Agenda – Council – September 28, 2005

Report – Executive Policy Committee – September 21, 2005

Item No. 3 Winnipeg Lawn Tennis Club - Amendment to By-law No. 89/2005 and Cancellation of Property Taxes in 2005
File FL-2.5

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 2005, the Executive Policy Committee concurred in the administrative recommendation and submits the following to Council:

1. That Community Groups Occupying City-owned Facilities By-law No. 89/2005 be amended by adding the subject occupancy to the "Non Profit Community Groups Occupying City-owned Property List."

2. That the 2005 realty taxes, other than local improvements, for the subject occupancy be cancelled pursuant to Sections 347 of The City of Winnipeg Charter.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Council – September 28, 2005

Report – Executive Policy Committee – September 21, 2005

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 2005, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

Re: Winnipeg Lawn Tennis Club - Proposed Amendment to By-law No. 89/2005 and Cancellation of Property Taxes in 2005

City Centre Community
Fort Rouge Ward

For submission to: **Executive Policy Committee**

Original report signed by: **Director of Planning, Property and Development**

Report date: August 30, 2005

Recommendation(s):

1. That Council amend By-law No. 89/2005 by adding the subject occupancy to the "Non Profit Community Groups Occupying City-owned Property List."
2. That Council cancel the 2005 realty taxes, other than local improvements, for the subject occupancy pursuant to s. 347 of the City of Winnipeg Charter.
3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REPORT SUMMARY

Key Issues:

- The subject property is located on City-owned land under lease to the Wildewood Club. The Wildewood Club entered into a sub-lease with the Winnipeg Lawn Tennis Club for a portion of the leased land for the development and operation of a non-profit amateur tennis facility, which is accessible to the general public.

- The City has entered into various arrangements with non-profit tennis organizations at the former Canoe Club site (Dunkirk Tennis Club) and Tuxedo Tennis Club and formerly at the Deer Lodge Tennis Club and for the operation of the Harbourview Recreation Facility providing for the provision of tennis operations which do not require the payment of realty taxes. The City also directly operates tennis facilities such as the Sargent Park, Deer Lodge and Fort Rouge Leisure Centres which are not liable for the payment of realty taxes.

- Pursuant to By-law No. 89/2005, the Tuxedo Tennis Club is exempt from the payment of realty taxes.

- The Dunkirk Tennis Club currently operates the facility at 50 Dunkirk Drive under a modified facility use agreement. The Club was not added to the list as the former Canoe Club lands have been conditionally sold.

- In order to provide equity with other tennis clubs utilizing city-owned lands, the Administration is supportive of amending By-law No. 89/2005 by adding the Winnipeg Lawn Tennis Club to the "Non Profit Community Groups Occupying City-owned Property List" should Council concur.

Implications of the Recommendation(s):

General implications:

	None
X	**For the organization overall and/or for other departments**
X	**For the community and/or organizations external to the City of Winnipeg**
	Involves a multi-year contract

Comment(s):

- At its meeting on April 27, 2005, Council enacted By-law No. 89/2005 to exempt non-profit community groups operating community centres in City-owned properties.
- The existing realty tax treatment of the Winnipeg Lawn Tennis Club is not in keeping with the realty tax practice associated with other tennis facilities. As such, this report is attempting to regularize consistent realty tax treatment amongst tennis facilities occupying City-owned facilities.

Policy implications:

X	**No**
	Yes

Comment(s):

- The By-law No. 89/2005 to exempt non-profit community groups from realty taxes will provide for greater consistency in the tax treatment of non-profit tennis clubs.

Environmental implications:

X	**No**
	Yes

Comment(s):

-

Human resources implications:

X	**No**
	Yes

Comment(s):

-

Financial implications:

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s):

- By approval of this report, the Assessment Roll for 2005 and beyond would be amended to eliminate the liability for realty taxes at this location resulting in the loss of $3,570 per year, plus GST.

REASON FOR THE REPORT:

With respect to Recommendation No. 1 which states:

> "That Council amend By-law 89/2005 by adding the subject occupancy to the Non Profit Community Groups Occupying City-owned Property List"

the Executive Policy Committee must approve the addition of the Winnipeg Lawn Tennis Club occupancy to the Non-Profit Community Group Occupying City-owned Property By-law list. If approved, the request would be forwarded to Council for its consideration and approval.

