

# **Request for Property Tax Exemption for Land Leased by the Yellowknife Community Garden Collective**

## **The Yellowknife Community Garden Collective (YCGC)**

The Yellowknife Community Garden Collective was founded in 1995 and began with a single garden site of 675 square meters at Kam Lake Road and Woolgar Avenue. Increased interest for community garden plots and a waiting list for participation in the Garden Collective has led to the establishment of new garden sites in 2001 (Kam Lake Road Site 2), 2008 (Old Town Garden), and 2010 (Weledeh Garden). As of 2010, there were 120 people who had plots at community garden sites. This will grow to approximately 200 in 2011 when the Weledeh Garden opens. The number of people who benefit from garden produce, however, is much greater than the membership.

Each gardener receives a space of 10-12 square meters, 25% of which is dedicated to growing food for organisations in the City that provide food for people in need, such as the Salvation Army and the Centre for Northern Families. Demand for garden space has been growing, and YCGC is looking forward to future expansions in the City. The City took the lead in allocating space in a Niven Lake park area for a future community garden.

The Yellowknife Community Garden Collective has the following objectives:

- Provide a place to garden for people who do not own or have access to private land suitable for gardening;
- Provide education and hands-on experience in the creation and maintenance of an environmentally sustainable, organic garden in a northern environment;
- Provide fresh, nutritious, organic, relatively inexpensive, locally grown vegetables and herbs; and
- Assist in the food security needs of the whole community by providing food for people in need through donations to local charities.

## **The Issue**

The Yellowknife Community Garden Collective has never been required to pay property tax in the 15 years since 1995 when the first community garden was created. However, in the summer of 2010 the City of Yellowknife issued an invoice to YCGC in the amount of \$3,019 for property tax on three garden sites: two at Kam Lake Road and Woolgar Avenue, and the other on School Draw. The Collective had no prior notice of the City's decision that community gardens should now pay property taxes. Therefore, the YCGC board assumed that this was a clerical error and that the matter would be corrected when City staff were notified that YCGC was not required to pay taxes as per the lease agreements. When the YCGC board realized that the tax invoice was not a clerical error, it completed a tax exemption status application and submitted it to the City. However, the application was too late, as the City has a deadline of Oct 1<sup>st</sup> for any tax exemption status applications.

YCGC is currently unable to pay for these property taxes levied against it. The Garden Collective does not have a \$3,000 surplus and only collected \$2,490 in membership fees in 2010. Since garden fees are set in the fall and only collected once per year, YCGC would be unable to fully pay these taxes in 2011 and would be in arrears to the City until at least 2012. The Garden Collective will apply in the future for core funding from the City if property taxes are levied against it.

Community gardens provide a valuable service to City residents, and YCGC believes that they should be considered on equal ground to other parks, services, and recreational areas within the City that are tax exempt. The Yellowknife Community Garden Collective hereby requests that community gardens be granted tax exempt status under Tax Administration By-Law No. 4207. An outline follows of the reasons why YCGC believes that community gardens should be exempt.

## Why Community Gardens Should Be Tax Exempt

YCGC believes that community gardens should be tax exempt for the following reasons:

- **Yellowknife Community Gardens benefit more than 1,000 Yellowknife residents every year, lower their cost of living by providing healthy inexpensive food, and have the potential to benefit many more in the future through further community garden expansions.** The Yellowknife Community Garden Collective had 120 paid members in 2010 and will have approximately 200 members in 2011 due to the newly constructed Weledeh Garden. The Collective estimates that for every gardener, another family member or friend receives regular meals of food from the garden. Food donations also benefit a large number of people at 11 organisations that received 1600 pounds of vegetables and 90 bags of greens in 2010. It is difficult to estimate exactly how many people at these organisations benefit from garden produce. Many Yellowknife residents also benefit each year from free educational workshops on gardening. Weledeh School students will benefit directly from the new garden at the school through school curriculum and activities, a formal garden buddy system, and food donations to the school food program. An annual Fall Fair and potluck held in cooperation with Ecology North had good attendance the last two years, and will be continued. Yellowknifer staff had a plot in 2010, and wrote a regular column on gardening. Future garden expansion will greatly increase the number of Yellowknife residents who benefit from community gardens. An extensive land survey completed by YCGC in 2008 identified a dozen potential future sites. Of these, one site in Niven Lake has already been designated by the City for a community garden, and another in Old Town has been discussed with City staff and is also on YCGC's priority list for the next community garden.
- **Other similar organisations that offer recreational services to a significant number of residents in the City of Yellowknife are tax exempt.** These include the Shooting Club, the Ski Club, and the Golf Club.<sup>1</sup> The YK Slopitch Association also does not pay taxes.<sup>2</sup> The Slopitch Association does pay the City a fee for the use of the Parker baseball diamond near the airport, but this fee is used by the City to cover the cost of field maintenance.

