

[Chairman: Mr. Schumacher]

[8:34 a.m.]

MR. CHAIRMAN: Members of the committee, I see a quorum, and it's past 8:30. We'll try to get started as quickly as possible. As I pointed out by letter last week to all the petitioners, we have to be out of this room by 10 o'clock, so we'll try to move as expeditiously as possible. We'll proceed with the Bills in numerical order, the first Bill being Bill Pr. 13, the German Canadian Club of Calgary Act.

For the benefit of all people, the procedure is to ask the Parliamentary Counsel to give his report on the Bill and then to ask the petitioners, by their counsel, to make an opening statement explaining why this legislation is necessary. Then we'll have the evidence supporting that position. That will be followed by cross-examination by counsel for the city of Calgary, who I understand is here in opposition to the three Bills, if he wishes, or he may wish to make a statement concerning the city's position at the end. Then we'll have questions and comments by members of the committee, followed by a summing up, if it's deemed necessary.

So, with that, I'll ask Mr. Clegg to give his report concerning Bill Pr. 13.

MR. M. CLEGG: Mr. Chairman, this is my report on Bill Pr. 13, the German Canadian Club of Calgary Act. The purpose of this Bill is to grant a tax exemption on the property described in the Bill. The exemption would cover also an exemption from local improvements taxes, which is a little unusual in a tax exemption Bill. Apart from the tax exemption, the Bill does not contain any further provisions, and I have no further comment on it, Mr. Chairman.

MR. CHAIRMAN: Then I'll ask you to administer the oath, please, Mr. Clegg.

[Mr. Stangl and Mr. Trobst were sworn in]

MR. CHAIRMAN: I'd like to welcome you to the committee, Mr. Trobst, and just say that in your presentation you may stand, if you wish, but most people sit. If it's more comfortable for you to sit, do so. But whatever is your pleasure.

MR. TROBST: Thank you, Mr. Chairman. I will follow the majority then.

Mr. Chairman, gentlemen of the committee, our application on behalf of the German Canadian Club is in regards to the taxes being levied against the club property, which is located in the city of Calgary. I heard the opening remark from counsel, Mr. Clegg, that an exemption was also asked for the local improvements. Perhaps we slavishly followed a precedent that is both in the Jewish Community Centre of Edmonton Act and in the Calgary Jewish Centre Act, and we followed the wording directly in the belief that an exemption from municipal and school taxes did not include the local improvements.

On behalf of the German Canadian Club there has been a tremendous increase in taxes from the year 1986 to the year 1987. The assessments were varied to take into consideration the 4.6 acre parcel of land that the club owns and has owned since 1957. The assessment for land was changed from \$46,300 to \$1,573,000. There has also been a corresponding increase from \$58,440 to \$336,210 for the building. The taxes payable according to the 1987 assessment were demanded at \$61,251.90, from the \$17,728 that was payable in 1986, which was a whop-

ping increase. We then proceeded with the first step that was open to us, the court of revision, and the taxes were reduced and are at present in total at a level of \$33,557.06. A further appeal is pending to the Alberta Assessment Appeal Board, and we have not been slated for a hearing as yet.

The reason for the increase arose out of the fact that the German Canadian Club of Calgary is located directly at the entrance to Bowness. A new bridge was built in place of the old Shuldice bridge. The city of Calgary needed a small portion of land, offered \$13 a square foot to the German Canadian Club for this land, and the German Canadian Club accepted, accommodating the city of Calgary. However, this came back as a boomerang immediately and was used as the yardstick value for the total 4.6 acre parcel, including a soccer field, parking facilities, old age parking facilities, and everything else. So this is one of the reasons why we are before you today.

The club itself is perhaps not to be classified only as strictly an ethnic centre but is a sports and ethnic centre together. It has a soccer field, which is actively used by our Oldtimer Kickers, not to be confused with the league champion Kickers. These fellows are all around the age of 50 and play their soccer there. They have slated for every weekend now tournaments between other clubs of the same age group in the city of Calgary, such as the Italian club, the Scottish club, and so on and so forth, and there will be tournaments taking place all summer long.

We also have in the wintertime a club that is similar to curling which is done with a stick, and they call it ice stick shooting. They shove along some ice rocks in the same way as curling. Then we have also a shooting range included in the club that is for air rifle shooting. There are two active clubs: pistol shooting and air rifle shooting. I have been advised that two of those fellows are going to the Canadian championships. There are some firemen there; there are some policemen in that club. We also have a table tennis club in the group. Those are our sports facilities. The table tennis uses our dance hall.

As far as the dance hall is concerned, we basically have the club open five days a week; it's closed Mondays and Tuesdays. On Mondays and Tuesdays two choirs are practising in the club. We have on Wednesdays a carnival club, which is a Mardi Gras association. They study ethnic dances and ethnic song and perform together with the Dutch Canadian Club in the fall till Lent. We then have a skat club, which is a German card game. We've got 30 or 40 people; they come every Wednesday. The carnival club takes up the dance hall on Wednesdays. On Thursdays we have our soccer players coming in.

We also house a language school, in which we have 185 students participating. These 185 students are put into eight different classrooms that are located within the club building. We look after the upkeep. There is a fee charged for the students, and the Department of Education recognizes the courses all the way up to the grade 12 German 30 courses. These courses are not only attended by German Canadian people or their offspring, but rather we have some Indonesian kids, we've got a couple of blacks, and we have four East Indian parents who bring their children down. So it's a multicultural setup, and it is not restricted. Neither is the membership of the German Canadian Club restricted to German Canadians only.

We have every Sunday a showing of video movies together with travel shows from Germany, Europe. We have a 12-foot screen for this purpose, and a lot of the old people bring their young people together to attend these shows.

We have a small area that is used as a bar. Our licensed premises are pursuant to the Alberta Liquor Control Board

regulations, including the total club building. The only thing is that the portion that is used on the five-day basis is the bar area and what we have as a food concession, which we also have to have pursuant to the Alberta Liquor Control Board regulations. We have about 56 seats in the bar itself. Then there is another room that is divided off with rolling doors that can be opened if we have more people, and we have approximately 50 seats in the dining room area.

Aside from the building that I have just described and the activities that are taking place there, due to the generosity of the province of Alberta, which in 1981-82 provided the German Canadian Club with a grant in the face amount of \$660,000, a building was started. That building has 19,000 square feet on each level, and there are two levels planned. The bottom level of that building is to be a sports centre with jacuzzi, exercise rooms, aerobics, and three different types of target practice areas for bow and arrow shooting, for .22 calibre, and for air rifle. There'll be two bowling alleys and the normal room for table tennis playing, which can be done in the aerobics room. This sports centre in the basement is to supplement the already existing jogging area that we have and the soccer field and is directly linked to the city of Calgary bicycle path network, which has, I've been told, around 80 kilometres of bicycle path network that can be used and accessed from the club. I would like to stress again that our club membership is open to anybody in the city of Calgary.

