



Executive Committee

**Tuesday, November 27, 2018
11:45 AM**

Henry Baker Hall, Main Floor, City Hall



OFFICE OF THE CITY CLERK

Public Agenda Special Executive Committee Tuesday, November 27, 2018

Approval of Public Agenda

Administration Reports

EX18-32 Supplemental - Daycares

Recommendation

That this report be received and filed.

EX18-33 Revised - Community Non-Profit Tax Exemption Policy

Recommendation

1. That the revised *Community Non-Profit Tax Exemption Policy* as described in this report and attached as Appendix A, be approved.
2. That item EX18-15 be removed from the list of outstanding items for Executive Committee.
3. That this report be submitted to the December 17, 2018 City Council meeting for approval.

Adjournment

November 27, 2018

To: Members
Executive Committee

Re: Supplemental - Daycares

RECOMMENDATION

That this report be received and filed.

CONCLUSION

This report provides an overview of daycare regulation in Saskatchewan, information on how daycare properties are assessed and taxed in the City of Regina (City), and an analysis of methods related to tax policy that City Council (Council) may utilize to further advance *Design Regina: The Official Community Plan, Bylaw 2013-48*(OCP) objectives specific to daycares. The analysis provided is limited by the current assessment information for properties used for daycares. These limitations are discussed within this report.

BACKGROUND

In 2015, as a result of an inquiry, it was discovered that five residential properties, listed in Table 1 below, were being operated as daycares and were no longer being used as a residence. These properties were owned by corporations or co-operatives. The Assessment Branch changed the classification of the properties from residential to commercial.

Table 1: Daycare Properties from 2016 Appeal

Civic Address	Total Property Taxes		
	2015 Residential	2016 Commercial	2017 Commercial
587 RINK AVENUE	\$ 2,952.70	\$ 6,715.39	\$ 6,617.18
99 MCMURCHY AVENUE	\$ 2,169.32	\$ 5,649.32	\$ 5,546.89
97 MCMURCHY AVENUE	\$ 2,169.32	\$ 5,649.32	\$ 5,546.89
78 DEMPSEY AVENUE	\$ 2,420.17	\$ 5,504.35	\$ 5,428.84
2051 CAMERON STREET	\$ 3,389.92	\$ 7,607.51	\$ 7,278.58

In the fall of 2015, the above five properties initiated an assessment appeal of their 2016 assessments alleging that:

- the valuation was wrong,
- the classification as commercial was wrong, and
- the properties should be exempt from property taxation.

At the hearing of the Board of Revision for Regina, the property owners conceded the valuation was not in question and the properties were not residential. This left the property tax exemption as the only issue to be considered. The owners argued that since daycares in schools are exempt, the properties should also be exempt from property taxation. The City Assessor argued that daycares are not statutorily exempt but rather schools are exempt under section 262 of *The Cities Act* and that daycares operating in schools are exempt as they are part of the school's operation. Daycares have operating agreements with the schools outlining the terms of their operation.

The Board of Revision found that the five daycares do not qualify for a property tax exemption in accordance with Section 262 of *The Cities Act* and dismissed the appeal.

The owners, not satisfied with the Board's decision, appealed to the Saskatchewan Municipal Board. The Municipal Board dismissed the appeal and one property owner decided to carry on to the Court of Appeal for Saskatchewan where the application for leave was dismissed. This ended the appeal process and confirmed that the assessor's categorization of the property was correct.

On August 1, 2018 Administration presented the proposed *Community Non-Profit Tax Incentive Policy* to the Executive Committee (Committee) through Report EX18-15. Eleven delegates appeared before the Committee to discuss the proposed policy. Of those delegates, seven spoke on behalf of the non-profit daycare community.

A brief prepared by the non-profit daycare community was also presented at the Committee meeting. The submission requested that 21 licensed non-profit daycare centres receive a property tax exemption and that City Council use its leadership position among Saskatchewan urban municipalities to lobby the Government of Saskatchewan (Province) to legislate a full exemption for licensed, non-profit daycares in all Saskatchewan communities.

The Committee passed a motion that the policy be referred to Administration to design a public consultation that considers the parameters set out, which are at the origin of this *Community Non-Profit Tax Incentive policy* proposal by Q4 of 2018. As so many of the delegations were from the daycare community, Administration also committed to bring back a report outlining how daycare centres are assessed and taxed in Regina.

DISCUSSION

Child Care in Saskatchewan

Child care in Saskatchewan is governed by *The Child Care Act, 2014* and *The Child Care Regulations, 2015*. These pieces of legislation govern when a license is required, set the standards for licensed child care facilities and govern grant funding for child care. The creation of new, licensed child care spaces is regulated through the issuance of licenses and the availability of funding.

Licensing of daycares is regulated and monitored by the Ministry of Education. Legislation identifies two models for licensed child care - Child Care Homes and Child Care Centres. Table 2 shows a summary of the two models and grant funding applicable for child care in Regina. The Ministry of Education publishes a list of licensed child care operations on their website. The list

includes the type, name, address and contact information for each operation. It does not include the non-profit status, square footage or operation details, such as hours or services.

Table 2: Saskatchewan Child Care Models

Model	Sub-Class	License Required	Max Spaces	Child Care Grant Funding
Child Care Home	Family	N (optional)	8	<ul style="list-style-type: none"> Start-Up (One Time Grant) Fire, Health and Safety (One Time Grant)
	Group	Y	12	
Child Care Centre		Y	90	<ul style="list-style-type: none"> Start-Up (One Time Grant) Space Development Capital (One Time Grant) Early Childhood Services (Monthly Grant)

Child Care Homes are required, by legislation to be in a residential home. This model is further divided into Family Child Care Homes and Group Family Child Care Homes. The main differences between these two sub-categories are that a Group Family Home has a helper that allows for the home to have more spaces and licensing is optional for Family Child Care Homes. Unlicensed family child care homes are not monitored by the Ministry of Education but are still required to meet child to caregiver ratios, which include the operators own children and provide safe environments for children.

A licence is required for all Child Care Centres. To operate a child care centre, groups must be, a corporation, a co-operative, a municipality, or a partnership or individual where all parties are a resident of Saskatchewan at least 18 years of age. A Child Care Centre may have up to 90 spaces and is typically operated by a Board of Directors. A centre may be non-profit or for-profit.

Provincial funding for child care comes from two main sources, subsidies from the Ministry of Social Services and grant funding from the Ministry of Education. Only non-profit centres are eligible to receive provincial grant funding and child care fee subsidies. Child care subsidies are a monthly subsidy provided directly to the child care centre to reduce the fees charged to eligible parents. Grant funding is provided to support child care centres. Table 2 summarizes the types of grant funding typically provided to centres in Regina. Grant amounts may vary and are listed in *The Child Care Regulations, 2015*.

The Ministry of Education may provide additional grant funding to support areas including but not limited to: Early Childhood Education training, inclusion of children with additional support needs, creating an enriched early learning environment, nutrition in child care homes and annual equipment costs in child care homes.

Assessment and Taxation

Assessing and taxing daycares is the responsibility of the City. The City classifies properties in accordance with the classifications in legislation. Classifications are based on the property use (residential, commercial, etc.). Home based daycares are classified as residential, as the primary use of the property is residential. All known daycares that are not home-based businesses in Regina are classified and assessed as commercial regardless of tax status.

Daycares in Regina operate in a variety of buildings: converted residential buildings, portions of office buildings, multi-residential buildings, shopping centres, strip warehouses, halls, retail buildings, schools, churches etc. Many of these spaces are leased. The Assessment Branch does not record information (lease or business type) of leased properties as it is not required for assessment purposes. These types of properties are not easily or consistently identifiable by property assessors. Table 3: Daycares in Regina, shows the variety of daycares operating in Regina.

Table 3: Daycares in Regina

Model	Sub-Class	Licensed	Tax Status	Total	Owned	Leased/ Rented
Child Care Home	Family	N	Taxable	Unknown	Unknown	Unknown
		Y	Taxable	33	30	3
	Group	Y	Taxable	39	33	6
Child Care Centre		Y	Taxable	30	17	13
			Exempt*	39	0	39
Total				141	80	61

*These daycares operate in properties that are exempt by statutory legislation.

Daycares operate under several different operational models and organization structures: profit, non-profit, licensed, not licensed, subsidized, not subsidized, etc. Some centres also offer a variety of services and programming, such as pre and postnatal support, and parenting courses, in addition to daycare services. This information is not required to assess the value of a property; the City does not have access to this information and cannot identify daycares that fall under each model without conducting thorough research on each property.

Exemptions are set out in legislation and are based on both property use and ownership. The Province sets the property classification definitions and statutory exemptions for property. The City has no authority to charge taxes on a property which is exempt by legislation or to classify a property differently than what is set out in legislation.

For example, daycares have become an expected function of schools. There are several daycares with operating agreements with the school boards that outline the terms of their operation. Schools are exempt under section 262 of *The Cities Act*.

Properties that are not exempt under statutory legislation are taxable unless City Council grants an exemption pursuant to subsection 262(3) or (4) of *The Cities Act*. This subsection grants City Council the authority to exempt any property from taxation, in whole or in part, for not more than five years subject to additional approvals. The education portion of the taxes is subject to *The Education Property Tax Act* which specifies that any exemption of education taxes that is \$25,000 or greater in any given year, must be approved by the Government of Saskatchewan. For the library portion, pursuant to subsection 263(1) and 263(2) of *The Cities Act*, City Council must either obtain an agreement from the Library Board or raise the amount that would have been levied.

Each province differs in how tax exemptions for non-profit and charitable organizations are structured and applied, making comparisons with other municipalities difficult. For example, in Alberta and Manitoba, provincial legislation governs exemptions for all non-profit organizations, including daycare centres. In Saskatoon, daycares are fully taxable, except where they operate out of a property that is exempt by legislation.

The OCP

Section 13.5 of the OCP states that the City will encourage the provincial government and the community to establish locally based attainable child care facilities.

In February of 2016, Regina *Zoning Bylaw.9250* (Zoning Bylaw) amendments were approved by City Council to provide flexibility for child care services within the residential context and align the use to both the intent of the OCP as well as the province's *Child Care Regulations, 2015*. The Zoning Bylaw amendment enhanced the ability for child care services to be accommodated in residential neighbourhoods by extending the number from 8 to 12 children permitted in a Child Daycare Home through a residential business license. Restrictions were also removed on the number of children allowed within Child Daycare Centres. The number children allowed in Child Daycare Centres is regulated by the Province and is based on usable floor area and outdoor play space for each child.

The intent of the Child Daycare Centre regulations in the Zoning Bylaw is to ensure there is compatibility between the provision of daycare services and surrounding land uses. The regulations are also intended to encourage the dispersion of those services throughout the city at convenient locations.

Analysis of Tax Related Methods of Support

Should City Council wish to provide a tax exemption to daycares, there are many methods for City Council to consider, some of which are discussed below. To determine the best method, there are many factors to be considered. Factors include, but are not limited to:

- What public policy issue is to be addressed?
- Who should be the beneficiary of the incentive (daycare centres, parents, children etc.)?
- Which daycare model should receive an incentive (Family Home, Family Group Home or Child Care Centre)
- Should the incentive apply to leased, owned or all properties?
- Which portion of the daycare should receive support (just child care or all services)?

Administration obtained a listing of licensed daycares from the Ministry of Education for this analysis. However, this analysis is limited by the current assessment information for properties listed in the report. Appendix A summarizes the benefits and risks of each method and Appendix B provides information on property tax impacts of each method, where identifiable,

An important note is that any financial support granted by the City to daycares will not directly result in the creation of more spots in daycare centers. Provincial grant funding is what directs the creation of new spots in licensed non-profit daycare centers.

Status Quo

City Council could maintain the existing tax policy and the City will encourage the provincial government to increase support for the daycare sector.

Create a new policy for licensed non-profit daycares

Direct Administration to develop a new policy providing support for daycares. City Council would set specific objectives and Administration would draft a policy, based on the objectives, for City Council's approval.

This option would take time to develop and would require both financial and administrative resources. The financial cost of this option could not be determined until the objectives of the policy are set.

Create a Sub-class

Sections 254 and 255 of *The Cities Act* grant City Council the authority to establish sub-classes of property for the purpose of establishing tax rates. The use of subclasses and mill rate factors can shift taxes from one group of properties to another class of properties. Mill rate factors can only be applied to the municipal and library portion of property taxes as education taxes are not affected.

To implement a sub-class, City Council would instruct Administration to create a sub-class for all commercial properties that are owned and operated by a licensed non-profit daycare and set the mill rate factor for that subclass equal to the mill rate factor for residential properties.

Add Daycare Centres to the Community Non-Profit Tax Incentive Policy

City Council can amend the proposed policy to include licensed non-profit daycare centres. This method would require daycare centres to apply annually for a tax exemption. Daycares would self identify through the application process and would provide information on leases and operations that would assist Administration in determining if the daycare centre qualifies. Through this method, daycare centres would have to meet all the criteria of the policy and be subject to all conditions of the policy.

RECOMMENDATION IMPLICATIONS

Financial Implications

Financial implications of each method identified are shown in Appendix B and discussed in Appendix A.

Environmental Implications

None with respect to this report

Policy and/or Strategic Implications

Section 13.5 of the OCP states that the City will encourage the provincial government and the community to establish locally based attainable child care facilities.

Other Implications

None with respect to this report

Accessibility Implications

None with respect to this report

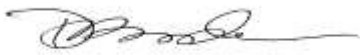
COMMUNICATIONS

Licensed non-profit daycare centres were included as part to the public engagement done on the proposed *Community Non-Profit Tax Exemption Policy*.

DELEGATED AUTHORITY

City Council has the authority pursuant to subsection 262(3) of *The Cities Act* to exempt any property from taxation, in whole or in part, for not more than five years. Pursuant to subsection 263(1) and 263(2) of *The Cities Act*, Council must either obtain an agreement from other taxing authorities to exempt levies on their behalf or raise the amount that would have been levied. Sections 254 and 255 of *The Cities Act* grant Council the authority to establish sub-classes of property for the purpose of establishing tax rates

Respectfully submitted,



Deborah Bryden, Director
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Respectfully submitted,



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Appendix A
Options for Encouraging Development of the Daycare Sector

Tool		Cost (Municipal Tax Revenue)	Benefits	Risks
1	Status Quo	No cost	<ul style="list-style-type: none"> Does not interfere with mandates of other levels of government. No additional costs or changes to current processes. 	<ul style="list-style-type: none"> Child Care Centres would not receive a tax exemption.
2	Create a new policy	Unknown	<ul style="list-style-type: none"> Could provide benefit to all licensed daycare centres. Could lessen inequality between centres in and out of schools or properties otherwise exempt. Application required, less administrative burden to identify properties. Allows for specific objectives to be set, such as target areas. Transparent approach to providing support for daycares. 	<ul style="list-style-type: none"> Could take time to develop. Would require additional funding and administrative resources to administer. Council objectives may not align with provincial or federal objectives. Cannot fully control how centres use the incentive. Cost is unknown
3	Create a Subclass for owned and operated licensed, non-profit daycare centres.	No Cost Municipal tax burden of \$25,000 is shifted from licensed non-profit daycare centres to other properties in the commercial class.	<ul style="list-style-type: none"> Would provide the benefit directly to owned and operated daycare centres. Municipal Tax rates for commercial centres and home-based daycares are the same. 	<ul style="list-style-type: none"> Does not address the inequality issue with daycares operating in schools being fully exempt. Creates inequality between owned and leased daycares, as not applicable to leased properties. Administratively taxing to identify properties. Does not apply to education taxes. Cannot control how centres use the incentive. Is not transparent, properties included in the subclass are not publicly reported.

Tool		Cost (Municipal Tax Revenue)	Benefits	Risks
4	Add licensed, non-profit daycare centres to the <i>Community non-profit tax incentive policy</i> .	<p>If the cap is not increased, no additional cost to the City.</p> <p>If cap is increased to allow additional room for daycare centres, cost is not known.</p>	<ul style="list-style-type: none"> • Would impact all licensed daycare centres (including leases). • Creates more equality between centres in and out of schools or properties otherwise exempt. • Application required, less administrative burden to identify properties. • Transparent approach to providing support for daycares. 	<ul style="list-style-type: none"> • Cost is unknown • Creates inequality between daycare centres and home-based daycares paying residential taxes. • If the cap is increased, will cost tax payers more. • If cap is not increased funding is divided across more properties, increasing the likeliness of the cap being exceeded and some properties becoming partially taxable. • Cannot control how centres use the incentive.

Assessment and Levy Calculations

Appendix B

Model	# of Daycares	2018 Actual						Subclass Option*			
		Total Property			Daycare Centre			Owned and Operated Daycare centres			
		Assessed Value	Municipal Levy	Total Levy	Assessed Value	Municipal Levy	Total Levy	Municipal Levy	Total Levy	Municipal Impact	Total Impact
Licensed Daycare centres											
Owned and Occupied	17	10,820,888	101,783	179,039	10,820,888	101,783	179,039	76,647	151,576	(25,136)	(27,463)
Leased											
Taxable	13	79,997,500	752,508	1,323,786	Unknown	Not Available		Not Applicable		Not Applicable	
Statutorily Exempt	39	720,976,600	-	-							
Total Leased	52	800,974,100	752,508	1,323,786							
Total Licensed centres	69	811,794,988	854,291	1,502,825	Unknown	Not Available		76,647	151,576	(25,136)	(27,463)
Licensed Daycare Homes **											
Owned and Occupied	63	16,956,640	118,373	198,183	Unknown	Not Available		Not Applicable		Not Applicable	
Rented	9	2,729,100	19,333	32,367							
Total Licensed Homes	72	19,685,740	137,706	230,550							
Unlicensed Daycare Homes	Unknown										
Total Daycare Homes	Unknown										

NOTES & ASSUMPTIONS:

*Subclass Option is only applied to owned and occupied licensed daycare centres. Residential mill rate factor is applied to these centres to show the impact.

