

# Staff Report for Decision

DATE OF MEETING    SEPTEMBER 9, 2024

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**SUBJECT                CONSIDERATION OF NEW PERMISSIVE TAX EXEMPTION APPLICATIONS**

**OVERVIEW**

**Purpose of Report**

To present the Permissive Tax Exemption applications received for the 2025 taxation year to Council for consideration.

**Recommendation**

That Council award or deny the permissive tax exemptions for the 2025 taxation year in accordance with the table in “Attachment A” of the report titled “Consideration of New Permissive Tax Exemption Applications” dated 2024-SEP-09.

**BACKGROUND**

Pursuant to the *Community Charter* Section 224, Council may, by Bylaw, exempt land or improvements, or both, from taxation under section 197(1)(a) (Municipal property taxes).

Numerous permissive tax exemption applications have been received for the 2025 taxation year and will be contemplated in this report. These applications need to be evaluated based on the City’s current permissive tax exemption policy (ATTACHMENT B).

The deadline for applications each year is June 30, and new applications are usually contemplated in September, which allows for enough time for decisions related to these applications to be reflected in the permissive tax exemption bylaw. This year there were an unprecedented number of applications received.

The Permissive Tax Exemption Bylaw must be fully adopted and submitted to BC Assessment before the October 31 legislated deadline. There are also public notice requirements related to this bylaw, and public notice will be given in accordance with the City’s Public Notice Bylaw No. 7325.

The Permissive Tax Exemption Bylaw for the 2025 taxation year will be presented to Council at the following meetings:

<b>Event</b>	<b>Council Meeting Date</b>
Consideration of first three readings	Regular Council Meeting 2024-SEP-23
Adoption	Regular Council Meeting 2024-OCT-21

### **The City's Guidelines for Making Recommendations on Permissive Tax Exemptions:**

Council adopted a new permissive tax exemption policy with an effective date of 2024-JUL-08. The policy allows for permissive tax exemptions when the following general criteria are met:

- The applicant qualifies under the provisions of the *Community Charter*;
- The use of the property must be consistent with and in accordance with all applicable municipal policies, bylaws and legislation;
- The applicant must not be in arrears with the City;
- The applicant is a non-profit organization and/or a registered charity;
- Only that part of the property used for non-profit activities will be considered for exemption;
- The applicant must own or lease the subject property;
- The applicant offers services or programs that are compatible or complementary to those offered by the City;
- The principal use of the property meets Council's objectives;
- Services and activities should be equally available to all residents of the City, and
- Organizations that disparage others are not eligible for permissive tax exemption.

There are other eligibility criteria depending on which category the exemption falls under. Further information can be found in Attachment B. The review of applications received is outlined below.

### **DISCUSSION**

Numerous new applications for permissive tax exemptions have been received. Each application is reviewed and given consideration below on a case-by-case basis.

#### **1) ALANO CLUB OF NANAIMO SOCIETY - 201-321 WALLACE STREET (ATTACHMENT C)**

The Alano Club of Nanaimo Society is a registered charity and was formed to provide a safe, welcoming space for 12-step and other recovery-based meetings, and to remove barriers by providing educational and recreational services encouraging youth to find freedom from active addiction and to pursue their passions.

The organization offers programs that are open and available to all residents of Nanaimo, and open meeting times and locations are posted on the organization's website. There is a minimum \$3 membership fee for non-voting members, and \$20 for voting members. The services are accessible to all residents of the City, and the services are consistent with Council objectives and the provision of services and programs that are compatible and complementary to those offered by the City, while also improving quality of life for residents in Nanaimo.

The property at 321 Wallace Street (Unit 201) is leased by the Society. The registered owner has confirmed that any benefit from an exemption would be passed on to the Society.

It is staff's interpretation that the applicant and property meet the criteria for permissive tax exemption under the policy and the staff recommendation is for approval of the exemption.

**Financial Implications:**

The Alano Club of Nanaimo Society leases approximately 13% of the property at 201-321 Wallace Street. Based on the 2024 assessed value of the property, the value attributed to Unit 201 would be approximately \$224,000.

