and recreation property exemptions are not affected at this time or for the 1987 assessment roll.

Should Council adopt the guidelines in July, they then will be applied to all properties receiving permissive exemption for the 1988 assessment roll. A report on the impact of the guidelines on existing church and recreation exempted properties would be prepared for Council's consideration early in 1987.

REPORT

I INTRODUCTION

A Purpose

The purpose of this report is to clarify Municipal policy regarding the granting of permissive tax exemptions and to outline the criteria used to assess eligibility for such exemptions.

B Background

This work stems from our Exemptions from Taxation - 1986 report received by Council on 1985 July 02. At that time we proposed to study permissive exemptions and submit a report defining guidelines, for Council consideration early in 1986. This is a progress report on that work.

Tax exemptions are a means for the Municipality to broaden the range of services available to Burnaby residents. They encourage individuals and organizations (primarily churches), to provide services which the Municipality would support and consider offering given sufficient resources. In return for \$270,000 foregone 1985 tax dollars, 76 churches and 10 other organizations provided activities and services ranging from health care and youth services to family counselling and recreation. The \$270,000 represents the tax exemption which is given by permission of Council. It does not include those properties which are statutorily exempt.

A report is prepared annually recommending exemptions from taxation for Council's consideration. Council then adopts by-laws and resolutions granting exemptions to a variety of community organizations.

Requests for exemptions have become more diverse in recent years. In the past, requests came primarily from charitable, non-profit and public organizations such as churches and schools. More recently the Municipality has received requests from "quasi-commercial" enterprises such as "in-home" community care facilities, day care centers and organizations renting school board properties.

Council will recall that various charitable organizations renting School Board properties were shown on the 1985 Preliminary Assessment Roll. The properties were removed from the 1985 roll by the 1985 Court of Revision and were therefore also excluded from the 1986 roll. During 1985, the Municipal Act (Section 402) was amended to permit Council to exempt from taxation school buildings that a non-profit organization occupies as a tenant. According to the Assessment Authority the rented School Board properties will be added to the 1987 assessment roll. There are about 50 organizations renting school properties at this time.

These changes have made it more difficult to determine where exemptions should be recommended. It also makes it necessary to clarify municipal policy regarding permissive tax exemptions and to outline the criteria to be used to assess eligibility

for such exemptions. This needs to be in place in time to apply to the 1987 roll.

314

C Types of Exemption from Taxation

There are two types of exemptions from taxation outlined in the Municipal Act, statutory and permissive. Statutory exemptions are those granted by Section 398 of the Municipal Act. These are effectively beyond the jurisdiction of the Municipality. Buildings used as churches, schools, hospitals and other similar uses and the land on which these buildings stand (foot-print) are statutorily exempt by the B.C. Assessment Authority when the assessment roll is prepared.

There are, of course, other statutes which cause property to be statutorily exempt from taxation, e.g., B.C. Transit Act, University Act, College and Institute Act. These exemptions are also beyond the jurisdiction of the Municipality.

Permissive exemptions are those which Council is empowered to grant under Sections 398 and 400 of the Municipal Act through the adoption of by-laws and resolutions. Under Section 398, Council may exempt land and buildings used for parking lots, playgrounds and church halls determined to be necessary to the principle purpose of a building granted statutory exemption.

Under Section 400, Council may exempt properties used as provincially licenced care facilities, some charitable and philanthropic organizations, athletic clubs and associations operating recreational services available to the public.

It is permissive exemptions that are the primary focus of this report.

II COST OF EXEMPTIONS FROM TAXATION

This analysis deals with properties which received some permissive tax exemption from the Municipality in the 1986 Assessment roll. Properties which are 100 percent statutorily exempt such as Crown and Municipal lands, School Board properties used by the School Board, cemeteries or seniors housing are not included.

The 1985 tax value of exempted properties to the Municipality was approximately \$1 million, of which 73% (\$730,000) was statutorily exempt and 27% (\$270,000) was permissively exempted by Council. This total tax value was approximately 2% of the total Municipal tax levy of \$49 million and 1% of the total Municipal budget of \$98 million.

The \$270,000 of permissive tax exemption represents .55% of the 1985 Municipal tax levy and .28% of Burnaby's total 1985 budget, and adds approximately \$3.23 to the tax bill of the median single family residence in Burnaby.

The granting of permissive exemption by Council automatically removes that portion exempted from the assessment roll. The result is that the parcel is also exempted from taxation by other rate setting bodies such as the Greater Vancouver Regional District and Greater Vancouver Regional Hospital District. While taxes are not collected from exempt properties, there are sewer, water and local improvement taxes for which exemptions cannot be granted in accordance with the Municipal Act.