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<sup>1</sup> Tax Administration By-Law No. 4207. [http://www.yellowknife.ca/Assets/City+Clerks/By-laws/Consolidated+By-laws/ConsolidatedTax+AdministrationBy-lawNo.4207September27\\$12c2010.pdf](http://www.yellowknife.ca/Assets/City+Clerks/By-laws/Consolidated+By-laws/ConsolidatedTax+AdministrationBy-lawNo.4207September27$12c2010.pdf) [accessed 16 Dec 2010]

<sup>2</sup> Bourque, Trevor (2010) President, Yellowknife Slopitch Association. Personal communication. 28 Dec 2010.

- **Community gardens offer the only recreational activity that directly lowers the cost of living for its members.** Gardeners reduce their own cost of living by growing food that they would otherwise have to purchase. Providing space and opportunity for local residents to garden is a valuable service in a City where soil is rare, where few residents have their own land appropriate for gardening, and where food is expensive. YCGC believes that community gardens are as valuable as other outdoor recreational areas such as playgrounds and parks, and that they should be treated in similar fashion. In Niven Lake, the City of Yellowknife has allocated land in a park space for a future community garden.
- **Community gardens are already a very low burden on the City budget and are less expensive for the City to maintain than other green space.** The community gardens are financially self-sustaining if not required to pay property tax, and compared to other services such as skiing, shooting, golfing, and other sports, already present one of the lowest burdens on City budgets. Other green areas require City maintenance staff to irrigate, mow lawns, and prune and maintain trees. At community gardens, the gardeners do this, and pay for the water they use. In 15 years of operation, the Garden Collective has never required external funding for its core activities, and has only applied for and received external funding for new garden creation. City funding has been applied for and received four times over 15 years to assist with new garden sites, the latest of which was \$4,000 in 2010 to assist with the construction of the new Weledeh Garden. Two of the tax-exempt organisations in the City, namely the Ski Club and the Golf Club, applied for and were approved for core funding for 2011, 2012, and 2013.<sup>3</sup> The Golf Club will receive \$15,000 per year, while the Ski Club will receive \$25,000 per year.
- **The property tax levied by the City would require YCGC to double garden plot fees, since the taxes are approximately equal to YCGC's current operating budget.** In 2011 YCGC will have about 200 members of which 40 are non-paying student members. Each paying member pays \$20 for the ability to garden 10-12 square metres of a garden plot, 25% of which is dedicated to growing food for groups assisting those in need. Total revenue in 2011 will thus be about \$3,200. In order to pay City taxes, plot fees would have to at least double, and City taxes would represent 50% of the annual YCGC operating budget. The YCGC budget currently pays for tools, garden maintenance, water, insurance, bank charges, and a post office box. Given the fact that user fees are only collected once per year, and that user fees are set each year at the Annual General Meeting, the Collective would require at least 1 ½ year's notice before being financially able to pay this amount of property tax.
- **YCGC offers free garden plots to other community organisations and offers free workshops.** The Native Women's Association, for example, has had a plot in the Old Town Garden for the past two years. A Boy Scout group gardened in 2010 for one of their badges, and a school science group also had a plot. The Garden Collective hosts free public workshops each year on topics such as how to maintain a garden, seed selection, and soil health. These workshops are attended by many non-YCGC members. For example, two interns from the Centre for Northern Families attended a workshop in 2010 and expressed interest in having a plot in 2011.
- **The City of Yellowknife has been very supportive of community gardens in recent years.** For example, land has been allocated in a park in the new Niven Lake subdivision for a new community garden. YCGC plans to develop this garden in the near future, as long as the property tax issue can be resolved. The

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<sup>3</sup> Municipal Services Committee Report. (2010) City of Yellowknife. 4 Oct 2010.  
<http://www.yellowknife.ca/AssetFactory.aspx?did=10377> [accessed 27 Dec 2010]

City of Yellowknife has also provided funding for construction of recently created gardens: \$20,000 in 2008 for the Old Town Garden, and \$4,000 in 2010 for the Weledeh Garden.

- **Community gardens make a significant contribution to food security in the City.** Members dedicate 25% of their garden plot to growing food for organisations in the City that provide for people in need. Garden Collective members donated 1600 pounds and 90 bags of greens in 2010. Any Yellowknife resident can apply for a plot, learn how to garden, and grow a portion of their food locally. Addressing local food security has been a core value of the Collective since its creation in 1995. However, if YCGC is required to double plot fees, this requirement may be dropped to compensate for the increased cost of gardening. Organisations that received donations in 2010 are given below:
  - Abe Miller Centre for Community Living
  - Allison McAteer House (Women's Shelter)
  - Aven Manor
  - Baker Centre
  - Centre for Northern Families
  - Kaw Tay Whee School
  - Kitikmeot Boarding House
  - Salvation Army
  - Side Door
  - YWCA Transitional Housing
  - Yellowknife Food Bank
- **YCGC is a 100% volunteer organisation.** The Collective has no paid staff and its members dedicate a significant number of volunteer hours each year to garden maintenance, workshops & other educational events, and the creation of new community gardens. The new Weledeh Garden was built by volunteers, including the Katimavik intern group. Volunteers dedicated more than 500 hours of their time to the garden's creation.
- **YCGC leases have not been registered under the Land Titles Act as required to be defined as taxable property under the Property Assessment and Taxation Act (PATA) of the NWT.** PATA defines "Taxable Property", with regards to leased land, as the following:
  - "a parcel that is owned by a municipal taxing authority, where the municipal taxing authority has granted a leasehold interest that is registered under the Land Titles Act in the parcel, and any improvements located on the parcel..."