Unfortunately, the German Canadian Club was unable to finish that building, and in the summer 1984, I believe, construction on the building stopped until the fall of last year, when a roof was completed on the structure. Some windows are being put in, and the outside is being plastered so that the skeleton that was standing there, which was an eyesore, could at least be made to look like something. The reason it had not been completed was that the matching funds that the German Canadian Club was to provide had been provided by the membership, unfortunately not in cash but in pledges. When the downturn in our economy came, most of the Germans, being craftsmen and construction people, found themselves in positions where they could not honour the pledges, and also there was a cost overrun due to artesian wells being found under the building after they dug out. It cost a lot of money to remedy all these problems, and we are now almost a million dollars away from completion and about \$980,000 is already invested.

However, the club has not gone to the bank to try to get the million dollars, because it would be a sure way of putting the club into absolute bankruptcy. Rather, we are trying to do it stage by stage, and maybe we can find a way to lease the property. We have already made certain submissions to the Hon. Neil Webber, as we are in his constituency, that perhaps the government could use that building for some type of museum or something, where we would not have the enormous up-keep costs and could perhaps use the basement only as the sports centre and the remainder could be used by the government and help us out in that way and complete the thing. As there is a demolition commitment on the completion of the new building, we would have to move out of the present facilities and move into the new one. However, if the government would be taking over a portion of the building, perhaps we could stay in our old little surroundings, make those nice, and not run into debt and destroy the club.

The area that we own is 4.6 acres. A portion of about two acres is the soccer field. The new building and the old building are situated on the remaining portion. Also, a portion of our

parking area has been granted by way of exclusive use to the German Canadian senior citizen centre, which is located directly by the German Canadian Club, has about 170 suites, and is fully occupied. We are a great addition to that centre and for the old people who are located there, because a majority of them are members in our club, and we only charge \$10 membership for the senior members, which does not even cover the newsletter that we send them at around 58 or 60 cents apiece.

So our basic application is that we have been extremely hard hit. Our members have been hard hit by the downturn in the economy, and we're unable to complete the building. We have an unfinished building there. We have always paid our taxes until we were hit with a fourfold increase, and since that time we are now trying to do a little bit more for the building, trying not to become a burden by coming to ask for a great deal more money to complete it. We don't object to paying a portion of our taxes as long as that is fairly assessed, not as a commercial piece of property, as we are presently assessed, at \$13 value a foot for five acres. This is the basis of our application to this stage.

I believe we're pressed for time, so we'll leave it open to questions. I have prepared some written submission.

MR. CHAIRMAN: Thank you, Mr. Trobst.

Anything from Mr. Inlow before I go . . .

MR. INLOW: I have no questions.

MR. CHAIRMAN: Mr. Clegg would like to clarify something regarding the exemption asked for, Mr. Trobst.

MR. M. CLEGG: Mr. Chairman, I did in my report comment that the Bill might cover local improvement taxes. However, I would agree with Mr. Trobst that the precise wording does not in fact cover local improvement taxes, which are separate from municipal and school taxes. We have a confusing lack of conformity in the precedents in this regard, and many of the Bills use the expression: all school and municipal taxes except local improvement taxes. Of course, that phrase is really redundant. I would agree with Mr. Trobst that the Bill, as drafted, does not include those local improvement taxes.

MR. WRIGHT: Mr. Chairman, I think there's a problem here common to all the petitioners, which is this: the area of jurisdiction they seek to engage in this committee is exemption from the general law for a particular purpose. This petitioner has not made out any reason or explained why this application isn't being made to the Local Authorities Board under the Municipal Tax Exemption Act, which is the provision of law made for cases such as this. So, to my mind, unless that problem is answered by every single one of the applicants, I would think we lack jurisdiction, not legally, of course, but for practical purposes. So perhaps that problem could be addressed.

MR. CHAIRMAN: Thank you.

Mr. Trobst.

MR. TROBST: Mr. Chairman, to Mr. Wright. In this regard in the year 1985, through solicitor Barbara Janusz, we made an application for tax exemption to the Local Authorities Board. That application was declined, so we have come to this forum at this time.

MR. WRIGHT: Yes. On what grounds was it declined, Mr. Trobst?

MR. TROBST: Unfortunately, it has not been made available to us. It has just been declined, according to this letter that we have received from Mrs. Janusz.

MR. WRIGHT: And no reasons were given?

MR. TROBST: I have not received any reasons in this regard.

MR. CHAIRMAN: Mr. Trobst, I wonder if you could check into that and perhaps undertake to provide us with reasons, if you can find them, from the LAB.

MR. TROBST: Excuse me. I have just been handed the latest bulletin:

With reference to your application filed under the Municipal Tax Exemptions Act received on July 28, 1986, may I now advise that the Local Authorities Board has recommended that the exemption from assessment and taxation be declined in the City of Calgary. It is my understanding that the refusal is for the following reason: the property is used for social/cultural purposes for the benefit of the applicant and not the public at large and part of the building is licensed under the Liquor Licensing Act.

Now, this is a letter directed to the Polish Canadian Cultural Centre, and the application was made by the particular solicitor, Mrs. Janusz, on behalf of all the groups, I believe, that are present today and also the Italian and Croat centres, so the reasons were all the same. The reasoning is that if you have a liquor licence, you are not entitled to an exemption, which perhaps then makes it somewhat awkward. It is pretty difficult for a German or anybody else in Canada to celebrate Oktoberfest without a beer, so we need the liquor licence. I'm sorry. It's part of the culture and the heritage.

MR. CHAIRMAN: Mrs. Hewes.

MRS. HEWES: Yes, thank you, Mr. Chairman. Mr. Trobst, just a couple of questions. Can you tell us: at any time during your long discussion with the city, were there any promises or suggestions of tax concessions?

MR. TROBST: We did not have any long discussions with the city. We have tried, through the alderman that is in our ward, Mr. Dale Hodges, and he suggested to us to go directly to the court of revision in order to alleviate the problem. First of all: how much is really payable? If we go back to \$17,000, as we were, then we're asking perhaps for a \$17,000 exemption. If we are still at the \$62,000 level, we're asking for \$62,000. I believe he must have felt — this is just conjecture on my part — that we'd perhaps settle first at how much is really the assessment, and then we will talk as to the pay-up of arrears, because we are only in arrears for the year 1987.

MRS. HEWES: But, Mr. Chairman, that as yet has not been determined, that amount?

MR. TROBST: No, there is still one appeal pending. The court of revision has roughly halved the assessment, and we have not been to the AAAB yet.

