



**CITY OF HARRISONBURG
COMMISSIONER OF THE
REVENUE**

KAREN I. ROSE, MCR

CTYCOMM@HARRISONBURGVA.GOV

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801
OFFICE (540) 432-7704 • FAX NUMBER: (540) 432-7781

TO: Ande Banks, City Manager
FROM: Karen Rose, Commissioner of the Revenue
DATE: June 9, 2024

RE: Real Estate and Personal Property Tax Exemption for Strength in Peers Inc., Tax Map 041 C 41-A; Real Estate and Personal Property Tax Exemption for Shenandoah Valley Black Heritage Project, Inc., Tax Map 33 K 11; and Personal Property Tax Exemption for Our Community Place.

Summary: By January 30, 2024, applications were received from Strength in Peers, Inc. for real estate tax and personal property tax exemption at 917 N Main St Unit 1; Shenandoah Valley Black Heritage Project Inc. for real estate and personal property tax at 425 Hill St; and Our Community Place for personal property tax at 17 E Johnson St.

Background: The Constitution of Virginia allows for specific local tax exemption. Prior to January 1, 2003, the General Assembly passed bills exempting a 501(c)(3) organization from local taxation and as of January 1, 2003, local elected officials were given the authority to make the determination. Harrisonburg City Code §4-2-17 addresses local real and personal property exemption. The above stated entities are requesting exemption under this code.

Key Issues:

1. Strength in Peers Inc acquired the building at 917 N Main St in August 2023. They are requesting real estate exemption for the area of the building being used for their mission. The remaining portion of the building will remain taxable. Strength in Peers is a peer-run recovery community organization. They provide recovery in substance use, mental health, and trauma-related challenges. They also provide a community resource center, food pantry, homeless supplies, homeless outreach and jail-based support groups for Harrisonburg, Rockingham, Page and Shenandoah Counties. Strength in Peers Inc. has paid \$3,466.56 real estate taxes for FY24. The 2024 assessment for real estate taxes is \$421,300 and at the current tax rate of \$1.01 per \$100 would generate \$ 4,255.13 of real estate revenue in FY25. Strength in Peers Inc. has paid \$233.43 personal property taxes for FY 24. The 2024 assessment for personal property taxes is \$21,284 and at the current rate of \$2.12 per \$100 would generate \$451.22 in FY25. They have also paid \$57.79 vehicle personal property taxes for FY24. The 2024 assessment for vehicle personal property is \$1,513 and at the current rate of \$3.45 per \$100 would generate \$52.20.
2. Shenandoah Valley Black Heritage Project Inc has as its mission to learn, share and illuminate the rich African American history and culture of the Shenandoah Valley of Virginia. They opened their Heritage



**CITY OF HARRISONBURG
COMMISSIONER OF THE
REVENUE**

KAREN I. ROSE, MCR

CTYCOMM@HARRISONBURGVA.GOV

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801

OFFICE (540) 432-7704 • FAX NUMBER: (540) 432-7781

Center on Hill St in 2018 and it has become a place to gather, share stories, history and to learn. They provide self-guided driving or walking tours featuring African American sites throughout the valley. They present at professional development opportunities at local schools, provide free genealogy services for the community and clear and clean uncovered burial grounds of enslaved and freed blacks Shenandoah Valley Black Heritage Project Inc has paid \$986.88 real estate taxes for FY24. The 2024 assessment for real estate taxes is \$111,100 and at the current rate of \$1.01 per \$100 would generate \$1,122.11 of real estate revenue in FY25. They paid \$117.94 for personal property taxes in FY24. The 2024 assessment is \$8,017 and at the current rate of \$2.12 per \$100 would generate \$169.96 in FY25.

3. Our Community Place has been exempted real estate taxes and personal property taxes at 17 E Johnson St by City council in previous years. They have acquired additional vehicles since the previous exemptions and these vehicles are used in carrying out their mission. Our Community Place on average serves around 350 unique individuals annually. They provided nourishing meals, healthy lifestyle programming, unhoused/homeless laundry and mail services, therapeutic and supportive groups, and many other services for those experiencing homelessness or struggling with other issues. Our Community Place paid \$1,467.98 for personal property taxes in FY24. The 2024 assessment is \$35,200 and at the current rate of \$3.45 per \$100 would generate \$1,214.41 in FY25.

Environmental Impact: None

Fiscal Impact: If the exemptions are granted the reduction in real estate revenue would be \$5,377.24 at the FY25 real estate tax rate and the reduction in personal property tax revenue would be \$ 1,887.79 at the FY25 property tax rate.

Prior Actions: None

- Alternatives:**
- (a) Approve for exemption
 - (b); or
 - (c) Do not approve for exemption

Community Engagement: None

Recommendation: The Committee members Jeff Shafer, Treasurer; Larry Propst, Director of Finance; and Karen Rose, Commissioner of the Revenue have reviewed the application packets and recommend that City Council approve the requests for real estate and personal property exemption for Strength in Peers Inc.; real



CITY OF HARRISONBURG
COMMISSIONER OF THE
REVENUE

KAREN I. ROSE, MCR

CTYCOMM@HARRISONBURGVA.GOV

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801

OFFICE (540) 432-7704 • FAX NUMBER: (540) 432-7781

estate and personal property exemption for Shenandoah Valley Black Heritage Project, Inc.; and personal property exemption for Our Community Place.

Attachments: Committee Approval Letter, Public Hearing Advertisement, Applications

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

###