



September 9, 2009

Delivered to Stephen Keast via email

Mayor and Members of Council
The Blue Mountains
26 Bridge Street
PO Box 310
Thornbury ON N0H 2P0

Attention: Town Clerk

Dear Mayor and Members of Council:

**Re: Application for Cancellation, Reduction or Refund of Taxes – 2008
Taxation Year (the “Application”)
Blue Mountain Village Association, Unit #2, 796455 Grey Road 19,
Blue Mountains, Ontario
Roll No. 42-42-000-020-0099-0000**

The Blue Mountain Village Association (“BMVA”) is the owner of the property known as The Plunge being part of Roll No. 42-42-000-020-0099-0000. The BMVA instructed its legal counsel to make Application for cancellation, reduction or refund of tax pursuant to section 357(1)(a) of the *Municipal Act, 2001* for the 2008 taxation year. Please accept this letter as our formal representation to Town Council with respect to the hearing of the matter of the Application presently scheduled for September 14, 2009 at 7:00 p.m.

Background

As previously set out in the Application prepared by our counsel Miller Thomson LLP a Transfer/Deed of land was registered on March 11, 2008 with respect to the property which is an Aquatic Centre Facility referred to as The Plunge. The lands were at that time transferred by Intrawest ULC to the BMVA for no consideration.

Prior to the date of the Transfer the lands in question which comprise The Plunge were classified for municipal tax purposes pursuant to O.Reg.282/98 as Commercial (“CT”).

BMVA seeks cancellation, reduction and refund of tax for the 2008 year as a result of the Transfer which constitutes a Change Event within the meaning of section 357(1)(a) of the *Municipal Act, 2001*. It is the position of BMVA that the property which forms The Plunge are lands now owned and occupied by a not-

for-profit service organization within the meaning of O.Reg.282/98 section 3(2)(iv). A service organization is a defined term and “means an organization whose primary function is to provide services to promote the welfare of the community and not only to benefit its members”.

The Plunge Aquatic Centre – A Community Asset

The Plunge Aquatic Centre located at the Blue Mountain Village provides a unique 12-month weatherproof aquatic asset not only to the Blue Mountain Resort but more importantly to the community at large. The Plunge was always contemplated as being an important recreational asset to the community, and as a result, was constructed utilizing approximately 2.2 million dollars of Federal/Ontario government funding. The securing of this funding ensured that the facility would be accessible to the entire community. In securing this financial contribution the BMVA agreed to operate and maintain the facility continuously until March 31, 2027. It also ensured The Blue Mountains direct involvement in decisions made with respect to its operation with council representation on the board of directors of the BMVA.

The Plunge is presently open 7 days a week during peak summer and winter seasons and from 3:00 p.m. Friday to 7:00 p.m. and Sunday in other months. Local residents wishing to utilize the facility are provided with significant discounts for the use of The Plunge.

Programming

The programming of The Plunge is community oriented. In addition to the pleasure activities in all areas, the facility offers a Swim to Survive Program which is free swimming lessons for local grade 3 students, the Life Saving Society Learn to Swim Program which is open to the local community as well as aqua fitness, Day Camps and the opportunity to be booked for private events such as birthday parties. The BMVA is currently in active discussion with Town representatives to develop further in-house programming to provide The Blue Mountains community with additional activities such as adult swimming lessons, family swimming, learn to snorkel, scuba diving lessons and certification, therapeutic and rehabilitation classes to name a few.

Community Participation

The local community of The Blue Mountains, Meaford and Collingwood already make significant use of this important community facility. The Plunge presently offers a 20% community discount to local residents on daily entrance fees as well as season passes. 44% of the visitors in fiscal 2008 were drawn directly from the local community. The Plunge seeks employees from the Georgian Triangle and 30% of The Plunge employees are residents of The Blue Mountains. Several students in the community volunteer at the Plunge to gain hours for their community requirements for high school graduation.

In fiscal 2008 and again in 2009 approximately 200 children aged 6 weeks to 13 years registered for swimming lessons at The Plunge. All these participants were from the local community. The Plunge is currently the only facility offering Learn to Swim Lessons in The Blue Mountains.

Also in fiscal years 2008 and 2009 Grade 3 students from The Beaver Valley Community School and from Collingwood Elementary Schools received free swim lessons at The Plunge through the Swim to Survive Grant.

The Plunge also held 2 very successful Community Days in 2008 and 2009 that attracted 600 and 700 swimmers respectively. All of the \$2 charge was donated to the Beaver Valley Outreach program.

BMVA is Entitled to a Refund of Tax

We respectfully submit that the BMVA is entitled to receive a partial refund of tax for the 2008 taxation year due to the Change Event which took place, namely, taking legal title to the Property and having direct responsibility for its operation. The manner in which the BMVA operates and programmes The Plunge for the benefit of the community demonstrates it is a 'service organization' within the meaning of the Regulation and is entitled to be reclassified for municipal tax purposes within the Residential (RT) tax class. This is the purpose and intent of the Regulation to ensure that organizations such as the BMVA, which provides significant services to the community at large, are not taxed as a commercial venture, which incurs a significantly higher burden of taxation.

The current burden of tax as a property within the commercial tax class jeopardizes continued viability and operation of The Plunge by the BMVA and impacts negatively on the ability to both operate and program the facility. Property taxes that would be paid at the residential property tax would be approximately one-third of the current estimated tax burden of \$50,000 per annum.

We appreciate the opportunity to present our written submissions to Council for its consideration. We look forward to being advised of Council's decision with respect to the outstanding Application in due course.

Yours truly,



Don Braden
President

The Blue Mountain Village Association