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CHARTERED ACCOUNTANTS
THOMSON BUILDING, EDMONTON, ALBERTA

December 14th, 1950.

The Honorable R. H. Winters, B. Sc.,
Minister of Resources and Development,
OTTAWA, Canada.

Dear Sir:

Pursuant to Order-in-Council P.C. 216/44 2 2 dated September 15, 1950 whereby I was appointed a Commissioner to inquire into and report on the rentals being charged for lots in the Banff and Jasper National Parks, I attended at the Park Superintendent's office in Banff and later at Jasper, Alberta.

An examination of the leases in force indicates that many of Banff leases will not come up for review until after 1960 when presumably another review will be made to determine a fair and proper rental for the period from 1960 to 1970. In this report I have not considered this condition but have set out the rate of rental which I consider is a proper charge for the period from 1950 to 1960. Practically all Jasper rentals are under revision for this period. To the extent that Banff leases do not provide for a review these lessees are placed in more favorable position. From the information supplied to me I understand that all leases renewed or issued subsequent to 1940 in Banff while for a term of forty-two years provide for a revision at the end of twenty-one years and at the end of the

lease the renewal further provides for a review of rental each ten years under the following clause (a) on the last page of the lease,-

- (a) "The renewal lease will contain agreements and conditions like unto those contained in the lease to be renewed with the exception of those pertaining to the amount, review and calculation of rent."

Every effort should be made to have the conditions of the Banff leases uniform with those of other National Parks and particularly to provide for a review of rental charges each ten years so as to eliminate the existing inequalities under the present leases.

While the fact that municipal administration costs have greatly increased in Alberta during the past ten years is quite true it is not possible to make any exact comparison. However there is no doubt but that costs of supplying services and administration have increased to a point where some considerable upward revision of rentals is justified. Park administration costs include the operation of townsites lying within the park boundaries but the operation of the townsite is only a small portion of the duties of the administration.

The present permanent population of Banff is approximately 3000 and Jasper 1700. During the year Banff had approximately 443,058 visitors and Jasper 85,000. The Park Administration must provide for health sanitation and other facilities to take care of this influx and these costs

cannot be properly considered in arriving at what should be borne by the permanent or seasonal residents and so any assessment by mathematical calculation such as that by which a tax levy is arrived at in outside municipalities cannot be applied. Hence it becomes necessary to determine as far as possible by other means what constitutes a reasonable and proper increase and that the charges are uniform and free from discrimination as between different parks and also as between the residents of each Park.

From a business view point Banff is much better placed than Jasper despite the payroll resulting from the Canadian National Railway divisional point located at Jasper. Jasper is about three times as far from a centre of population as Banff, that is Banff is approximately 80 miles from Calgary and Jasper is 240 miles from Edmonton. The Calgary-Banff road is a hard surfaced dustless road. The Edmonton-Jasper highway has about 100 miles hard surface between Jasper and Edmonton with the balance gravelled and partially under re-construction each year resulting in a mud and dust nuisance not to say menace to safe driving. The Jasper to Banff highway is gravelled but with stretches under re-construction every year so that for the greater portion of the period from 1950 to 1960 for which this review will be effective it is probable that roads comparable to those by which Banff is reached will not be available to Jasper from any direction.

The Skiing facilities have been developed in Banff far beyond Jasper and again roads and distances from

centres of population will be in favor of Banff.

As a result I consider that for some years Jasper business rentals should be considerably less than Banff. The same degree of difference does not in my opinion apply to the residential rentals.

Banff residential rentals are subject to a considerable degree of difference as to desirability of location and all are for year round occupation. With the exception of Lake Edith and Pyramid Lake all Jasper leases provide for year round occupation with about the same services as Banff. The matter of distance to centres of population and condition of roads may be factors in favor of Banff.

An analysis of the revision dates of Banff leases shows that they will come up for revision approximately as follows:

In 1950 (immediately)	179 leases or 20.7%
From 1951 to 1960	248 " " 28.6%
After 1961 (Largely 1966 and 1967)	439 " " 50.7%

From this it will be seen that the proposed increases while immediately 100% effective at Jasper are only 20% effective at Banff where the prevailing residential rentals are \$8.00 per lot. The residents of Jasper thus suffer a discrimination against them of approximately 80% of their holdings.

I have attempted to work out some equitable method of in-between-review-period rental adjustments and suggest the following,-

- (a) All 1950 renewals to follow my recommendation.
- (b) All 1951 renewals to be 10% higher than my recommendation.
- (c) All 1952 renewals to be 20% higher than my recommendation.
- (d) All 1953 renewals to be 30% higher than my recommendation.
- (e) All 1954 renewals to be 40% higher than my recommendation.
- (f) All 1955 renewals to be 50% higher than my recommendation.

