



Report Number: C2019-0667

Meeting: Combined Meeting of Council

Meeting Date: 2019 May 27

NOTICE OF MOTION

RE: Royal Canadian Legion Branch No. 264

Sponsoring Councillor(s): Councillor Farrell

WHEREAS the Royal Canadian Legion is a key community resource 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 City understands the Government of Alberta was reviewing Royal Canadian Legion taxation regulations, with further work now unclear following the 2019 Provincial Election;

AND WHEREAS the Royal Canadian Legion, North Calgary (Alberta No. 264) Branch (Royal Canadian Legion Branch No. 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 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 the 1918 Tap & Table Restaurant on the ground floor and the members lounge on the second floor (the Liquor Licensed Areas);

AND WHEREAS, in accordance with the MGA, the Liquor Licensed Areas are not exempt from property taxes;

AND WHEREAS the fourth floor of the new facility is occupied by a third party and does not meet the MGA criteria to qualify for a property tax exemption as the floor is not held by and used in connection with a Branch of the Royal Canadian Legion;

AND WHEREAS the economic recession posed difficulties for Royal Canadian Legion Branch No. 264 in leasing spaces in the new facility, resulting in significant challenges for the financial sustainability of the branch;

AND WHEREAS property taxes totaling \$34,190.46 were levied on the Property in 2018 for the Liquor Licensed Areas;

AND WHEREAS property tax arrears of \$29,697.62 are outstanding as of April 1, 2019, with a penalty of \$285.55 accumulating each month;

AND WHEREAS property taxes totaling \$33,472.98 were levied on the Property's Liquor Licensed Areas for 2019 (roll number 202477428). This amount includes \$27,018.00 in municipal property taxes and \$6,454.98 in provincial property taxes;

AND WHEREAS property taxes totaling \$46,686.00 are levied on the Property's fourth floor for 2019 (roll number 202673620). This amount includes \$37,683.00 in municipal property taxes and \$9,003.00 in provincial property taxes;

AND WHEREAS the total property taxes levied on the Property in 2019 are \$80,158.99;

AND WHEREAS the above amounts are substantially higher than property taxes levied on Royal Canadian Legion Branch 264's previous location, 1910 Kensington Road NW (the Previous Location);

AND WHEREAS the total property taxes levied on the Previous Location ranged from \$12,351.72 for 2012 to \$15,791.19 for 2016;

AND WHEREAS the property taxes levied on the Property are substantially higher than the property taxes levied on property owned by other Royal Canadian Legions within Calgary;

AND WHEREAS the development expected to occur on the Previous Location could contribute between an estimated \$494,869 to \$1,138,017 in annual property taxes once development is complete;

AND WHEREAS Royal Canadian Legion Branch No. 264 is not in a financial position to pay the property taxes levied on the property for 2019 or the outstanding property taxes;

AND WHEREAS, without intervention from Council, Royal Canadian Legion Branch No. 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, as well as cancel or reduce tax arrears, 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 property tax arrears being \$29,697.62, which includes penalties, for 1918 Kensington Road NW (roll number 202477428);
- Reduce the 2019 property taxes being \$33,472.98 for the Liquor Licensed Areas of 1918 Kensington Road NW (roll number 202477428) to \$15,791.19, thereby cancelling property taxes in the amount of \$17,681.79; and
- Cancel the 2019 property taxes being \$46,686.00 for the fourth floor of 1918 Kensington Road NW (roll number 202673620).