MRS. HEWES: The other question I have, Mr. Chairman, has

to do with the connection with the senior citizens' housing. This, I take it, is an informal one in the sense that there is no legal connection between those two. You are not under contract to provide certain services to that operation, are you?

MR. TROBST: No, there is no contract to provide services. However, there is a legal easement registered against our title as to that parking. They have effectively not fenced off the parking but put concrete stones there and paved their portion. We don't have the money to pave it, but they had enough money to pave theirs. So they paved it and marked it out as parking spaces and rented it to the tenants. Otherwise, they would not have received a development permit, and we had to help them out with some land.

MRS. HEWES: Mr. Chairman, just following that one. When the senior citizens' housing was built, there was no undertaking at that point in time that your organization would be required to provide certain recreation facilities or areas for them?

MR. TROBST: No, there was not.

MRS. HEWES: Thank you very much.

MR. CHAIRMAN: Mr. Wright.

MR. WRIGHT: Yes. Following up the point about the Municipal Tax Exemption Act application, section 11 of the Act does say that

after completing an investigation under section 7 or 10 . . .

which is undoubtedly what you did

the Board shall make a report to the Minister setting forth

(a) the relevant facts . . .

(b) the nature of the objections . . . and

(c) its recommendations.

I take it you don't have a copy of that?

MR. TROBST: I'm sorry; I don't have it. No. Perhaps it is at the club. I couldn't swear on it; I'm sorry.

MR. WRIGHT: Unless they didn't do their duty, they would have made such a report, so perhaps you could find it and send it to us, subject to the chairman's wish.

MR. CHAIRMAN: Yes, that's what I was suggesting, Mr. Trobst. If these reasons from the board could be found, we would appreciate receiving a copy of them.

Mr. Clegg.

MR. M. CLEGG: Mr. Chairman, supplementary on the same point. Just to clarify for the benefit of the committee that the Municipal Tax Exemption Act does specifically state that the grounds for exemption include the qualification that the property is used chiefly for

charitable, educational, religious, benevolent or welfare purpose that is to be the general public advantage or benefit.

So if the board found that that was not to the general public advantage or benefit, that would make it impossible for them to give an exemption. Although I understand that Mr. Trobst's comments about the licence were partly in jest, for the record I would like to make it clear for the committee that if they found it was not for the general public benefit, they would not be able to give an exemption. That would be the reason.

MR. WRIGHT: Mr. Chairman, for the record also, I'd like to say that I'm not in any way casting any aspersions on the excellent work and camaraderie and good things done by any of these clubs, particularly the applicant petitioner.

MR. CHAIRMAN: Mr. Ewasiuk.

MR. EWASIUK: Thank you, Mr. Chairman. Several questions. I wonder, first of all, could you clarify for me again — I think you've done it very well to this point, but if you again could clarify for me — the kind of structure within the club. Some clubs say that they are almost exclusively a cultural organization in that they function within themselves primarily for their own cultural activities. On the other hand, some have that component plus a commercial component; that is, they lease out their facilities to organizations, groups, individuals on a commercial basis. How much of a split does your club do?

MR. TROBST: Due to the nature of our activities our possibilities to rent out any portion of the club are rather limited. As I previously indicated, Monday, Tuesday, Wednesday, and Thursday, including Friday for table tennis, our dance hall is virtually only there for the members' use. Saturday is the day when we used to have dances which were completely open to the public. They were very popular for a time because we had a seven-piece band. However, after a while we found out that it cost us about \$25,000 a year to continue that luxury with a seven-piece band every Saturday, and we have now restricted the dances to roughly twice a month. Those are dances that are being held by each one of the under groups: we've got a soccer kick-off dance; we've got a table tennis dance; we've got the card club dance. Each one of them this way participates in the arranging. They're doing the work, so there are hardly any costs to the club, and whatever little money they make on their dance gives them an opportunity to use those funds for the purposes of the club. The only profit basically that comes out of it is whatever we make on a bottle of beer or on a drink that is being sold.

MR. EWASIUK: Okay. Also, you do say that your membership is open. It's not a closed membership exclusively for the German community; it's open to anyone.

MR. TROBST: That's correct.

MR. EWASIUK: What ratio of membership do you have, then, of the German community people versus the general public?

MR. TROBST: We have had an increase in membership over the last two years, and I believe our ratio right now would be about 20 percent non-German origin.

MR. EWASIUK: What are your membership fees?

MR. TROBST: Our fees are \$60 for family, \$40 for a single person, and \$10 for a senior member over 65. A student is also \$10 for the year.

MR. EWASIUK: I guess now the real crux here is — I think I heard you say that you feel this reassessment has occurred as a result of the sale of a parcel of land to the city for \$13 a square foot. Could you tell me: was that a negotiated price? Was that simply an offer made to you and you accepted it, or were there some negotiations that took place?

MR. TROBST: The price was offered by the city of Calgary, and at the time when we appeared in the court of revision, also, the people acting on behalf of the city of Calgary admitted and agreed that was not a negotiated price but rather a price that was offered by the city of Calgary — directly on the main road for the construction of a new bridge.

MR. EWASIUK: Do you think that a need for . . .

MR. STANGL: When they started the construction of the bridge, they found out that the city didn't own enough land. They were encroaching on our land. As a matter of fact, right now the city want another 2,000 square feet of land because the bicycle path is still on our land. They did not own enough property to build the bridge on, so they were forced, actually. They needed that land, so they just came straightforward and said: "Okay, here is \$13. We need about 2,200 square feet, first." And now the second portion is another 2,000. We haven't agreed on anything because we were burned the first time. So we're waiting upon the decision of the Alberta Assessment Appeal Board.

MR. EWASIUK: Perhaps the city can comment on that as well. Is there any comment from the city relative to that particular . . .

MR. INLOW: Well, Mr. Chairman, I don't have any direct information on that. As Mr. Trobst indicated, I'm not sure I see a distinction between an offer and an acceptance and a negotiation. But beyond that I have no further information, no.

MR. EWASIUK: Okay. Is the value equal right across the whole 4.6 acres? I mean, the fact of giving you \$13 a square foot for this portion — how do you apply that to the section at the far end? Do you think that \$13 should apply? Obviously, you don't.

MR. TROBST: This is in Mr. Stangl's field of expertise.

MR. CHAIRMAN: If I may. Mr. Ewasiuk, I really don't think that is really relevant to what we're doing here: what this property may or may not be worth. Now, I may be incorrect, and I'm subject to the committee's feelings on this, but I really can't see the relevance.

MR. EWASIUK: No. The relevance of that \$13 per square foot: if we're going to rule that they shouldn't be paying the taxes or we're going to exempt their taxes, I want to know for sure that all the facts are brought before us, sir.

