

DATE: July 23, 2019

FILE: 1970-04/2020

TO: Chair and Directors
Committee of the Whole

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Permissive Tax Exemption 2020 – Union Bay Historical Society

Purpose

To request consideration of a permissive tax exemption for the year 2020 pursuant to section 392(1)(c) (eligible heritage property) of the *Local Government Act* for the Union Bay post office and gaolhouse museum buildings, located in Electoral Area A, and owned by the Union Bay Historical Society (the Society).

Recommendation from the Chief Administrative Officer:

THAT pursuant to section 392(1)(c) of the *Local Government Act*, a bylaw be prepared providing for a permissive tax exemption for the taxation year 2020 for an amount equal to 100 per cent of the net taxable land and improvements for Section 32, Land District 34, Township 1, Folio #771 010800.000 (Union Bay Historical Society).

Executive Summary

- The Society has requested a property tax exemption for 2020 for the post office building and gaolhouse located in Union Bay, both long time community landmarks which are funded, operated, and maintained by the Society.
- An exemption complies with both the CVRD permissive tax exemption policy and the *Local Government Act* provisions for heritage property.
- The CVRD board and BC Assessment have supported the exemption requests in past years.
- A 100 per cent exemption for 2020 would result in a total reduction in provincial and local rural taxes collected of approximately \$6,455 (2019 - \$5,418).

Prepared by:

Concurrence:

K. Broughton

B. Dunlop

Kelly Broughton
Senior Accounting Technician

Beth Dunlop, CPPA, CPA, CGA
Corporate Financial Officer

Stakeholder Distribution (Upon Agenda Publication)

Union Bay Historical Society	✓
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Background/Current Situation

The CVRD has registered a heritage building covenant against the Union Bay post office property, which requires that the owner agree not to tear down or alter the building without the written consent of the regional district. Each year, the Society must supply the regional district with confirmation that the property continues to be used as a heritage site.

The current application (Appendix A) from the Union Bay Historical Society confirms the use of the building and requests a permissive tax exemption be granted for the year 2020. A 100 per cent exemption has been granted by the regional district board in prior years and has been supported by BC Assessment.

The building is classified as Class 06 - business/other. Rental revenue is received from a combination of commercial and non-profit organizations and the Society also earns revenues from fundraising initiatives to help cover maintenance and capital improvements.

Policy Analysis

The property owned by the Union Bay Historical Society is eligible for an exemption under Section 392(1)(c) of the *Local Government Act* - heritage buildings. An exemption would also comply with the regional district's permissive tax exemption policy.

A bylaw must be adopted by the CVRD board prior to October 31st of each year in order for the exemption to be processed by BC Assessment for the following year.

Options

1. To support the permissive tax exemption as recommended.
2. To not support a permissive tax exemption.
3. To support a partial permissive tax exemption.

Referring to the CVRD board policy, the permissive tax exemption guidelines provide for a 100 per cent tax exemption pursuant to *Local Government Act*, section 392(1)(c) 'Eligible Heritage Property'. As such, option 1 is recommended.

Financial Factors

A 100 per cent exemption for 2020 would result in an estimated \$6,455 reduction in rural taxes (2019-\$5,418) collected for the provision of provincial and local services as follows:

Provincial – schools, roads, policing, etc.	\$2,792
Local – Comox Valley Regional District	1,787
Comox-Strathcona Regional Hospital District	581
Other – Union Bay Improvement District, VI Regional Library, 9-1-1 Emergency Answering service	1,295
Total	\$6,455

Legal Factors

In order for the tax exemption under the *Local Government Act* to be enacted, a bylaw must be adopted by the board by October 31st in the preceding year and forwarded to BC Assessment.

Regional Growth Strategy Implications

Not relevant.

Intergovernmental Factors

Staff liaise with BC Assessment on permissive tax exemption issues to ensure bylaws adopted by the board will be invoked by BC Assessment once received.

Interdepartmental Involvement

Citizen/Public Relations

The Union Bay post office building and gaolhouse museum are long time community landmarks, and are funded, operated, and maintained by the Union Bay Historical Society. The Society indicates that the community uses the buildings extensively and takes pride in the facility as a resource for Union Bay history and culture for local citizens and tourists.

Attachment: Appendix A – “Application for 2020 permissive tax exemption – dated June 14, 2019, Union Bay Historical Society”

1970.04/ _____

DATE: June 14, 2019

1. Name of Organization: Union Bay Historical Society
2. Society Number: S 25547 Email Address: lindadawn@shaw.ca
3. Contact Person: Linda McKay Position: Chair
Mailing Address: P.O. Box 448, Union Bay, B.C.
Postal Code: V0R 3B0 Telephone No: 250-757-9499
4. Purpose of Organization: To preserve & maintain 2 Heritage Buildings & Artifacts
5. Folio Number of Property: 06-771-10800-000
Legal description of the property: Part of the North 1/4 of the Southwest 1/4 section 3, Nelson Land District.
6. Executives of the Organization:
President/Chairperson: Linda McKay
Vice President/Vice Chairperson: Dave Davidson
Treasurer: Leslie O'Connell
7. Current Membership: 51 # of Meetings per year: 10
8. What types of services does your organization provide: catalogue & display photos & artifacts in our Museum which is open to the public in the summer. Maintain 2 Historical buildings & their grounds. Promote the history of Union Bay through talks & shows
9. What portion of your activities are considered:
Non-Profit All
Recreational/Athletic /
Commercial /

10. What are your current fees? (if applicable)

Members: \$10.00/each / \$15/couple General Public: same

When was your last fee increase?: March 2003

11. Has your organization received any of the following in the past?

	NO	YES			
Grant-in-aid		✓	Amount	<u>\$5000</u>	<u>2015</u> Reroof
Permissive tax exemption		✓	Amount	<u>\$3500</u>	Year <u>2016</u> Purpose <u>Chimney repair & soffits</u>
Waiver/reduction of fees and charges	✓		Amount	<u>\$ All</u>	Year <u>1999 to present</u> Purpose <u>Tax exemption.</u>
			Amount	<u>\$</u>	Year <u></u> Purpose <u></u>

12. Describe how a permissive tax exemption will benefit the community:

The tax exemption helps us keep our heritage buildings in good repair & open to the public. It allows us to collect, catalogue & display historical artifacts & photos of Union Bay's history. The Post Office is the center of town where people gather and is a welcoming sight for tourists to the Comox Valley.

13. Please include with your application, copies of the following:

- (a) Year to date and the immediately preceding years' financial statements
- (b) Budget for the year in which the permissive tax exemption is being requested
- (c) If available, the most recent annual report
- (d) Copy of current year's property tax assessment notice
- (e) Copy of current year's rural property tax notice, if available.

IF YOU HAVE ANY QUESTIONS ABOUT THE INFORMATION REQUIRED, PLEASE
PHONE 250-334-6000

Linda DmKey
Signature of Applicant

June 14/2019
Date

Applications are to be submitted no later than July 15th to be considered for a tax exemption for the following year:

Mail: Comox Valley Regional District, 600 Comox Road, Courtenay, BC V9N 3P6
Fax: 250-334-4358 or Email: administration@comoxvalleyrd.ca