



City of Prince Albert

RPT 2024-282

TITLE: Daycare at St. John Community School Request for Abatement and Tax Exemption Agreement

DATE: September 10, 2024

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATION:

1. That the municipal property tax abatement for the daycare located in St. John Community School at 1453 7th Street East in the amount of \$8,016.89, be approved for Year 2024;
2. That the education property tax abatement portion for the daycare located in St. John Community School be based on approval from the Prince Albert Catholic Separate School Division;
3. That a Tax Exemption Agreement be approved with Prince Albert Child Care Co-operative Association for the daycare located in St. John Community School at 1453 7th Street East for a four (4) year agreement from January 1, 2025 to December 31, 2028; and,
4. That the Mayor and City Clerk be authorized to execute the Four (4) Year Tax Exemption Agreement with Prince Albert Child Care Co-operative Association for the daycare located in St. John Community School on behalf of the City.

EXECUTIVE SUMMARY:

The Prince Albert Catholic School Division has forwarded correspondence requesting tax relief under the City's Policy No. 51 for 2024 and a tax exemption agreement for future years regarding the Prince Albert Child Care Co-operative Association daycare located in the St. John Community School.

All of the proper documentation was submitted, and based on Financial Services review of that information, an abatement for 2024 can be approved along with a four (4) Year Tax Exemption Agreement.

BACKGROUND:

At its meeting of January 22, 2024, City Council passed the following resolution:

1. *That a Tax Exemption Agreement between The City and the following five (5) daycare properties for a five (5) year term from January 1, 2024 to December 31, 2028, be approved:*
 - a. *139 – 8th Street East – Family Futures Inc.;*
 - b. *196 – 9th Street East – Family Futures Inc.;*
 - c. *199 – 6th Street East – Prince Albert Child Care Co-operative Association;*
 - d. *2805 – 1st Avenue West – South Hill Child Care Co-operative Association Limited; and,*
 - e. *202 – 10th Street East – Prince Albert Aboriginal Head Start Program;*

A Tax Exemption Agreement was executed with all five daycares for the term of January 1, 2024 to December 31, 2028.

PROPOSED APPROACH AND RATIONALE:

This report is recommending approval for an abatement for the Prince Albert Child Care Co-operative Association daycare located in the St. John Community School at 1453 7th Street East for Year 2024; and approval for a tax exemption agreement for four (4) years.

St. John Community School has undertaken renovations to establish a space for the provision of daycare services. Subsequent to completion of the renovation, the Prince Albert Catholic School Division entered into an agreement with Prince Albert Child Care Co-operative to rent the space for \$1.00 to operate a daycare within St. John Community School located at 1453 7th Street East.

City Council has approved a five year Tax Exemption Agreement with Prince Albert Child Care Co-operative Association for the daycare located at 199 – 6th Street East. This is another daycare location for Prince Albert Child Care Co-operative Association.

The reason for a four (4) Tax Exemption Agreement is for the Agreement to conclude at the same time as the other five daycare agreements approved by City Council in January of 2024.

Prince Albert Child Care Co-operative Association

The Prince Albert Child Care Co-operative Association is a non-profit organization that provides early learning and child care services to families in Prince Albert. They are governed by eight Prince Albert residents who volunteer their time to ensure the smooth operation. The organization provides early learning and child care services to families in Prince Albert. The

organization provides childcare services to infants up to school aged children. The Association is a 113 space Licensed Child Care organization operating in 3 locations (main building and 2 schools). The organization has been incorporated since 1974. The organization relies on funding from the Government of Saskatchewan through the Early Childhood Services and Parent Fee Reduction grants.

The Prince Albert Child Care Co-operative Association is a community-based organization with a focus on high-quality Early Learning programs and services.

The main Child Care Centre is located at 199 6th Street East.

The daycare located at St. John Community School at 1453 7th Street East greatly benefits the northeast portion of the City. Even prior to opening the daycare, spaces filled up very quickly, which supports the need for this daycare operating. Approval of the tax relief will have a significant impact on the ability of the Prince Albert Child Care Co-operative Association to operate the daycare in the community school.

The Tax Exemption Agreement will be with Prince Albert Child Care Co-operative Association who operate a number of daycares in Prince Albert and also directly contributes to the well-being of young children in the City.

The Prince Albert Child Care Co-operative was approved for a five year tax exemption for the day care located at 199 6th Street East. This report is requesting tax relief for the new daycare located in the St. John Community School.

As per the City's Policy & Procedure for Applications for Tax Relief, Applications for tax relief under the Policy with all supporting documentation must be **made prior to October 15, 2024.**

City Council has the authority to exempt property as per legislation. City Council also has the authority to enter into an agreement for purpose of exempting the property from taxation for not more than five (5) years.

