

COUNCIL REPORT

April 01, 2010

To: Mayor & Council

From: Bill Preisentanz, CAO

Re: Kenora Rowing Club – Property Tax Exemption

Recommendation:

That Council of the City of Kenora confirm the 49 year lease arrangements with the Kenora Rowing Club as ratified by Bylaw No. 12-2002 and reject the request from the Kenora Rowing Club for a reduction in their property taxes.

Background:

The Kenora Rowing Club has forwarded a request to Council through the Property & Planning Committee for a reduction in their property taxes. The Kenora Rowing Club is situated on a 51.68 acre parcel of City land including the beach, washroom, tennis courts and area beyond. The lease with the City (Bylaw No. 12-2002) has a 49 year term and relates to the building and dock area only which represents 2.65 acres. The lease amount is \$1.00 with the tenant responsible for the taxes and hydro applicable to the building site. Right now, the combined parcel is showing about 51% exempt – with assessment as follows:

- Exempt - \$237,198
- Res Txbl - \$230,303
- Current Taxes Paid (based on 2009 rates) is \$3,740.55

While there is not one consistent policy for taxation as it relates to recreational-type groups and organizations, for those groups who own their property and facilities, full taxation is levied. For those recreational-type groups and organizations located on City-owned property, there are variations on realty tax responsibility. On the one hand, the Kenora Golf & Country Club pay full taxation while on the other hand, it is worth noting that the Evergreen Ski Club is currently 100% exempt (with an acreage of 138.80 acres) – no taxes paid. For the Evergreen Ski Club there is a long-standing lease that goes back to the early days in Jaffray Melick and the development of this ski facility on municipal lands. Because of the various circumstances and priorities of various Councils over the past few decades, it has been difficult for Councils to develop a tax policy that is consistent for these type of organizations. Each lease arrangement is developed on its own circumstances.

The following list outlines recreational-type organizations who assume full realty tax responsibility within the City of Kenora:

	Assess.	Municipal Levy	Education Levy	Total Levy
LOTW Soccer	343000	\$4,707	\$864	\$5,571
Keewatin Curling Club	407500	\$5,592	\$1,027	\$6,619
Kenora Curling Club	884500	\$12,137	\$2,229	\$14,366
Golf & Country Club				
Commercial	312500	\$8,289	\$5,507	\$13,797
Residential	1553500	\$21,317	\$3,915	\$25,232
LOTW Raquet Club	342500	\$4,700	\$863	\$5,563
Combined Total		\$56,742	\$14,406	\$71,147

Summary

The City of Kenora in 2002 ratified the lease with the Kenora Rowing Club in good faith providing the land at no cost and the lease fee of \$1.00 per year. In return, the Kenora Rowing Club agreed to pay hydro costs and applicable property taxes.

If Council were to agree to adjusting or cancelling the property taxes for the Kenora Rowing Club, Council could expect similar requests, not only from recreational-type clubs, but the Legions and other non-profits.