** Daycare homes are home based business and assessed as residential. Daycares are not assessed separately from the residence.

*** All numbers are shown as of Oct 1, 2018 and calculated using the list of licensed daycares published by the Ministry of Education.

November 27, 2018

To: Members
Executive Committee

Re: Revised - Community Non-Profit Tax Exemption Policy

RECOMMENDATION

1. That the revised *Community Non-Profit Tax Exemption Policy* as described in this report and attached as Appendix A, be approved.
2. That item EX18-15 be removed from the list of outstanding items for Executive Committee.
3. That this report be submitted to the December 17, 2018 City Council meeting for approval.

CONCLUSION

Administration has undertaken public engagement on the proposed *Community Non-Profit Tax Incentive Policy* (Policy). This report summarizes the findings of the public engagement and the recommended changes to the proposed policy for City Council to consider.

The revised *Community Non-Profit Tax Exemption Policy* is attached as Appendix A. The revised policy includes the recommendation made by the Executive Committee on July 4, 2018 that the cap in the policy be set to \$1.2 million, and Administrations recommended changes as outlined in this report. Administration recommends that City Council approves the revised policy to be effective January 1, 2019.

BACKGROUND

The City of Regina (City) currently grants permissive exemptions in five categories. Table 1: 2018 Permissive Property Tax Exemptions provides a description and the 2018 assessment and forgone municipal tax for each category.

Table 1: 2018 Permissive Property Tax Exemptions

Category	Description	Exempt Assessed Value	Foregone Municipal Tax*
Heritage	For eligible properties under the <i>Heritage Incentive Policy</i> .	14,632,180	\$ 128,698
Housing	For eligible properties under the <i>Housing Incentives Policy</i> .	488,834,738	\$ 3,462,881
Downtown Residential	For eligible properties under the <i>Downtown Residential Tax Incentives Policy</i> .	1,222,000	\$ 8,657
Boundary Alteration	For eligible properties under the boundary alteration tax mitigation principles and tools approved by City Council.	25,765,402	\$ 228,687

Non-profit & Charitable	For non-profit and charitable organizations.	127,958,810	\$ 1,203,647
Total		658,413,130	\$ 5,032,570

*This is the foregone municipal tax from exemptions only. It does not include any funding provided through the City's grant programs.

Apart from the Non-Profit and Charitable category, all these programs are guided by a City Council approved policy. These policies are designed to advance Design Regina: *The Official Community Plan Bylaw* No. 2013-48 (OCP). Appendix B shows the exemptions granted to 30 non-profit and charitable organizations in 2018. The total forgone municipal revenue was \$1.2 million. Ten of these organizations also received a community investment grant from the City.

The City is committed to providing services to residents and these services require a set level of funding. When permissive property tax exemptions are granted by City Council, remaining taxpayers must make up the lost revenue. In the recent pre-budget survey, Regina residents identified core municipal services – such as infrastructure and road repairs – along with fiscal responsibility and taxation levels as the most important issues facing the City of Regina and identified infrastructure renewal, roads and transportation as their top priorities for the City to consider in its budget.

City Council requested Administration create a policy for the non-profit and charitable sector to guide the consistent review and evaluation of applications for permissive property tax exemptions from non-profit and charitable organizations. On August 1, 2018 Administration presented the proposed *Community Non-Profit Tax Incentive Policy* to the Executive Committee through Report EX18-15.

At that meeting, delegates from non-profit organizations requested the Mayor and City Councillors to reconsider the proposed policy. Delegates included organizations currently receiving an exemption, as well as, non-profit child care centres. The Executive Committee referred the report and the Policy back to Administration to undertake public consultation.

Administration contracted a consulting firm with experience in public engagement to assist with completing stakeholder consultation. The objectives of the consultation were to:

- Inform participants about the objectives and history of the policy.
- Inform participants about City Council's directive regarding the policy.
- Solicit feedback on the Policy and other options to inform a final report.

The public engagement strategy was comprised of two targeted stakeholder consultation sessions and an online public survey.

The targeted groups for the stakeholder consultation sessions were: 1) organizations currently receiving or requesting permissive property tax exemptions and 2) non-profit child care centres. The session for licensed, non-profit child care centres was held on October 1, 2018. Eight participants representing seven child care providers attended. The session for organizations currently receiving or requesting permissive property tax exemptions was held on October 4, 2018. Seventeen participants representing thirteen organizations attended this session.

An online survey was designed to gather feedback from the public and was accessible from October 2, 2018 through October 12, 2018 at Regina.ca. 530 respondents completed the survey, 41 per cent of which work or volunteer regularly for a non-profit organization.

Administration has also received three requests for property tax exemptions from non-profit organizations while this policy has been under consideration. Applicants have been informed that their application will be considered under this Policy, if approved by City Council. If the Policy is not approved, those requests will be brought forward under separate report for City Council's consideration.

DISCUSSION

Engagement Findings

The consultant's report, Appendix C, presents the approach used, the stakeholder feedback received and the consultant's observations of the public engagement. The concerns heard from stakeholders and options for City Council to amend the policy in response are listed in detail in Appendix D of this report.

The public consultation sessions identified that most session participants were unaware of the objective, history and current state for non-profit organizations. The consultant found that the stakeholder sessions were an effective means for Administration to educate stakeholders on these topics.

The consultant notes six overarching themes in the feedback received at the stakeholder session. Most participants:

1. Support the need for a *Community Non-Profit Tax Incentive Policy* that provides an equitable, fair and transparent process and acknowledge that there are no easy solutions to balance the needs of all stakeholders, the public, and City Council.
2. See their organization as providing a necessary service that enhances Regina's quality of life and do not feel the principles outlined in the policy recognize the value their organizations bring to the community.
3. Believe the policy should encourage the growth of non-profits in Regina and should not encourage competitiveness within the non-profit sector.
4. Agree the policy should contain clear criteria for evaluating who receives permissive tax exemptions. Participants believe the main criteria should include demonstrating the organization's value/impact on quality of life in the community.
5. Express concern about the financial stability of their organization if the policy reduces resources available to each organization. Participants requested that alternatives to a set financial cap be considered to address this concern.
6. Are concerned about the administrative burden of the policy on their organizations.

The consultant also observed that participants did not reach an agreement on specific criteria for evaluating the existing and proposed policy principles, such as, how to measure the value a non-profit provides to the community or how a financial cap should be applied.

The consultant's report shows the respondents to the online survey were divided on many of the policy principles. Results were split on the principles of, accessibility, alignment with the OCP and financial need.

According to the survey, 47 per cent of respondents support a policy that would provide property tax exemptions only to sport, culture, recreation, arts or heritage organizations. While the respondents are generally supportive, the majority (57 per cent) also expressed concerns about limiting exemptions to sport, culture, recreation, arts or heritage organizations. The majority of concerns cited were related to the narrow definition that excludes child care and other non-profit organizations that contribute to Regina's quality of life.

Contradictory to what was heard at the stakeholder sessions, 54 per cent of survey respondents support of annual limits for the property tax exemption. Most of the concerns raised in the survey specific to annual limits were related to the criteria used in choosing exempt organizations and the potential administrative burden of the application process for non-profit organizations.

The consultant also found that stakeholders were not clear that a key policy objective was to provide tax relief to non-profit organizations who demonstrated financial need. They recommend changing the title of the policy and clarifying the stated purpose to better align with this objective.

In addition to the above overarching themes, the consultant recognized that the some of the concerns of the daycare participants were unique to their sector. Specifically, the perceived uneven playing field between daycares operating in taxable properties and those in statutorily exempt properties and the level of provincial government regulations that govern their sector. In the session with daycare stakeholders the consultant explored potential alternatives to including daycares in the proposed policy.

Through this exercise, the consultant observed that daycare participants had a strong desire for City Council to develop a policy unique to their sector and remove them from the larger pool of non-profit organizations. Administration has prepared a supplemental report that provides an overview of daycare regulation in Saskatchewan, how daycare properties are assessed and taxed in the City, and an analysis of methods related to tax policy for City Council to consider.

Options for Changes to the Policy

The concerns heard from stakeholders and options for City Council to consider are listed in detail in Appendix D of this report.

In response to the public engagement, Administration has amended the proposed policy to include the recommended changes. The revised version of the policy, attached as Appendix A, includes the following changes:

1. Remove the word "incentive" from the proposed policy and replace with exemption. This includes changing the title of the policy to *Community Non-Profit Exemption Policy*. This change is to align the language used with the purpose, objectives and principles of the policy.

2. Amend the wording of the purpose to reflect Administration's understanding of City Council's objective to provide support to organizations that demonstrate a financial need. The proposed amendment reads as follows:
The purpose of this policy is to:
 - set the parameters under which the City of Regina will consider applications for property tax exemptions from organizations with financial need;
 - provide fair, consistent treatment and consideration for all applicants providing non-profit and charitable services for the benefit of Regina residents; and
 - support the services and organizations that demonstrate financial need who further Council's priorities, as outlined in Design Regina: *The Official Community Plan Bylaw* No. 2013-48 (OCP), and for which the burden resulting from the tax incentive is a justifiable expense to the taxpayers of Regina.
3. Change the policy effective date, and wording in the policy to reflect a revised effective date of January 1, 2019. The proposed policy will become effective January 1, 2019, with applicants receiving the same exemptions received under *The Properties Exempt from Taxation Bylaw*, 2018 for 2019. In 2019, all organizations will apply under the new policy for exemptions for the 2020 calendar year.
4. Simplify the wording in Principle #4 - Accessible to the Public to remove confusion around the term "open to the public". This change was made as a direct response to participant feedback that the previous wording was unclear.
5. Upon further review of provincial legislation, Administration recommends criteria 3.1 (e) be changed to reflect the intent of the legislation. The proposed change reads as follows:
(e) any organization that would receive a statutory exemption as per Sections 262 (j) and (p) of *The Cities Act* if they owned the building and land.

RECOMMENDATION IMPLICATIONS

Financial Implications

Currently requests for tax exemptions are considered on a case-by-case basis. As stated above, there were exemptions granted to 30 organizations in 2018 for a total cost of \$1.2 million.

The policy does not require any additional commitment beyond the estimated \$1.2 million per year in foregone municipal taxes in 2019. Funding beyond 2019 will depend on the number of applicants who apply and qualify under the policy but will not exceed the limits outlined in the policy.

There are also financial implications of not having a policy to guide exemptions for non-profit and charitable organizations. With no policy in place, there is neither a corporate strategy nor any boundaries or limits within which tax exemption decisions are made. Consequently, the ability to predict the financial impact of exemptions is limited.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

If approved, the proposed policy provides transparency to how the City reviews and grants tax exemptions to non-profit and charitable organizations. It will also provide a means for City Council to support organizations within the community that align with the priorities outlined in the City's OCP, Cultural Plan, Recreation Master Plan and the Community Investment Grants Program to strategically meet its vision and priorities and ensure the City's support remains financially sustainable and does not overburden the rest of the tax base.

The proposed policy only governs the municipal portion of property taxes. The education portion of the taxes is subject to *The Education Property Tax Act* which specifies that any exemption of education taxes that is \$25,000 or greater in any given year, must be approved by the Government of Saskatchewan. For the library portion, pursuant to subsection 263(1) and 263(2) of *The Cities Act*, City Council must either obtain an agreement from the Library Board or raise the amount that would have been levied.

Other Implications

Administration has received requests for property tax exemptions from three organizations. If the policy is approved, those requests will be considered under the policy. If the policy is not approved, those requests will be brought forward in individual reports by the end of Q1 2019.

Accessibility Implications

Eligibility criteria established for the policy requires that an organization's services, programs and activities be accessible to the public and work to remove economic, physical, cultural and transportation barriers to participation in programs, projects and facilities.

COMMUNICATIONS

All organizations currently receiving or requesting a tax exemption, as well as participants that attended the engagement sessions, will be provided with a copy of this report prior to the Executive Committee and City Council meetings.

If approved, copies of the report will be provided to the Regina Public Library Board and the Ministry of Government Relations.

Written notice will be provided to all 2018 recipients explaining the new policy, application process and any implications for their properties if the proposed policy is approved.

DELEGATED AUTHORITY

The recommendations contained in this report and the policy require City Council approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Deborah Bryden', with a long horizontal flourish extending to the right.

Deborah Bryden, Director
Assessment & Taxation Department

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Diana Hawryluk', with a large, stylized loop at the end.

Diana Hawryluk, Executive Director
City Planning and Development

Report prepared by:
Tanya Mills, Manager Property Tax & Administration

City Policy

Approved By City Council: Year/mm/dd	Policy Number: 2018-1-CPD
Council Report:	
Effective Date: 2019/01/01	Recommended by: Executive Committee
Next Review: 2021/01/01	
Policy Owner: Manager, Property Tax & Administration Assessment & Taxation Department	
Title: Community Non-Profit Tax Exemption Policy	

1.0 Policy Statement

To consistently review and evaluate applications for permissive property tax exemptions from non-profit and charitable organizations.

2.0 Purpose

The purpose of this policy is to:

- set the parameters under which the City of Regina will consider applications for property tax exemptions from organizations with financial need;
- provide fair, consistent treatment and consideration for all applicants providing non-profit and charitable services for the benefit of Regina residents; and
- support the services and organizations in financial need that further Council's priorities, as outlined in *Design Regina: The Official Community Plan Bylaw No. 2013-48* (OCP), and for which the burden resulting from the tax exemption is a justifiable expense to the taxpayers of Regina.

3.0 Definitions

In this Policy, unless the context otherwise requires:

Abatement means a cancellation, reduction, refund or deferral of property taxes authorized by section 244 of *The Cities Act*.

Access/accessible/accessibility is a general term used to describe the degree to which an activity, service, or physical environment is available to as many people as possible, regardless of their physical abilities or socio-economic background. Improving accessibility involves removing economic, physical, cultural, and transportation barriers to participation in programs, projects and facilities.

Applicant means the organization applying for a tax exemption.

Assessed value means the property assessment determined in accordance with *The Cities Act* and adopted by the Saskatchewan Assessment Management Agency.

Building permit means a permit issued under the City of Regina *Building Bylaw* No. 2003-7.

CIG Program means the City of Regina's Community Investment Grants Program, which is designed to fund and partner with community non-profit organizations to deliver programs, projects and services that align with the City's priorities, have a clear community impact and respond to community needs.

City means the City of Regina.

Community garden means a single piece of land gardened collectively by a group of people for fruits, vegetables, or flowers.

Executive Director means the Executive Director of the City Planning & Development Division, or his or her designate.

Exemption means an exemption or an abatement from property taxes provided under *The Cities Act*

Food security refers to the goal that all residents have access to safe, culturally appropriate and nutritious food through an economically and environmentally sustainable food system that promotes self-reliance and social justice.

OCP means *Design Regina: The Official Community Plan Bylaw* No. 2013-48 (OCP), a comprehensive policy framework to guide the physical, environmental, economic, social and cultural development of the city. The goals and policies in *Design Regina* aim to create a sustainable city where social, environmental and economic concerns are addressed.

Statutory exemption means an exemption from property taxes provided under section 262 of *The Cities Act*.

4.0 Legislative Authority

Section 244 of *The Cities Act* permits a council to cancel or reduce tax arrears, cancel or refund all or part of a tax, or defer the collection of a tax in accordance with the provisions of the Act.

Subsection 262(3) of *The Cities Act* permits a council to exempt any property from taxation in whole or in part with respect to a financial year.

Subsection 262(4) of *The Cities Act* permits a council to 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. A council may, in that agreement, impose any terms and conditions that it may specify.

5.0 Policy

A. General

To be eligible for a tax exemption, an organization must conform to the following principles and meet all the requirements of this policy. Each principle is supported by specific criteria that provide a way of judging whether the principle has been met in practice. Relaxation of any requirement is at the discretion of the Executive Director of Planning and Development or their designate.

Tax exemptions may be granted to the portion of a property or a percentage of the assessed value equivalent to the proportion of services provided by the Applicant, that meets all the requirements of this policy.

Council may provide relief from municipal property taxes, and/or other taxing authorities in accordance with and to the extent permitted by *The Cities Act* and applicable provincial legislation and regulations that govern education and library property taxes.

Tax exemptions are dependent on the annual budget set by Council.
The total amount of exempted municipal tax dollars will not exceed \$1.2 million.

To implement this, Council may grant exemptions to properties where the exemption provides the most financial benefit to the City first, then place a cap on the dollar value and/or pro-rate exemptions granted on individual properties. Council, at its discretion, may cancel any or all exemptions within a given year.

B. Principles and Criteria

Principle #1 – Compliance with Municipal Policies, Plans, Bylaws, Codes and Legislation

The Applicant must support or comply with all applicable legislation, municipal policies, plans, bylaws, codes.

The intent of this principle is to ensure that organizations receiving municipal support reflect the goals, policies and general operating principles of the City.