The estimated value of the requested 2025 exemption for 201-321 Wallace Street would be:

Assessed Value	\$1,724,000 x 13% = ~\$224,000
Property Class	Class 6 – Business/Other
Municipal Portion of Exemption	\$2,900
Total Value of Exemption	\$4,800

**2) ASHLAR #3 TEMPLE ASSOCIATION - 101 COMMERCIAL STREET (ATTACHMENT D)**

The goal of the organization is to create a safe environment for the members of the Ashlar Lodge to find reprieve from the turmoil of public life. The property at 101 Commercial Street is owned by the organization and used exclusively by organizations in the Masonic community to conduct a series of educational sessions and facilitate leadership and public speaking training among the members.

Membership is open to all men in the community, but there is a one time \$500 fee for joining Ashlar Lodge, and a \$200 annual fee. The website outlines that there are multiple steps that must be followed in the process to becoming a Mason. This includes having two active Freemasons pledge on your behalf at a regular meeting, the signing of a petition, having your petition read at a Lodge meeting, formally meeting the committee, and an initiation vote being held.

Although the applicant is a registered society, the activities of the organization do not meet several of the criteria outlined in the permissive tax exemption policy. A portion of the building (28.34%) is leased to a commercial entity and that portion would also not be considered for exemption.

The principal use of the property should meet Council’s objectives and the applicant must provide services or programs that are compatible or complementary to those offered by the City. The services and activities also need to be equally available to all residents of the City. The application outlines that the Lodge and Hall are for exclusive use by organizations in the Masonic community and services and activities are exclusive to members.

Based on the fact that membership requires existing members to vote on whether your membership is accepted, membership can be subjective and considered to be not equally available to all residents of the City.

It is staff’s interpretation that the applicant and property do not meet the criteria for permissive tax exemption under the policy, and therefore the staff recommendation is for denial of the exemption.

**Financial Implications:**

The estimated value of the requested 2025 exemption for 101 Commercial Street would be:

Assessed Value	\$453,000
Property Class	Class 8 - Recreational
Municipal Portion of Exemption	\$4,600
Total Value of Exemption	\$6,700

**3) BENEDICTINES OF NANAIMO - 2329 ARBOT ROAD (ATTACHMENT E)**

The Benedictines of Nanaimo is a registered society and registered charity organization with the goal of continuing the monastic lifestyle while providing support to societies and agencies with donations.

A monastery is a building comprising the domestic quarters and workplaces of mastics, monks, or nuns. The building at 2329 Arbot Road is used for residential living, as well as providing a place for regular meetings with the members of the Benedictines. The application outlines that there are 7 members, that are comprised of 2 full-time staff, 3 part-time staff, and 2 community volunteers, volunteering approximately 100 hours per year.

A review of the financial information provided outlines that the organization has over \$4.2M of cash and investments that are being held for the future retirement and care of the 7 Benedictines of Nanaimo.

Although the applicant is a registered society and registered charity, the activities of the organization do not meet several of the criteria outlined in the permissive tax exemption policy.

The principal use of the property should meet Council's objectives and the applicant must provide services or programs that are compatible or complementary to those offered by the City. The building is primarily being used for residential purposes, and in the permissive tax exemption policy, it outlines that if a residence (manse) is located on the same property as the building used for public worship, the land upon which the residence stands is not exempt and will be assessed and taxed as a residential property.

In addition, the applicant's services or programs must benefit all residents of the City. The application outlines that the projected number of people served this year will be under 7 people, which does not provide a benefit to the entire community.

It is staff's interpretation that the application does not meet the criteria for permissive tax exemption under the policy, and therefore the staff recommendation is for denial of the exemption.

**Financial Implications:**

The estimated value of the requested 2025 exemption for 2329 Arbot Road would be:

Assessed Value	\$3,141,000
Property Class	Class 1 – Residential
Municipal Portion of Exemption	\$12,200
Total Value of Exemption	\$21,900

**4) CONNECTIVE SUPPORT SOCIETY – 2630 LABIEUX ROAD (ATTACHMENT F)**

The Connective Support Society provides humane responses to the causes and consequences of crime and conflict in order to foster a safe and supported community.

The site at 2630 Labieux Road provides supportive recovery from problematic substance abuse for adult males, and has wraparound supports that are provided through the Connective Support Society. This application would fall under the Supportive Housing category of the permissive tax exemption policy. The property meets the policy criteria in that Supportive Housing services are provided on a year-round basis, the housing is subsidized to be lower than the average cost of private-market housing, and has on-site supports for people to transition out of homelessness.

