

Subject: Canlan Permissive Tax Exemption

Date: Sun, 13 Oct 2002 23:43:46 -0700

From: "Dave Sadler" <davesadler@telus.net>

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The Corporation of
The District of North Vancouver
District Manager
355 West Queens Road
North Vancouver, B.C.
V7N 2K6

Dear Mr. Howie: Oct.14, 2002

Re: Canlan's Permissive Tax Exemption

When the '3P' Canlan Ice Sports arena was first proposed, I was very impressed with the public input process. I thought staff did an admirable job in facilitating community recommendations to the building requirements of a professional ice rink operator.

My first misgiving occurred when the contractor clear-cut the area for construction despite promises that a buffer zone of trees would be protected to partially shield the new facility. Despite the breaking of District Bylaws, no punitive action was taken against the contractor or it's agents.

Later I was disappointed to learn that the reflective glass panels, which were to be installed at the northwest corner of the building, had been removed from the plans. Although they had been of supreme importance to the public to help disguise a rather ugly building, a District planner arbitrarily allowed Canlan to omit them from their Plans.

It was over one year after its completion, that I first heard of the proposal to give Canlan a Permissive Tax Exemption on the ice portion of the facility. I was very surprised, as I had never heard of this suggestion being brought to the public's attention during the public process evaluation. What had originally been portrayed as a fair & equitable deal, suddenly became skewed and considerably more expensive for District taxpayers.

I consequently contacted Ms. Angela Trudeau who was deeply involved throughout the entire public process. She too had never heard of any suggestion to exempt Canlan from paying property tax on the facility.

I certainly do not support exempting Canlan from paying its fair share of taxes to the District. Otherwise the 'discounted' cost of ice time to the NVRC becomes much more expensive to District taxpayers. (\$88,000 tax loss divided by 2,800 hours is equal to an additional cost of \$31.50/hour).

I question the legality of a 100% tax-exemption when only a small fractional portion of the facility is used by the public (15%) and the vast majority of the time is used as private for-profit use (85%). It was apparent from the response of the Manager of the District's Land Department Mr. Sigston, that no consideration had been given to this aspect of the contract whatsoever.

Under Section 344.1 of the Local Government Act, item (3) states that if the term of the exemption authorized in the bylaw is greater than 5 years, or a period that by exercising rights of renewal or extension could exceed 5 years, then council must provide a counter petition process.

Even though the District has sought permissive tax exemption on an annual basis, this would appear irrelevant, as clearly it is the intent of the District to honour the full 50-year contract and certainly greater than a 5-year term.

Also Section 344.1, item (2) states that "an exemption under this section may only be provided for that portion of the land or improvements used for a public purpose."

Furthermore Section 185(1) states that the local government must publish in a newspaper its intention to provide assistance & in some cases provide a counter petition opportunity. I do not believe CDNV provided such an opportunity.

Therefore I would like this matter investigated on behalf of all District residents by the District solicitors. It is my belief that the contract is illegal, and that Canlan Ice Sports should only be exempted from paying property tax on the portion of ice time used by the public (15%). I believe the contract should be rendered null & void. Furthermore I request that the District solicitors undertake whatever means necessary to recoup the lost taxes from Canlan Ice Sports, District staff or District Council.

I request that I be copied in all correspondence pertaining to this matter.

Yours truly, Dave Sadler

CC Mayor & Council
Inspector of Municipalities
FONVCA