Criteria:

- 1.1 The Applicant's property use must conform to zoning, building and land use bylaws. Applicable bylaws include but are not limited to:
 - Zoning Bylaw
 - The Building Bylaw
 - The Clean Property Bylaw
 - The Regina Fire Bylaw
 - The Regina Community Standards Bylaw
- 1.2 Applicants must support the City's official plans, including but not limited to:
 - Design Regina: The Official Community Plan
 - The Recreation Master Plan
 - The Cultural Plan
- 1.2 Applicants must be in good standing with the City (i.e. no outstanding accounts such as unpaid taxes, utilities, tickets, permits, or follow-up reports required pursuant to a grant or other funding program).
- 1.3 Applicants must comply with any applicable provincial or federal legislation, including but not limited to:
 - Section 15 of the Canadian Charter of Rights and Freedoms which prohibits discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability except where the object of the Applicant's program is to improve the conditions of disadvantaged individuals or groups as authorized by section 15(2) of the Charter.
 - The Planning and Development Act, 2007
 - The Uniform Building and Accessibility Standards Act and Regulations (which incorporates the National Building Code)
 - The Fire Safety Act and Regulations (which incorporates the National Fire Code)

Principle #2 – Non-Profit Organization

Applicants must be a non-profit or charitable organization.

The intent of this principle is to ensure that municipal support is not used for commercial or private gain, and that organizations are publicly accountable entities with the authority to manage funds and receive grants from governments and funding agencies.

Criteria:

2.1 Applicants must be:

- (a) a charitable or membership non-profit corporation incorporated or registered pursuant to The Non-profit Corporations Act, 1995 or the Canada Not-for-profit Corporations Act and be in operation for at least one year prior to the date of application; or
- (b) a non-profit co-operative incorporated or registered pursuant to The Co-operatives Act, 1996 or the Canada Co-operatives Act and be in operation for at least one year prior to the date of application.

Principle #3 – Alignment with the City's Plans and Programs

The Applicant's main services, programs and activities must align with the parks recreation and open space, cultural, health and safety and social development priorities and objectives outlined in the OCP.

The intent of this principle is to ensure that tax exemptions are used to support organizations that further Council's objectives of enhancing quality of life and delivering services economically as set out in the OCP.

Criteria:

3.1 Applicants must meet one or more of the following requirements whereby the Applicant:

- (a) operates as a sport, culture, recreation, arts or heritage organization in a single facility that is delivering a service that is not provided by another organization in the city and:
 - (i) are able, often because they are purpose-built or retrofitted, to deliver a unique collection of programs that would not be possible in another space; or
 - (ii) are positioned strategically within the city to enhance the activation of key institutional, recreation and economic hubs, such as in Wascana Centre and in downtown Regina;

- (b) supports community gardens on public lands;
 - (c) supports communities to create collaborative strategies to address hunger and food security through education and training for marginalized communities;
 - (d) enhances public safety, security and emergency preparedness for the citizens of Regina;
 - (e) would receive a statutory exemption as per Sections 262 (j) or (p) of *The Cities Act* if the organization owned the building or land.
 - (f) is, at the time of application, under construction and once complete will qualify for a statutory exemption provided that:
 - (i) a building permit for the site has been issued; and
 - (ii) construction and occupancy of the property and/or facility will be complete within two years of the date of application.
- 3.2 Tax exemptions are based on the main use of the property being considered for an exemption, not on the non-profit or charitable service of the Applicant as a whole.
- 3.3 Any portion of the property used by the private sector or an organization not meeting the terms of this policy is not eligible for a tax exemption

Principle #4 – Accessible to the Public

The Applicant's services, programs and activities should be equally available to all residents of Regina.

The intent of this principle is to ensure that the organization does not prohibit the public from participation.

Criteria:

- 4.1 Applicant must demonstrate that the services, programs and activities provided are available to the public, and that efforts are made to remove any economic, physical, cultural and transportation barriers to participation.
- 4.2 Where special equipment, knowledge or developed skills are required as a prerequisite to participation, the knowledge or skill development should be available to the public from the Applicant (i.e. equipment rentals, learn-to programs).
- 4.3 Members of the public, within the appropriate age range, may join the Applicant's organization or participate in its activities for a nominal rate or fee.

Principle #5 – Financial Need

The Applicant must demonstrate that the organization needs the City's support and that its operations or user fees would be significantly impacted without the tax exemption.

The intent of this principle is to balance the cost to tax payers with the financial benefit to the Applicant's organization while considering the impact on the services provided by the applicant.

Criteria:

- 5.1 Applicants must present a business case that demonstrates:
 - (a) How funding will be used to deliver services,
 - (b) How it will continue to deliver its core services if a tax exemption is not received.
 - (c) How a lack of a tax exemption would:
 - (i) impair services to the community or;
 - (ii) impose hardship on the users of the services of the program.
- 5.2 If an Applicant is leasing the property, documents that indicate that the Applicant will receive the benefit of the tax exemption are required. Documents should demonstrate that the lease payments will be reduced by the amount of the tax exemption, or that other considerations equivalent to the value of the tax exemption will be provided by the landlord.

C. Duration of the Tax Exemption

Applicants may receive tax exemptions for:

- one calendar year; or
- where it is demonstrated that the services and/or benefits the Applicant offers to the community are of a duration exceeding one year, for a term of not more than four calendar years.

D. Conditions

Conditions of the tax exemption may include but are not limited to:

- registration of a covenant restricting use of the property;
- a requirement that the Applicant will continue a specific service or program;
- a requirement that the Applicant have the property available for public use for specific times or a total amount of time;

- a requirement that the Applicant offer use of the property available to certain groups free of charge or at reduced rates; and
- a requirement that the Applicant will immediately disclose any substantial increase in the organization's revenue or anticipated revenue.

E. Failure to Comply with Conditions

Where an organization breaches any conditions of the tax exemption, Council may take one or more of the following actions:

- revoke the tax exemption with notice;
- disqualify any future application for tax exemptions for a specific period; or
- require repayment of monies equal to the foregone tax revenue.

F. Cancellation of the Tax Exemption

A property receiving a tax exemption becomes taxable if:

- the use of the property changes to a use that does not qualify for the tax exemption; or
- the occupant of the property changes and the new occupant does not qualify for the tax exemption.

G. Process

A complete application with supporting documentation must be submitted to the City of Regina, using the prescribed application form:

- by June 30 in the year preceding the year for which they are requesting the tax exemption.

Application submissions must include:

- (a) a copy of the Certification of Incorporation;
- (b) if registered in Saskatchewan, a Corporate Registry Profile Report from Information Services Corporation;
- (c) a description of the programs, services and/or benefits delivered from the property including participant numbers, volunteer hours, benefiting groups, individuals, and/or special needs populations, and the fees charged for participation;
- (d) a description of any third-party use of the property including user group names, fees charged, and conditions of use;
- (e) for the last three (3) years, copies of:

- (i) audited financial statements, or
 - (ii) where audited financial statements are not available, financial statements that have been verified as correct by two signing officers from the organization;
- (f) a copy of the certificate of title or lease agreement, as applicable; and
- (g) evidence of funding requests from other sources, if applicable.

Administration will review and process all applications and make recommendations to Council. The recommendation will include whether the tax exemption will be granted as an exemption or an abatement. If approved by City Council, the exemption or abatement will be authorized by Council's passage of an enabling bylaw. The Applicant may also be required to enter into a tax exemption agreement with the City.

All recipients of tax exemptions from the City are required to publicly acknowledge the exemption.

H. Transition Provisions

Applications for tax exemptions will be considered under the following terms:

- (a) all applications received on and after January 1, 2019 will be considered under this policy;
- (b) all properties exempt from property taxes for the 2018 calendar year pursuant to *The Properties Exempt from Taxation Bylaw, 2018* shall be transitioned to the new policy as follows:
 - (i) for the 2018 calendar year the properties shall receive an exemption for their property taxes on the same terms and conditions as the exemption granted for the 2018 calendar year
 - (iii) for the 2020 and all subsequent years, the application for a tax exemption must comply with the terms of this policy.

I. Roles and Responsibilities

The Executive Director, or their delegate, in their sole discretion conclusively determines compliance with the eligibility criteria for tax exemptions under this policy. Council approval of all tax exemptions under this Policy is required through the passing of a bylaw. The Executive Director is authorized to finalize and approve the terms of any tax exemption agreements entered into pursuant to this policy, and the City Clerk is authorized to execute the agreements after review and approval by the City Solicitor.

Amendments to this policy made from time to time require approval by Council.

6.0 Related Policies or Bylaws

Council's authority to grant property tax exemptions is also exercised under the following policies and programs, as applicable:

- Heritage Incentive Policy,
- Housing Incentives Policy,
- Downtown Residential Tax Incentives Policy,
- Economic Development Incentives Program, and
- 2013 boundary alteration tax mitigation principles and tools.

7.0 Reviews

Date of Policy Owner's Review	High Level Description
2019/01/01	Initial Release
2021/01/01	Scheduled Review of Policy

8.0 Amendments

Date of Council Decision	Council Report #	Main Committee	Date of Main Committee Review	Description

Appendix B

2018 Non-Profit and Charitable Organizations	Exempt Assessed Value	Foregone Municipal Tax	Community Investment Funds	Total
Agricultural Societies				
Saskatchewan Livestock Assoc.	92,400	\$ 869	\$ 0	\$ 869
Saskatchewan Stock Growers Assoc.	70,700	665	0	665
Arts & Cultural Organizations				
Art Gallery of Regina	94,100	885	82,000	82,885
Civic Museum of Regina	297,509	2,799	125,000	127,799
Globe Theatre Society	3,508,200	33,001	145,000	178,001
Mackenzie Art Gallery	16,442,200	154,667	305,000	459,667
RCMP Heritage Centre	33,812,100	318,061	90,000	408,061
Saskatchewan Science Centre	22,382,100	210,542	175,000	385,542
Theatre Regina	2,510,800	23,618	17,000	40,618
Charitable & Benevolent Institutions				
Canadian Red Cross	2,393,300	22,513	5,000	27,513
Regina & District Food Bank	6,441,909	60,597	55,800	116,397
Regina Educ. & Action on Child Hunger	151,600	1,426	79,285	80,711
Community Gardens				
Al Ritchie Community Assoc.	545,100	5,127	0	5,127
Cathedral Area Community Assoc.	308,900	2,906	0	2,906
Dewdney East Community Assoc.	682,600	6,421	0	6,421
Grow Regina	865,600	8,142	0	8,142
Queen City Eastview Community Assoc.	365,900	3,442	0	3,442
South Zone Recreation Board	11,085,091	104,274	0	104,274
West Zone Community Garden	104,700	985	0	985
Easement Use Agreements				
Selo Estates Condominium Corp.	4,600	33	0	33
Varsity Condominiums	5,800	41	0	41
Educational Organizations				
Regina Trades & Skills Centre	4,508,800	42,413	0	42,413
Healthcare Organizations				
Canadian Blood Services	5,990,000	56,346	0	56,346
Community Health Services Assoc.	2,318,492	21,809	0	21,809
Libraries				
Regina Public Library	5,749,909	54,088	0	54,088
Sports Recreation Organizations				
Caledonian Curling Club	3,060,600	28,790	0	28,790
Highland Curling Club Co-Operative	1,111,900	10,459	0	10,459
Regina Thunder Football Club	592,000	5,569	0	5,569
Tartan Curling Club Co-Operative	1,617,000	15,211	0	15,211
Youth Clubs / Groups				
Girl Guides of Canada	844,900	7,948	0	7,948
Total	127,958,810	\$ 1,203,647	\$ 1,079,085	\$ 2,282,732

**Public and Stakeholder Consultation
for the Proposed
*Community Non-Profit Tax Incentive Policy***

Final Report

November 2018

Prepared for:

City of Regina

Assessment & Taxation Department

Prepared by:

PRAXIS

RESEARCH | STRATEGY | RESULTS

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Disclaimer

The statements made in this report are based solely on the information obtained to date. Praxis Consulting has used its professional judgment in assessing the information and formulating its opinion and recommendations. New information may result in a change in this opinion. The mandate at Praxis Consulting is to perform the tasks prescribed by the client with the due diligence of the profession. No other warranty or representation, expressed or implied, as to the accuracy of the information or recommendations is included or intended in this report. Praxis Consulting disclaims any liability or responsibility to any person or party, other than the party to whom this report is addressed, for any loss, damage, expense, fine, or penalty which may arise or result from the use of any information or recommendations contained in this report.

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Executive Summary

Background & Context

Regina City Council asked the City Administration to create a policy for the non-profit and charitable sector to guide the consistent review and evaluation of applications for permissive¹ property tax incentives. In response, Administration drafted the “Community Non-Profit Tax Incentive Policy” (the policy).

On August 1, 2018, representatives from non-profit organizations attended Council’s Executive Committee meeting to request that the mayor and city councillors reconsider the policy. Concerns were received from two groups: 1) those currently receiving or requesting permissive property tax exemptions and 2) licensed, non-profit child care centres. Council asked Administration to undertake a broad public consultation to gather further feedback on the policy.

Approach

The City of Regina’s Assessment & Taxation Department (the City) contracted Praxis Consulting to assist with a broad public consultation. The objectives of the consultation project were to:

- **Inform** participants about policy objectives and history
- **Inform** participants about Council’s directive regarding the policy
- **Solicit feedback** on the policy and other options to inform a final report

Method

To achieve these objectives, the City, in concert with Praxis, hosted two stakeholder consultation sessions and an online public survey. The targeted groups for the stakeholder consultation sessions were non-profit child care centres and organizations currently receiving or requesting permissive property tax exemptions.

The first stakeholder consultation was with representatives of licensed, non-profit child care centres. Eight participants from seven separate child care centres attended the session on October 1, 2018. The second stakeholder consultation was with representatives of organizations currently receiving or requesting permissive property tax exemptions. Seventeen participants representing 13 organizations attended the second session on October 4, 2018.

An online survey designed to gather broad public feedback was accessible from October 2, through October 12, 2018 at *Regina.ca*.

¹ Permissive tax exemptions are authorized by *The Cities Act*, allowing cities to grant property tax exemptions at their discretion.

Key Considerations for Directly Impacted Stakeholders

The essence of stakeholder feedback is this—the Community Non-Profit Tax Incentive Policy should balance stewardship of tax dollars and allocation of tax exemptions with encouraging and growing the non-profit sector in Regina in ways that benefit the community.

During both stakeholder sessions, it was clear participants saw their organization as providing a necessary service that enhances Regina's quality of life. Participants wondered whether the policy recognizes the value they bring to the community. This question appears to stem from a lack of understanding about the purpose of the policy.

Stakeholders suggest a policy be developed that encourages the growth of non-profits in Regina, much like policies that provide a tax incentive to private business to locate in Regina.

Stakeholders think non-profits provide a net benefit to quality of life that outweighs the property tax exemption. They believe a tax policy for non-profits should encourage and reward growth and success, but the majority, particularly child care centres, see the draft policy as fostering an 'uneven playing field' and are concerned it could encourage competitiveness within the non-profit sector. Many stakeholders see the policy as a potential opportunity to incent non-profits to partner together (e.g., joint initiatives, programs, co-locations, etc.).

Ways to simplify the application process should be considered in order to ease stakeholder concerns of administrative burden. In addition, its purpose/objective will need to be effectively communicated, particularly regarding the limited funds available.

Key Considerations for the Public

Public opinion generated from the online survey appears divided regarding many aspects of the policy, such as only providing property tax exemptions to applicants whose services, programs and activities are equally available to all residents of Regina and providing property tax exemptions to applicants who demonstrate financial need and whose operations/user fees would be significantly impacted without the incentive.

According to the public survey, close to half (47%) of respondents support a policy that would only provide City property tax exemptions to sport, culture, recreation, arts or heritage organizations. While the respondents are generally supportive, the majority (57%) also expressed concerns about limiting exemptions to sport, culture, recreation, arts or heritage organizations. The majority of concerns were related to the narrow definition that excludes child care and other non-profit organizations that contribute to Regina's quality of life.

Over half (54%) of respondents are supportive of annual limits for the property tax exemption, which is contrary to the feedback heard during the stakeholder consultation sessions. Most of the concerns raised from the public regarding annual limits were related to the criteria used in choosing exempt organizations and the potential administrative burden of the application process for non-profit organizations.

Most (58%) respondents say there are other considerations the City needs to take into account as it considers a new policy on property tax exemptions for non-profit organizations. Of these respondents, almost one third (31%) stated affordable child care/child education needs to be one of the additional considerations.

Project Scope

On August 1, 2018, representatives from non-profit organizations attended City Council's Executive Committee meeting to request that the mayor and city councillors reconsider the proposed "Community Non-Profit Tax Incentive Policy." Council asked Administration to undertake a broad public consultation to gather further feedback on the policy by Quarter 4 of 2018.

Background & Context

Property tax exemptions are one tool local governments can use to provide support to non-profit organizations that serve a public need. As the cost of the tax exemption must be spread across remaining property taxpayers, these decisions are made carefully to balance community need with affordability.

Through provincial legislation, property tax exemptions are automatically given for public properties such as schools, public hospitals, places of public worship and provincially or municipally owned public buildings or land. These property tax exemptions are referred to as Statutory tax exemptions; City Council has no authority over Statutory tax exemptions.

In Regina, City Council annually considers property tax exemptions for other properties occupied by non-profit organizations operating within city limits. These property tax exemptions are referred to as permissive tax exemptions and may be granted at Council's discretion. The City has historically offered permissive tax exemptions in circumstances where organizations have demonstrated a financial need, are considered to contribute to the greater public good or advance Council's vision.

The City of Regina currently grants permissive property tax exemptions and/or incentives in five categories:

1. heritage
2. housing
3. downtown residential
4. boundary alteration
5. non-profit and charitable organizations

Each of the above categories has a Council-approved policy to guide decisions, except for the non-profit and charitable category. Permissive exemptions for non-profit and charitable organizations have been managed by two processes: the annual bylaw and ad-hoc requests.

