



City of Prince Albert

RPT 2024-236

TITLE: Request for Tax Relief – SPCA, Masonic Temple Corporation and Catholic Family Services Inc.

DATE: July 24, 2024

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATIONS:

1. That an abatement to Catholic Family Services of Prince Albert Inc. for the 2024 tax portion attributed to the Prince Albert Roman Catholic Separate School Division No. 6, for the property at 1008 – 1 Avenue West, in the amount of \$3,100.72, be approved, conditional upon approval by the School Board;
2. That an abatement to Prince Albert Society for the Prevention of Cruelty to Animals for the property located at 1125 North Industrial Drive, in the amount of \$6,191.71, be approved; and,
3. That an abatement to Masonic Temple Corporation for the property located at 292 – 15 Avenue East, in the amount of \$830.53, be approved.

EXECUTIVE SUMMARY:

As per the City's Policy No. 51 relating to Tax Relief, the following properties meet the criteria for tax relief and the properties have historically been granted tax relief:

- Prince Albert Society for the Prevention of Cruelty to Animals
- Masonic Temple Corporation
- Catholic Family Services of Prince Albert Inc. relating to school portion.

Administration is recommending that the above properties be granted tax relief by Council as per the City's Policy that only Council has the authority to approve tax relief. The financial implications to the City is the amount of \$7,022.24 to be funded from the approved 2024 Budget.

BACKGROUND:

In 2011, Council endorsed where an applicant receive tax abatement in an amount that results in the taxes paid equaling two (2) times that of the residential tax rate. Using the method of two (2) times the residential rate is still giving a fair tax relief to the commercially assessed applicant, but still keeping them above a residential rate.

PROPOSED APPROACH AND RATIONALE:

This report is requesting that approval be given for the tax abatement for the three mentioned properties in the report for a total of \$10,122.96 as follows:

2024 Tax Relief	Municipal	School Boards	Total Abatement
Catholic Family Services		\$3,100.72	\$3,100.72
SPCA	\$6,191.71		\$6,191.71
Masonic Temple Corp.	\$830.53		\$830.53
TOTAL:	\$7,022.24	\$3,100.72	\$10,122.96

Catholic Family Services

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 nine years.

The report is recommending that an abatement to Catholic Family Services of Prince Albert Inc. for the 2024 taxes attributable to the Prince Albert Roman Catholic Separate School Division No. 6, for the property located at 1008 – 1st Avenue W, in the amount of \$3,100.72, be approved, conditional upon approval by the School Board.

The rationale for the abatement of the school board taxes to the Prince Albert Roman Catholic School Division No. 6 is that the School Division provides funding to Catholic Family Services of Prince Albert for its programming.

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

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 for the Shelter building and related land only.

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.

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 the taxes to a level which represents twice what the taxes would be if the property were taxed residentially.

The report is recommending that an abatement to SPCA for the property located at 1125 North Industrial Drive, in the amount of \$6,191.71, be approved.

2024 Taxes	Taxes at 2x Residential	Abatement Total (Municipal Only)
\$23,814.37	\$17,622.66	\$6,191.71

Prince Albert Masonic Temple Corporation

The Masonic Temple is a registered non-profit corporation, founded to manage the facility which provides shared meeting facilities for a number of organizations that offer direct charitable and benevolent support to many members of the community.

Tax abatement for the Masonic Temple was first introduced in 1997. Also in 1997, market values were introduced and with it came dramatic increases to residential assessments but only modest increases to commercial assessments. The Council of the day introduced mill rate factors necessary to re-balance what otherwise would have been significant tax shifts between residential and non-residential property groups. There were however individual properties that still had significant tax changes that year. The Masonic Temple was one of those properties.

This tiered organization, through its member organizations, financially supports:

1. Youth education through scholarships.
2. Health research in areas of cancer research, auditory research.
3. The maintenance and equipping of medical facilities specializing in treating individuals that are physically handicapped or crippled and severely burned children.
4. They also supply financial support for transporting patients as well as actual automobile transportation for Prince Albert cancer patients to get to Saskatoon Hospitals.

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 taxes residentially.

This report is recommending that an abatement to Masonic Temple Corporation for the property located at 292 15th Avenue E, in the amount of \$830.53 be approved.

2024 Taxes	Taxes at 2x Residential	Abatement Total (Municipal Only)
\$6,475.18	\$5,644.65	\$830.53

City's Policy No. 51 - Policy & Procedure for Applications for Tax Relief

The City's Policy No. 51 states as follows:

"7.07 At a minimum any applicant seeking an exemption would be required to:

- 1. Be registered as a non-profit corporation or acceptable equivalent.*
- 2. Have objectives of enhancing the health, safety, or welfare of the citizens of Prince Albert. A linkage to the provision of support to youth, the physically or emotionally challenged or other groups identified as deserving by council must be clear in the documentation.*
- 3. Be applying for tax relief for a property that is owned, occupied and utilized by the applying organization for the purpose of meeting the objectives of the organization or the applicant meets all other criteria and occupies property owned by an organization normally exempt under the legislation."*

As per the City's Policy regarding Applications for Tax Relief, the properties listed in this Report meet the criteria as outlined above for tax relief and the properties recommended have historically been granted tax relief.

CONSULTATIONS:

The listed abatements are reviewed by the Finance Manager and Senior Accounting Manager to determine that treatment is consistent with past practices and the organization meets the minimum requirements.

This initial review is conducted to ensure the requirements have been met prior to Council's approval. This process streamlines the approval process and reduces the number of reports to Council.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

Financial Services will notify all parties on the amount of tax relief once approved.

BUDGET/FINANCIAL IMPLICATIONS:

The financial implications to the City is \$7,022.24. The total amount of the proposed abatement is \$10,122.96. Of this total, \$7,022.24 makes up the municipal portion and the remaining \$3,100.72 relates to the Separate School Board share.

The municipal portion of the abatements in the total amount of \$7,022.24 can be accommodated through the tax refund and abatement account that has been budgeted for in 2024.

2024 Tax Relief	Municipal	School Boards	Total Abatement
Catholic Family Services		\$3,100.72	\$3,100.72
SPCA	\$6,191.71		\$6,191.71
Masonic Temple Corp.	\$830.53		\$830.53
TOTAL:	\$7,022.24	\$3,100.72	\$10,122.96

The 2024 Budget approved the amount of \$100,000 for tax abatements. With the above approval for abatements, there will be an approximate remaining budget of \$51,570.

OTHER CONSIDERATIONS/IMPLICATIONS:

The Catholic Family Services, SPCA and Masonic Temple meet the criteria for tax relief as outlined within the City's Policy No. 51 for Applications for Tax Relief, however, only Council has the approval to authorize the abatement, as outlined in Section 4.01 and 4.02 of the Policy.

4.01 Council is responsible for making the final decision regarding the abatement or exemption of taxes under the authority of Sections 244, 262, and 263 of The Cities Act.

4.02 The Cities Act (Section 101(1)(h)) authorizes Council to provide tax relief in certain instances, and this is an authority that Council can't delegate to administration; all requests for tax relief must be forwarded to Council for its decision.

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 previous year processes.

2. Approve abatements for some, but not all, of the properties listed.

This option is not being recommended as all properties listed have historically been granted tax relief.

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.

STRATEGIC PLAN:

The City's Strategic Plan Priority "Building a Robust Economy" includes the priority of creating an equitable taxation structure that promotes community growth.

PUBLIC NOTICE:

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

Written by: Milan Walters, Chief Clerk

Approved by: Finance Manager, Senior Accounting Manager, Director of Financial Services & City Manager