III MUNICIPAL APPROACH TO TAX EXEMPTIONS

The Municipal approach has been one of responding to applications. The provisions of the Municipal Act are applied to determine whether a use "qualifies" for exemption. The area to be exempted is determined by field inspection, together with input from the owner. If the use appears acceptable under the Act, then it is recommended that Council exercise its discretionary powers and grant an exemption.

This approach has worked quite well in Burnaby until recently. With the creation of more diverse/multi-purpose social services and organizations and the emergence of more facilities providing services to the entire region, it has become more difficult to interpret the provisions of the Municipal Act consistently and fairly. The Act does not provide the rationale or guidelines which are often required in order to properly interpret and apply it. This, in turn, raises the questions of what is the intent of permissive exemptions and when should Council approve them?

It is our understanding that the intent of permissive exemptions is one of providing Council with the ability to recognize and support organizations providing services which are consistent with the mandate, policies and plans of the Municipality. In this way services provided by individuals and organizations receiving permissive exemptions become extensions of the range of Municipal services and are considered important to the overall health and welfare of Burnaby residents.

IV GUIDELINES FOR PERMISSIVE EXEMPTIONS

If one accepts that permissive exemptions from taxation are granted to services and organizations which are extensions of or complementary to the Municipal system, then it follows that the rationale for approving such exemptions should reflect Municipal objectives.

In providing responsible government, the Municipality operates without profit motives; offers a broad range of services to residents; and ensures that services are accessible to the public. These Municipal operating principles should apply to services and organizations considered for permissive tax exemptions. The following general guidelines will form the basis for approving permissive exemptions.

A Consistent with Municipal Policies, Plans, By-laws, Codes, and Regulations

Before an exemption is considered, the use must be in conformance with all applicable Municipal legislation.

B Non-Profit

Organizations and individuals providing services must have no profit motive.

C Complementary Extensions to Municipal Services and Programs

Services and organizations should fulfill some basic needs or otherwise improve the quality of life for Burnaby residents such that the Municipality would consider providing the service if it had the resources.

D Accessible to the Public

Services and activities should be equally available to all Burnaby residents.

E. Used Primarily by Burnaby Residents

While services need not be maintained exclusively for the use of Burnaby residents, they should be majority users of the service.

We are developing detailed guidelines which outline the basis for determining when services and organizations are considered to be non-profit, complementary to Municipal services, accessible to the public and used primarily by Burnaby residents. The detailed guidelines will be complete in time to apply to applications for permissive exemptions for the 1987 tax roll.

V IMPLEMENTATION STRATEGY

In light of the fact that the Municipality must deal with the rented School Board properties which will be returned to the 1987 roll by the Assessment Authority, it is an opportune time to consider the application of the new guidelines. Unless otherwise directed by Council, the guidelines will be applied to rented School Board properties and new applications for the 1987 assessment roll.

The Municipal Act requires that Council adopt by-laws and resolutions exempting properties in 1987 by 1986 August 31. In order to meet this timetable, we will outline the impact the guidelines have on organizations renting school properties in our annual exemption report which will be presented to Council in 1986 July. At that time we will ask Council to adopt the guidelines.

In time it is intended that the guidelines be applied to all types of permissive exemption, including church and recreation properties. We recognize that such an action could have an impact on

the amount of exemption granted some organizations, especially those which are clearly regional or broader in nature.

For this reason we will be proposing that a phased approach to implementation be adopted. This will involve applying the guidelines to rented school board properties and new applications for the 1987 tax roll and to all other types of permission exemptions (church and recreation properties) on the 1988 tax roll.

This approach to implementation will provide the immediate direction required to address any inconsistencies in exemptions for renters of school properties, and to address new applications. It will also give Council the opportunity to consider the impact of such guidelines before they are applied to existing exemptions for the 1988 roll. The phased approach will allow for consultation with all other organizations before the proposed guidelines are applied to them.

This report is for the information of Council.



HOWARD KARRAS
DIRECTOR FINANCE

RE/jce

cc: Director Recreation & Cultural Services
Director Planning and Building Inspection

PART I: DETAILED GUIDELINES FOR PERMISSIVE EXEMPTIONS FROM TAXATION

Council, on 1986 May 26, received a progress report from the Director Finance outlining general guidelines for determining permissive exemptions from taxation. At that time, Council was advised that detailed guidelines would be presented for their consideration and adoption in 1986 July. This section outlines the detailed guidelines.

Guidelines by definition are indications of policy or conduct. In this case they will ensure that the broad range of community organizations in Burnaby are dealt with consistently and receive equal treatment and consideration for tax exemption.

The guidelines provide structure and assist staff with assessment of applications for permissive exemption from taxation.