It is staff’s interpretation that the applicant and property meet the criteria for permissive tax exemption under the policy and the staff recommendation is for approval of the exemption, subject to receipt of an active (not expired) funding or operating agreement where the signatory is a government agency before the bylaw is given first three readings.

The estimated value of the requested 2025 exemption for 2630 Labieux Road would be:

Assessed Value	\$991,000
Property Class	Class 1 – Residential
Municipal Portion of Exemption	\$3,900
Total Value of Exemption	\$6,800

**5) HABITAT FOR HUMANITY - 5915 METRAL DRIVE (ATTACHMENT G)**

Habitat for Humanity is a registered charitable non-profit with a mission of bringing communities together to help families build strength, stability, and independence through affordable homeownership. Recent changes to Habitat for Humanity’s model includes the building of multi-family buildings where Habitat for Humanity will retain ownership of the properties and will continue to rent or lease units to families that require non-market housing.

The property at 5915 Metral Drive was purchased by Habitat for Humanity on 2023-NOV-30 and will be developed into multi-family dwellings over the next two years. The goal is to provide non-market housing to 25 families.

This type of housing would fall into the Social Housing category of the permissive tax exemption policy, because non-market rents are charged but there are no on-site supports provided. While the property has not yet been developed into housing, Habitat for Humanity has requested that the City grant an exemption for 5915 Metral Drive until the project is complete.

The current permissive tax exemption policy does not allow for exemptions for land that is being held with the intention of being developed into non-market housing. This is because the intended use of a property or the expectation of what might be built can be different than what is actually built, and the timelines for these types of projects can sometimes be quite long. In some cases, the land may even be sold or used for another purpose.

It is staff’s interpretation that the use of the property does not meet the criteria for permissive tax exemption under the policy, and therefore the staff recommendation is for denial of the exemption.

The estimated value of the requested 2025 exemption for 5915 Metral would be:

Assessed Value	\$885,000
Property Class	Class 1 – Residential
Municipal Portion of Exemption	\$3,400
Total Value of Exemption	\$6,100

**6) HABITAT FOR HUMANITY - 6-2360 EXTENSION ROAD (ATTACHMENT H)**

This permissive tax exemption application is related to non-market housing. The property at 6-2360 Extension Road was purchased by Habitat for Humanity on 2022-SEP-22 and is currently being used as a residential property that is rented at non-market rates. This type of housing falls under the Social Housing definition in the permissive tax exemption policy, which is not eligible for exemption as there are no on-site supports provided.

However, there could still be potential for property tax relief through an assessment reduction if a housing agreement and covenant on title is registered and if BC Assessment concurs that there is evidence of long term financial and profit restrictions. City staff members have been in contact with Habitat for Humanity to explain this process and to assist with getting housing agreements in place where necessary.

It is staff’s interpretation that the use of the property does not meet the criteria for permissive tax exemption under the policy, and therefore the staff recommendation is for denial of the exemption.

The estimated value of the requested 2025 exemption for 6-2360 Extension Road would be:

Assessed Value	\$673,000
Property Class	Class 1 – Residential
Municipal Portion of Exemption	\$2,600
Total Value of Exemption	\$4,600

**7) ISLAND CRISIS CARE SOCIETY – 3-2025 BOWEN ROAD (ATTACHMENT I)**

The Island Crisis Care Society provides shelter and care for those in need, and their mission statement outlines that they will endeavour to help meet the immediate physical needs of those that come to their doors.

The Island Crisis Care Society leases 28% of the building at 3-2025 Bowen Road for their administration office. The organization is both a registered society and registered charity.

This organization has a number of properties that already exist on the permissive tax exemption bylaw, as they operate numerous locations that provide supportive housing for people in crisis with wraparound supports.

The property meets the policy criteria in that the organization is a not-for-profit, and the administration activities are a required part of the services that the organization provides. There is a benefit to the entire City that is provided by supporting people that are in crisis.

The property is leased and the lessor has provided confirmation that the benefit of the permissive tax exemption would be passed on to the Island Crisis Care Society.

It is staff's interpretation that the applicant and property meet the criteria for permissive tax exemption under the policy and the staff recommendation is for approval of the exemption.

The estimated value of the requested 2025 exemption for 3-2025 Bowen Road would be:

Assessed Value	\$2,933,000 at 28% = ~\$821,000
Property Class	Class 6 – Business/Other
Municipal Portion of Exemption	\$10,500
Total Value of Exemption	\$17,100

**8) NANAIMO INNOVATION ACADEMY FOUNDATION – 905 HECATE STREET  
 (ATTACHMENT J)**

The mandate of the organization is to provide children and families with high quality educational and daycare programming that is collaborative and creative.