The daycare is a non-profit organization and has submitted the proper documentation to meet the criteria included in the City's Policy.

CONSULTATIONS:

Finance Administration has reviewed the submitted application in detail and completed a Tax Relief Application Check List to ensure the Daycare met the criteria under Policy 51.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

Once Council provides approval regarding the request of the St. John Community School daycare property, Finance will provide correspondence for the approval request of the school tax portion. After the approval is received, Administration will proceed with execution of the Tax Exemption Agreement.

POLICY IMPLICATIONS:

The Cities Act, subsection 262(3) and 262(4).

City Council has the authority to exempt property as per the following legislation.

262(3) A council may exempt any property from taxation in whole or in part with respect to a financial year.

(4) Subject to section 263, a council may:

(a) enter into an agreement with the owner or occupant of any property for the purpose of exempting that property from taxation, in whole or in part, for not more than five years; and

(b) in an agreement entered into pursuant to clause (a), impose any terms and conditions that the council may specify.

(4.1) If a council exempts property from taxation pursuant to subsection (3) or (4), the assessment for that property must appear on the assessment roll in each year of the exemption.

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

Application Criteria

As per the City's Policy & Procedure for Applications for Tax Relief Policy, 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.*

The City's Policy states the following below information is to be included in the application for tax relief:

Corporate Status

The applicant must provide Proof of non-profit corporate status or an acceptable equivalent status.

Financial Statements

The applicant must provide the most current audited or reviewed financial statement.

Budget

The applicant must provide the most recent budget for the organization.

Approvals, Licenses & Certificates

The applicant must provide copies of any document provided by a level of government that authorizes the operations of the applicant.

General Information

The applicant must provide a summary of the organization including:

1. How the organization is governed (i.e. Board structure and composition, as well as the use of employees and volunteers).
2. The objectives of the organization.
3. Relevant statistics illustrating the benefits to the community as a result of the activities of the organization with emphasis on groups benefiting directly or indirectly.
4. "Tiered" benevolent organizations should provide data on how all levels of their organization inter-relate and contribute to the objectives of the organization.
5. Where appropriate, provide a breakdown of salaries and benefits between administrative, professional and operational/client staff.
6. Relative statistics including a description of client catchment area and demographics of the current client base.
7. A summary of the restrictions on who may avail themselves of the use of the services of the organization.

The daycare is a non-profit organization and has submitted the proper documentation to meet the criteria included in the City's Policy.

BUDGET/FINANCIAL IMPLICATIONS:

The total 2024 tax levy amount for the St. John Community School is \$9,968.29. That amount includes the general municipal levy, library levy, school levy along with all special and base taxes.

The municipal portion of that amount is \$8,016.89 and the school portion is \$1,951.40.

As per the attached Tax Exemption Agreement, the respective daycare property will have the municipal taxes and levies be exempt, excluding local improvement levies, to the following extent:

- a. A full exemption provided that the Ministry of Saskatchewan and as required, the affected school divisions, provide consent pursuant to Section 263(3) of The Cities Act; or,
- b. Where consent is not provided per Section 263(2), a partial exemption to the extent that each affected taxpayer shall pay taxes equivalent to the City's financial obligation to pay non-consenting affected taxing authorities pursuant to Section 263(2) of The Cities Act.

The Agreement does not exempt any local improvements charged against the property, any Business Improvement District levies charged against the property or any service charges.

The approved budget amount for tax abatements is \$100,000, as such, there is budget to approve the 2024 abatement of \$8,016.89. There is currently \$40,000 unspent year to date.

OTHER CONSIDERATIONS/IMPLICATIONS:

There are no privacy implications or official community plan implications at this time.

OPTIONS TO RECOMMENDATION:

Council may choose to deny approval of the 2024 Abatement and Four Year Tax Exemption with Prince Albert Child Care Co-operative Association for the daycare locate in the St. John Community School. That is not being recommended as the daycare meets the criteria of the City's Policy regarding Tax Relief. This daycare is a non-profit organization that benefits the community and have objectives of enhancing the health, safety, or welfare of the citizens of Prince Albert. The daycare provides a linkage to the provision of supporting youth, the physically or emotionally challenged or other groups.

STRATEGIC PLAN:

The Tax Exemption Agreement for the daycare recognizes the strategic goal of Promoting a Progressive Community. Recognizing the unique needs of the City's various social sectors. These exemptions allows the organizations to continue to provide safe, quality care and assistance to our community.

PUBLIC NOTICE:

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

ATTACHMENTS:

1. Correspondence from Prince Albert Catholic School Division requesting tax relief for St. John Community School located at 1453 7th Street East
2. Tax Exemption Agreement – Prince Albert Child Care Co-operative Association – 1453 7th Street East

Written by: Melodie Boulet, Finance Manager

Approved by: Director of Financial Services and City Manager