MR. STANGL: The city used that value right across the whole property, on the 4.8 acres, even though right across from us on the other side there was land sold for \$1.79 a square foot, and it was about the same area.

MR. CHAIRMAN: I think what Mr. Ewasiuk — as I understood it, he was wondering whether the whole parcel, the 4.6 acres, was worth \$13 a square foot. And you're saying, Mr. Stangl, that as far as the city was concerned, for assessment purposes they felt it was . . .

MR. STANGL: It was.

MR. CHAIRMAN: . . . initially. And they've rolled that

back . . .

MR. STANGL: Then they rolled it back because a portion of our land is in the floodplain. That was our appeal. The city considered that, that the land is restricted; there's a development restriction on it and it is in the floodplain. That brought a reduction of the land.

MR. DOWNEY: Mr. Chairman, I would just support your comments there. In this committee and in looking at these petitions, I think we must take great care in ensuring that this committee doesn't become an extension of the court of revision or the Alberta appeal board.

MR. CHAIRMAN: We're very close to our half hour, and we started late. But if there are no further questions, I would like to ask you a question or two, if I may. What is your total membership now, Mr. Trobst?

MR. STANGL: With family membership and everything, 1,100.

MR. CHAIRMAN: And I guess, as I understand the evidence, your assets are really tied up in your land and buildings . . .

MR. STANGL: That's correct.

MR. CHAIRMAN: . . . and in your construction. You don't have much cash on hand?

MR. STANGL: We have some cash on hand, but we are still approximately \$400,000, I believe it is, short on our commitment to match the grant. So whatever cash we've got on hand we would have to put into that building in order to live up to, in good faith, what the province has already granted to us.

MR. CHAIRMAN: If I could ask a question about access to the general public to the premises. Is there any effort to advertise the availability of your facilities to the general public?

MR. TROBST: We have made an effort to make it open completely to the public. We had put out a sign inviting the public to attend for our restaurant, and we were told by a liquor inspector that we would have to take that sign down and would have to put a sign out that said "Restricted to members and guests only." So we have decided it is much better to leave the sign down and hope that somebody comes in just by seeing the sign "German Canadian Club." We can then sign them in as members for the day as our guests and hope that they become members.

MR. CHAIRMAN: Well, if there are no further questions, is there any closing statement at this time, Mr. Trobst?

MR. TROBST: I believe we have covered everything, and in view of the time, perhaps it's all covered.

MR. CHAIRMAN: We do have your written submission.

MR. TROBST: Yes.

MR. CHAIRMAN: As is our custom, we don't make any decision here. We wait for the transcript to be published, and we take it under advisement to consider the matter. I want to thank

you very much for your attendance.

MR. TROBST: Thank you.

MR. CHAIRMAN: We'll now move to Bill Pr. 14, Austrian Canadian Society of Calgary Act.

Mr. Clegg, would you like to make your report?

MR. M. CLEGG: Mr. Chairman, this is my report on Bill Pr. 14, Austrian Canadian Society of Calgary Act.

The purpose of this Act is to grant tax exemption from municipal and school taxes for the property which is described in the Bill. The Bill has no other purpose, and I have no further comment on it.

MR. CHAIRMAN: Thank you. Would you like to administer the oath, please?

[Mr. Meixner and Mr. Lavicka were sworn in]

MR. CHAIRMAN: Good morning, Mr. Meixner. Again, if it's more comfortable for you to remain seated, please do so. But if it's more comfortable to stand, you're very welcome.

I guess I would ask, first of all, if you could identify your positions in the organization.

MR. MEIXNER: I am the president and he is the vice-president of the Austrian Canadian Society.

Mr. Chairman, members of the committee, I will try to give you a brief outline of what the Austrian Canadian Society has been doing for the past 24 years. The society was founded in 1964 and has always been very active since that time. The society first purchased a property in the district of Rocky View, which was sold in 1978, when the present property located at 3112-11th Street N.E. was purchased with the proceeds of the sale.

In 1979 construction began at the Austrian Canadian Society centre. Members purchased debentures totaling about \$158,000, and a grant of \$458,800 was obtained from the province of Alberta. In 1982 a second grant was granted for \$153,470. It was received to cover the equipment and cost overall. In August 1986 a further grant of \$67,500 was received by our society for debt reduction. Through frugal management the dedicated board of directors of our society has been able to keep all our commitments to the governments, to the debenture holders, and to the mortgage company.

Although the Austrian Canadian Society is small compared to other ethnic groups, we have over the years made a decidedly beneficial impression on the cultural life of Calgary. The Austrian Canadian Society was founded to keep alive the tradition-rich cultural heritage of our homeland, which has been shared with the people of our city and province. Our programs and activities are available to the general public as well as the Austrian community. The society promotes and traditionally supports the performing arts, the visual arts, the literary arts, and recreational activities for the enjoyment of our society members and the general population. I would like to emphasize "the general population."

Some examples of our activities are as follows. For 22 years we have held our very prestigious ball, A Night in Vienna, the proceeds of which have helped us to establish the largest scholarship in the Kiwanis Music Festival for Calgary and southern Alberta music students. The society has established and contin-

ues to support two choirs and a junior folk dancing group that have been in existence for at least 10 years. Both these groups have performed in various places in the province and frequently perform in senior citizen homes and at Heritage Days. They also entertained during the 1988 Winter Olympics. The society has an active ladies' group, which concentrates on craft sales, bake sales, food stands at various community events. In order to reciprocate the work of our dedicated past and present members, we have recently indicated the establishment of a second generation youth group of young adults so that our society maintains its vitality and commitment. A traditional Christmas program is focused on family life each year, and Mother's Day is observed.

Our membership on April 30, 1988, consists of 169 voting members and approximately 1,323 regular members. A monthly newspaper is mailed out to all our members which is written in English and German. The main purpose of our newsletter is to inform the membership of coming events and activities. Income of the society is derived from rental space, club functions both social and cultural, membership fees, and the restaurant lounge. Our society provides employment for 15 full-time employees and the same number of part-time employees.

To operate this 20,000-square-foot culture centre, our mortgage at present is \$538,412. Outstanding debentures are \$102,730. Major administration of general expenses based on 1987 figures are as follows: utilities \$48,825; repairs and maintenance \$54,957; payroll benefits \$105,000; labour — lounge, dining room, banquets, facilities — \$206,641; mortgage \$85,000. A grand total of \$536,365.

MR. CHAIRMAN: [Inaudible] the taxes of \$34,738 come in here?

MR. MEIXNER: Oh, yes; I'm sorry. This was in 1974, and of course it's up this year — '78, I should say.