The Nanaimo Innovation Academy Foundation is a registered society and is leasing space at 905 Hecate Street (100%) and 929 Hecate Street (75%), which are residential properties owned by a private corporation (a holding company). The Nanaimo Innovation Academy Foundation has signed a residential tenancy agreement for each location with the holding company. Any benefit from a permissive tax exemption would be passed on to the Nanaimo Innovation Academy Foundation, as confirmed by the holding company.

However, the financial statements for the Nanaimo Innovation Academy Foundation indicate that the holding company is owned by the Executive Director of the Nanaimo Innovation Academy Foundation. In this case, the benefit of a permissive tax exemption would directly benefit the Executive Director, who also owns the holding company.

Aside from this, the permissive tax exemption policy outlines that non-profit organizations that are conducting commercial activity and charging rates or fees at market value are considered to be in competition with for-profit business and will not be eligible for a property tax exemption.

Historically, precedent has been set that permissive tax exemptions have not been provided for daycare services, as these services can compete with business. Childcare services can also receive Provincial funding because the Province of BC has responsibility for the oversight and funding of childcare. Approving a permissive tax exemption for a daycare facility could potentially bring forward a high volume of applications from daycare centres across the City.

It is staff's interpretation that the application does not meet the criteria for permissive tax exemption under the policy, and therefore the staff recommendation is for denial of the exemption.

**Financial Implications:**

The estimated value of the requested 2025 exemption for 905 Hecate Street would be:

Assessed Value	\$585,000
Property Class	Class 1 – Residential
Municipal Portion of Exemption	\$2,300
Total Value of Exemption	\$4,000

**9) NANAIMO INNOVATION ACADEMY FOUNDATION – 929 HECATE STREET  
 (ATTACHMENT K)**

As outlined above, it is staff’s interpretation that the application for 929 Hecate Street does not meet the criteria for permissive tax exemption under the policy, and therefore the staff recommendation is for denial of the exemption.

The estimated value of the requested 2025 exemption for 929 Hecate Street would be:

Assessed Value	\$433,000 x 75% = ~\$325,000
Property Class	Class 1 – Residential
Municipal Portion of Exemption	\$1,300
Total Value of Exemption	\$2,200

**10) NANAIMO SYSTEMS PLANNING ORGANIZATION SOCIETY – 495 DUNSMUIR STREET  
 (ATTACHMENT L)**

The Nanaimo Systems Planning Organization Society is a non-profit corporation, incorporated under the Canada Corporations Act on 2023-FEB-10. The purpose of the Society is to provide research, data, analysis, education and information related to the community’s collective homelessness prevention and response priorities to enable coordinated action and advocacy by Nanaimo’s non-profit organizations, Snuneymuxw First Nation and other levels of government, the business sector and the broader community to address an end to homelessness in Nanaimo.

The City of Nanaimo was part of the creation of this organization, and supports this organization through operating grants.

The Nanaimo Systems Planning Organization Society occupies 5.37% of 495 Dunsmuir Street and the registered owner has confirmed that any benefit received from a permissive tax exemption would be passed on to the lessee.

The services provided by the organization meet the permissive tax exemption policy criteria in that the applicant provides services or programs that are compatible or complementary to those offered by the City, and the services of the organization are intended to improve the quality of life for all residents in Nanaimo. The principal use of the property aligns with Council’s objectives.

It is staff’s interpretation that the applicant and property meet the criteria for permissive tax exemption under the policy and the staff recommendation is for approval of the exemption.



**Financial Implications:**

The estimated value of the requested 2025 exemption for 5.37% of 495 Dunsmuir Street would be:

Assessed Value	\$7,215,000 x 5.37% = ~\$387,000
Property Class	Class 6 – Business/Other
Municipal Portion of Exemption	\$5,000
Total Value of Exemption	\$8,100

**11) PACIFICA HOUSING ADVISORY ASSOCIATION (PACIFICA) – 6025 UPLANDS DRIVE (ATTACHMENT M)**

Pacifica Housing Advisory Association’s principal activity is the provision of low-cost rental accommodation. The accommodations provided by Pacifica have varying levels of supportive services provided. The organization’s activities are subsidized by the British Columbia Housing Management Commission and other governmental agencies.