- 1) The annual bylaw includes properties owned by the City and leased to taxable organizations, easements that would need to be maintained by the City and other organizations Council has chosen to support in the past. The bylaw, approved annually, grants exemptions for one year.
- 2) Ad-hoc requests are considered by Council on an individual basis. Permissive tax exemptions are granted by Council when they feel the need is justifiable and the request is in line with their vision.

City Council asked Administration to create a policy for the non-profit and charitable category to guide the consistent review and evaluation of applications for permissive property tax incentives. In response, Administration drafted the “Community Non-Profit Tax Incentive Policy” (the policy).

On August 1, 2018, representatives from non-profit organizations attended Council’s Executive Committee meeting to request that the mayor and city councillors reconsider the policy. Concerns were received from two groups: 1) those currently receiving or requesting permissive property tax exemptions and 2) licensed, non-profit child care centres. Council asked Administration to undertake a broad public consultation to gather feedback on the policy.

Approach

The City of Regina’s Assessment & Taxation Department (the City) contracted Praxis Consulting to assist with a broad public consultation. The objectives of the consultation project were to:

- **Inform** participants about policy objectives and history
- **Inform** participants about Council’s directive regarding the policy
- **Solicit feedback** on the policy and other options to inform a final report

Praxis’ approach to the public consultation project was designed to meet stated objectives within the City’s set budget and schedule.

Assumptions

The following assumptions were made in the approach to the consultation project:

- All stakeholders would receive information regarding an opportunity to participate in stakeholder consultations from the designated distribution source (e.g., mail or email).
- The general public would receive information regarding an opportunity to participate in the online public survey via social media advertisements, the City’s social media platforms and the City’s website.
- The discussion topic (i.e. the policy) is complex and controversial.

Method

To achieve consultation objectives, the City, in concert with Praxis, hosted two targeted stakeholder consultation sessions and an online public survey. The targeted groups for the stakeholder consultation sessions were non-profit child care centres and organizations currently receiving or requesting permissive property tax exemptions.

Roles and Responsibilities

The City booked the facilities, distributed invitations and tracked registrations for the stakeholder sessions, arranged advertising to create awareness about opportunities to participate in the public consultation, provided guidance to Praxis on the consultation session and survey questionnaire design and ensured appropriate staff were available at the consultation sessions to answer technical questions

regarding the policy. The City also took responsibility for programming, testing, hosting and distributing the online public survey.

Praxis was responsible for designing and facilitating the stakeholder sessions, designing the online public survey questionnaire, gathering and recording all feedback and writing the final report. The agendas for both stakeholder sessions are provided as Appendix A.

Stakeholder Consultation Sessions

City leadership attended both stakeholder sessions to welcome participants and provide participants with background, context and Council direction regarding the policy. City leadership then left the sessions to allow for open dialogue and feedback among participants. However, a representative from the Assessment & Taxation Department remained at each session to observe the conversation and provide technical comments, where required.

The first stakeholder consultation session was held with licensed, non-profit child care centres. This session took place on October 1, 2018 from 6:30 p.m. to 8:30 p.m. at the Neil Balkwill Civic Arts Centre. Participants were representatives of child care sector who had previously submitted a brief to Council regarding tax exemptions and/or had attended the Executive Committee meeting on August 1, 2018. Invitations were mailed to 24 representatives. Eight participants representing seven child care centres attended.

The second stakeholder consultation session was held with representatives from organizations currently receiving or requesting permissive property tax exemptions. This session took place on October 4, 2018 from 2:00 p.m. to 4:00 p.m. at the Neil Balkwill Civic Arts Centre. The City used an existing distribution list of organizations currently receiving or requesting permissive property tax exemptions to invite representatives via email. Invitations were distributed to 33 representatives. Each organization was asked to send no more than two representatives. Seventeen participants representing 13 organizations attended.

To provide additional options for participation, written feedback was welcomed from all stakeholders, including those not in attendance.

During the first session, participants were given a workbook (Appendix B) to record comments. Praxis collected the workbooks at the end of the session. Representatives were also given Praxis business cards to submit additional comments following the session, but no additional comments were received.

Prior to the second session, Praxis distributed a pre-consultation questionnaire (Appendix C) to invitees. The purpose of the pre-consultation questionnaire was to gather preliminary input on the likes and dislikes regarding the policy. Praxis received 10 pre-consultation questionnaires representing 11 organizations. Invitees unable to attend the session were encouraged by Praxis to provide their input via this method. Analysis of the pre-consultation questionnaire responses is provided in Appendix D. A hand-out summarizing this feedback was provided to participants at the session for large group discussion.

Web-based Online Survey

Public input was sought using an online survey to provide Regina residents with an access point to share their opinions. The online survey was available at *Regina.ca* from October 2, 2018 through October 12, 2018. The survey was advertised using social media. The survey questionnaire, developed in collaboration with the City of Regina, consisted of an introduction explaining the purpose of the survey, followed by 13 questions. The survey questionnaire is provided in Appendix E.

The online survey is a public engagement tool designed to provide Regina residents with an opportunity to share opinions with the City; it is not a statistically valid survey conducted with a random selection of respondents. Because respondents self-selected, survey results technically constitute a non-probability sample and a margin of error is not calculated or quoted.

Results of Consultation

1. Stakeholders Currently Receiving Permissive Exemptions

Praxis received and reviewed the submitted pre-consultation questionnaires prior to the facilitated session. The data collected via the pre-consultation questionnaire has been incorporated within the key themes discussed at the session, which are presented in this section.

The Policy

Raises awareness. The majority of participants were observed to be unaware of the background and current state regarding the City's permissive tax exemptions. Some of the participants believed that existing tax exemptions were an inherent right for some of the organizations.

Fair, consistent and transparent. Participants agreed with the City's need to create a policy that ensures tax exemptions are distributed in a fair, consistent and transparent manner. As one small group noted, "there is value in the process and we are in favour of a policy."

Public consultation. While participants thanked the City for consulting them on the policy, many expressed a desire to be consulted earlier in the process as well as a willingness to participate in future consultation opportunities.

Implications of the Policy

Criteria for exemptions. The perception among participants was that the policy asks non-profit and charitable organizations to demonstrate financial hardship to receive a tax exemption. All participants believe the policy should recognize the impact non-profit and charitable organizations have on quality of life for Regina's residents when providing tax exemptions. Participants recognize it would be difficult for the City to measure the value or impact of a non-profit and/or charitable organization, but the majority agree standard criteria should be developed and published.

Supporting growth. Most participants were of the opinion the policy is restrictive and creates competition within the non-profit/charitable sector. They shared their belief that the policy will limit entrepreneurship, new opportunities and organizational growth. For example, participants believe Criteria 2.1 (b) may be perceived as potentially limiting for entrepreneurs. They are also concerned the policy dis-incentivizes economic partnership, which contradicts messages from the federal government supporting economic partnership.

Consistent messaging. Some participants expressed confusion regarding the policy and the Community Investment Grants Program, as one is asking non-profits to demonstrate hardship and the other offers organizations incentive to grow. One participant questioned whether the policy aligns with the City's Official Community Plan (OCP), which is supportive of growth.

Refined application process. All participants believe the application process would be administratively burdensome to their organizations and would prefer a simpler process. Participants asked the City to

consider a rolling 4-year application process. In addition, participants say they currently submit the information requested in the policy to the City in the Community Investment Grants Program.

Not a ‘one-size fits all’ solution. Participants suggested the policy recognize the diversity of non-profits/charitable organizations. Some participants suggest the policy, application process and exemption granted should reflect the operating capacity of each organization.

Funding parameters. Participants requested the ‘cap’ in the policy be changed to a ‘floor’ or an indexed percentage to be reviewed annually. A grandfather clause was requested to ensure larger non-profits continue to receive full tax exemptions, regardless of cap or number of applicants.

Private vs. non-profit sectors. Participants often discussed whether the private and non-profit sectors should be treated differently. A few participants were of the opinion that a non-profit should be able to succeed if its services are valued/needed by the public.

Demonstrating fiscal responsibility. All participants agreed it was appropriate to share financial statements with the City for the tax exemption applications. It was also unanimously agreed organizations should have to demonstrate the impact to their organization of losing the tax exemption.

Define Criteria 4.1. Participants expressed confusion about the definition of ‘open to the public’ in Criteria 4.1.

2. Licensed, Non-Profit Child Care Centres

Implications of the Policy

Policy will limit funds available. All participants expressed concern with introducing a ‘cap’ that will ultimately lessen the pool of resources available for all, forcing them to compete with other non-profits. All participants suggested the ‘cap’ not be static.

Principle #3 excludes child care. All participants asked child care centres be added to the list within this principle. Some stated many of the child care centres also provide additional community services that contribute to health, safety and social development, such as food security and shelter.

Principle #3 does not “[Align] with the City’s Plans and Programs.” Some participants referenced *Design Regina – The Official Community Plan (OCP)*, which they perceive as suggesting daycares are an important economic driver; however, they perceive criteria 3.1 as excluding child care centres from tax relief.

Application process places administrative burden. Participants stated the application process outlined in the policy would place administrative burden on their organization. Participants asked the City to consider providing resources to assist with the application process.

Additional Considerations

September 2017 brief. During this session, it was brought to the attention of Praxis that a formal brief (dated September 29, 2017) had been submitted to City Council on behalf of licensed, non-profit child care centres requesting property tax exemption. Participants expressed disappointment that the brief

was not part of the session design. However, not including the brief allowed Praxis to remain completely open and non-biased to all feedback in the session. Also, since it is our understanding that this brief has been shared with Council and is a public document, it has not been attached as part of this final report.

Stakeholder identification. The participants requested their stakeholder group be referred to as “licensed, non-profit child care centres.”

Uniqueness within the sector. Participants discussed the importance of differentiating themselves from the larger non-profit sector as well as from other child care facilities. They are unique from other child care facilities, because they are regulated by the provincial government and must follow a prescribed early years education curriculum. Thus, they believe their child care centres provide a standard of service/care that is different from other child care facilities. Also, these stakeholders are of the opinion many families being served by their organizations live in poverty and their user fees are directly impacted by property tax. One participant noted, “We are on the fringe ... we get the requirements but not the funding.” Participants requested the City consider licensed, non-profit child care centres as part of the education sector and remove them from the pool of other non-profits.

Child care centres contribute to Regina’s social and economic development. Participants shared the following examples of how child care centres contribute to the social and economic development of Regina:

- Our organizations offer wages to new Canadians, contributing to positive economic spin-off.
- Our organizations are encouraging the City to think bigger and broader. This is an opportunity to grow child care and address social issues such as poverty and crime.
- Increased quality of our child care centres will make Regina more attractive to potential investors.

Perceived disparity in Regina’s child care. Participants perceive an ‘uneven playing field’ within the child care sector, which they believe contributes to a disparity in quality of child care for Regina residents. They believe some child care organizations do not pay property tax because they are tenants of schools; participants believe these organizations have more money to invest in better food, programs, facilities and wages .

Flow of tax funds. Two comments were raised questions about the flow of tax funds. First, is there a possibility the public will view provincial funding for child care centres as going toward municipal property taxes? Second, if child care centres have to raise user fees in order to pay property taxes, will parents express concern about paying property tax for both their own residence and their child care centre?

A tax exemption policy could be used to strategically place daycares. Participants asked the City to consider creating a tax exemption policy that could incent child care facilities to locate to areas in Regina where there is a high need.

Licensed, non-profit child care centres do not feel supported. Participants feel their sector is overlooked and not viewed as important. Specifically, they had not heard back on their previous brief to

Council requesting a property tax exemption, and they are not aware of a reprieve offered to child care centres in any other City programs. Participants also shared their frustration about being caught between provincial mandates and municipal policy.

Considering Potential Alternatives

The licensed, non-profit child care centre stakeholder group was asked to comment on the following potential options:

Tax exemption:	Licensed, non-profit child care organizations are provided a tax exemption.
Unique policy:	A new tax-related policy is drafted to address considerations specific to the child care community.
Per-head granting:	Relief is provided by way of grants made available on a ‘per-child’ basis.
Status quo:	The proposed policy is implemented as-is.

Participants dismissed the status quo option, stating the policy did not include support for their organizations. Participants also unanimously agreed that the per-head granting option would not be beneficial, as it could potentially incent daycares to relocate to specific areas of Regina, leaving other areas unserved.

Participants unanimously agreed that a tax exemption would facilitate equal access to quality child care for Regina’s residents. Participants stated that, as non-profits, money saved through tax exemption would be reinvested in their organizations as facility upgrades, better food/groceries for children, increased (competitive) wages and professional development opportunities for staff and higher quality education. It would also help keep rates lower for families. Participants think tax exemptions are an opportunity to grow the child care sector.

Participants were reluctantly supportive of the potential option of being taxed at a reduced rate, such as the residential rate.

Participants were supportive of developing a unique policy specifically for this group. Predictability, consistency and ease of access were noted as being important components of a unique policy. While supportive of this alternative, participants expressed concern over the time it may take the City to implement.

3. Online Public Survey Feedback

Praxis Consulting has reviewed and compiled feedback from the online public survey into a summary report (Appendix F, under separate cover). A total of 530 respondents came to the survey link and completed questions. Many of the respondents (41%) volunteer regularly (most months).

Respondent Profile

- 97% live in Regina
- 87% own their homes, 10% rent
- 41% volunteer regularly, 28% do not volunteer

Quantitative Feedback

- Approximately 47% of respondents support a policy that would provide City property tax exemptions only to organizations operating as sport, culture, recreation, arts or heritage organizations.
- At the same time, 57% of all respondents have concerns about limiting exemptions to these organizations. Of these respondents:
 - Approximately 21% want organizations that provide daycare/education/children's programs included
 - 12% want organizations that provide social programs/services included
 - 16% say the definition is too narrow
 - 10% think property tax exemptions should be based on how an organization improves quality of life in Regina
 - 13% say no organizations should be exempt
 - 10% think sport and culture organizations are already subsidized and don't need an exemption
 - 7% think non-profits with a positive cash flow should not receive exemptions

Exemptions for Organizations that Cater to All

- Approximately 46% of respondents would support a policy that only provides property tax exemptions to applicants whose services, programs and activities are equally available to all residents of Regina.
- Approximately 47% of all respondent's express concern with this principle. Of these respondents:
 - 29% are concerned that it's unlikely all residents could access all services
 - 21% say organizations that serve specific groups still support Regina and should qualify for exemptions

Exemptions Based on Financial Need

- Approximately 52% of respondents are supportive of a policy that only provides property tax exemptions to applicants who demonstrate financial need and whose operations/user fees would be significantly impacted without the incentive.
- At the same time, 51% of all respondents have concerns about limiting property tax exemptions based on financial need. Of these respondents:
 - 28% are concerned the question of 'need' depends on the City's evaluation criteria
 - 21% feel any organization that benefits the community should be exempt from property tax
 - 18% are concerned that such a policy would reward financially mismanaged organizations
 - 8% are concerned it would punish financially responsible organizations
 - 5% feel all non-profits should be eligible for financial support

Setting Annual Limits

- Approximately 54% of respondents are supportive of annual limits for the amount available for property tax exemptions for non-profit and charitable organizations.
- At the same time, nearly a third (32%) have concerns that exemption applications would have to be done every one-to-four years and be dependent on a limit set by City Council. Of these respondents:
 - 28% are concerned about how limits would be set and what criteria would be used
 - 19% are concerned about the additional administrative work load for volunteers
 - 12% say applying every year for some organizations would be excessive
 - 7% think there should not be any property tax exemptions for any organizations
 - 6% are concerned that competition may mean the loss of some small but valuable organizations

Other Considerations

- Most (58%) respondents say there are other considerations the City needs to take into account as it considers a new policy on property tax exemptions for non-profit organizations. Of these respondents:
 - 31% think the City needs to consider affordable childcare/child education in any policy on property tax exemptions
 - 21% think any organizations that offers services to Regina should qualify
 - 13% think property tax exemptions should not be offered for any organization
 - 6% say the policy should support organizations that attract people to Regina

Qualitative Feedback

Survey results also included additional open-end comments at the conclusion of the survey. Our firm has reviewed and categorized these comments into high level themes to encapsulate primary aspects of public feedback.

Approximately one quarter (24%) of survey respondents provided additional comments or suggestions for the City to consider as it develops a new policy on property tax exemptions for non-profit organizations. The verbatim comments were amalgamated into the following key themes:

- Comments related to providing tax exemption to child care/day care (25% of the comments)
- Comments regarding maintaining or even broadening exemptions (21% of all comments)
Note: These comments do not include any comments related to child care
- Comments about limiting/eliminating all exemptions (14% of all comments)

Concluding Considerations

Directly Impacted Stakeholders

The majority of stakeholder consultation session participants were unaware of the background and current state regarding the City's permissive tax exemptions. This public consultation project allowed the City to educate their non-profit and child care centre stakeholders on this topic. Participants received information that helped them understand the City's position and were given an opportunity to respond to the policy as well as brainstorm potential alternatives. At the end of the sessions, the majority of participants supported the need for a Community Non-Profit Tax Incentive Policy that provides an equitable, fair and transparent process and acknowledged that there are no easy solutions to balancing the needs of all stakeholders, the public, and City Council.

It was clear during both stakeholder sessions that participants see their organization as providing a necessary service that enhances Regina's quality of life. They do not feel the principles outlined in the policy recognize the value they think they bring to the community. In our opinion, this perception stems from the purpose of the policy not being clearly communicated to stakeholders.

The context of much of the stakeholder input is that the policy should encourage the growth of non-profits in Regina, much like policies that provide a tax incentive to private business to locate to Regina in an attempt to grow the economy. Furthermore, stakeholders perceived the policy as a potential opportunity to incent non-profits to partner together (e.g., joint initiatives, programs, co-locations, etc.).