In 1990, \$102,000 in debentures plus annual interest is to be repaid to debenture holders. This money must be reserved to our disposal for payout of debentures. Major repairs will increase over the next five years as kitchen equipment deteriorates and major repairs will be needed to the roof of the building. Our society up to now has shown good management, leadership, citizenship, through volunteer efforts of the board of directors and members. However, it is becoming increasingly harder and harder to meet our obligations.

Ladies and gentlemen, it would be of vital interest to have granted a reduction of our property taxes to enable our society to continue our function and nurture our cultural aims to the benefit of the citizens of Calgary, Alberta, and Canada. We have, therefore, as a society decided to proceed with a private Bill to seek a tax reduction through the Legislature of the province.

Thank you very much.

MR. CHAIRMAN: Thank you, Mr. Meixner. Are there any members of the committee who would like to . . .

Mr. Wright.

MR. WRIGHT: Yes. I repeat my previous questions about the Local Authorities Board. Are you in the same case as the German Canadian Club?

MR. MEIXNER: Well, I suppose we as a society are supposed to be in basically the same case, but I think our structure is probably a little different.

MR. CHAIRMAN: No, Mr. Meixner. What Mr. Wright is getting at: did your group appeal to the Local Authorities Board for an exemption as the Polish group and the Germans did?

MR. MEIXNER: Yes, we did.

MR. CHAIRMAN: And you were turned down in the same way?

MR. MEIXNER: Yes, we got turned down.

MR. WRIGHT: Okay. Well, perhaps we could request a copy of the board's report to the minister, then, which should be available to you, for us to see it.

MR. MEIXNER: We haven't got one either; no.

MR. CHAIRMAN: All we're asking is if you could check into finding if it's available, and if you can find one, send it to us.

MR. MEIXNER: Yes. That we can do.

MR. WRIGHT: Have you seen a copy of the submission sent by the city of Calgary to us?

MR. MEIXNER: Yes, we did.

MR. WRIGHT: And do you have some answer to that? In particular the city council's motion on April 25 this year in which they said that they did not consider they had a tax base sufficient to permit the city to absorb the revenue losses which would be occasioned should requests for clubs like yours for exemption be granted?

MR. MEIXNER: Well, all I can say on this one is here, because I don't think we want a total exemption of our taxes. We want a reduction of our taxes. We realize — I mean, taxes have to be paid. But the increase of taxes again this year was over \$1,800. We feel that if we carried on like this for the next few years, I think we'd be, first, totally out of business or really in hardship on it, and maybe in the long run the city winds up and has to collect all the buildings that the club owns. I think it would be a great benefit, as is outlined, to have a tax reduction. We don't ask for tax exemption.

MR. WRIGHT: Yes. Well, then you have to pose it in the form of a tax exemption, because there's no halfway point. At least I guess there isn't under the tax exemption Act, but there could be in a private Bill, I suppose, conceivably.

MR. CHAIRMAN: I gather, Mr. Meixner, that if the committee didn't feel that it could recommend a complete tax exemption, you would be happy with any contribution the committee could make by way of amending the Bill to give a partial reduction.

MR. MEIXNER: Yes, we would.

MR. CHAIRMAN: What is the age of your building?

MR. MEIXNER: It was constructed in 1979, and it was completed in 1981. First our social facilities were completed, and then in 1981 there was the cocktail lounge and the dining room, and of course, our rental space upstairs.

MR. CHAIRMAN: What are your membership dues?

MR. MEIXNER: Our membership dues are \$25 for every member, except there's a one-time membership of \$50 for the voting membership, and the voting membership is not in one way restricted. We can almost take in . . . Of course, there's a clause in our bylaw that you're supposed to be of Austrian descent or married to an Austrian or have recommendations from the board that we can take in any nationality. But the reason we have this bylaw is because -- let's face the facts: as a small society we could be taken over by a totally different group. That's the protection we have in this voting membership.

MR. CHAIRMAN: Could you explain to me more: what are the qualifications to become a voting member?

MR. MEIXNER: Well, the qualifications, actually, should be that you should be a good standing member or what we call here a regular member for a couple of years, or even a year. I don't want to call it an associate member because I think you have the same privileges as anybody else. It can then be brought up to the board, "Well, like I said, Mr. Smith is very active in our club and he supports us really," and the board will decide on it that he can be a voting member. Just as a matter of fact I would like to mention that we have, I believe, three Canadian-born -- actually four Canadian-born now on the new board, and three of them are not of Austrian descent.

MR. CHAIRMAN: Three out of four?

MR. MEIXNER: Yes, three out of four, because we feel we have to expand, like I mention in the report here. We are a small society. We'd like to expand our facilities and our society, not just have a one-track mind to be Austrians -- let's put it this way.

MR. CHAIRMAN: Is there any limit on the number of voting members?

MR. MEIXNER: No, there's no limit on the voting members.

MR. CHAIRMAN: As I understand it, then, if somebody wishes to become a voting member, he applies, pays a \$50 fee, and the board of directors decides whether he should be admitted as a voting member.

MR. MEIXNER: But he doesn't have to. If he is of Austrian descent or -- of course, then he probably has the chance to be [inaudible] for the board. He would be accepted if he's in good standing. So that goes for any member who would like to apply. But he has to be a member before.

MR. CHAIRMAN: I'd like to ask what steps or means you have for attracting the general public to use your facilities and to be . . .

MR. MEIXNER: Well, our cultures being like I outlined, we have our [inaudible], we have our functions. We don't have functions every week. We have it every month. We have dances and we have our Schuhplattler group, for instance -- the folk dance group -- our choir, and the ladies group is quite active. Also we have lounge facilities and dining room facilities, and we also rent out the space, as I mentioned, to cover our ex-

penses. But our aim is basically to intermix, to be a part of the Calgary mosaic.

MR. CHAIRMAN: Mr. Inlow.

MR. INLOW: I have no questions, Mr. Chairman.

MR. M. CLEGG: Could I ask what your rental income is?

MR. MEIXNER: Well, our rental income was -- we were fully rented the last years, but unfortunately one of the companies went out of business. Right now our rental income -- I'm not one hundred percent sure, but it's probably close to \$60,000.

MR. M. CLEGG: Mr. Meixner, can you tell me the proportion of non-Austrians who are members of the club, approximately.

MR. MEIXNER: We have one-quarter Austrians and three-quarters -- like I said, we're all Canadians, but I mean Canadian-born or different nationalities.

MR. M. CLEGG: But that's the whole membership, not just the voting membership?

MR. MEIXNER: The voting memberships -- I believe it's about three-quarters Austrian descent: 80 percent Austrian descent, or American-Austrian, and 20 percent non-Austrian.

MR. CHAIRMAN: If there are no further questions or comments then, I'll invite a closing statement, if you feel it's necessary, Mr. Meixner.