The organization is a registered society in BC and also a registered charity, so it meets those policy criteria for each of the properties outlined below.

Permissive tax exemptions for housing are evaluated based on the types of housing services provided, which are contemplated on a property-by-property basis.

A permissive tax exemption application has been received for 6025 Uplands Drive, but this property is already exempt as a Class 3 Supportive Housing property, so there is no permissive tax exemption application required.

No estimate of the value of the exemption has been calculated because the assessed values for land and buildings for this property have been reduced to nominal values of \$1 each, resulting in no property taxes payable.

**12) PACIFICA HOUSING ADVISORY ASSOCIATION – 940 HECATE STREET (ATTACHMENT N)**

This property provides permanent, ongoing supportive housing where the supports aren’t quite exhaustive enough to meet the very strict criteria for Class 3 Supportive Housing, but significant supports with daily care is still provided. This property is a supportive senior’s living environment for low income and moderate-mobility seniors and there are 40 units. In terms of supports provided, there is a daily meal service, daily housekeeping and towels and linen services, and a personal medical alert system. There are staff members on site to provide support services on a daily basis. From a financial perspective, this property has units that are heavily subsidized and all utilities are included in the monthly rental rates, without any additional charges for additional supports.

This property would fall into the Supportive Housing category of the permissive tax exemption policy because the property is providing support services that are heavily subsidized and would allow Seniors to either transition out of homelessness or not become homeless due to financial circumstances and the need for supportive care.

It is staff's interpretation that the applicant and property meet the criteria for permissive tax exemption under the policy and the staff recommendation is for approval of the exemption.

The estimated value of the requested 2025 exemption for 940 Hecate Street would be:

Assessed Value	\$1,138,000
Property Class	Class 1 – Residential
Municipal Portion of Exemption	\$4,400
Total Value of Exemption	\$7,800

**13) PACIFICA HOUSING ADVISORY ASSOCIATION – 6130 MCGIRR ROAD  
 (ATTACHMENT O)**

This property provides non-market housing in the form of Social Housing. Some units are rented at market rates and some units have reduced rates designed for moderate income earning families. The homes are private townhomes or two-bedroom apartments, and there are 36 units with no on-site support services provided.

The permissive tax exemption policy does not provide for exemptions for Social Housing, therefore the staff recommendation is for denial of the exemption. Based on the assessed value of the property with the number of units, staff believes that the housing agreement and covenant on title have already been taken into account on this property. Staff will confirm with BC Assessment and provide this information to Pacifica.

The estimated value of the requested 2025 exemption for 6130 McGirr Road would be:

Assessed Value	\$3,050,000
Property Class	Class 1 – Residential
Municipal Portion of Exemption	\$11,900
Total Value of Exemption	\$21,000

**14) PACIFICA HOUSING ADVISORY ASSOCIATION – 450 GARDASAN WAY  
 (ATTACHMENT P)**

This property provides non-market housing in the form of Social Housing. Units are subsidized and there are 22 units. The units consist of two, three, and four bedroom townhomes that are wheelchair accessible. There are no on-site support services provided.

The permissive tax exemption policy does not provide for exemptions for Social Housing, therefore the staff recommendation is for denial of the exemption. However, there are still mechanisms for property tax relief through an assessment reduction if a housing agreement and covenant on title is registered and if BC Assessment concurs that there is evidence of long term financial and profit restrictions.

Based on the assessed value of the property and the number of units, staff believes that the housing agreement or operating agreement has already been taken into account on this property. Staff will confirm with BC Assessment and provide this information to Pacifica.

The estimated value of the requested 2025 exemption for 450 Gardasan Way would be:

Assessed Value	\$1,831,000
Property Class	Class 1 – Residential
Municipal Portion of Exemption	\$7,100
Total Value of Exemption	\$12,600

**15) PACIFICA HOUSING ADVISORY ASSOCIATION – 309 HILLCREST AVENUE  
 (ATTACHMENT Q)**

This property provides non-market housing in the form of Social Housing. Units are subsidized and there are 37 units that consist of two, three, and four bedroom townhomes. There are no on-site support services provided.

The permissive tax exemption policy does not provide for exemptions for Social Housing, therefore the staff recommendation is for denial of the exemption.

