



Report Number: PFC2020-1373

Meeting: Priorities & Finance Committee

Meeting Date: 2020 December 01

NOTICE OF MOTION

RE: Royal Canadian Legion Branch No. 264

Sponsoring Councillor(s): Druh Farrell

WHEREAS the Royal Canadian Legion is a key community organization supporting those who served their country in times of conflict;

AND WHEREAS property held by and used in connection with a branch or local unit of the Royal Canadian Legion is exempt from property taxes pursuant to the Municipal Government Act (MGA);

AND WHEREAS the MGA specifies that property licensed under the Gaming, Liquor and Cannabis Act is not exempt from taxation, including areas held by and used in connection with a branch or local unit of the Royal Canadian Legion;

AND WHEREAS the Royal Canadian Legion Branch No. 264 (Legion 264) recently opened a new facility at 1918 Kensington Rd NW (the Property) as the result of a land swap and Land Use Redesignation that were supported by City Council in 2016;

AND WHEREAS this new facility was designed to provide opportunities to lease out upper floor commercial spaces, with revenues directed back to sustaining branch operations;

AND WHEREAS two areas in the new facility are licensed under the Gaming, Liquor and Cannabis Act, specifically 1918 Tap & Table restaurant on the first floor and members lounge on the second floor (Liquor Licensed Areas), and, as such, are not exempt from property taxes under the MGA;

AND WHEREAS City Council approved Notice of Motion C2019-0667 to cancel 2018 tax arrears and a portion of 2019 taxes for 1918 Kensington Rd NW to provide Legion 264 with time to secure sustainable leases, as well as to give Royal Canadian Legion time to advocate to the Government of Alberta for MGA changes to support property tax exemptions on Liquor Licensed Areas;

AND WHEREAS Legion 264 successfully leased the fourth floor of the new facility to for-profit businesses and, as such, the fourth floor no longer qualifies for property tax exemption under the MGA despite lease revenue supporting Legion operations;

AND WHEREAS the Royal Canadian Legion indicates that the Government of Alberta was not interested in changes to the MGA to exempt Liquor Licensed Areas within Royal Canadian Legion branch spaces from property taxes and that the Government of Alberta instead redirected the Royal Canadian Legion to obtain yearly property tax cancellations from municipal councils;

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AND WHEREAS the economic downturn and COVID-19 pandemic have significantly affected Legion 264's financial sustainability, with the pandemic specifically resulting in the complete closure of the members lounge due to aged members being at high risk of infection, reduced capacity of the 1918 Tap & Table restaurant, and financial challenges for Legion 264's for-profit tenants;

AND WHEREAS the Liquor Licensed Areas of 1918 Kensington Rd NW have a 2020 responsibility for \$24,058.26 in municipal property taxes and \$5,440.84 in provincial property taxes, totaling \$29,499.10.

AND WHEREAS the fourth floor of 1918 Kensington Rd NW has a 2020 responsibility of \$33,554.94 in municipal property taxes and \$7,588.54 in provincial property taxes, totaling \$41,143.48;

AND WHEREAS the above amounts are substantially higher than property taxes levied on Legion 264's previous location, 1910 Kensington Road NW;

AND WHEREAS the above amounts are substantially higher than the property taxes levied on property owned by other Royal Canadian Legion branches within Calgary;

AND WHEREAS the development expected to occur on Legion 264's previous location could contribute between an estimated \$494,869 to \$1,138,017 in annual property taxes once completed;

AND WHEREAS Legion 264 is not in a financial position to pay its 2020 property tax responsibility;

AND WHEREAS, without intervention from Council, Legion 264 may be forced to cease operations, resulting in the loss of a key community and veterans' resource;

AND WHEREAS, through its authority under Section 347 of the MGA, Council can cancel all or part of property taxes for a particular property, when it considers it equitable to do so;

NOW THEREFORE BE IT RESOLVED that City Council directs City Administration to:

- Cancel the 2020 municipal property taxes being \$24,058.26 for the Liquor Licensed Areas of 1918 Kensington Road NW (roll 202477428) and \$33,554.94 for the fourth floor (roll 202673620);

NOW THEREFORE BE IT RESOLVED that City Council request that the Government of Alberta:

- Cancel the 2020 provincial property taxes being \$5,440.84 for the Liquor Licensed Areas of 1918 Kensington Road NW (roll 202477428) and \$7,588.54 for the fourth floor (roll 202673620);

AND FURTHER BE IT RESOLVED that City Council recommits to advocating to the Government of Alberta, through the Intergovernmental Affairs Committee, to cut red tape on property tax cancellations and exemptions, with particular consideration to:

- Changes to the MGA to allow for multi-year tax cancellations at Council's discretion;
- An enabling authority through the City Charter to allow for multi-year tax cancellations at Council's discretion;
- Changes to the MGA to allow for property tax exemptions for community organization property licensed under the Gaming, Liquor and Cannabis Act