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|---------------------------|-------------|
| Item.....                 | 9           |
| Director's Report No..... | 6           |
| Meeting .....             | 2017 Jun 12 |

## COMMISSION REPORT

**TO:** CHAIR AND MEMBERS  
PARKS, RECREATION & CULTURE COMMISSION

**FROM:** DIRECTOR PARKS, RECREATION & CULTURAL SERVICES  
**FILE:** 07820-02

**SUBJECT:** PERMISSIVE EXEMPTIONS FROM TAXATION - 2018

**PURPOSE:** To request Commission approve permissive tax exemptions to the organizations identified in this report.

### RECOMMENDATION:

1. **THAT** approval be given for permissive tax exemptions to the organizations identified in this report, and that these are included in the Burnaby Tax Exemption Bylaw - 2018 to be presented to City Council for approval.

### REPORT

Each year the Director of Finance prepares a Tax Exemption Bylaw which includes properties that warrant exemption from taxation. The properties listed below are owned or occupied by community associations which facilitate athletic and/or recreational services to the public, and as such, are initially reviewed by Parks, Recreation & Cultural Services staff and forwarded to the Commission for approval.

#### SUBJECT PROPERTIES

#### PROPERTY IDENTIFIER - PID

- |  |                |
|--|----------------|
| 1. B.C. Volleyball<br>Harry Jerome Sports Centre<br>7564 Barnet Road | 0690-7564-0000 |
| 2. Boys and Girls Clubs of South Coast BC<br>518 Howard Avenue       | 6185-0518-0000 |
| 3. Burnaby Horsemen's Association<br>9080 Avalon Avenue              | 3128-9080-0000 |

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**SUBJECT PROPERTIES**

**PROPERTY IDENTIFIER – PID**

|    |   |                |
|----|---|----------------|
| 4. | Burnaby Winter Club<br>4990 Canada Way<br>(Apportionment) | 1770-4990-0000 |
| 5. | Burnaby Tennis Club<br>3890 Kensington Avenue             | 6545-3890-0000 |
| 6. | Lotus Club<br>8059 Texaco Drive<br>(Apportionment)        | 0294-8059-0002 |

**ASSESSMENT FOR EXEMPTION**

Part 7, Division 7 of the *Community Charter* provides municipalities with authority to exempt certain lands and/or improvements from municipal property taxation.

Section 224 provides the general authority for permissive exemptions. Under this section, Council may offer exemptions to a wide range of properties including:

- property owned by a not-for-profit corporation;
- property owned by a local authority; and
- property owned by a public authority and occupied by another authority or not-for-profit.

The authority to grant permissive exemptions is a policy tool available to municipalities to promote or achieve specific goals. The City of Burnaby has utilized this policy tool to extend permissive exemptions to recreation and athletic clubs that encourage the clubs to make available their facilities to the general public and to meet other specific guidelines.

Guidelines for permissive tax exemptions from taxation (Attachment #1) were adopted by Council 1986 June 23.

Staff conducts an annual review of each organization, based on the approved criteria outlined in said guidelines, and a supplementary questionnaire which requests more detailed information regarding membership, services and usage. The results of the review are summarized in Attachment #2, and include definitions of “users”, “members”, and “participant visits”.

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Comparative residency and use percentages are not easily defined, due to variations in program and membership structures. Use profiles and types of service vary within each organization, and range from drop in programs, allotments, special events, and lessons to specialized courses attracting more regional participation. Groups are subsequently advised where services may be seen to border on recommended standards.

## **CONCLUSION**

It is recommended that the Commission approve the tax exemptions for the organizations identified for the year 2018, and that a copy of this report be forwarded to the Director of Finance for inclusion in Council's annual Bylaw process.



Dave Ellenwood  
DIRECTOR PARKS, RECREATION & CULTURAL SERVICES

DP:tc

### **Attachments (2)**

p:\admin\tc\data\wp\dp\reports\2018 permissive tax exemptions

Copied to: Director Finance

## **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 City 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 City 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 City Policies, Plans, Bylaws, Codes and Regulations**

**Before an exemption is considered, the use must be consistent with and in support of all applicable City legislation.**

The intent of this guideline is to ensure that organizations receiving City support (permissive exemption) reflect the goals, policies and general operating principles of the City. For example, it would be inappropriate for the City 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 City 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.

**C. Complementary Extensions to City 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 City would consider providing given adequate resources.

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

Given the diverse nature of the services, the input of appropriate City 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 would be available to the public from the organization receiving City support.