The permissive tax exemption policy does not provide for exemptions for Social Housing, therefore the staff recommendation is for denial of the exemption. However, there are still mechanisms for property tax relief through an assessment reduction if a housing agreement and covenant on title is registered and if BC Assessment concurs that there is evidence of long term financial and profit restrictions.

Based on the assessed value of the property and the number of units, staff believes that the housing agreement or operating agreement has already been taken into account on this property. Staff will confirm with BC Assessment and provide this information to Pacifica.

The estimated value of the requested 2025 exemption for 309 Hillcrest Avenue would be:

Assessed Value	\$2,489,000
Property Class	Class 1 – Residential
Municipal Portion of Exemption	\$9,700
Total Value of Exemption	\$17,100

**16) PACIFICA HOUSING ADVISORY ASSOCIATION – 485 SIXTH STREET  
 (ATTACHMENT R)**

This property provides non-market housing in the form of Social Housing. Units are subsidized and there are 30 units consisting of two, three, and four bedroom townhomes. There are no on-site support services provided.

The permissive tax exemption policy does not provide for exemptions for Social Housing, therefore the staff recommendation is for denial of the exemption.

The permissive tax exemption policy does not provide for exemptions for Social Housing, therefore the staff recommendation is for denial of the exemption. However, there are still mechanisms for property tax relief through an assessment reduction if a housing agreement and covenant on title is registered and if BC Assessment concurs that there is evidence of long term financial and profit restrictions.

Based on the assessed value of the property and the number of units, staff believes that the housing agreement or operating agreement has already been taken into account on this property. Staff will confirm with BC Assessment and provide this information to Pacifica.

The estimated value of the requested 2025 exemption for 485 Sixth Street would be:

Assessed Value	\$2,150,000
Property Class	Class 1 – Residential
Municipal Portion of Exemption	\$8,400
Total Value of Exemption	\$14,800

### 17) RISEBRIDGE – 520 PRIDEAUX STREET (ATTACHMENT S)

Risebridge is a registered society that has a mandate to support and empower those most marginalized and vulnerable in our community, by offering low barrier resource support and tangible programs. Currently, Risebridge operates out of 520 Prideaux Street, and provides a community safe space that offers:

- Warm transfer services and assistance navigating Community Resources
- Advocacy for secure housing
- Advocacy and support for BIPOC, SOGI, 2SLGBTQIA and Self-Identified Women
- Support for Sex Trade Workers
- Assistance for Education, Employment, Health, Housing, Legal and Income Support

The organization meets the policy criteria outlined in the permissive tax exemption policy in that they provide resources that are accessible to the entire City of Nanaimo and the facility can be used by all members of the public.

The property at 520 Prideaux Street is leased by Risebridge. The registered owner has confirmed that any benefit from a permissive tax exemption would be passed on to Risebridge.

The only criteria that Risebridge does not currently meet is that they have not been able to provide current updated financial information.

It is staff's interpretation that the applicant and property meets the criteria for permissive tax exemption under the policy and the staff recommendation is for approval of the exemption, but that the approval is subject to receiving the required financial information before the permissive tax exemption bylaw receives first three readings. The information has been requested multiple times.

The estimated value of the requested 2025 exemption for 520 Prideaux Street would be:

Assessed Value	\$433,000
Property Class	Class 6 – Business/Other
Municipal Portion of Exemption	\$5,500
Total Value of Exemption	\$9,000

**18) CANADIAN RED CROSS SOCIETY – Units 4 and 5 - 2525 MCCULLOUGH ROAD  
(ATTACHMENT T)**

The Canadian Red Cross Society provides two Red Cross programs that are headquartered out of the Nanaimo facility. One program is the Nanaimo Health Equipment Loan Program (HELP), and one is Emergency Management (EM). The Nanaimo Red Cross office serves as the head office for Red Cross Emergency Management operations in Central Vancouver Island.

Previously, Units 1, 2, and 3 at 2525 McCulloch Road were occupied by Red Cross, and this has recently expanded to include Units 4 and 5 as well. The permissive tax exemption application is for Units 4 and 5, which are leased by the organization and the lessor has provided confirmation that the benefit of the exemption would be passed on to the Canadian Red Cross Society.

The Society is registered in BC and is also a registered charity, and provides services that benefit the entire Nanaimo population and are complementary to municipal services that the City provides.

It is staff’s interpretation that the applicant and property meet the criteria for permissive tax exemption under the policy and the staff recommendation is for approval of the exemption.

