
City of Kelowna

MEMORANDUM

DATE: October 12, 2004
FILE: 1970-50
TO: City Manager
FROM: Director of Financial Services
RE: **2005 TAX EXEMPTION BY-LAW NO. 9314**

Report prepared by the Revenue Supervisor

RECOMMENDATION:

THAT a bylaw under sections 220, 224 and 225 of the Community Charter to provide exemption from taxation for the year 2005, include the following property changes in addition to those set out in Schedules A through D of the 2004 Tax Exemption By-law No. 9104:

Schedule A:

1. *Add* Roll No. 10937.308, Lot 1, Plan KAP72953, (4091 Lakeshore Rd) – Lutheran Church-Canada The Alberta-British Columbia District.
2. *Delete* Roll No. 73535, Lot 8, Sec. 20, Twp. 26 Plan 32159 (1575 Bernard Avenue) – First Lutheran Church of Kelowna.

Schedule B:

1. *Add* Roll No. 10937.308, Lot 1, Plan KAP72953, (4091 Lakeshore Rd) – Lutheran Church-Canada The Alberta-British Columbia District. School.

Schedule C:

1. *Change* Roll No. 77062, Lot 1, Plan 42511, (1304 Ellis Street), City of Kelowna - Museum leased to Kelowna Centennial Museum Association and sub-lease holders.
Non-Exempt areas - Delete Julie Cosgrave and Event Publications
- Add Accuzone Systems Corp. and Maverick Real Estate Corp.

Schedule D:

1. *Add* Roll No. 5763.000, Lot 4, Plan 5494, (140 Dougall Rd N) – Rutland Auxiliary Gift Shop, (Kelowna General Hospital Foundation).
2. *Add* Roll No. 16620, Lot 8, Plan 1303, (1265 Ellis Street) – The Kelowna Community Food Bank Society.
3. *Add* Roll No. 37220, Lot 4, Plan 4921, (1098 Richter Street) – The Badminton Club.

4. *Add/Change Roll* No. 16670, Lot 16, Plan 1303, (1272 St Paul Street) – Kelowna Yoga House Society. Add second studio. Class 06 land and improvement formerly a non-exempt rental house is now a 2nd yoga studio.
5. *Delete Roll* No. 78779, Lot A, Plan KAS52605, (1720 Ethel Street) – New Opportunities for Women (NOW) Canada Society.
6. *Add Roll* No. 7270, Lot 4, Plan 635, (628 630 Cadder Ave.) – Okanagan Families Society.
7. *Add Roll* No. 6370.273, Lot 19, Plan 23749, (1330 1332 Sylvania Cres.) – KI-LOW-NA Friendship Society.
8. *Delete Roll* 5475.126, Lot 2, Plan 18642 (140-146 Gray Road) formerly Mental Health Association.

BACKGROUND:

A description of the four categories organizing the annual tax exemptions is included at the front of the property schedules.

Schedule A

Roll No. 10937.308, at 4901 Lakeshore Road, Lutheran Church of Canada. This is a new location and building for the Lutheran Church. The Church operated in 2003.

Roll 73535, 1575 Bernard Avenue, First Lutheran Church old site. Agreement for sale to a private business effective December 31/04.

Schedule B

Roll No. 10937.308, at 4901 Lakeshore Road, Lutheran Church of Canada – School and playground. School operating effective fall 2004. All exempt except for 6.75 acres, (RM3 5.35 acres & RM5 1.40 acres), that have been developed for sale.

Schedule C

Roll No. 77062 at 1304 Ellis Street, City of Kelowna portion leased to Kelowna Centennial Museum Association and sub-lease holders. The Kiwanis Music Festival tenants and Viva Musica have moved freeing up more space in the exempted portions of the building. In the non-exempt area – deleting Julie Cosgrave and Event Publications and adding Accuzone Systems Corp. and Maverick Real Estate Corp. Total non-exempt 1974.23 sq. ft.

Schedule D

Roll No. 5763.000, at 140 Dougall Road N, Rutland Auxiliary Thrift Shop (Kelowna Hospital Foundation). A letter from the Hospital Foundation was received in December 2003 explaining their plan to relocate the shop in 2004 and requesting that Council consider funding the municipal portion of the 2004 taxes. Council granted this request at the January 12, 2004 meeting. The volunteers of this organization raise funds for health care and the community can purchase clothing and other goods at reasonable prices.

Roll No. 16620, at 1265 Ellis Street, The Kelowna Community Food Bank Society. This is a new location purchased by the food bank. The 2004 municipal taxes were reimbursed through council contingency.

Roll No. 37220, at 1098 Richter Street, The Badminton Club leases this property from the City of Kelowna. While this City owned property has been previously exempt, it is appropriate to exempt it through the permissive exemption bylaw.

Roll No. 16670, at 1272 St. Paul Street, owned by the Kelowna Yoga House Society. In 2004 Council approved a permissive exemption for the yoga studio while leaving the rental home on the property as taxable. In 2004 the rental home was remodeled to accommodate a 2nd yoga studio.

Roll No. 78779, at 1720 Ethel Street, owned by New Opportunities for Women (NOW). The property taxes for this home are funded by the province.