The spirit in using the guidelines is one of identifying the services and organizations which are the most complementary extensions of Municipal services; and for which the burden resulting from the exemption is a justifiable expense to the taxpayers of Burnaby.

To be eligible for exemption a service or an organization must conform to all of the guidelines. Given that many of the organizations are one of a kind and provide specialized, often unique services it is difficult to measure precisely whether a use conforms to the guidelines. For this reason each application for permissive exemption will be evaluated on its own merits, using the guidelines to indicate where the Municipality should consider granting support.

The following detailed guidelines are statements of intent with outlines of how they will be applied and measured.

A. Consistent with Municipal Policies, Plans, Bylaws, Codes and Regulations

Before an exemption is considered, the use must be consistent with and in support of all applicable municipal legislation. The intent of this guideline is to ensure that organizations receiving Municipal support (permissive exemption) reflect the goals, policies and general operating principles of the Municipality. For example, it would be inappropriate for the Municipality to support an organization whose charter or practices encouraged discrimination on the basis of age, sex, ethnic origin or religion. It would also be inappropriate to support organizations in situations where the use would be non-conforming to zoning or an incompatible land use.

B. Non-Profit

Organizations and individuals providing services should have no profit motive. The intent of this guideline is to ensure that Municipal support is not used for commercial or private gain.

Organizations can demonstrate that they are non-profit by being a registered charitable institution or society. The Society Act defines societies with a charitable purpose as those concerned with the relief of poverty, the advancement of education, the advancement of religion or any other purpose beneficial to the community. In the Act a society "shall not distribute any gain, profit or dividend or otherwise dispose of its assets without receiving full and valuable consideration". The act also stipulates that a society shall have at least three directors overseeing the operation and that proper accounting records be kept and made available to its members and the Provincial registrar.

Another indicator of non-profit is where a business licence is not required. Non-profit organizations do not require a business licence since they are not operating for the purpose of gain or profit (Section 497 Municipal Act).

C. Complementary Extensions to Municipal Services and Programs

Services and organizations should fulfill some basic needs or otherwise improve the quality of life for Burnaby residents.

The intent of this guideline is to ensure that support is directed toward services the Municipality would consider providing given adequate resources.

As with all of the guidelines, the responsibility is with the applicant to demonstrate how the service complements Municipal services.

Given the diverse nature of the services, the input of appropriate Municipal departments will be sought in determining when services are complementary. This assessment will also consider whether the service is needed or wanted by Burnaby residents.

D. Accessible to the Public

Services and activities should be equally available to all residents of Burnaby.

The intent of this guideline is to ensure that the organizations' regulations governing use do not prohibit the public from participation.

It is recognized that geographic location and financial means make some services and activities less accessible to residents. This guideline does not consider these influences to be exclusionary by intent.

Where special knowledge or developed skills are required as a prerequisite to participation, the knowledge should be available to the public from the organization receiving Municipal support. For example the Municipality grants the Burnaby Winter Club permissive exemption from taxation. Some basic equipment and understanding of curling are required to participate in that aspect of the facility. The club rents equipment and gives lessons to the public to fulfill this requirement.

E. Used Primarily by Burnaby Residents

While services need not be maintained exclusively for the use of Burnaby residents, they should be majority users of the service.

The intent behind this guideline is to recognize that the taxpayers of Burnaby should not become overburdened by the increasing number of regional and broader organizations locating in Burnaby and receiving exemptions from taxation.

Where the stated purpose or client group is clearly regional or broader in nature it is proposed that Burnaby accept a share, as opposed to all, of the burden resulting from permissive exemptions.

We have considered pro-rating uses and recommending exemptions accordingly, however, we feel this approach would prove unimplementable. Therefore, we propose to simply share the "regional" burden by granting 50% permissive exemptions on affected applications. To minimize the impact this change may have on some organizations we propose that the 50% exemptions be implemented for the 1988 assessment roll. Affected organizations would remain 100% exempt for 1987. This will then give them time to adjust their budgets or make representation to the Municipality for reconsideration.

This approach is possible under Section 401(1) of the Municipal Act wherein Council may exempt from taxation all or part of the taxable assessed value of land, improvements or both. As with all permissive exemptions Council must deal annually with each application in order to be seen as exercising their discretionary powers.

As outlined in Part II of this report these guidelines have been applied to rented School Board properties and to new applications for the 1987 assessment roll. Should Council adopt the guidelines, they will be applied to all properties receiving permissive exemption for the 1988 assessment roll. Existing church and recreation properties are not affected at this time or for the 1987 roll. As part of this process we will forward the guidelines to all organizations receiving permissive exemption.

As outlined in our 1986 May 26 progress report this phased approach to implementation will give Council the opportunity to consider the impact of the guidelines before they are applied to existing exemptions. A report on the impact of the guidelines on existing church and recreation exempted properties will be prepared for Council's consideration early in 1987.