**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 City 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.

## YEAR 2018 PERMISSIVE TAX EXEMPTIONS RECREATION GROUPS PROFILE

### Definitions

**Users:** Number of individuals - members and non-members - estimated to be using services in the facility.

**Members:** Number of users identified as members of the organization operating the facility.

### *Participant*

**Visits or Hours:** Calculation of the number of times, that users participate annually, or during service operation.

| SUBJECT PROPERTIES   | MEMBERSHIP, USE & PARTICIPATION PROFILE  | TAX ESTIMATE ON EXEMPTION |
|--|--|---------------------------|
| <b>Volleyball BC<br/>- Harry Jerome<br/>Sports Centre</b>  | <ul style="list-style-type: none"> <li>• 58,967 Annual participants (61% estimated Burnaby residents).</li> <li>• 23,035 unique participants (57% estimated Burnaby residents).</li> <li>• Membership is not required for many services.</li> <li>• 621 unique Burnaby VBC members (2,534 provincially).</li> <li>• Volleyball leagues, programs, clinics, tournaments.</li> <li>• Allotments: Burnaby Velodrome Club/Youth Club<br/>Volleyball/schools/youth soccer/individual and group court rentals, drop-ins.</li> <li>• Serves Children, Youth, Adults, Seniors - (both genders).</li> </ul> | \$181,308.56              |
| <b>Boys and Girls Clubs<br/>of South Coast BC<br/>- Howard Avenue</b>                                      | <ul style="list-style-type: none"> <li>• 521 users (Over 90% are Burnaby residents).</li> <li>• 62,135 participant/volunteer hours (52 weeks service).</li> <li>• Membership (negotiable \$100 annual membership fee for 6-12 year olds; youth membership for 13-18 year olds is \$10; never deny access due to inability to pay).</li> <li>• Child, Youth, Adult programs/Odyssey substance misuse.</li> <li>• Allotments: Church groups/birthday parties/sports groups, etc.</li> <li>• Serves Children, Youth, Adults - (both genders).</li> </ul>  | \$ 34,898.40              |
| <b>Burnaby Horsemen's<br/>Association<br/>- Avalon Avenue<br/>* Blended rate -<br/>business/recreation</b> | <ul style="list-style-type: none"> <li>• 220 members - 46% Burnaby residents.</li> <li>• 59 members board horses (78% Burnaby residents).</li> <li>• 49,559 annual participant visits -54% Burnaby residents.</li> <li>• Membership required for many services. Burnaby priority for boarding and lesson program price.</li> <li>• 61 Associate Members (66% Burnaby residents).</li> <li>• Public lessons, horse boarding, riding clinics, shows and open houses, barn tours, community outreach.</li> </ul>  | \$ 46,025.25              |

| SUBJECT<br>PROPERTIES  | MEMBERSHIP, USE & PARTICIPATION PROFILE   | TAX ESTIMATE<br>ON<br>EXEMPTION |
|--|---|---------------------------------|
| <b>Burnaby Winter Club</b><br><b>- Main Building Portion only</b> , excludes new arena portion, plus 25% of parking area | <ul style="list-style-type: none"> <li>• 294 Active Members (46% Hockey Program – school age).</li> <li>• 37,950 annual participant visits to <u>main rink</u> (55% estimated Burnaby residents).</li> <li>• 36 Sustaining Members (24 with Burnaby residence i.e. 66.7%).</li> <li>• 15 Honorary Life Members (11 with Burnaby residence i.e. 73.3%).</li> <li>• Approximately 294 children play hockey (46% children Burnaby residents).</li> <li>• 172 Rascals, Preschool/Hockey 3-6 program (approx. 63% Burnaby residents).</li> <li>• 20 Social Members (100% Burnaby residents).</li> <li>• Membership priority for some services, most programs open to non-member, social membership.</li> <li>• Hockey - drop-in, Skill Development groups, Goalie School, Hockey Academy, Allotments.</li> <li>• 64 Burnaby Figure Skating Non-Members (34% from Burnaby).</li> <li>• All programs serve Children, Youth, Adult, Senior – (both genders).</li> </ul> | \$ 36,603.31                    |
| <b>Burnaby Tennis Club</b><br><br>* Blended rate - business/recreation   | <ul style="list-style-type: none"> <li>• 304 members (50% Burnaby residents).</li> <li>• Free initiation for Burnaby residents.</li> <li>• 52% of the regular users are from Burnaby.</li> <li>• 12,011 hours (52% Burnaby residents) (Indoor Bubble: Oct.-Apr.; Outdoor Season: May-Sept.).</li> <li>• Membership not required for some services.</li> <li>• Club is a feeder system with Parks and Recreation lessons. It works collaboratively to provide this service.</li> <li>• Lessons as well as court time to play are all accessible to the general public and a membership is not necessary to access these services.</li> <li>• Funding sources are membership dues, court usage fees and tournament income.</li> </ul>   | \$ 2,455.36                     |



| SUBJECT<br>PROPERTIES  | MEMBERSHIP, USE & PARTICIPATION PROFILE   | TAX ESTIMATE<br>ON<br>EXEMPTION                        |
|--|---|--|
| <b>Lotus Sports Club</b><br><b>Outrigger/Dragon Boat</b><br><b>&amp; Voyageur Paddling</b><br><b>Club</b><br><b>- Barnet</b><br><b>Texaco building 1/3</b><br><b>portion</b> | <ul style="list-style-type: none"> <li>• 112 members (70% Burnaby residents).</li> <li>• 45 drop-ins (84% Burnaby residents).</li> <li>• 1,023 users (67% estimated Burnaby residents).</li> <li>• 16,780 participant visits (26 weeks - high season;<br/>26 weeks - low season).</li> <li>• Membership or drop-in option for most services.</li> <li>• Age 14+ dragon boat programs, school programs, boating<br/>clinics, outrigger canoe programs and races; stand up paddle<br/>boarding, shoreline, club and park cleanups.</li> <li>• 15 members (13 from SFU, 2 from BCIT) in SFU Paddling<br/>Program.</li> </ul> | <p style="text-align: center;">\$ 10,761.88</p>        |
|  | <b>Tax Estimate on Exemption Total</b>  | <p style="text-align: center;"><b>\$312,052.76</b></p> |