Stakeholders believe non-profits provide a net benefit to quality of life in Regina that outweighs any tax exemptions. Participants reached consensus that a tax exemption policy for non-profits should encourage and reward growth and success. The majority of stakeholders, particularly the licensed, non-profit child care centres, perceive the draft policy as perpetuating an 'uneven playing field.' They are of the opinion the policy should not encourage competitiveness within the non-profit sector.

An objective of the policy is to provide financial relief to non-profit and/or charitable organizations that demonstrate financial need. Given this, a change in the title of the policy to better align with this purpose may need to be considered. In addition, further communications to educate stakeholders and the public about the intent of the policy may be necessary for build public support.

Participants would like clear, published criteria for evaluating who receives permissive tax exemptions. They believe the main criteria should include demonstrating the organization's value/impact on quality of life in the community. Stakeholders were unable to reach consensus regarding specific revisions to the criteria.

Introducing a limit ('cap') to the amount of funds available for permissive tax exemptions for non-profit/charitable organizations was another main theme of the public consultation. All stakeholder session participants expressed concern about the financial stability of their organization if a finite amount of resources is to be divided among existing and potential future applicants. Participants requested that alternatives be considered to address this concern. Contrary to the stakeholder sessions,

the public online survey demonstrated that over half (54%) of respondents are supportive of annual limits for the property tax exemption. Representatives of child care centres and large non-profits requested unique policies for their groups. We believe this desire for a unique policy is due mainly to a potentially more competitive landscape if funds are limited.

Stakeholders expressed concern about the administrative burden of the policy. The main concern was limited resources available for administration (some of the non-profits and/or charitable organizations do not have any staff). Many stakeholders noted that the information required to apply for a tax exemption is already provided to the City for the Community Investment Grants Program. Participants asked whether the City could transfer the information internally, so organizations only have to submit the documents and information once. Participants also asked the City to consider providing resources to assist applicants with limited resources.

Participants from both stakeholder sessions asked that a copy of Praxis' final report be provided upon completion of the public consultation project. To demonstrate transparency, good faith and a commitment to relationship building, we suggest the City communicate to all participants (stakeholders and the general public) how their input was considered and how it affected the final decision.

The Public

Public opinion generated from the online survey appears divided regarding many aspects of the policy, such as only providing property tax exemptions to applicants whose services, programs and activities are equally available to all residents of Regina and providing property tax exemptions to applicants who demonstrate financial need and whose operations/user fees would be significantly impacted without the incentive.

According to the public survey, close to half (47%) of respondents support a policy that would only provide City property tax exemptions to sport, culture, recreation, arts or heritage organizations. While the respondents are generally supportive, the majority (57%) also expressed concerns about limiting exemptions to sport, culture, recreation, arts or heritage organizations. The majority of concerns were related to the narrow definition that excludes child care and other non-profit organizations that contribute to Regina's quality of life.

Over half (54%) of respondents are supportive of annual limits for the property tax exemption, which is contrary to the feedback heard during the stakeholder consultation sessions. Most of the concerns raised from the public regarding annual limits were related to the criteria used in choosing exempt organizations and the potential administrative burden of the application process for non-profit organizations.

Most (58%) respondents say there are other considerations the City needs to take into account as it considers a new policy on property tax exemptions for non-profit organizations. Of these respondents, almost one third (31%) stated affordable child care/child education needs to be one of the additional considerations.

Appendix A: Session Agendas

City of Regina
Community Non Profit Tax Incentive Policy
October 1, 2018
Neil Balkwell Centre
Time: 7:00 – 9:00 pm

Time	Agenda	Approach
7:00	Welcome Session Overview	Praxis
7:10	The Policy - Create a shared understanding of the proposed Policy	City of Regina
7:20	Community Perspective - Gather the perspective of the non-profit child care community with regards to the proposed Policy - <i>Discussion Question #1 (Workbook)</i>	Large group
8:00	Considering Alternatives - Consider the implications that could exist for each potential alternative - <i>Discussion Question #2 (Workbook)</i>	Small group
8:30	Report Out	Large group
8:50	Next Steps - How participant feedback will be considered - Provide additional comments via the online public survey starting October 2, 2018.	Praxis
9:00	Adjourn	

City of Regina
Community Non Profit Tax Incentive Policy
October 4, 2018
Neil Balkwell Centre
Time: 2:30 – 4:30 pm

Time	Agenda Item and Discussion Guide	Approach
2:30 (10 mins)	Welcome Session Overview	Praxis
2:40 (10 mins)	The Policy <ul style="list-style-type: none"> - Create a shared understanding of the proposed Policy 	City of Regina
2:50 (20 mins)	Community Perspective <ul style="list-style-type: none"> - Pre-consultation survey results: Share the perspectives of the community non-profit organizations with regards to the proposed Policy. <i>Discussion: Do any of these surprise you? Have any been missed?</i>	Large group
3:10 (40 mins)	Consider Alternatives <i>Discussion: What considerations and/or alternatives could be proposed to address each concern.</i> <i>For each alternative, what implications could exist for non-profit stakeholders? What implications could exist for the City.</i>	Small group
3:50 (30 mins)	Report Out	Large group
4:20 (10 mins)	Next Steps <ul style="list-style-type: none"> - How participant feedback will be considered - Provide additional comments via the online public survey. 	Praxis
4:30	Thank you! Adjourn	

Appendix B: Child Care Session Workbook

City of Regina
Community Non Profit Tax Incentive Policy
PARTICIPANT WORKBOOK
October 1, 2018

Please document your thoughts and feedback for the following questions throughout the session to be handed in at the end of the session. The information contained in this workbook will be collected by Praxis Consulting and will remain anonymous and confidential. You do not have to identify yourself on the workbook.

We greatly value your feedback and thank you for your time and consideration in attending this session.

1. What are the implications of the proposed tax policy on non-profit licensed daycares?

2. What are the key issues that Council should consider in their deliberations?

Consider each potential alternative listed:

- Tax exemption: Non-profit, licensed child care organizations are provided a tax exemption.
- Unique policy: A new tax-related policy is drafted to address considerations specific to the child care community.
- Per-head granting: Relief is provided by way of grants made available on a 'per-child' basis.
- Status quo/proposed policy: The proposed policy is implemented as-is.
- For each, please discuss what implications could exist for the child care community? What implications could exist for the City of Regina?

Tax Exemption

Implications for the child care community:

Implications for the City:

Unique Policy

Implications for the child care community:

Implications for the City:

Per-head Granting

Implications for the child care community:

Implications for the City:

Status-Quo / Proposed Policy

Implications for the child care community:

Implications for the City:

3. Do you have any additional thoughts regarding the proposed Policy or this process?

THANK YOU!

Appendix C: Pre-Consultation Survey

Community Non-Profit Tax Incentive Policy Thursday, October 4, 2018 Pre-Consultation Questions

You have been invited to a consultation session on Thursday, October 4, 2018 to provide your feedback on the proposed **Community Non-Profit Tax Incentive Policy**.

Please note the draft policy has been attached to this email for easy reference.

Prior to the session, we are kindly requesting that you provide your comments to the following questions:

What <u>do you like</u> about the proposed Community Non-Profit Tax Incentive Policy? <i><Maximum 5 items. Please be succinct.></i>

What <u>concerns you</u> about the proposed Community Non-Profit Tax Incentive Policy? <i><Maximum 5 items. Please be succinct.></i>

Your responses will remain anonymous. They will not be provided to the City or any other third party. Praxis will use the information provided herein to aggregate a number of key themes upon which to address at the session.

Please submit your responses directly to srunge@praxis-consulting.ca no later than end of day Wednesday, October 3, 2018.

Thank you for your time and consideration.

Appendix D: Pre-Consultation Analysis

What do you like about the proposed Community Non-Profit Tax Incentive Policy?
Purpose/Concept: Equitable, Fair, Consistent, Transparent (4)
Principle #3 (4) <ul style="list-style-type: none"> Community gardens, food security and public safety are highlighted. Policy aligns with OCP, Cultural Plan, Recreation Master Plan and the Community Investment Grants Programs
Principle #4 Organizations must be accessible to the Public (2)
Principle #2 (2) <ul style="list-style-type: none"> Emphasis on Not for Profit Organizations Support shall not be used for commercial or private gains
Principle #5: Hardship on the users of the programs
Process: Required to publicly acknowledge the incentive

What concerns you about the proposed Community Non-Profit Tax Incentive Policy?
Uncertainty: Impact (to staffing, service delivery, partners, stakeholders) should the organization not receive a tax incentive (2)
Conditions (3) <ul style="list-style-type: none"> Availability (operationally) for public use Certain groups free/reduced rate; Restricts potential partnerships/support of private sector 'Unique' services
Policy CAP (2)
Application Process (6): <ul style="list-style-type: none"> Burdensome on administration; Staff are lean already working beyond capacity Proof and other docs are already submitted annually through grant application and reporting Costly for City to administer Don't have paid staff to handle this process Seems redundant if nothing has changed in a year Burdensome levels of red tape
Purpose (3) <ul style="list-style-type: none"> Creates disincentive for growth of non-profit sector Demonstrating financial need works against growth Should state preference to orgs that demonstrate growth Does not address fiscal responsibility Does not reflect value/role of non-profits
Principle #5: Financial Need contradicts value of having non-profits deliver community services

Appendix E: Survey Questionnaire

City of Regina Community Non-Profit Tax Incentive Policy Questionnaire

INTRODUCTION

Property tax exemptions are one tool local governments can use to provide support to non-profit organizations that serve a public need. As the cost of the tax exemption must be spread across remaining property taxpayers, these decisions are made carefully to balance community need with affordability.

Through provincial legislation, property tax exemptions are automatically given for public properties such as schools, public hospitals, places of public worship and provincially or municipally owned public buildings or land. City Council has no authority over these exemptions.

In Regina, City Council annually considers property tax exemptions for other properties occupied by non-profit organizations operating within city limits. The City of Regina is currently considering a draft policy to guide future decisions on property tax exemptions for non-profit organizations.

We want your feedback on a proposed tax exemption policy and how it can most effectively be applied.

This survey takes only a short time to complete. Response is anonymous and confidential. Would you like to contribute your views?

The draft policy will be used to guide future decisions on property tax exemptions and what an organization would need to do in order to be eligible for a property tax exemption. As you are sharing your views keep in mind that property tax exemptions are automatically given for public properties such as schools, public hospitals and places of public worship through provincial legislation. These are not impacted by or included in the questions following.

1. Would you be supportive, or not, of a policy that provided property tax exemptions only to organizations operating as sport, culture, recreation, arts or heritage organizations?

- a) Very supportive
- b) Somewhat supportive
- c) Neutral, neither supportive or unsupportive
- d) Somewhat unsupportive
- e) Very unsupportive
- f) Unsure

1a. Do you have any concerns around the principle of providing property tax exemptions only to organizations operating as sport, culture, recreation, arts or heritage organizations?

- a) Yes – Can you tell us what that would be?
- b) No
- c) Unsure

2. Would you be supportive, or not, of a policy that provided property tax exemptions only to applicants whose services, programs and activities would be equally available to all residents of Regina?

- a) Very supportive
- b) Somewhat supportive
- c) Neutral, neither supportive or unsupportive
- d) Somewhat unsupportive
- e) Very unsupportive
- f) Unsure

2a. Do you have any concerns around providing property tax exemptions only to organizations whose services, programs or activities are available to all residents of Regina?

- a) Yes – Can you tell us what that would be?
- b) No
- c) Unsure

3. Would you be supportive, or not, of a policy that provided property tax exemptions only to applicants who demonstrate financial need for the City's support and that their operations or user fees would be significantly impacted without the property tax incentive?

- a) Very supportive
- b) Somewhat supportive
- c) Neutral, neither supportive or unsupportive
- d) Somewhat unsupportive
- e) Very unsupportive
- f) Unsure

3a. Do you have any concerns around providing property tax exemptions only to applicants who demonstrate financial need for the City's support?

- a) Yes – Can you tell us what that would be?
- b) No
- c) Unsure

4. The proposed policy sets a limit for the total amount available for tax exemptions for non-profit and charitable organizations. The amount will be reviewed every two years with the policy. Would you be supportive, or not, of annual limits for this property tax exemption?

- a) Very supportive
- b) Somewhat supportive
- c) Neutral, neither supportive or unsupportive
- d) Somewhat unsupportive
- e) Very unsupportive
- f) Unsure

4a. Do you have any concerns that applications for property tax exemptions should have to be done annually (every 1-4 years for some applicants) and would be dependent on a limit set by Council?

- a) Yes – Can you tell us what that would be?
- b) No
- c) Unsure

5. Is there anything else the City of Regina should be considering as it considers a new draft policy to guide future decisions on property tax exemptions for non-profit organizations?

- a) Yes – Can you tell us what that would be?
- b) No
- c) Unsure

DEMOGRAPHICS

Finally, we have a few questions for classification purposes to help us ensure we are hearing from a cross section of residents.

D1. Do you live inside the Regina city limits?

- a) Yes
- b) No

D2. Do you own or rent your residence?

- a) Own
- b) Rent
- c) Prefer not to answer

D3. Do you work or volunteer on a regular basis for a charitable or non-profit organization in Regina?

- a) Yes, regularly, that is most months
- b) Yes, occasionally, but not regularly
- c) Yes, but only once in a while
- d) Seldom or not at all

Do you have any additional comments or suggestions you would like to share?

Thank you for taking time to share your opinions! Your input is appreciated and will help guide decisions regarding a policy for property tax incentives for non-profit organizations in Regina

City of Regina

Community Non-Profit Tax Incentive Policy Survey Report

October 2018

Prepared for:
CITY OF REGINA
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Submitted by:
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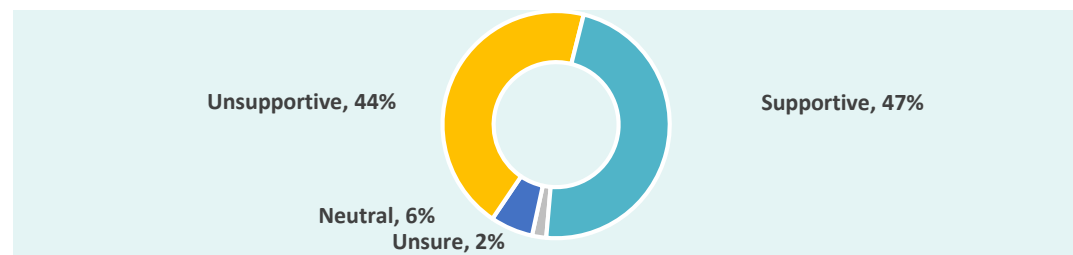
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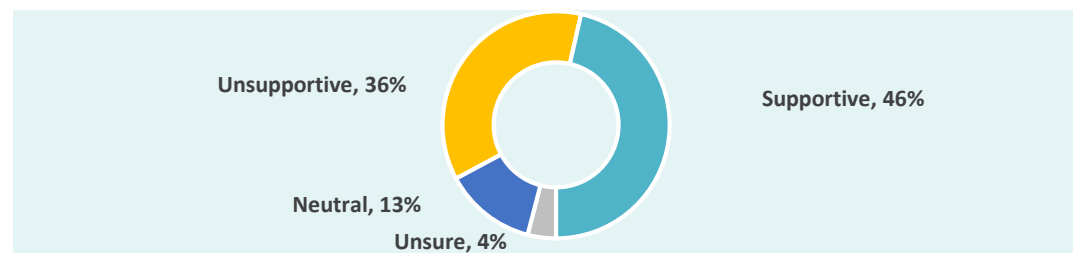
City of Regina
Community Non-Profit Tax Incentive
Policy Survey Report

Executive Summary

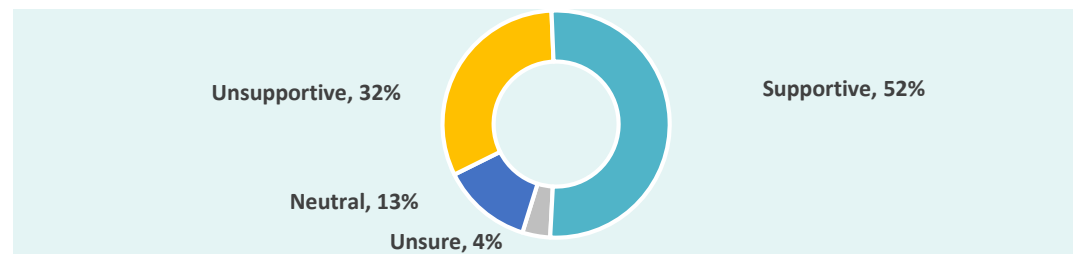
Exemptions for Sport, Culture, Recreation, Arts, Heritage Only



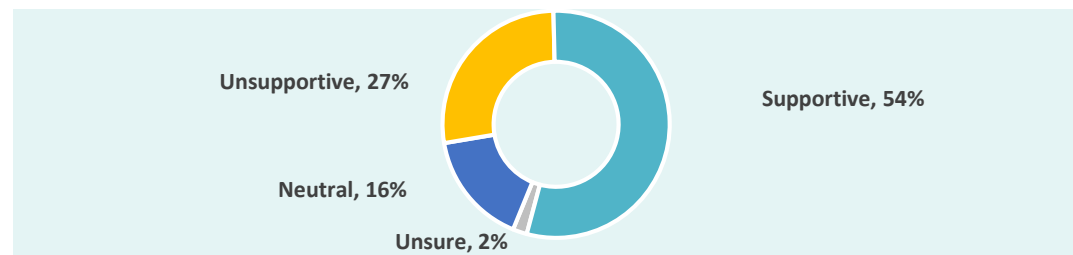
Exemptions for Organizations that Cater to All



Exemptions for Organizations Based on Financial Need



Setting Annual Exemption Limits



The City of Regina is developing a tax policy for non-profit and charitable organizations that will define criteria for granting the exemptions each year. The City sought public input on the policy using an online survey accessible from October 2–12 at Regina.ca.