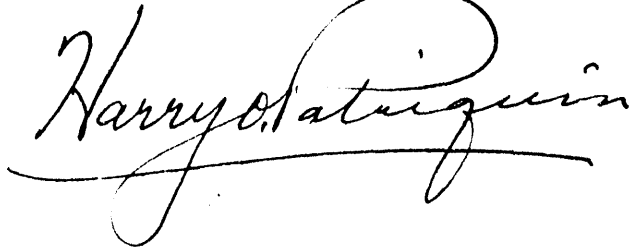
The result of this would be that by 1955 a 1949 rate of \$8.00 would have become in most cases \$12.00 for 1950 and \$18.00 by 1955. If followed through, this would more than double the rates presently in force by 1955 and equalize to some extent the advantage now enjoyed by a lessee whose lease comes up for review in the latter portion of each decade. It would also simplify considerably the reviewing of rentals in 1960. Of course if general conditions justified it the 10% increases could be continued through to 1959 at the discretion of the Government.

Theoretically the recommended rentals are in my opinion fair, and provide a proper differential where this is necessary but it is noted that in view of the number of Banff leases which do not come under immediate review the effect is that Jasper lessees are in the interim period paying materially higher rentals than are being paid in the Banff area. Whether or not any adjustment of Jasper rentals reducing the recommended residential rentals for the 1950 - 1960 period should be made I consider to be properly a matter to be decided by the Minister after giving consideration to these circumstances.

As discussed with the officials of the Department of Mines and Resources in Ottawa on November 1st, 1950 I have not attempted to deal with building restrictions. In my opinion the advice of experts including Architects, Building Contractors and possibly Town Planners should be considered if it is felt that something further than the recommendation of the Park Superintendent is desired. The rapid fluctuation of building costs make it desirable to have some flexible arrangement which can take this condition into account.

My recommendation of the rental rates for the 1950 revision is attached hereto.

All of which is respectfully submitted.

A handwritten signature in cursive script, reading "Harry O. Paterson". The signature is written in dark ink and features a prominent, sweeping underline that extends across the width of the name.

BANFF

RECOMMENDED RENTALS FOR 1950-60 PERIOD

Business Lots:

Lots facing Banff Avenue in Blocks 1,2,6,7,11,13 and
Lot 1, Blk. b, Corner Lots, Hotel and Theatre
Lots \$75.00
Other Inside Lots 60.00

Part of Lots in Blk. A facing on Lynx and Bear Streets
(to be divided by lane),-
E $\frac{1}{2}$ only Corner Lots \$60.00
Inside Lots 45.00

(These are larger lots than other business lots.
If unsubdivided still \$40.00 to \$30.00.)

Block 5 Facing Lynx Street,-
Corner Lots \$60.00
Inside Lots 45.00

Lots in Blks. 1,2,5,6,7,8,10,11 and 13 facing
on any street except Banff Avenue or Lynx
Street,-
Corner Lots \$52.00
Inside Lots 37.00
Lot 24, Blk. 10 100.00
Block C 100.00

South of Bow River,-
Business Lots each \$45.00

All lots occupied as residences in business section
to continue rental rates at residential district basis so
long as they are used exclusively as residential property,
that is, corner lots \$15.00, inside lots \$12.00 per annum.

Residential Lots:

North of Bow River:
Lots in Blks. 1-35 and 55,-
Corner Lots \$15.00
Inside Lots 12.00
Lots in Blks. 39-52 (requiring 2 lots per site)
Corner Lots 12.00
Inside Lots 10.00

Block 56,-	
Lots 1-9	\$15.00
Lot 10	20.00
Corner Lots	15.00
Inside Lots	12.00

Block 54 (reserved)	
Block A West half of Lot	15.00
" B Lots 2-25	20.00
" D	25.00

South of Bow River (Villa Section),-	
Blocks 1,2 and 7,	
(all lots)	20.00
Lots 8-17, Blk. 4	20.00
Lots 1-8, Blk. 3	20.00
All others	15.00

Many of these lots rated at \$15.00 are in the shadow of Sulphur Mountain a portion of the day which in my opinion reduces their rental value.

Lake Louise Townsite,-

No increase recommended.

JASPEL

RECOMMENDED RENTALS FOR 1950-60 PERIOD

Business Lots,-

Corner Lots	\$55.00 per annum
Inside Lots	45.00 per annum
Lot 7 Block 5	60.00 per annum
Lot 15 Block 7	60.00 per annum

Residential Lots,-

Corner Lots	\$15.00 per annum
Inside Lots	12.00 per annum

Lake Edith Subdivision,- (summer occupation)

Lake Front Lots	\$15.00 per annum
Other Lots	10.00 per annum

Increase over present rates in Lake Edith subdivision not to become effective until access roads or streets are installed and summer water service provided.

Pyramid Lake Subdivision,- (summer occupation)

Lot 28	\$30.00 per annum
Lot 29	30.00 per annum
Other lots if made available	10.00 per annum

All lots occupied as residences in business section to continue rental rates at residential district basis so long as they are used exclusively as residential property, that is, corner lots \$15.00, inside lots \$12.00 per annum.