The estimated value of the requested 2025 exemption for Units 4 and 5 - 2525 McCulloch Road would be:

Assessed Value	\$580,000
Property Class	Class 6 – Business
Municipal Portion of Exemption	\$7,400
Total Value of Exemption	\$12,100

**19) THE VANCOUVER ISLAND EXHIBITION ASSOCIATION – 2300 BOWEN ROAD (FOLIO 05549.014) (ATTACHMENT U)**

Through the support of the City of Nanaimo, the Vancouver Island Exhibition Association (VIEA) has built a 60-bed community garden called “Beban Urban Gardens” or BUGs. The focus is to bring a resource to community individuals that do not have the ability to have their own home garden and whereby they can grow their own vegetables and food.

The Association is a registered society and services a very large portion of the City of Nanaimo with a projected 17,000 people being served this year. The operation of the community garden aligns with Council’s objectives and the services are complementary to City services.

The community garden site has a very modest assessed value at \$19,100. It is staff’s interpretation that the applicant and property meet the criteria for permissive tax exemption under the policy and the staff recommendation is for approval of the exemption.

The estimated value of the requested 2025 exemption for 2300 Bowen Road (Folio 05549.014) would be:

Assessed Value	\$19,100
Property Class	Class 8 – Recreation
Municipal Portion of Exemption	\$200
Total Value of Exemption	\$300

**20) UNITARIAN FOUNDATION OF NANAIMO – 591 TOWNSITE ROAD (ATTACHMENT V)**

The Unitarian Foundation of Nanaimo owns two properties within the City of Nanaimo, one at 595 Townsite Road and one at 591 Townsite Road. The two properties are directly adjacent to each other, and to any “passers by” it would look like one property with one Church building and a parking lot.

However, when these parcels were created they happened to be separated into two PID’s and so there are two separately titled properties. The Church is located on 595 Townsite Road, and the parking lot is located on 591 Townsite Road. The Church property at 595 Townsite Road is exempt as a Place of Worship and is already on the permissive tax exemption bylaw, but the parking lot property is not. The Church submitted an application to the Grants Advisory Committee many years ago for an exemption for the parking lot that was denied.

The new permissive tax exemption policy that was recently adopted by Council outlines that parking is considered to be part of the non-profit’s program delivery. So if there is a parking lot that is part of a building that is owned or leased and being utilized by a non-profit organization, the parking lot could also potentially qualify for a permissive tax exemption.

This change was completed based on recommendations from BC Assessment. In designing the policy, the goal was to ensure fairness and consistency in permissive tax exemptions, and so the policy either had to include all parking lots or exclude all parking lots - because there shouldn’t be instances where there are some properties that have parking lots exempted, but not others.

The change in policy means that the parking lot for the Church could be considered part of the Church’s operating activities and could be considered for exemption because Council may choose to exempt the land surrounding the exempt building through a permissive tax exemption. The property is actively being used to support Place of Worship activities, in addition to low-cost rentals for multiple non-profit organizations, and is also being utilized by the Nanaimo Family Life Association to operate the Unitarian Homeless Shelter. Given all of these circumstances, it could be logically argued that the parking lot is considered part of these operations and would otherwise be exempt if it was not separately identified as a separate parcel.

It is staff’s interpretation that the applicant and property meet the criteria for permissive tax exemption under the policy and the staff recommendation is for approval of the exemption.

The estimated value of the requested 2025 exemption for 591 Townsite would be:

Assessed Value	\$553,000
Property Class	Class 6 – Business / Other
Municipal Portion of Exemption	\$7,100
Total Value of Exemption	\$11,500

**21) VANCOUVER ISLAND SYMPHONY – 617 WENTWORTH STREET (ATTACHMENT W)**

The Vancouver Island Symphony develops and maintains a vibrant symphony orchestra for enjoyment, stimulation, and education of the public in the mid-Vancouver Island Region. The property that is leased at 617 Wentworth Street (50% of the basement space) is used for administration and operations of the Vancouver Island Symphony.

Previously, the Vancouver Island Symphony operated out of 150 Commercial Street, which is a property owned by the City of Nanaimo. The Symphony has now moved to 617 Wentworth Street so this is essentially just a location change for this organization.

The Vancouver Island Symphony remains a registered society and registered charity. The lessor of the property has provided confirmation that the benefit of the exemption would be passed on to the Vancouver Island Symphony.