Highlights

Exemptions for Sport, Culture, Recreation, Arts and Heritage Organizations Only

- Approximately 47% of respondents support a policy that would only provide City property tax exemptions to sport, culture, recreation, arts or heritage organizations.
- Most respondents (57%) have concerns with exemptions only for sport, culture, recreation, arts or heritage organizations.
- Approximately 21% of these respondents also want organizations that provide daycare/education/children's programs included. Another 16% say the definition is too narrow and 10% think property tax exemptions should be based on how an organization improves quality of life in Regina.

Exemptions for Organizations that Cater to All

- Approximately 46% of respondents would support a policy that only provides property tax exemptions to applicants whose services, programs and activities are equally available to all residents of Regina.
- Approximately 47% express concern with this policy. Among these respondents, 29% say it's unlikely all residents could access all services, while 21% say organizations that serve specific groups still support Regina.

Exemptions Based on Financial Need

- Just over half (52%) of respondents would support a policy that only provide property tax exemptions to applicants who demonstrate financial need and whose operations/user fees would be significantly impacted without the incentive.
- Half (51%) of respondents have concerns about only providing property tax exemptions based on financial need. Approximately 28% of these respondents are concerned that the need depends on the evaluation criteria the City uses, while 21% believe any organization that benefits the community should be exempt from property tax.

Support Setting Annual Limits

- Over half (54%) of respondents are supportive of annual limits for the property tax exemption.
- Approximately a third (32%) are concerned that exemption applications would have to be done annually and be dependent on a limit set by City Council. Approximately 28% of these respondents are concerned about how limits would be set and what criteria would be used. Another 19% are concerned about the additional administrative work load for volunteers.

Daycare/Childcare Exemptions

- Most (58%) respondents say there are other considerations the City needs to take into account as it considers a new policy on property tax exemptions for non-profit organizations.
- Almost a third (31%) of these respondents think the City needs to consider affordable childcare/child education in any policy on property tax exemptions.

Methodology

Regina City Council annually considers property tax exemptions for non-profit organizations operating within the city. To help guide these decisions, the City is developing a tax policy for non-profit and charitable organizations to help inform development of a tax policy that will define criteria for granting the exemptions.

The City sought public input through a public engagement survey, available on the City of Regina website between October 2nd and 12th, 2018. The survey questionnaire, developed in collaboration with the City of Regina, consisted of an introduction explaining the purpose of the survey, followed by 13 questions.

Praxis Consulting has reviewed and compiled survey feedback into a summary report. A total of 530 respondents came to the survey link and completed questions; 479 completed all questions. Results also include open end comments to five questions. Our firm has reviewed these open-end responses and categorized them into high level themes to encapsulate primary aspects of public feedback.

The online survey is a public engagement tool designed to provide Regina residents with an opportunity to share opinions with the City; it is not a statistically valid survey conducted with a random selection of respondents. Because respondents self-selected, survey results technically constitute a non-probability sample and a margin of error is not calculated or quoted.

The objective of these public engagement tools is to provide Regina residents with an access point to share their opinions on some of the City's high-level priorities, and to capture quantifiable insights into Regina residents' perceptions.

City of Regina
Community Non-Profit Tax Incentive
Policy Survey Report

Survey Results

Introduction

Property tax exemptions are one tool local governments can use to provide support to non-profit organizations that serve a public need. As the cost of the tax exemption must be spread across remaining property taxpayers, these decisions are made carefully to balance community need with affordability.

Through provincial legislation, property tax exemptions are automatically given for public properties such as schools, public hospitals, places of public worship, and provincially or municipally owned public buildings or land. City Council has no authority over these exemptions.

In Regina, City Council annually considers property tax exemptions for other properties occupied by non-profit organizations operating within city limits. The City of Regina is currently considering a draft policy to guide future decisions on property tax exemptions for non-profit organizations.

The City sought public feedback on a proposed tax exemption policy and how it can most effectively be applied. The draft policy will be used to guide future decisions on property tax exemptions and what an organization would need to do in order to be eligible for a property tax exemption.

Exemptions Only for Sport, Culture, Recreation, Arts or Heritage

- Q. *Would you be supportive, or not, of a policy that provided property tax exemptions only to organizations operating as sport, culture, recreation, arts or heritage organizations?*
- Approximately 47% of respondents support a policy that would provide City property tax exemptions only to organizations operating as sport, culture, recreation, arts or heritage organizations.
 - Another 44% do not support limiting exemptions to sport, culture, recreation, arts or heritage organizations.

5 out of 10 Support Exemptions for Sport, Culture, Recreation, Arts and Heritage Organizations Only

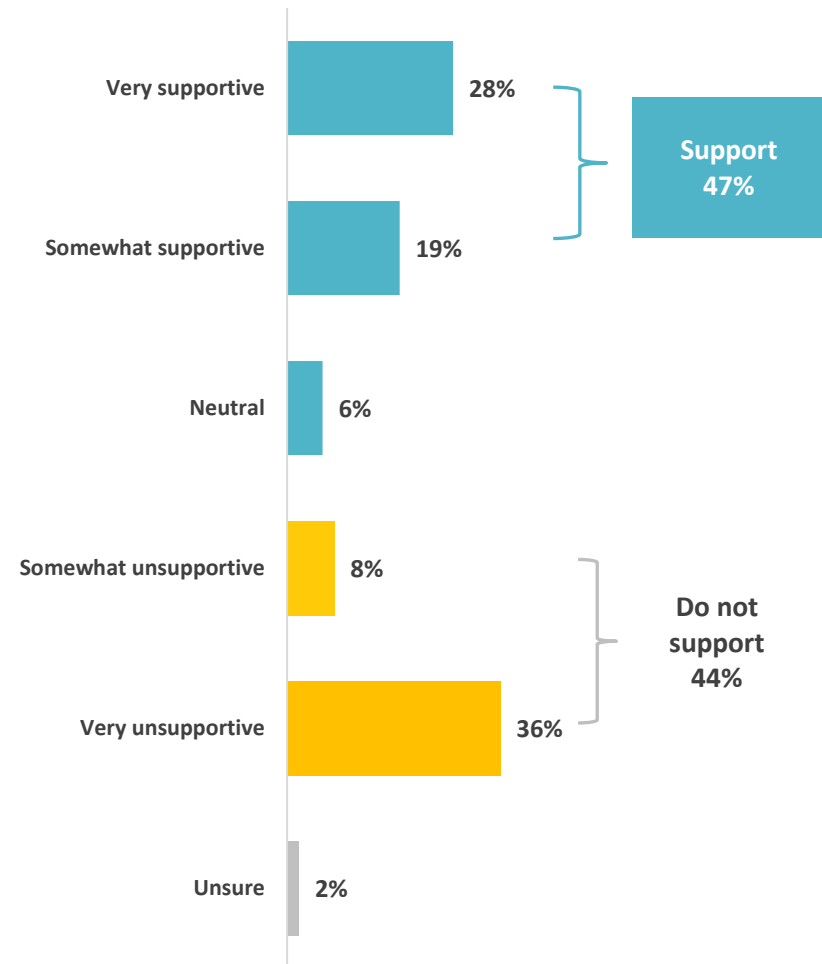
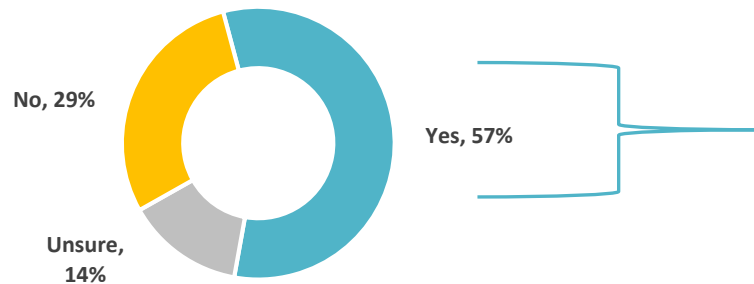


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Concerns

Q. Do you have any concerns around the principle of providing property tax exemptions only to organizations operating as sport, culture, recreation, arts or heritage organizations?

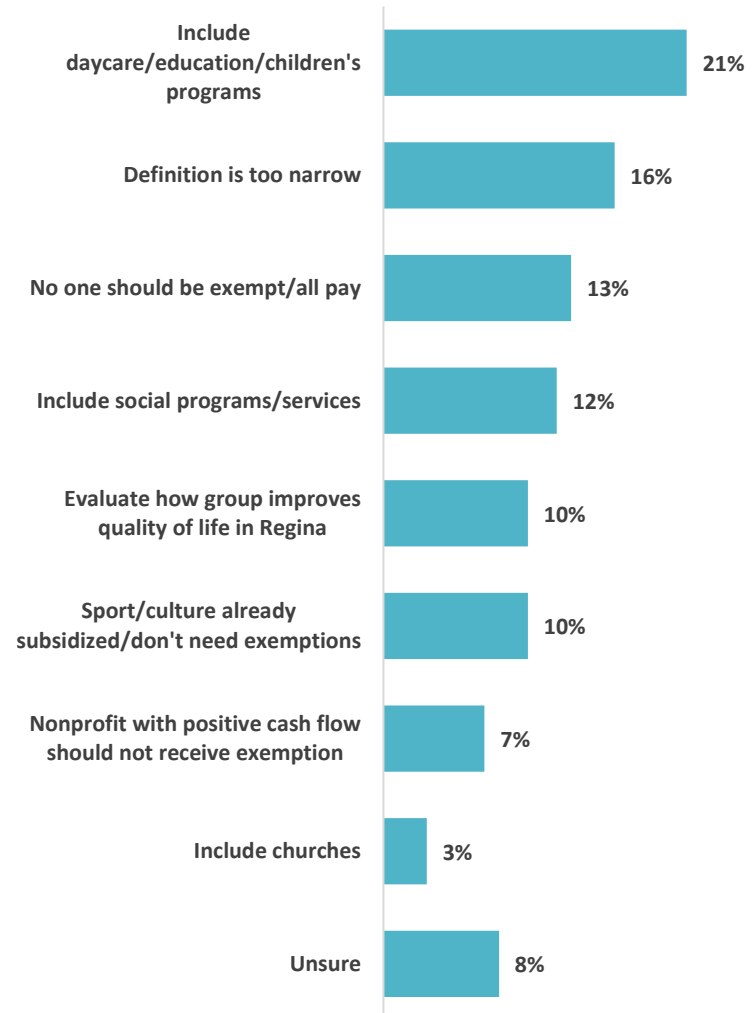


- Over half (57%) of respondents have concerns about the principle of property tax exemptions only for sport, culture, recreation, arts or heritage organizations.

Q. Can you tell us what those concerns would be?

- Approximately 21% of these respondents want organizations that provide daycare/education/children's programs included, while 12% want organizations that provide social programs/services included. Another 16% say the definition is too narrow and 10% think property tax exemptions should be based on how an organization improves quality of life in Regina.
- Another 13% say no organization should be exempt, 10% think sport and culture organizations are already subsidized and don't need exemptions, and 7% don't think non-profits with a positive cash flow should receive exemptions.

Concerns Policy Would Exclude Children's and Social Programs, Services



Exemptions Based on Access to All

Q. *Would you be supportive, or not, of a policy that provided property tax exemptions only to applicants whose services, programs, and activities would be equally available to all residents of Regina?*

- Approximately 46% of respondents would support a policy that provided property tax exemptions only to applicants whose services, programs and activities would be equally available to all residents of Regina.
- Just over a third (36%) would not be supportive of limiting exemptions to such applicants.

5 out of 10 Support Exemptions for Organizations that Cater to All

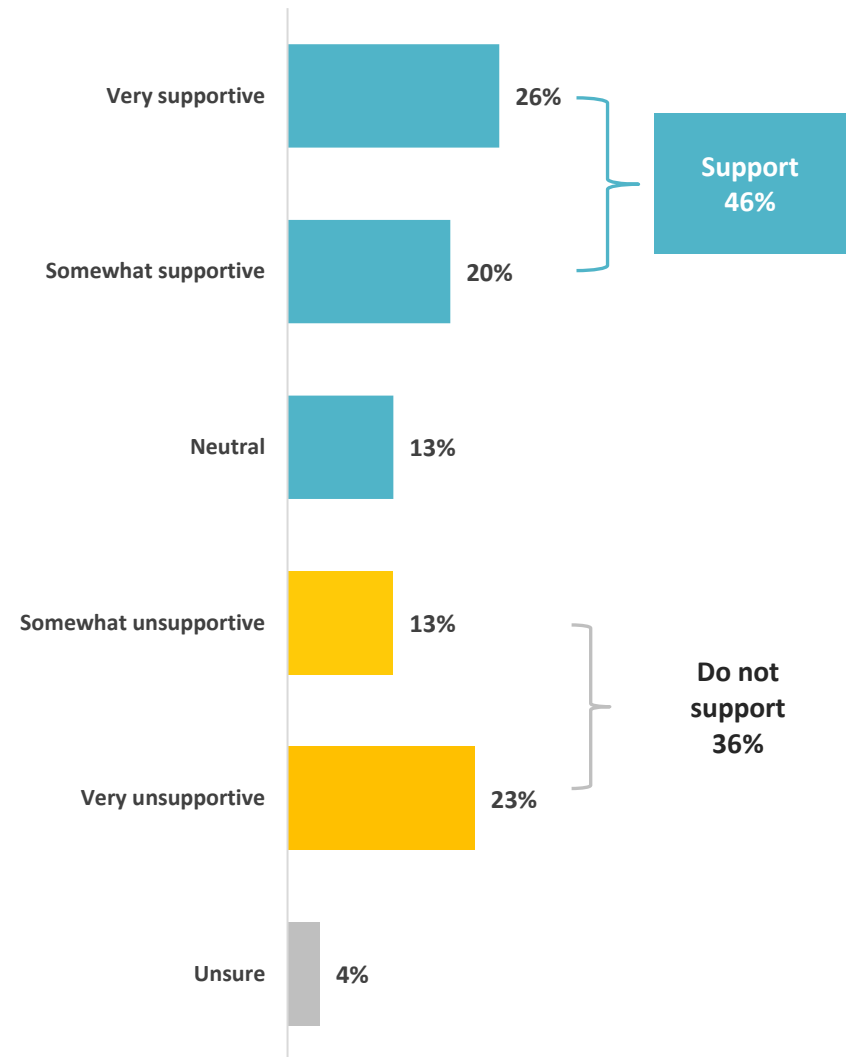
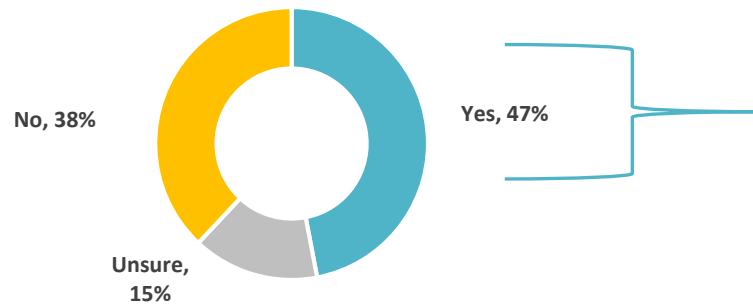


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Concerns

Q. Do you have any concerns around providing property tax exemptions only to organizations whose services, programs or activities are available to all residents of Regina?

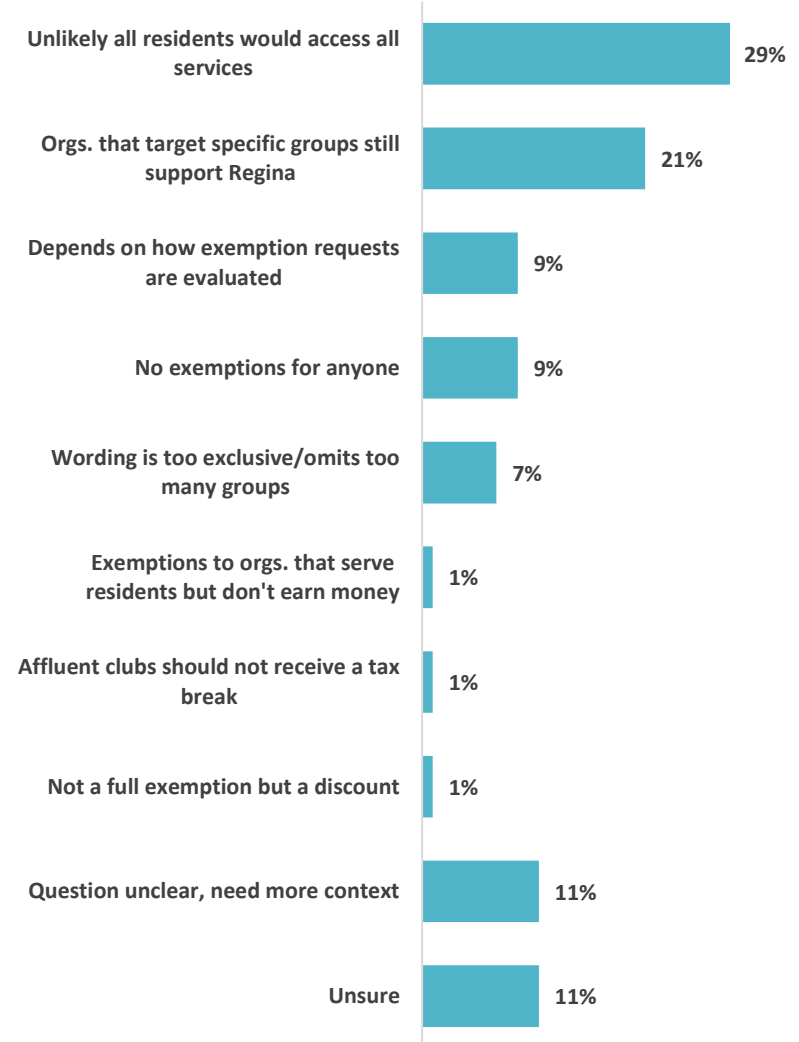


- Approximately half (47%) of respondents express concern with providing property tax exemptions only to organizations whose services, programs or activities are available to all Regina residents.

