



***RPT 20-258***

**TITLE:** 2020 Request for Tax Relief

**DATE:** June 17, 2020

**TO:** City Council

**PUBLIC:** X

**INCAMERA:**

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**RECOMMENDATION:**

1. That the tax abatement of \$3,412.13, for 100% of the portion of the 2020 taxes attributable to the Prince Albert Roman Catholic School Division No. 6 for the Catholic Family Services of Prince Albert Inc. property located at 1008 – 1<sup>st</sup> Avenue West, be approved.
2. That the tax abatement of \$2,585.25 for the Masonic Temple Corp. for the property located at 292 15<sup>th</sup> Avenue E, be approved.
3. That the tax abatement of \$18,403.19 for the Prince Albert Society for the Prevention of Cruelty to Animals for the property located at 1125 North Industrial Drive, be approved.

**TOPIC & PURPOSE:**

Request that approval be given for the tax abatement for the three mentioned properties in the report for a total of \$24,400.57.

**BACKGROUND:**

The recommendation for tax relief is based on the Council approved formula of the difference between commercial property tax less the two (2) times residential property tax. This is consistent with previous years' treatment of the applicants for the year 2014 to 2019 inclusive. Tax relief is contingent upon Council approval.

1. Catholic Family Services

- a) Catholic Family Services of Prince Albert Inc. is a non-profit charitable organization, operating under a volunteer Board of Directors. The organization has received tax relief for the past five years.
- b) *The Cities Act* requires Council approval for tax abatements.

2. Masonic Temple Corp.

- a) Tax abatement for Masonic Temple was first introduced in 1997 and each year from 1997 to 2010 Administration has provided a report to suggest an abatement amount based on the past treatment and the treatment of other properties.
- b) In 2011, Council endorsed a calculation in which the applicant can receive a tax abatement in an amount that is the difference between commercial property less two (2) times the residential rate.
- c) This tiered organization meets the requirements of the Tax Relief Policy. Consistent with past practices for this property, tax relief is calculated as the amount required to bring taxes to a level which represents twice what the taxes would be if the property were taxed residentially.

<u>2020 Taxes</u>	<u>Taxes at 2x Resi</u>	<u>Abatement Total</u>
<b>\$8,454.72</b>	<b>\$5,869.46</b>	<b>\$2,585.25</b>

3. Prince Albert Society for the Prevention of Cruelty to Animals (SPCA)

- a) Administration considers the objective of the SPCA to be a benefit to the citizens of Prince Albert, however, they have a service agreement to provide the City with humane and safe treatment and shelter to animals. Because of the contractual arrangement to provide animal welfare services, the net benefit is indirect rather than direct. At this time, the SPCA merits Council's consideration in its tax relief request for the Shelter building and related land only.

- b) Administration recommends Council approve tax relief for the shelter building and related land only. Other SPCA operations openly compete with other commercial and retail operations in the City. For that reason, Administration does not believe that there should be a tax relief on these areas.
- c) In summary, Administration's review of this organization meets the requirements of the Tax Relief Policy in part. Consistent with past practice for this property, tax relief is calculated as the amount required to bring taxes to a level which represents twice what the taxes would be if the property were taxed residentially.

<u>2020 Taxes</u>	<u>Taxes at 2x Resi</u>	<u>Abatement Total</u>
<b>\$58,051.58</b>	<b>\$26,687.88</b>	<b>\$18,403.19</b>

### **PROPOSED APPROACH AND RATIONALE:**

The City of Prince Albert has a Statement of Policy and Procedure for Applications for tax relief. This policy provides principles in which Council gives consideration when evaluating applications.

The qualifying criteria includes:

- Is the applicant registered as a non-profit or acceptable equivalent?
- Does the applicant organization have objectives of enhancing health, safety or welfare of the citizens of Prince Albert?
- Is the property owned and occupied by the organization?
- Are the taxes more than 5% of the total expense?
- Is the organization dependent largely on fundraising? With less than 50% of revenue coming from government support or sales of product or services?
- Do salaries, wages and benefits make up less than 50% of the expenditures?

### **CONSULTATIONS:**

The listed abatements are reviewed by the Director of Financial Services to determine if the application meets all requirements. This initial review is conducted to ensure the requirements approved by Council have been met. This process streamlines the approval process and reduces the number of reports to Council.

**COMMUNICATION AND/OR ANNOUNCEMENT PLAN:**

Financial Services Department will notify all parties on the amount of tax relief that was approved.

**POLICY IMPLICATIONS:**

1. Policy and Procedure for Application for Tax Relief, Policy No. 51
2. *The Cities Act.*

**FINANCIAL IMPLICATIONS:**

The total amount of proposed abatement for all four properties to reduce the property tax burden to two times residential is \$24,400.57. Of this total, \$20,145.74 makes up the municipal portion, \$612.82 is the Public School share and \$3,642.03 is the Separate School Board share.

The municipal portion of this abatement in the amount of \$20,145.74 can be accommodated through the tax refund and abatement account that has been budgeted for 2020.

**OTHER CONSIDERATIONS/IMPLICATIONS:**

There is no privacy implications or Official Community Plan.

**STRATEGIC PLAN:**

*Fiscal Management and Accountability.* This report forms part of a multi-year property tax strategy as abatements must follow the Tax Relief Policy and requests submitted once per year in a single report annually.

**OPTIONS TO RECOMMENDATION:**

1. Approve abatements in the amounts other than those listed in this report. This is not recommended as it is contrary to the direction given in the statement of Policy and Procedure for Tax Relief.
2. Approve abatements for some, but not all, of the properties listed. This option is not recommended as it could result in similar properties being treated differently.

3. Do not approve any abatement amounts. This option is not recommended as this would be contrary to the City's Tax Relief policy to provide tax relief based on the social benefit that the organization provides.

**PUBLIC NOTICE:**

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

**PRESENTATION: NONE**

**ATTACHMENTS: NONE**

Written by: Milan Walters, Chief Clerk

Approved by: Director of Financial Services & City Manager