It is staff’s interpretation that the applicant and property meet the criteria for permissive tax exemption under the policy and the staff recommendation is for approval of the exemption.

The estimated value of the requested 2025 exemption for 617 Wentworth Street would be:

Assessed Value	\$184,000 x 50% = \$92,000
Property Class	Class 6 – Business/Other
Municipal Portion of Exemption	\$1,200
Total Value of Exemption	\$2,100

**OPTIONS**

- 1) That Council award or deny the permissive tax exemptions for the 2025 taxation year in accordance with the table in “Attachment A” of the report titled “Consideration of New Permissive Tax Exemption Applications” dated 2024-SEP-09.

**Advantages:**

- Permissive tax exemptions will be awarded or denied based on criteria in the City of Nanaimo’s Permissive Tax Exemption Policy COU-243
- Permissive tax exemptions awarded to qualifying organizations will assist these entities with important work that is being done in the Community

**Disadvantages:**

- Approval of permissive tax exemptions in any of the Class 1 Residential category, Class 6 Business/Other category, and Class 8 Recreation facility category will require the other properties in these categories in the City of Nanaimo to have to absorb the property taxes that would have otherwise been paid

**Financial Implications:**

- A summary of the estimated financial implications has been provided for each property above |

- 2) That Council provide other direction as to approval or denial of the permissive tax exemption applications.

### **SUMMARY POINTS**

- Twenty-one (21) new applications for permissive tax exemptions have been received, and each has been evaluated based on the criteria in the City of Nanaimo's permissive tax exemption policy
- Of those applications, there are eight (8) applications that are recommended for approval, two (2) applications that are recommended for approval (but only if the required information is submitted before the exemption bylaw receives three readings), and eleven (11) applications recommended for denial

### **ATTACHMENTS:**

Please note that for applicants that have submitted applications for multiple properties, the financial statements and related supporting documents including proof of registration will only be attached once to the last application in the series of applications.

- ATTACHMENT A: Recommendation
- ATTACHMENT B: Permissive Tax Exemption (PTE) Policy COU-243
- ATTACHMENT C: PTE Application – Alano Club of Nanaimo Society  
201-321 Wallace Street
- ATTACHMENT D: PTE Application - Ashlar #3 Temple Association  
101 Commercial Street
- ATTACHMENT E: PTE Application - Benedictines of Nanaimo  
2329 Arbot Road
- ATTACHMENT F: PTE Application – Connective Support Society Nanaimo  
2630 Labieux Road
- ATTACHMENT G: PTE Application - Habitat for Humanity Mid-Vancouver Island Society  
5915 Metral Drive
- ATTACHMENT H: PTE Application - Habitat for Humanity Mid-Vancouver Island Society  
6-2360 Extension Road
- ATTACHMENT I: PTE Application – Island Crisis Care Society  
3-2025 Bowen Road
- ATTACHMENT J: PTE Application – Nanaimo Innovation Academy Foundation  
905 Hecate Street
- ATTACHMENT K: PTE Application – Nanaimo Innovation Academy Foundation  
929 Hecate Street



- ATTACHMENT L: PTE Application – Nanaimo Systems Planning Organization  
495 Dunsmuir Street
- ATTACHMENT M: PTE Application – Pacifica Housing Advisory Association  
6025 Uplands Drive
- ATTACHMENT N: PTE Application – Pacifica Housing Advisory Association  
940 Hecate Street
- ATTACHMENT O: PTE Application – Pacifica Housing Advisory Association  
6130 McGirr Road
- ATTACHMENT P: PTE Application – Pacifica Housing Advisory Association  
450 Gardasan Way
- ATTACHMENT Q: PTE Application – Pacifica Housing Advisory Association  
309 Hillcrest Avenue
- ATTACHMENT R: PTE Application – Pacifica Housing Advisory Association  
485 Sixth Street
- ATTACHMENT S: PTE Application – Risebridge  
520 Prideaux Street
- ATTACHMENT T: PTE Application – The Canadian Red Cross Society  
Unit 4 and 5, 2525 McCullough Road
- ATTACHMENT U: PTE Application – The Vancouver Island Exhibition Association  
2300 Bowen Road (Folio 05549.014)
- ATTACHMENT V: PTE Application – Unitarian Foundation of Nanaimo  
591 Townsite Road
- ATTACHMENT W: PTE Application – Vancouver Island Symphony  
617 Wentworth Street

**Submitted by:**

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**Concurrence by:**

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