Roll No. 7270, at 628-630 Cadder Avenue, Okanagan Families Society. This group home is a 4 bed facility for youth who are experiencing a high degree of social, emotional and mental health disorders. The home opened in January 2003.

Roll No. 6370.273, at 1330-1332 Sylvania Crescent, owned by the KI-LOW-NA Friendship Society. This is a duplex that houses families on one side and youth on the other. Clients can stay up to 5 days for emergency and 0 – 6 months for pre-arranged stay. There is a waiting list of 35-40 people every month. Grand opening was March 2003

Roll No. 5475.126, at 140-146 Gray Road, now owned by a private company, Bask Developments. This building was the thrift shop for the Canadian Mental Health Association. They have not relocated this shop.

Schedule E

Schedule 'E' summarizes the municipal taxation impact associated with exempting properties included under each schedule of Bylaw No. 9314 for the years 2005, 2006 and 2007.

There are 2 tax exemption applications that are not being recommended for exemption:

Roll No. 9524.002, Lot PT3, Plan 11796 (4880 Old Vernon Road). The application submitted by the Kelowna & District Flying Club is for the leased land/building at the Kelowna Airport. A similar application was denied by Council in 1999. The club uses the facility for; meetings; rest stop for transient aviators; CASARA meetings; young eagles program. The club utilizes 675 square feet of the building and current taxes are under \$500 per year. The lease states that the taxes are to be paid by the lessee.

Roll No. 5080, Lot 5&6, Plan 462 (1561 Water Street). The application submitted by the Oasis of Love Miracle Centre is for the leased land/building (the old cinemas across from the Keg) owned by Victor Projects Ltd. The Oasis of Love contact is unaware of any potential benefit that will accrue to their organization if the application is approved. Victor Projects did not provide an outline of the benefit that would be passed on to the tenant. The property owner has been advised that any future applications must detail the potential benefits to the lessee.

The foregoing changes for 2005 property tax exemption are placed before Council for consideration.

Approved:

Genelle Davidson

Paul Macklem

Attach.

c.c. BC Assessment

TAX EXEMPTION BYLAW SCHEDULES BACKGROUND

SCHEDULE 'A'

Includes land and improvements associated with the following:

1. Churches exempted under Section 220 (1) (h) of the Community Charter. In all cases, ownership of the property is registered in the name of the church or in the name of a trustee or trustees of the church and includes all land and buildings considered necessary to operate it. The exemption does not include the manse (living quarters) provided to church staff.
2. Where a church is using or occupying as a tenant or licensee for the purpose of public worship or for the purposes of a church hall which the Council considers necessary to the church as defined under Section 224 (2) (g).

Note: Churches are given a general exemption from taxation for the church building and the land on which the building stands under section 220 (1) (h). While this part of the exemption does not require a bylaw, any other buildings (church hall) or lands (parking, etc.) to be exempted are at the discretion of Council.

SCHEDULE 'B'

Includes land and improvements associated with the following:

1. Future hospital requirements as defined under Section 220 (1) (k). This is a general exemption.
2. Operated as a private hospital licensed under the Hospital Act or an institution licensed under the Community Care Facility Act as defined under Section 224 (2) (j).
3. Private schools as defined under Section 220 (1) (l).
4. Established public libraries under the Library Act as defined under Section 220 (1) (d).
5. A building set apart and used solely as a hospital under the Hospital Act, except a private hospital under that Act, together with the land on which the building stands Section 220 (1)(j)

SCHEDULE 'C'

Includes land and improvements that:

1. Owned or held by a charitable or philanthropic, or other non-profit corporation and the council consider's are used for a purpose that is directly related to the purposes of the corporation. Section 224 (2) (a)
2. are eligible heritage property Section 225 (2) (b)
3. are owned by the City of Kelowna that is leased to a charitable, non-profit, or philanthropic organization. Section 224 (2) (d)

SCHEDULE 'D'

Includes land and improvements associated with the following:

1. Where owned or held by an athletic or service club or association and used principally as a public park or recreation ground or for public or recreational purposes as defined under Section 224 (2) (i).
2. Where owned by a charitable or philanthropic organization and not being operated for profit or gain and supported in whole or in part by public funds and used exclusively for charitable or philanthropic purposes as defined under Section 224 (2) (a).
3. For a building constructed with the assistance of Provincial Government aid between January 1, 1947 and April 1, 1974 that is owned and used exclusively without profit by a corporation to provide homes for elderly citizens, together with the land on which the building stands and any area of land surrounding the exempted building that Council wishes to exempt as defined under Section 224 (2)(k).
4. Is owned by the City of Kelowna that is leased to a charitable, non-profit, or philanthropic organization. Section 224 (2) (d)

SCHEDULE 'E'

Includes land and improvements associated with the following:

1. Total projected municipal taxation impact for each of Schedule A, B, C, D, by assessment class, for the year's 2005, 2006 and 2007.
2. The projected taxation impact for 2005, 2006, 2007 have been calculated by increasing the 2004 actual municipal taxation rate by 2% for each consecutive year.