MR. MEIXNER: Well, all I'd like to say is that I thank the committee for hearing us. We hope we will be successful to get some reduction on our taxes. We'd like to carry on with our good work, what we did or what we feel we did, and thank you very much, ladies and gentlemen.

MR. CHAIRMAN: Thank you very much, Mr. Meixner and Mr. Lavicka.

Mr. Wright.

MR. WRIGHT: Is Mr. Inlow here on behalf of the city of Calgary?

MR. CHAIRMAN: Yes, he is.

MR. WRIGHT: Well, he will be making a submission later, and I think we should remind the petitioners that they should perhaps stick around to . . .

MR. CHAIRMAN: Yes. I noticed Mr. Trobst got away.

If you'd like to stay in case Mr. Inlow says something that you violently disagree with . . .

MR. WRIGHT: I hope not violently.

MR. CHAIRMAN: . . . you'll have the opportunity of responding to it.

So with that, maybe we could ask our friends from the second row to move up to the front.

Mr. Makowski, you're familiar with the way we've started off, so I'll start by asking Mr. Clegg for his report on Bill Pr. 15.

MR. M. CLEGG: Mr. Chairman, this is my report on Bill Pr. 15, Polish Canadian Cultural Centre of Calgary Act.

The purpose of this Act is to grant tax exemption from municipal and school taxes for the property listed in the Bill. The Bill does not have any further purpose. I have no further comments on the Bill.

MR. CHAIRMAN: I apologize, Mr. Graboski. You're counsel?

MR. GRABOSKI: I'm not counsel. Sorry; I made a mistake.

MR. CHAIRMAN: Oh. Okay. Then I'll ask Mr. Clegg to administer the oath to all those who may be giving evidence.

[Mr. Makowski, Ms Skarzynski, Mr. Graboski, and Mr. Pacak-Gamalski were sworn in]

MS SKARZYNSKI: May I start?

MR. CHAIRMAN: Yes, you may start.

MS SKARZYNSKI: I'd like to start by introducing Mr. Kaz Makowski, representative of the Calgary Polish community on the Alberta Cultural Heritage Council, for 23 years on the board of directors of the Polish Canadian Association, and currently vice-president. He will give a brief history of the centre.

Kaz.

MR. MAKOWSKI: Mr. Chairman, members of the committee, the Polish Canadian Association was founded in Calgary in 1931 to foster and enhance the Polish heritage in Alberta, so is deeply rooted in the history of our province. As you can see, it has existed well over half a century. It is our sincere belief that it serves well not only the Polish heritage in Alberta but also the heritage of needs and values common to all Albertans.

Up to 1970 the association owned a small Polish hall in Calgary on Edmonton Trail. As we all remember, it was a time when the federal government established a new policy in Canada called multiculturalism, which to the understanding of culturally diversified Canadians meant a recognition of the impact and importance of all ethnocultural groups to the formation and preservation of our country. That fact, together with growing needs of our organization and a constantly growing number of new Polish immigrants in Edmonton and Calgary, in particular gave us an inspiration to build a new hall. This time it was not to be an ordinary hall but a truly Polish Canadian cultural centre to broaden the richness of the architectural and cultural beauty of our city. So with the combined effort of the Polish-origin population of Calgary, the provincial government, and the city of Calgary, we started the construction of our centre. The total cost of construction was over \$2.5 million. Out of this over \$1 million was provided by the Polish community, of which only \$50,000 represented a loan by individuals. Due to the extensive work to complete this centre and shortage of funds, it was not until March of 1983 when we opened the doors to the centre. Even at that time it wasn't completely finished, and it took us another year or so to finish the construction phase.

I think it is also important to note that the owner of the land on which the building is standing is the city of Calgary, with whom we have a lease agreement. It was never our intention to build a business centre or another business venture in Calgary, yet it is exactly what we are forced to pay taxes for. Mr. Chair-

man, I'm talking in terms of \$25,000 up to \$32,000 in taxes per year. This burden is, of course, too heavy for us to carry on. The building of the centre exhausted our financial resources to the bare bottom. New funds couldn't be raised on a scale and at a pace expected by the city.

Our main goal was, and is still, to help preserve Polish heritage in Alberta, to enhance sharing of cultures and traditions in ethnoculturally diversified Alberta, not to merely provide new business opportunities and business taxes. One of our main objectives is also to help the assimilation of thousands of new Polish immigrants to Alberta, in which task we have already managed success and results which, in another term, saved the city and the province thousands of dollars of social assistance.

Due to the financial bomb we had to involve ourselves in an intensive business operation as to hall rentals, catering, and most of all, a restaurant operation. Of course, all of it was at the expense of our main objectives. Yet with the great help of our members, who put in long hours of volunteer work, we tried to the best of our abilities to maintain the level of service we provide for our members and the population at large.

The list of our activities is certainly long, Mr. Chairman, and distinguished members. I will not take more of your valuable time, but let me say just one more thing. We are indeed very grateful to the province and to the city for all the financial and nonfinancial support we receive, but this is done not in vain. There is a need in Calgary for our services and existence. There is a role for us which nobody else can fulfill, and the tax burden is a major obstruction to it.

Thank you.

MR. CHAIRMAN: Thank you very much.

MS SKARZYNSKI: Mr. Ed Graboski has been employed in the oil business for over 30 years in Alberta and is now second vice-president of the Polish Canadian Association in Calgary.

MR. GRABOSKI: Thank you. Mr. Chairman, members of the committee, I would like to take this opportunity to familiarize you with a quick overview of the various functions and activities that take place at our cultural centre and how they are integrated with the public at large.

Our facility is being utilized a minimum of 200 days a year for various functions. Our activities are divided into four distinct, separate categories: cultural, athletic, social, and educational. Under cultural, many varied types of concerts are held at the facility. Classical musicians of world renown, like Marek Jablonski and Gloria Saarinen, have performed here. Violin ensembles from the Banff School of Fine Arts have also performed. Slovo, a young Polish theatre group, have done several plays and are presently preparing for a new one; they are given both dramatic and financial help from the association. Christmas concerts are held annually for people at large by the young folk of the community. Cross-cultural concerts, such as – the Canadian Indian friendship centre and the Polish Canadian Association presented a program billed as Building Bridges of Goodwill, featuring culture, tradition, dancing, arts and crafts, and concluded in a very successful venture. Something similar was done between the Polish, Hungarian groups.

Lecturers, both local and touring, have spoken on many occasions and on many varied and interesting topics. Most recently a professor from the University of Calgary spoke on an issue most topical for the time, Afghanistan, and it was well attended by many of Afghanistan origin. Travelogues are inter-



mittently held, showing the geography, culture, and scenery of different countries around the world. Books and art exhibits of national and foreign artists are held. The facilities have been used by the Calgary Chamber Choir and the Alberta ballroom dancing association. Most recently the Calgary City Ballet performed at the facility in order to help them during their present financial distress. Currently, on an intermittent basis, the facility is being used by the Vietnamese, Ismailia, Chinese, and Slovak ethnocultural groups. The Freedom Baptist church uses a portion of the facilities on a biweekly basis for a minimum charge.