Q. Can you tell us what those concerns would be?

- Among these respondents, the most frequently cited concerns have to do with exclusion of deserving organizations. Approximately 29% say it's unlikely all residents could access all services, while another 21% say organizations that serve specific groups nonetheless still support Regina.

Concerns Policy Would Exclude Too Many Organizations



Exemptions Based on Financial Need

Q. *Would you be supportive, or not, of a policy that provided property tax exemptions only to applicants who demonstrate financial need for the City's support and whose operations or user fees would be significantly impacted without the property tax incentive?*

- Just over half (52%) of respondents would support a policy that provided property tax exemptions only to applicants who demonstrate financial need and whose operations/user fees would be significantly impacted without the incentive.
- Approximately a third (32%) do not support non-profit property tax exemptions based on financial need.

5 out of 10 Support Exemptions for Organizations Based on Financial Need

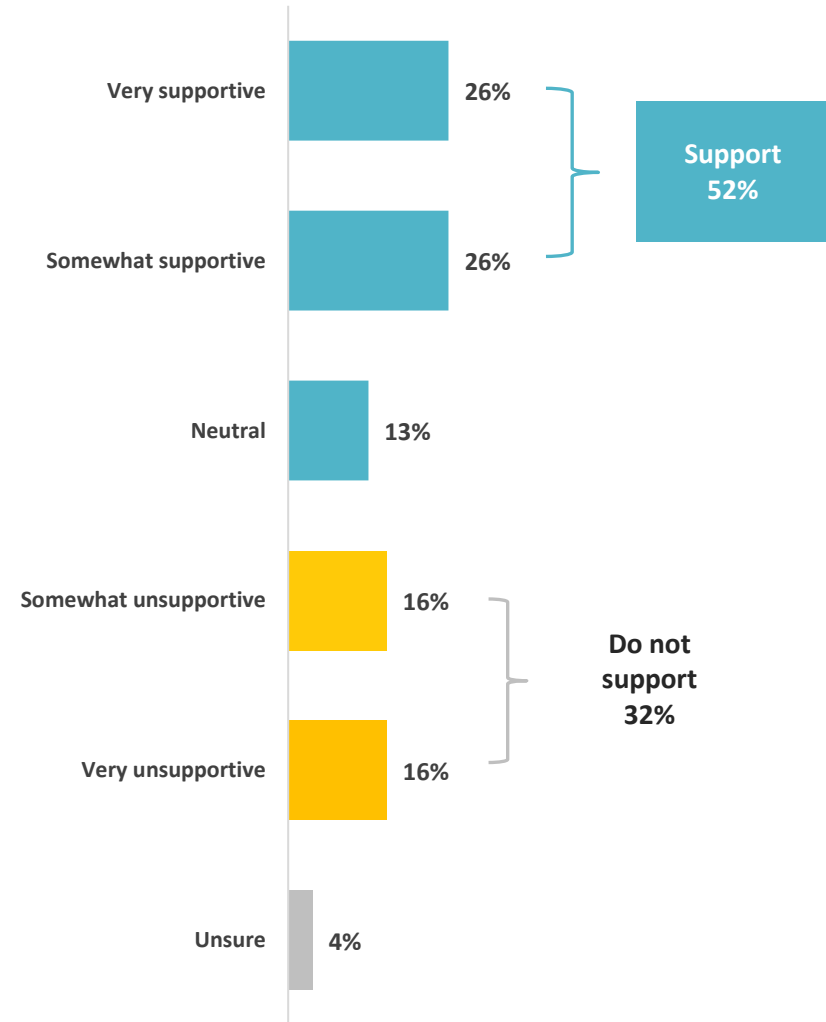
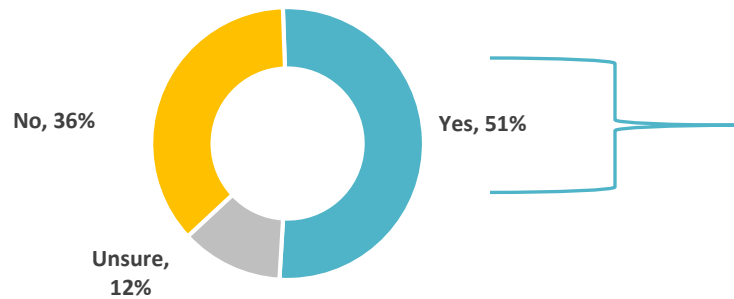


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Concerns

Q. Do you have any concerns around providing property tax exemptions only to applicants who demonstrate financial need for the City's support?

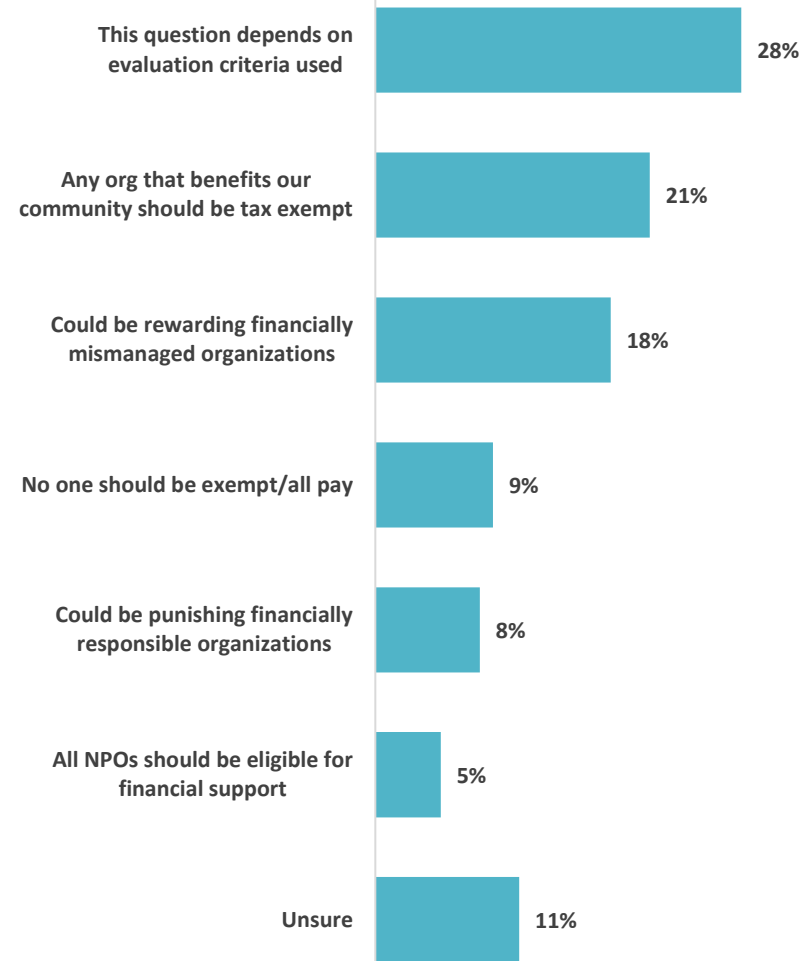


- Half (51%) of respondents have concerns about only providing property tax exemptions to organizations that demonstrate financial need.

Q. Can you tell us what those concerns would be?

- Nearly a third (28%) of these respondents are concerned that the question of need depends on the evaluation criteria the City uses.
- Approximately 18% are concerned that such a policy would reward financially mismanaged organizations, while 8% are concerned it would punish financially responsible organizations.
- Another 21% believe any organization that benefits the community should be exempt from property tax and 5% feel all non-profits should be eligible for financial support.

Concerns about Criteria for Exemptions Based on Financial Need



Setting Annual Limits

Q. *The proposed policy sets a limit for the total amount available for tax exemptions for non-profit and charitable organizations. The amount will be reviewed every two years with the policy. Would you be supportive, or not, of annual limits for the property tax exemption?*

- Over half (54%) of respondents support annual limits for the property tax exemption, including a quarter (25%) who are very supportive. Approximately 27% do not support annual limits.

5 out of 10 Support Setting Annual Limits

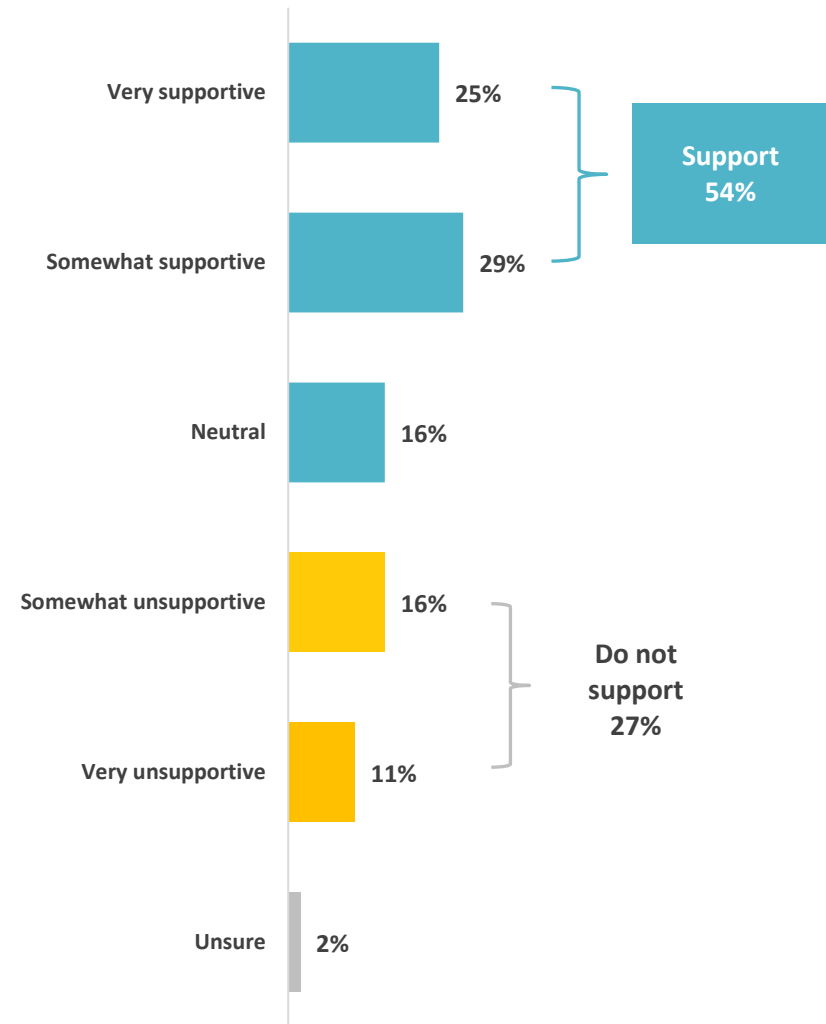
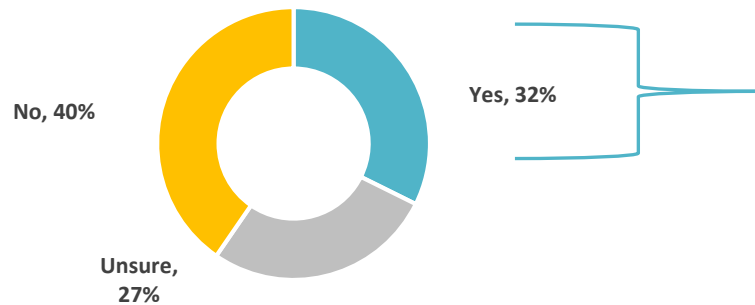


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Concerns

Q. Do you have any concerns that applications for property tax exemptions should be done annually (every 1–4 years for some applicants) and would be dependent on a limit set by Council?



- Approximately a third (32%) of respondents are concerned that property tax exemption applications would have to be done annually and be dependent on a limit set by City Council. While another 40% have no concerns, 27% are unsure.

Q. Can you tell us what those concerns would be?

- Nearly a third (28%) of these respondents are concerned about how limits would be set and what criteria would be used. Another 19% are concerned about the additional administrative work load for volunteers.

Concerns about How Are Limits Set, What Criteria Used

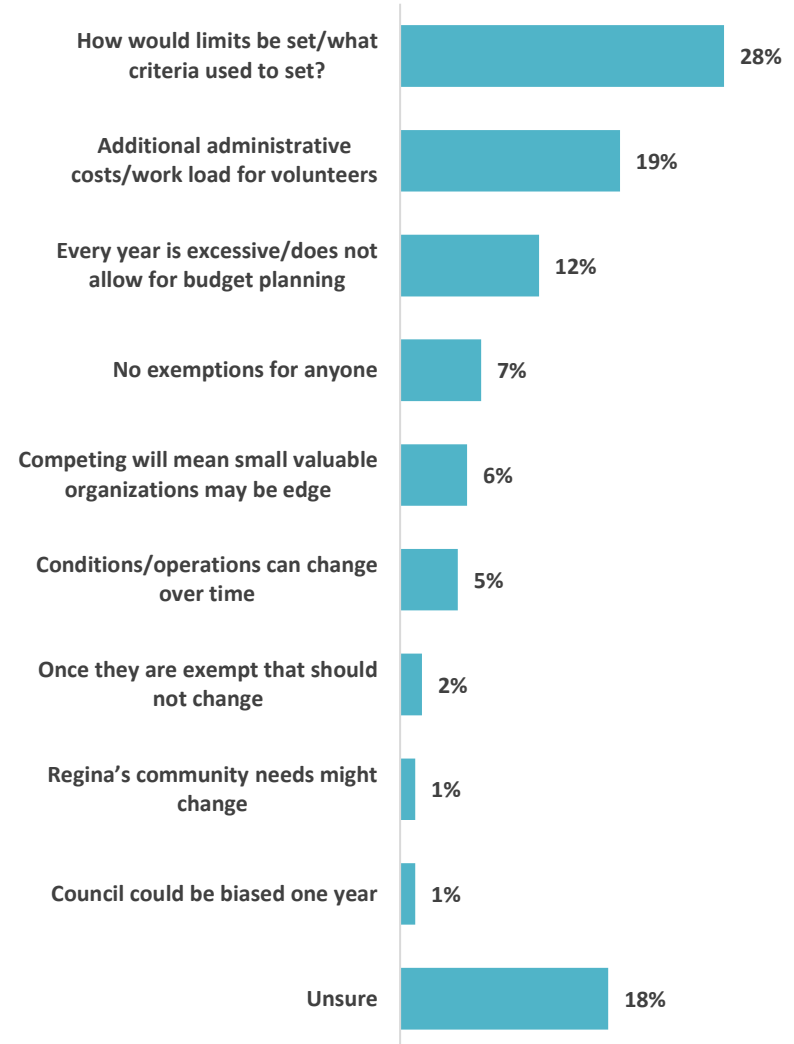
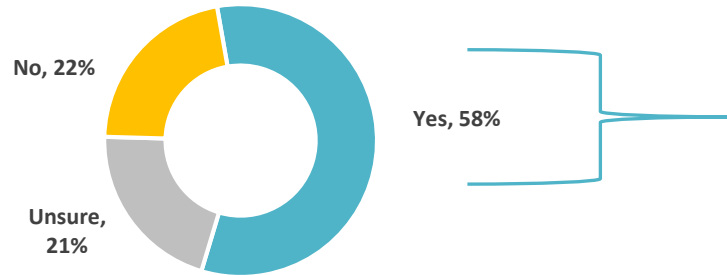


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Other Considerations

Q. *Is there anything else the City of Regina should be considering as it considers a new draft policy to guide future decisions on property tax exemptions for non-profit organizations?*



- Most (58%) respondents say the City needs to take other considerations into account as it considers a new policy on property tax exemptions for non-profit organizations.

Q. *Can you tell us what those considerations would be?*

- Almost a third (31%) of these respondents think the City needs to consider affordable childcare/child education in any policy on property tax exemptions.
- While 21% think any organization that provides services to Regina should qualify for exemptions, 13% think there shouldn't be exemptions for any organization.