The leases of the Yellowknife Community Garden Collective have not been registered under the Land Titles Act<sup>4</sup>, therefore omitting our leases from the official definition of "Taxable Property". Taxes cannot be charged until such time as the leasehold interest (aka lease) is registered.

- **Community gardens have a very positive impact on neighbourhoods and on sustainability.** Studies show that community gardens cause land values in the immediate vicinity to rise, leading to increased tax revenue for municipalities.<sup>5</sup> The frequency of visits to parks and community gardens has also been

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<sup>4</sup> Land Titles Office (2011) *Land Titles for Lot Portion 2/Block 505/Plan 2015 and for Lot 13 Ptn/Block 78/Plan 4059*. January 5, 2011.

<sup>5</sup> Been, V. & Voicu, I. (2006). *The Effect of Community Gardens on Neighbouring Property Values*. Furman Center for Real Estate and Urban Policy, New York University School of Law. Aug 3, 2006.

negatively correlated with local crime in studies.<sup>6</sup> Data shows that gardeners, on average, also eat a healthier diet than non-gardeners.<sup>7</sup> Yellowknife's community garden space was a key factor in Yellowknife's 2007 rating as Canada's most sustainable small City, as published by Corporate Knights Magazine.<sup>8</sup> YCGC again provided data in Dec 2010 to the City in their 2011 application to hopefully be named Canada's Most Sustainable Small City for a fourth year in a row.

- **No other community gardens in the NWT pay property tax.** The Inuvik Greenhouse, the Hay River Community Garden, a community garden in Fort Smith, and other GNWT funded community gardens throughout the NWT do not pay property taxes.<sup>9,10</sup> The Inuvik Community Greenhouse is a partnership with Aurora College, and the GNWT department of Education, Culture and Employment pays property tax for the building and land.
- **No community gardens in Edmonton, Calgary, or Whitehorse pay property tax.** The City of Edmonton treats community gardens as it does playgrounds and parks and does not charge property tax.<sup>11</sup> The City of Calgary invites applications from community groups to develop gardens, and supplies up to \$2500 worth of mulch and compost for each garden when it is created.<sup>12</sup> No property taxes are charged, and more than a dozen community gardens were created in 2009. The Downtown Urban Garden Society in Whitehorse also has its property taxes waived by the City.<sup>13</sup>
- **Community gardens on commercial and industrial land in Vancouver give the land owners significant tax breaks.** Vancouver Revenue Services reported that one property owner saved more than \$200,000 in taxes in 2009 due to the construction of a community garden.<sup>14</sup> An appraiser at BC Assessment stated that eight private properties applied to be reassessed in 2009 after property uses were changed to include community gardens. If Yellowknife followed suit, gardens such as the Weledeh School garden would result in lower municipal taxes on that property.

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<sup>6</sup> Armstrong, Donna (2000). *A survey of community gardens in upstate New York: Implications for health promotion and community development*. Health & Place Journal. pp. 319-327.

<sup>7</sup> Bremer, A., Jenkins, K. & Kanter, D. (2003). *Community Gardens in Milwaukee: Procedures for their long-term stability & their import to the city.*— Milwaukee: University of Wisconsin, Department of Urban Planning, p. 55.

<sup>8</sup> Shin, M, Kam, V, & Feuvrier, G (2008) *Second Annual Ranking of Canada's Most Sustainable Cities*. Corporate Knights Magazine. Investment Issue 2008. pp. 37-42.

<sup>9</sup> Mary-Anne (2010) Inuvik Community Greenhouse. Email communication. 20 Dec 2010.

<sup>10</sup> Hachey, Gene (2010) Investment and Economic Analysis, Department of Industry, Tourism and Investment. GNWT. Personal communication. 17 Dec 2010.

<sup>11</sup> Penstone, Susan (2010) Community Garden Network of Edmonton and Area. Email communication. 20 Dec 2010.

<sup>12</sup> Community Gardens in Calgary (2010) City of Calgary.

<http://content.calgary.ca/CCA/City+Hall/Business+Units/Parks/Get+Involved/Community+Gardens/Community+gardens+in+Calgary.htm> [accessed 28 Dec 2010]

<sup>13</sup> Waddell, Stephanie (2008) *Grants in Lieu continue to rise*. Whitehorse Star. June 19, 2008.

<http://whitehorsestar.com/archive/story/grants-in-lieu-continue-to-rise-city-finds> [accessed Dec 31, 2010]

<sup>14</sup> Williams, Jamie (2010) *Some landowners using community gardens to get a tax break*. The Vancouver Sun, December 5, 2010.

<http://www.vancouversun.com/news/Some+landowners+using+community+gardens+break/3909588/story.html> [accessed Dec 31, 2010]