

August 1, 2020

Dear Mayor and Council

We are here tonight to encourage you to provide the full amount of the Municipal Grant to MacBride and other organizations.

We are disappointed that the City of Whitehorse is now charging a community museum, operated by a charity, taxes and particularly fees and penalties. The City of Whitehorse has run an operating surplus for years.

MacBride is a museum, a charity, and a non-profit organization. MacBride has protected, presented and preserved Yukon history since 1951. During that time, we have never paid taxes. The City has invested in MacBride as a community good, by providing a 100% exemption using tax abatement policy, legal mechanisms and discretionary decisions of Council for almost 70 years.

In 2015, MacBride was exempted from the new grant policy in its entirety by a resolution of Council. That resolution was not time limited and has not been rescinded by Council.

In 2016, MacBride applied to Canada and Yukon for capital funds for an expansion. We met officially with the City and asked for their support and specifically about the continuation of the tax exemption:

- The City provided written support which was included in our applications (attached).
- Both the Mayor and the City Manager said directly that MacBride was exempt from the grant policy and the intention was that it would remain so. In 2017, we received the same information from the City. The City also provided the motion from 2015 as evidence of the continuing exemption from the policy.

In 2018, in the middle of construction the City decided to include MacBride in the grant policy and to tax us. Tax abatement for museums is common public policy by municipalities across the country.

Taxes and fees since 2018 are over \$250,000 - an egregious amount of money. MacBride receives \$182K annually in core funding from YG as a point of comparison.

If MacBride had been billed the taxes less the abatement afforded under the Municipal Grant taxes owing would be \$119,273K (50% of \$71,000 in 2018, of \$83,124 in 2019 and of \$84,422 in 2020).

Charging MacBride \$132K in interest and fees in two years when the City supported the project and we were exempted from the policy while legal, it is excessive and unfair.

The fees and penalties are more than the taxes.

The City of Whitehorse has the power to tax MacBride. The City also has the authority to choose not to tax MacBride. As we outlined in our previous letter, the City has the legal options to:

- *Credit the Development Charges/Building Fees that MacBride paid as an NGO of ``\$150,000*
- *Waive the Fees and Administration Costs and the interest by way of a grant.*
- *City could vote to re-instate 100% abatement or increase abatement percentage*

COVID Timing and Precedents

As the Yukon recovers and rebuilds from COVID, our community needs MacBride as a gathering space and as a tourism recovery anchor. Other levels of government are stepping up to assist businesses and non-profit services. The City could forgive taxes against the construction fees paid by MacBride, which would assist enormously in the COVID recovery for MacBride, the audience and the tourism segment.

Taxpayers Value

The City is now charging a volunteer led NGO for the privilege of providing an attraction that is to the City's betterment and benefit.

As a public NGO MacBride is always cognisant of spending taxpayer funds. MacBride and its members do not support the City position that a local museum should pay taxes. We further believe that the City should not be charging fees and interest to a local society providing a service.

The City talks all the time about the value that taxpayers are receiving from the municipality. We suggest that forcing your local museum to pay taxes and fees takes funding away from direct public services provided by said museum. When the City has the power and authority to waive those taxes and fees, this is not good value to taxpayers.

MacBride's board and members and supporters are disappointed that the City has changed their policy after almost 70 years of 100% support and exemption.

During the period of COVID governments are coming together to help communities. We respectfully suggest the City should be helping MacBride so that Yukoners can continue to benefit from our facility and the important role we play in identity and community. Social engagement while being able to social distance is imperative to mental health and MacBride is delivering that to our community.

We encourage the City to reconsider and to provide 100% abatement for perpetuity.

Sincerely on behalf of the Board of Directors of MacBride Museum,



Erik (Rick) Nielsen
Chair

/attachment