6 out of 10 Say City Needs to Take Other Considerations into Account

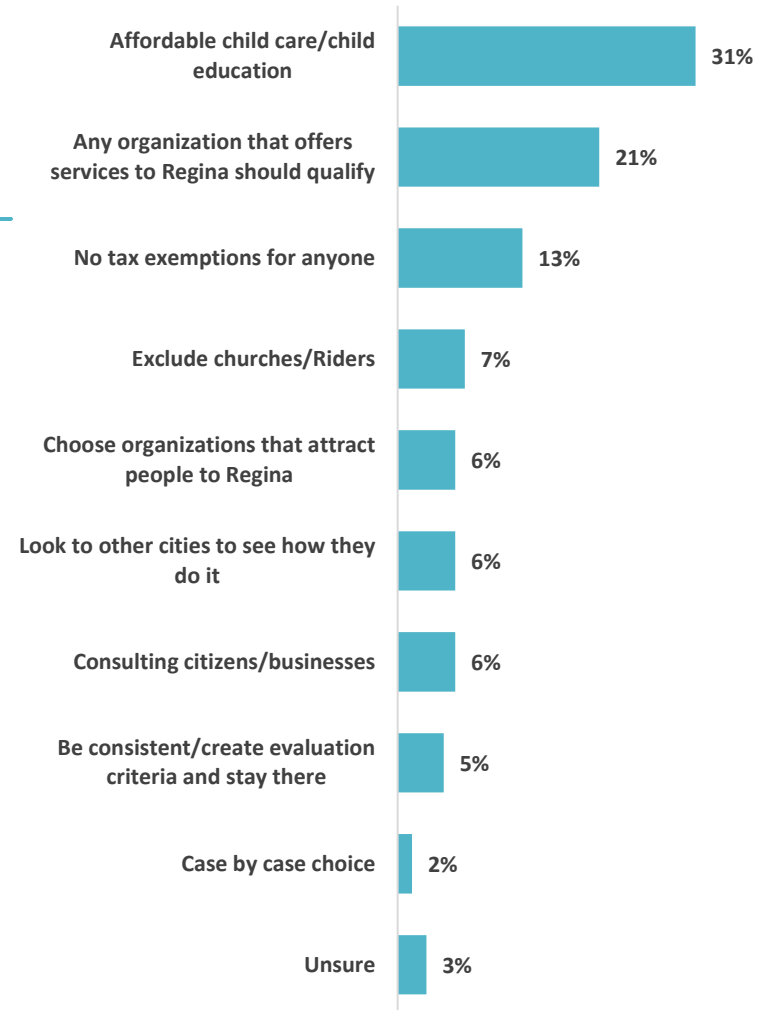


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Additional Comments

Q. *Do you have any additional comments or suggestions you would like to share?*



- Approximately a quarter (24%) of respondents provide additional comments or suggestions for the City to consider as it develops a new policy on property tax exemptions for non-profit organizations.

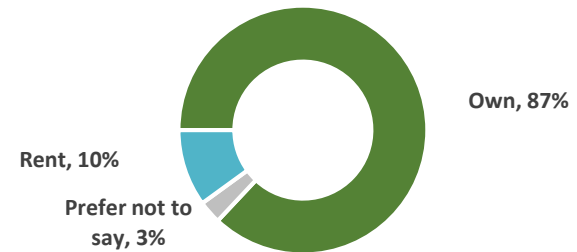
Respondent Profile

Demographics

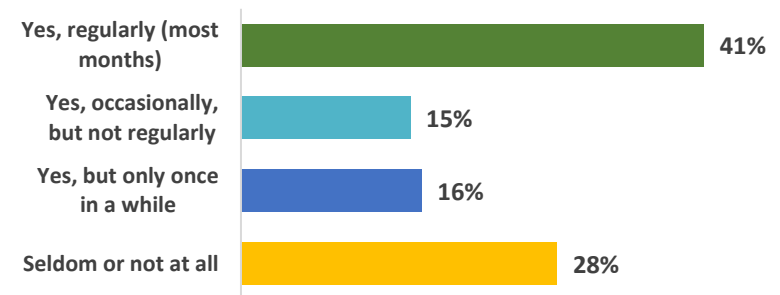
LIVE IN REGINA



OWN OR RENT HOME



WORK OR VOLUNTEER FOR NON-PROFIT ORGANIZATION IN REGINA



CONCERN		DESCRIPTION	OPTIONS	RECOMMENDED BY ADMIN	REASON FOR RECOMMENDATION
1. POLICY PURPOSE					
1.1	The policy should focus on value contribution as opposed to financial need.	The policy should reflect the impact non-profits have on the quality of life for Regina’s residents, rather than on the demonstrated ‘hardship’ of a non-profit.	1 - No change to policy	N	Not recommended, based on the consultants observations, Administration recommends changing the policy to clarify the intent and purpose of the policy.
		A business should never be asked to write a business case based on hardships.	2 - Change the title of the policy to remove the word "Incentive"	Y - included in revised policy	Changing the title to align with the purpose and objectives of the policy will remove confusion as to the purpose of the policy.
		The policy does not provide "incentives" .			Changing the policy purpose statement to reflect the intent of the policy will provide assistance to organizations with financial need.
1.2	This policy misses the mark. The purpose of this tax policy is unclear.	Participants recognize the value of having a policy; however, they said this one missed the mark. One group agreed, “there is value in the process and we are in favour of a policy, but I’m not sure the purpose is articulated”.	3 -Clarify policy purpose	Y - included in revised policy	
			4 - Review the language in the policy	Y - included in revised policy	Additional language changes are recommended to recognize the value of the work done by non-profit groups.
			5 - Remove financial need criteria	N	It is administration's understanding that one of Council's objectives for this policy is that applicants must demonstrate financial need.
2. FINANCIAL NEED					
2.1	Non-Profits receiving tax incentives should be asked to demonstrate fiscal responsibility.	Replace the need to demonstrate financial need with the requirement to demonstrate fiscal responsibility. All participants agreed sharing financial statements with the City for the purposes of tax exemption applications was appropriate and that applicants should have to demonstrate the impact to an organization if they were to lose the tax exemption.	1 - No change to policy	Y	Policy requires applicants to demonstrate fiscal responsibility by stating that an applicant must: - be a registered non-profit for at least one year, this demonstrates they are publicly accountable entities with the authority to manage funds. - provide last three years of financial statements. - provide a business case that demonstrates: how funding will be used to deliver services, how it will continue to deliver its core services if a tax exemption is not received, how a lack of a tax exemption would impair services to the community or impose hardship on the users of the services of the program.
			2 - Add specific criteria to the policy to require organizations to demonstrate fiscal responsibility	N	The above requirements are in line with the criteria for funding through the CIGP.

CONCERN		DESCRIPTION	OPTIONS	RECOMMENDED BY ADMIN	REASON FOR RECOMMENDATION
3 ALIGNMENT					
3.1	The policy does not encourage growth of the non-profit sector.	Participants were of the opinion that the proposed policy is restrictive to the non-profit/charitable sector and creates competition within the sector.	1 - No change to policy	N	Not recommended
		Participants believe the policy will limit entrepreneurship, new opportunities, and the growth of organizations.	2 - Change the title of the policy to remove the word "Incentive"	Y - included in revised policy	Changing the title to align with the purpose and objectives of the policy will remove confusion as to the purpose of the policy.
		Policy dis-incents economic partnership, which contradicts messages received from other levels of government.	3 -Clarify policy purpose	Y - included in revised policy	Changing the policy purpose statement to reflect the intent of the policy will provide assistance to organizations with financial need.
		The criteria that a business needs to have existed for one year to apply is limiting for entrepreneurs.	4 - Review the language in the policy	Y - included in revised policy	Additional language changes are recommended to recognize the value of the work done by non-profit groups.
3.2	Inconsistent messaging from the City.	Some participants expressed confusion regarding the proposed policy and the Community Investment Grants Program(CIGP), they felt one is asking non-profits to demonstrate hardship, and the other offers their organizations incentive to grow.	1 - No change to policy	Y	The OCP is designed to manage the city's growth and to set the stage for its longer-term development. It contains a comprehensive policy framework that guides the physical, environmental, economic, social and cultural development of the city. The principles outlined in the policy are in alignment with the OCP, the Cultural Masterplan and the Recreation Master Plan. While applicants may qualify for both the CIGP and a property tax exemption through the proposed policy, the two programs have different objectives: - Through the Community Investment Grants Program (CIGP), the City funds and partners with community non-profit organizations to deliver programs and services to Regina residents that align with city priorities, have a clear community impact and respond to community needs. - the proposed policy is designed to support the services and organizations with financial need that further Council's priorities and for which the burden resulting from the tax exemptions is a justifiable expense to the taxpayers of Regina.
		Some participants did not believe the policy aligns with the OCP, since the OCP is designed for growth	2 - Combine the CIGP and the Non-Profit Tax Incentive Policy into a single program	N	A full discussion on why combining the two programs is not recommended is included in EX18-15.

CONCERN		DESCRIPTION	OPTIONS	RECOMMENDED BY ADMIN	REASON FOR RECOMMENDATION
3.3	Principle #3 excludes child care	Daycare group requested that child care be added as a criteria to principle #3. The group stated many of these centres also provide additional community services that contribute to the health, safety, and social development of the community such as food security and shelter.	1 - No change to policy	Y	Any applicant that demonstrates alignment with the City's plans and programs, as outlined in the policy criteria will be considered for an exemption. Daycares are not excluded simply because they are daycares. Strategic placement of any non-profit, such as incenting a daycare in a certain location is outside the scope of this policy. Many commercial operations in the City, provide similar economic benefits, it is not the intent of the OCP for the City to provide financial support to all organizations that are economic drivers.
	Child care centres contribute to the social economic development of Regina. Principle #3 does not "Align with the City's Plans and Programs". Misses the opportunity to strategically place daycares.	Participants stated that there is an opportunity for the City to introduce a new tax policy with the objective of incenting daycares to locate to areas in Regina where there is a high need of child care. OCP suggests daycares are an important economic driver; however, the criteria stated in 3.1 policy exclude child care from tax relief. To demonstrate the economic impact of this group, the participants stated there are 75 Centres in the city and asked the facilitators to consider the impact, should they close. Child care centres shared that they contribute to the social and economic development of Regina by addressing social issues like poverty and crime and by offering wages to new Canadians, creating positive economic spin off. They also shared that -increased quality of child care centres will make Regina more attractive to potential investors.	2 - Amend policy to include daycare centres	N	Section 13.5 of the OCP recognizes these benefits by stating the City will encourage the provincial government and the community to establish locally based child care facilities. Administration has submitted a supplemental report that provides an overview of daycare regulation in Saskatchewan, how daycare properties are assessed and taxed in the City , and an analysis of methods related to tax policy for City Council to consider. The risk and benefits of adding daycare centres to this policy are discussed in that report.

CONCERN		DESCRIPTION	OPTIONS	RECOMMENDED BY ADMIN	REASON FOR RECOMMENDATION
4. CAP					
4.1	Limited funding available. Remove anything that encourages competitiveness.	Participants requested the 'cap' in the Policy be changed to a 'floor', or an indexed percentage reviewed annually. Some participants felt that the cap encouraged competitiveness in the non-profit sector. A 'cap' that will ultimately lessen the pool of resources available for all, forcing them to compete with other non-profits. Participants all suggested the 'cap' should not be static	1 - No change to policy	Y	A recommendation was made by City Council at the July 4, 2018 Executive Committee meeting to change the cap in the proposed policy be to \$1.2 million.
			2 - Change the wording of the funding requirements in policy to read: The total amount of exempted municipal tax dollars will be the lesser of: (a)0.55 per cent of the previous year's budgeted municipal levy, (b)the previous year's levy exempt under this policy plus \$50,000, or (c)\$1.5 million.	N	
			3 - Change the wording of the funding requirements in policy to read: The total amount of exempted municipal tax dollars will not exceed 0.55% of the previous year's budgeted municipal levy.	N	
4.3	Large Non-profits should be treated differently.	The large non-profit group requested a grandfather clause be established to ensure the large non-profits continue to receive full tax exemptions, regardless of cap or number of applicants.	1 - No change to policy	Y	Purpose of the policy is to provide fair, consistent treatment and consideration for all applicants providing non-profit and charitable services for the benefit of Regina residents. Having a grandfather clause for certain organizations, does not align with the purpose.
			2 - Add a grandfather clause for larger non-profits to continue to receive the same level of funding as they have in the past	N	

CONCERN		DESCRIPTION	OPTIONS	RECOMMENDED BY ADMIN	REASON FOR RECOMMENDATION
5. APPLICATION PROCESS					
5.1	Refine the application process	The application process would be administratively burdensome for organizations and participants stated the need for a simple and efficient process.	1 - No change to policy	Y	It is not the intent of Administration for the application process to be cumbersome. If the proposed policy is approved, the application process will: (a) align with the CIGP application process where possible. (b) will be simplified where feasible. Possibly incorporating a simplified process for smaller volunteer organizations, such as community gardens, and shortened application when re-applying each year. The business case is designed for each applicant to tell their own unique story. Given the range of non-profit organizations eligible under the policy, having a simple questionnaire is not a feasible way to capture the need of each unique organization. With financial limitations such as a cap, having a four year application process may not allow for new applicants to apply if all funding is dispersed. However, options for multiple year agreements are available in the policy, and will be recommended where applicable.
		The Policy should recognize the diversity of non-profits/charitable organizations.	2 - Remove business case criteria	N	
		The Policy, application process, and exemption granted should reflect the operating capacity of each organization. Participants requested the City consider a rolling four year application process. Organizations provide much of the information outlined in Section G to the City for the Community Investment Grants Program. This information should be able to be shared within the City, for tax exemptions. It was also requested that the City provide resources to assist in completing the application.	3 - Implement a 4 year rolling application process	N	
5.2	Establish set criteria for evaluation.	Participants wanted standard criteria on which their organization would be evaluated when allocating tax exemptions, so their submission could be written appropriately. -De•ne 'open to the public' in Criteria 4.1.	1 - Change to criteria for Principle #4 - Accessible to the Public	Y - included in revised policy	Recommended changes to the wording of principle #4 criteria to clearly reflect the intent that programs and activities should be equally available to all residents of Regina. Criteria was designed to judge whether the principles have been met by applicants. Given the wide range of non-profit organizations, having simple checklist style criteria for applicants is not feasible. While stakeholders requested clear criteria, the consultant observed that participants of the sessions recognized the complexity in developing criteria and did not come to an agreement on what such specific criteria would look like
			2 - Change criteria to a clear checklist	N	It is administration's understanding that participants believe applications will be weighted and ranked accordingly. This is not how the application process is designed. In order to qualify, applicants must meet all of the principles and criteria in the policy.

CONCERN		DESCRIPTION	OPTIONS	RECOMMEDED BY ADMIN	REASON FOR RECOMMENDATION
6. GENERAL					
6.1	Does not encourage partnerships.	Policy is missing the opportunity to incent non-profits to partner together (joint initiatives, programs, co-locations, etc.)	No recommended change		Policy does not exclude organizations that have private partnerships but is designed to support those in financial need.
6.2	The policy does not provide support for the legion.	The Royal Canadian Legion 001 received a statutory property tax exemption when they owned the building they resided in. In 2013 the building was sold and became taxable, although the Legion still leases space.	1 - Amend policy to include	Y - included in revised policy	Upon further review of provincial legislation, Administration recommends criteria 3.1 (e) be changed to reflect the intent of the legislation. The proposed change reads as follows: (e) any organization that would receive a statutory exemption as per Sections 262 (j) and (p) of The Cities Act if they owned the building and land.
			2 - No change to policy	N	Section (j) refers to properties owned by The Public Library and Section (p) refers to properties owned by The Royal Canadian Legion Saskatchewan Command, Army, Navy and Air Force Veterans of Canada, the Disabled Veteran's' Association of Saskatchewan and the Canadian Mental Health Association (Saskatchewan Division).
6.3	Flow of funds.	Daycare participants felt that provincial funding for child care centres going toward municipal property taxes is not the intent of the funding. Participants stated that parents are paying the child care centre's property tax through user fees while also paying the property tax for their own residence. Some believed this "double tax" to be a potential concern of their users.	No recommended change		Funding received from the Ministry is in the form of an Early Childhood Services monthly grant. Intent of this grant is to provide support for costs such as monthly overhead and operating costs such as wages and benefits, rent/mortgage, utilities. Using this funding for property taxes is not outside the intent of the grant. Many commercial businesses are used by residents who pay property taxes on their personal residence.

CONCERN		DESCRIPTION	OPTIONS	RECOMMEDED BY ADMIN	REASON FOR RECOMMENDATION
6.4	Policy does not consider uniqueness of child care and fuels disparity in Regina's child care sector.	<p>Daycare participants discussed the importance of differentiating themselves from the larger non-profit sector as well as from other child care facilities. They believe they are unique because they are regulated by the provincial government and must follow a prescribed early years education curriculum. Thus, they believe their child care centres provide a standard of service/care that is different from other child care facilities.</p> <p>Child care participants are of the opinion that many families being served by their organizations live in poverty and their user fees are directly impacted by property tax. One participant noted, "We are on the fringe ... we get the requirements but not the funding."</p> <p>Participants requested the City consider licensed, non-profit child care centres as part of the education sector and remove them from the pool of other non-profits.</p> <p>Policy does nothing to address the uneven playing field that exists in this sector, which contributes to a disparity in the quality of child care services for Regina's residents from one centre to another. e.g.: several of the Centres do not pay property tax because they are tenants of schools, assuming that these centres have more money to invest in better food, programs, facilities, and increased wages for staff.</p>		No recommended change	<p>Child care in Saskatchewan is governed by The Child Care Act, 2014 and The Child Care Regulations, 2015 and is the responsibility of the Ministry of Education.</p> <p>Provincial legislation governs when a license is required and sets the standards for licensed child care facilities.</p> <p>Provincial budgeting determines when and what grant funding will be available for the creation of new childcare spaces.</p> <p>Statutory exemptions are provided to schools through provincial legislation. Many schools have deemed the daycares as an essential use for school operations and have operating agreements with non-profit daycares to run the facility.</p> <p>Administration has submitted a supplemental report that provides an overview an overview of daycare regulation in Saskatchewan, how daycare properties are assessed and taxed in the City , and an analysis of methods related to tax policy for City Council to consider. The risk and benefits of adding daycare centres to this policy are discussed in that report.</p>