As to athletics, at present the facility is the home of the White Eagles soccer club, which originated back in 1933. A room has been set aside for the Polish Boy Scouts Association. The Polish Seniors' Club meet at the facility weekly and hold several functions at the facility annually. All of the these clubs and their functions are open to all the public at large. The Babetta\* rhythmic gymnastic group practises there weekly. The dance groups called Taty and Polonez perform ethnic dances and have performed at various functions throughout the city, province, during the Olympic Games, and as far afield as Boston, Massachusetts. The Olympic athletic banquet, with the Polish athletes in attendance, was attended by individuals from all walks of life in Calgary as well as Red Deer and Edmonton.

As to social, our Zagloba social club meets weekly every Friday evening for a social evening of either chess, billiards, or bridge or just reading books in either Polish or English. The club is open to, and welcomes, all members of any and all ethnic origins. The club is primarily nonprofit oriented.

As to education, classes of English language run by the YWCA are held for all immigrants. Classes in culinary arts are intermittently held for new immigrant women in western Canadian style cooking. I must also give some special mention to the volunteer efforts of groups of Polish ladies who make all kinds of Polish foods for various functions and sales at bazaars.

In conclusion, I feel that a great more could be accomplished, and would be accomplished, were it not for the heavy commercial yoke we carry with our unfortunate previous tax indebtedness and continuing unrealistic yearly tax burden.

**MS SKARZYNSKI:** Thank you. Mr. Bogumil Pacak-Gamalski has been in Canada since 1982. Bogumil is publisher of our monthly Polish bulletin and vice-president of the Alberta branch of the Canadian Polish Congress.

**MR. PACAK-GAMALSKI:** Mr. Chairman, distinguished committee members, it is not my role to repeat the arguments of the representatives of the Polish Canadian Association in Calgary, yet it is definitely my role, as the vice-president of the Canadian Polish Congress in Alberta, to try to draw your attention to the importance of the role the association is fulfilling.

It is our strongest belief that Alberta is a home for people of all origins, all of whom are valuable and irreplaceable segments of our society. It is also our strong belief that the Legislature and the provincial government of Her Majesty the Queen is doing its best to help to promote this honourable and just idea. Yet the removing of the heavy business taxation burden would be a fabulous step in the right direction.

Mr. Chairman, the congress went into a joint sponsorship agreement with the federal government to sponsor Polish refugees from countless refugee camps in Europe. Now, the congress itself is an umbrella organization for all Polish or-

\*This spelling could not be verified at time of publication

ganizations in Canada. We ourselves do not have the necessary manpower to carry out our tasks, so we do delegate our power and authority to member organizations. The Polish Canadian Association and its president present here, Madam Skarzynski, are representing the congress in Calgary and southern Alberta in regards to refugee claims and assistance. It is very valuable and hard work, among them legal resources, which cannot be fulfilled for many by any of the governmental agencies in Alberta. It is a noted observation that the tax burden diverts them a lot from their right and just purposes.

If you permit me, hon. members, I will close my remarks with one more observation. There is, in our humble opinion, something terribly wrong in moral judgment when the citizens of our province who voluntarily put in long and invaluable hours of work for a good cause and benefit to other citizens of the province must pay taxes for their work and services. The Hon. David Crombie a while ago, acting as the federal minister of state, placed before the House of Commons a new Act of multiculturalism, where under paragraph 2, section (c), we read that:

We should promote and enhance the ethnocultural groups in Canada and eliminate any barriers existing to the achievement of these honourable goals.

In the rich mosaic of ours, Canada, I believe the property tax burden is one of such barriers.

Thank you.

**MS SKARZYNSKI:** Mr. Chairman and members of the committee, I would like to concentrate my remarks on the purposes for which ethnocultural centres exist, but to begin with, I'll digress a little to give a brief overview of our tax situation, which is the reason we are here today.

We owe \$150,000 in back taxes to the city of Calgary. We requested city council's decision to write off the penalty portion of our taxes, amounting to \$65,000, on the grounds that the building was taxed too soon. In fact, it was taxed the year it opened to the Polish Canadian community in 1983. At that time we were unable to generate any revenue to speak of, as there were no kitchen facilities and no furniture. You can't rent a building that's empty. A restaurant only opened in 1985; it is now closed to conserve costs. We were informed by our task force that a forgiveness of penalties would be impossible, as it would set a precedent for other groups. We are now in the process of arranging bank financing for this entire debt load of \$150,000. We pursued all avenues open to us in 1986 and 1987 as per your information: appeal to the tax assessment board and the Local Authorities Board. The Local Authorities Board decision provides a clear inconsistency in the board's view of ethnocultural centres vis-à-vis the city's view. I quote from the letter of Assistant Deputy Minister of Municipal Affairs, René Gagné:

It is my understanding that the refusal is for the following reasons: the property is used for social/cultural purposes for the benefit of the applicant and not the public at large... [et cetera]

To contrast, I quote from a report of Mr. R.D. MacLean, who is director of the management audit committee of the city of Calgary, to Mr. Fred McHenry, who is the director of Parks and Recreation of the city of Calgary. He says:

The Polish Canadian Association operates the Polish Canadian Cultural Centre, which provides a community centre for cultural, recreational, and educational purposes.

Mr. Chairman, Mr. MacLean makes our centre totally compatible with the generally accepted perception of a YMCA or a YWCA, I would say.

Our cultural centre is a large one. It's 15,000 square feet of building on two floors and 2.5 acres of land. Our yearly taxes last year were close to \$30,000, charged at commercial or business rate.

Now for our main point in this presentation. Section 15 of the Charter of Rights guarantees multiculturalism in the Canadian society. Canada, as we all know, at all three levels of government has adopted this policy, and I'm sure all immigrants to this country are extremely pleased with this direction. To enhance and preserve cultural traditions while serving this great country prompted the government of Alberta, the government of Canada, and the municipalities to aid in every way possible, by funding through grants, through land acquisition, and by forming a ministry of Culture and Multiculturalism, to build cultural centres such as ours, administered by specific ethnocultural groups. We did it with your help and with your blessing and our own considerable effort included.

