

DATE OF MEETING | SEPTEMBER 21, 2021 |

AUTHORED BY | BARBARA D. WARDILL, MANAGER, REVENUE SERVICES |

SUBJECT 10 YEAR PROPERTY TAX EXEMPTION BYLAW FOR THE ISLAND CORRIDOR FOUNDATION (ICF)

OVERVIEW

Purpose of Report

To award a cash grant for 2021 property taxes and approve a new 10-year permissive tax exemption, effective 2022, to the Island Corridor Foundation for the properties that became taxable in 2021. |

Recommendation

1. That Council approve a cash grant of \$114,301.55 for 2021 property taxes to the Island Corridor Foundation for the properties that became taxable in 2021.
2. That “Property Tax Exemption Bylaw (Island Corridor Foundation) 2021 No. 7331” (To provide a 10-Year Permissive Tax exemption, 2022 to 2031 inclusive) pass first reading;
3. That “Property Tax Exemption Bylaw (Island Corridor Foundation) 2021 No. 7331” pass second reading; and,
4. That “Property Tax Exemption Bylaw (Island Corridor Foundation) 2021 No. 7331” pass third reading.

BACKGROUND

Each year, certain properties are granted a property tax exemption. Exemptions are based on set criteria which are set out in Section 225 of the Community Charter. Each year all Permissive Tax Exemption (PTE) Bylaws must be passed by Council before October 31st.

In 2007, the Island Corridor Foundation (ICF) was added to the PTE bylaw. ICF currently has two properties on the annual bylaw, 7 Port Drive and 1161 Milton Street.

In 2010, “Property Tax Exemption Bylaw (Island Corridor Foundation) 2010 No. 7100” was adopted by Council. This gave ICF a 10-year exemption on 43 of their properties. The properties contained in Bylaw 7100 are only properties owned or held by ICF and used as rail lines or right of way. The train station at 321 Selby Street was part of the annual PTE bylaw and was not included in Bylaw 7100.

On 2011-OCT-29, Council adopted the Heritage Building Property Tax Exemption Bylaw (321 Selby Street) 2012 No. 7153. This gave a 10-year full property tax exemption for 321 Selby Street and is in effect from 2013 -2022. Along with the bylaw, a heritage conservation covenant has been registered on the title of the property to ensure its long-term maintenance. |

DISCUSSION

The 10-Year “Property Tax Exemption Bylaw (Island Corridor Foundation) 2010 No. 7100” expired in 2020 and all properties listed in the bylaw became taxable in 2021.

Council directed staff:

- To prepare a report for approval of a cash grant of \$114,301.55 for the Island Corridor Foundation for the 2021 property taxes for the 43 properties listed in Bylaw No. 7331; and
- Prepare a new 10-Year Permissive Tax Exemption Bylaw for the 43 properties previously included in Bylaw No. 7100 for the property taxation years 2022 to 2031, inclusive. |

FINANCIAL CONSIDERATIONS

The City budgets \$5,000 annually for permissive tax exemptions – cash grants. As this grant would exceed the available funding, 2021 surplus or the General Financial Stability Reserve would be used to fund the expenditure.

The 10-year PTE exemption would have no impact on the City’s budget. The taxes required for each property class will be absorbed by the remaining properties in the Class. |

OPTIONS

1. That Council approve a cash grant of \$114,301.55 for 2021 property taxes to the Island Corridor Foundation for the properties that became taxable in 2021.

That “Property Tax Exemption Bylaw (Island Corridor Foundation) 2021 No. 7331” (To provide a 10-Year Permissive Tax exemption, 2022 to 2031 inclusive) pass first reading;

That “Property Tax Exemption Bylaw (Island Corridor Foundation) 2021 No. 7331” pass second reading; and,

That “Property Tax Exemption Bylaw (Island Corridor Foundation) 2021 No. 7331” pass third reading.

- The disadvantages of this option: Remaining properties in tax class would be required to absorb the value of the permissive tax exemption in future years.
- Financial Implications: Grant exceeds annual budget for cash grants. If surplus is insufficient to fund the expenditure then funding will be required from the General Financial Stability Reserve. This may require the City to budget for repayment if the reserve falls below the minimum balance.

2. That Council denies the cash grant and “Property Tax Exemption Bylaw 2021 No. 7331” (To provide a 10-Year Permissive Tax exemption, 2022 to 2031 inclusive.)
- Legal Implication: Bylaw adoption will not meet the October 31st statutory deadline.
 - Financial Implications: No impact to the City’s Financial Plan. |

SUMMARY POINTS

- The Bylaw to approve permissive tax exemptions for the 2022 tax year must be adopted by 2021-OCT-31.

ATTACHMENTS:

Attachment A: “Property Tax Exemption Bylaw 2021 No. 7331” |

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Concurrence by:

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