At that time we will address an issue which has come to light concerning community care facilities, private hospitals and group homes licenced under the Community Care Facilities Act.

Presently, under Section 400(1)(c) of the Municipal Act, Council may exempt from taxation facilities "not being operated for profit or gain and owned by a charitable or philanthropic organization supported in whole or in part by public funds and used exclusively to help the poor, elderly, infirmed or handicapped, or as a home for the care of children". While there are a considerable number of these facilities in Burnaby, to date, only a few have applied for and/or been granted exemption. We believe that where facilities are primarily residential in nature, they should not qualify for exemption because they are not complementary extensions to Municipal services and programs.

This position takes into consideration the policy established by Council in 1974 which phased out tax exemptions and/or grants to defray taxes on elderly citizens' projects so that commencing in 1979 full taxation within the power of Council would apply to all such projects. The intent of this policy was to stop the erosion of the municipal tax base which was occurring from the increasing numbers of elderly citizens housing projects being built in Burnaby and which were applying for permissive exemption from taxation. The feeling at the time was that elderly citizens make use of many municipal services and should therefore assist in paying for them.

Applying the same reasoning to community care facilities, such as group homes licenced under the Community Care Facilities Act as Council did to elderly citizens projects, the residents in these homes use municipal services and should therefore pay taxes to support them. It would be consistent for Council to adopt such a position, and would serve to maintain a policy of not granting exemptions from taxation to uses which are primarily residential in nature. It would also serve to maintain the Municipal tax base.

Recognizing that such a policy might result in some facilities losing the exemption status they presently enjoy, we will be providing an opportunity for affected organizations to input.

We raise this issue at this time to make Council aware. We will present a policy for their consideration as part of a report in early 1987.

At this time we recommend that Council adopt the guidelines presented in this part of the report as the basis for assessing applications for permissive exemption from taxation.

ATTACHMENT 3PART II - POLICY ON SENIORS HOUSING AND COMMUNITY CARE FACILITIES

An issue identified in the 1986 June Council report for further investigation and a report back to Council was the extent to which Council's 1974 policy phasing out exemptions/grants on seniors housing covers the range of seniors facilities in the Municipality today. This included a review of exemptions for housing in the form of community care facilities, private hospitals and group homes licenced under the Community Care Facilities Act.

Central to both of these issues is the fact that there are considerable numbers of these facilities in Burnaby. Approval of an exemption from taxation for any one may result in applications from all similar facilities. This could result in a considerable financial burden to the Municipality. Council on 1974 November 18 "adopted the principle of phasing out tax exemptions and/or grants to defray taxes on elderly citizens' projects so that commencing in 1979 full taxation within the power of Council will apply to all such projects".

The intent of this policy was to stop the erosion of the municipal tax base which was occurring from the increasing numbers of elderly citizens housing projects being built in Burnaby and which were applying for permissive exemption from taxation. The feeling at the time was that elderly citizens make use of many municipal services and should therefore assist in paying for them. We believe this continues to be valid.

While no permissive exemptions have been granted to elderly citizens housing since 1974, it is becoming increasingly difficult to assess the eligibility for permissive exemption between housing for the elderly, and community care facilities for seniors, disabled, persons in crisis and limited income households. There are presently more than 100 housing and care facilities in Burnaby. The 1987 gross taxes on these facilities for all rate setting bodies is in excess of \$1.1 million. The general Municipal share is approximately \$500,000.

Our review of exemptions for community care facilities has lead us into considering who is ultimately responsible for providing seniors housing and community care facilities. The senior levels of government and the Regional District have in the past and are likely to continue in the future providing assistance to construct and operate seniors housing and community care facilities. While our Municipality has provided opportunities for these facilities to locate in Burnaby, it has not been a primary responsibility of the Municipality to do so. This is not to suggest that Burnaby should not support these facilities. In fact the Municipal Health Department provides considerable amounts of assistance to many people living in seniors housing and community care facilities. Rather the point is that the provision and operation of these facilities have normally been beyond the responsibility of the Municipality.

Most important, is the question of who will pay for the municipal services used by the growing numbers of persons in seniors housing and community care facilities IF the Municipality were to begin granting tax exemptions to such facilities. We have concluded that granting tax exemption to seniors housing and care facilities would unfairly pass a growing burden of taxation onto the taxpayers of Burnaby. We therefore believe it is appropriate to reinforde the 1974 policy regarding taxation on housing for the elderly and to extend the policy to include community care and similar facilities.

It is recommended that Council continue their 1974 policy that full taxation within the power of Council should apply to seniors housing; and that this policy be extended to include community care facilities, licenced group homes, private hospitals, and assisted family housing.