The Polish Canadian Association in Calgary when building the Polish Canadian Cultural Centre had another very specific intention in mind. Canada has opened its doors to many Polish immigrants over the years. I'm one of them, and so are other members of our delegation. Especially since the state of martial law was declared in Poland in December of 1981, many young families have arrived in Canada. In Calgary in 1988 we are expecting 400 government-sponsored immigrants and up to 300 refugees sponsored by the Canadian Polish Congress, Alberta branch, and the Polish Canadian Association of Calgary. We, the established community, have very definite obligations towards these new Canadians, especially those sponsored by the association. We have to provide lodging, food, and moral and financial assistance to the latter for one year from their arrival time in Calgary. We are to serve as liaison counselors, mentors, and sounding boards. We are to assist them in job searching, language training, and all areas of immigrant aid. No one can do this better than we can. Unfortunately, the time and effort of our volunteers is spent in running a business to guarantee revenue, a major portion of which is necessary to pay our tax burden.

The Department of Employment and Immigration in a recent letter to us also outlined this problem, and I'll quote very briefly from the letter:

As mentioned in our meeting, we at the Calgary employment settlement unit of the department of immigration have identified certain areas of refugee adaptation that we are unable to fully service. These areas which we have identified are those involving refugee adaptation to the Canadian life-style. Of particular interest to us is finding ethnic association volunteers to assist in airport reception, emergency interpretation, everyday problems of adaptation to Canadian ways — i.e., shopping, Canadian law, et cetera — in addition to addressing expectations and providing emotional support and a sense of belonging through a community association of the same ethnic background.

MR. CHAIRMAN: I'm sorry to interrupt, but as I pointed out, we have to vacate these premises at 10 o'clock. I think in all fairness, I'm going to have to ask Mr. Inlow to say something and try to get a question or two from the committee. So if I could ask you to wind up as quickly as possible.

MS SKARZYNSKI: Mr. Chairman, we have spoken for 20 minutes, and I have about one minute left.

MR. CHAIRMAN: Very good.

MS SKARZYNSKI: Thank you. We are failing in the task for which we are supposed to exist. We were not funded to compete with hotels and to run restaurants. Ours, by the way, is now closed. The benevolent governments which helped us erect our structures should now perhaps take a moment to consider what is happening. Many Legislatures have already thought about this issue in depth. We hope the members of this committee will see fit to exempt us from taxation and let us get on with the purposes for which we were built.

Thank you.

MR. CHAIRMAN: Thank you very much.

Mr. Inlow.

MR. INLOW: Thank you, Mr. Chairman. I have no questions. If you want me to make a submission at this time . . .

I believe that members of the committee have the letter of May 3 from the mayor to the hon. Premier and the Minister of Municipal Affairs, and I can file with the committee a certified copy of the council decision of April 25. Considering the time, I won't go over that letter in detail, simply to make a few supplementary remarks, one being that I think the city does not see this as an issue of tax exemption, does not see this as a court of revision. The Legislature in its wisdom has made very detailed provisions to deal with those issues.

With respect to the dimensions of this matter, we have about 10 major cultural clubs within the city, which have a tax levy of about \$209,000. The three clubs which are before the committee today represent approximately 46 percent of that amount of levy, so these are the significant clubs. We've also compiled a list of approximately 40 other organizations that operate in premises in the city of Calgary that I think could be classified as cultural clubs: Swedish clubs, a Berlin club, Slavic clubs, any number of these similar organizations.

Finally, I would say that the selection of the tax base as sort of the straw that breaks the camel's back is, with respect, somewhat arbitrary. The position of the city is that these clubs may be facing financial difficulties, but we suggest that there are no criteria by which the taxes become the thing that should be alleviated. As outlined in the letter from His Worship, we feel that the matter should be addressed in a comprehensive manner to look at the financial difficulties of these clubs and to arrange some sort of financial package that does not erode the tax base of the city of Calgary.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Inlow.

Mr. Wright.

MR. WRIGHT: Just a quick question, which is: when you made the application to the Local Authorities Board under the Municipal Tax Exemption Act, do I gather correctly from the letter we've received that that was for total exemption? It wasn't for partial exemption?

MS SKARZYNSKI: It's for total exemption, yes.

MR. WRIGHT: Yeah. But would you not agree that it would be reasonable to have clubs such as yours pay some taxes anyway?

MS SKARZYNSKI: We would agree with that.

MR. WRIGHT: What sort of rate would you think reasonable?

MS SKARZYNSKI: Well, we've thought about it. We probably use the cultural part of the facility around 200 times a year, and we rent it probably plus or minus a hundred times a year, a two-thirds/one-third split.

MR. WRIGHT: Just in case there's any doubt about the right of anyone to apply for partial exemption, under section 12(2)(b) of the Municipal Tax Exemption Act there can be partial exemption from assessment either by affixing a lower assessment value or by affixing a lower rate. So it is there.

MR. CHAIRMAN: Mr. Ewasiuk, followed by Mr. Sigurdson.

MR. EWASIUK: I've got one question, Mr. Chairman. I thought Mr. Makowski said that the Polish Canadian facility is built on city-owned lands.

MR. MAKOWSKI: Yes, it is.

MR. EWASIUK: Is it still city-owned lands? In 1931 it was city-owned lands. So are you being taxed, or are you paying a rental in lieu of tax?

MR. MAKOWSKI: Well, sir, you can see, perhaps, in the papers which we have, the lease agreement with the city, that we have purchased the land, or in other words, we have put a deposit on the land that we bought from the city. Then eventually, being unable to pay the land off, we had to turn around to the city for perhaps assistance to pay off some of the money owed to the builders. So, what the city has done, they took over the land and combined the amount owing for the land and the money they have loaned us together, so the city is actually the

owner of that land at the present time.

MR. INLOW: Some clarification. There is a lease on the property. It is city owned in that I think the lease has 35 years yet to run. The normal provision is that they are not taxed, but within the lease there is a payment made in lieu of tax by way of rent payment. This is the only club that I know of that actually rents the property, so it's a unique situation in that sense.

MR. PACAK-GAMALSKI: If I may add a little bit to it. It is quite interesting then, that on June 26, 1986, the city, the board of commissioners, considered and approved a reduction in the land tax only for the period October 1, '83, to December 31, '85, in the amount of \$23,000. The reduction was on the basis that the land was in the title of the city; therefore, it's not assessable. It is quite interesting that the city sees that once the land is owned by the city, therefore it's not assessable, and in the next year it says that it is assessable. So it is clearly a very inconsistent situation from the point of view of the city.

MR. CHAIRMAN: I've got another chairman here chomping at the bit, so I'm going to have to thank you for your presentations. As I mentioned at the beginning, we do take these under advisement. We wait for the printing of our transcripts. The positions will be considered in due course, and you will be advised.

Thank you very much for your time.

Could I have a motion to adjourn? Mr. Day. All in favour?

HON. MEMBERS: Aye.

MR. CHAIRMAN: Opposed? Carried.

[The committee adjourned at 10:01 a.m.]