HISTORY:

At its meeting held on December 11, 2001, the Standing Policy Committee on Property and Development approved the proposed terms and conditions for a lease agreement with the Wildewood Club for the use of city-owned lands located at 761 North Drive as shown on the attached Misc. Plan 8757/2.

The particulars of the property and lease agreement are as follows:

Owner:	City of Winnipeg
Tenant:	The Wildewood Club
Location:	761 North Drive
Purpose:	Operation of a nine hole golf course
Zoning:	PR2
Term:	Twenty-five years (25) years commencing January 1, 1999
Rent:	$1.00 plus annual realty taxes subject to phase in pursuant to clause 3.03
Termination:	After the initial five years, upon five years notice in writing by either party.
Special Conditions:	Authority to enter into sub-lease for a portion of the lands to the Winnipeg Lawn Tennis Company Ltd.

The City and the Wildewood Club subsequently entered into a lease agreement, which is currently in effect.

During the period between 2001 and 2004, representatives of the Winnipeg Lawn Tennis Club and the Planning, Property and Development Department met to discuss the matter of a new sub-lease and realty tax treatment of the Club. The Winnipeg Lawn Tennis Club has maintained that it has not been treated equally relative to its realty tax treatment as compared to other tennis clubs occupying city-owned facilities and has requested that it be exempted from realty taxes.

Between early 2003 and June 28, 2004, the Administration initiated discussions with the Province of Manitoba regarding the taxation of non-profit occupiers of City-owned community centers and other community facilities in the City. On June 28, 2004, the Manitoba Municipal

Assessment Act was amended to provide an exemption from realty taxes to such groups if the municipality enacted a by-law to that effect.

By letter dated April 26, 2005, the Planning, Property and Development Department consented to the sub-lease agreement between the Wildewood Club and the Winnipeg Lawn Tennis Company Ltd. In its Constitution and By-laws, the Winnipeg Lawn Tennis Club undertakes the obligations and responsibilities of the Winnipeg Lawn Tennis Company Ltd. as outlined in the sub-lease agreement with the Wildewood Club.

At its meeting held on April 27, 2005, Council approved By-law No. 89/2005 to exempt non-profit community groups from the liability of paying for realty taxes, which included the Tuxedo Tennis Club.

DISCUSSION:

a) City-Owned Tennis Facilities:

The City has entered into various arrangements for the development and operation of tennis facilities spanning from direct operation (Sargent Park, Fort Rouge Leisure Centre) to contractor operated (Harbourview Recreation Facility) to leased facilities (Tuxedo Tennis Club, Dunkirk Tennis Club and the Deer Lodge Tennis Club). In each of these arrangements, the City and the Tenant have not been responsible to pay realty taxes. With respect to the requirement to pay realty taxes, it should be noted that the Winnipeg Lawn Tennis Club is the only non-profit tennis organization that is currently required to pay realty taxes.

b) Winnipeg Lawn Tennis Club:

The Winnipeg Lawn Tennis Club is a non-profit organization, which occupies City-owned land located at the north-east corner of North Drive and Howth Road. The site is improved with (11) eleven tennis courts with lighting and a clubhouse building. The Club offers tennis programs and instruction for all age groups and levels of play, from beginner to elite. Approximately 240 members are registered with the Club.

Because the City does not require the Tuxedo, Dunkirk, Harbourview or former Deer Lodge Tennis clubs and operators to pay realty taxes, the Department supports adding the Winnipeg Lawn Tennis Club to the By-law list for Community Groups Occupying City-owned Property List to provide equity amongst the tennis clubs and operators utilizing City-owned facilities.

The Department recommends the following proposed plan of action:

1. That Council cancel the realty taxes owing on the 2005 Assessment Roll for the Winnipeg Lawn Tennis Club; and,
2. That Council amend By-law No. 89/2005 by adding the subject occupancy to the "Non-Profit Community Groups Occupying City-owned Property List".

Financial Impact Statement

Date: August 26, 2005

Project Name:
Winnipeg Lawn Tennis Club

First Year of Program 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 3,570	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery		(3,570)	(3,570)	(3,570)	(3,570)
Net Cost/(Benefit)	$ 3,570	$ 3,570	$ 3,570	$ 3,570	$ 3,570
Less: Existing Budget Amounts	3,570				
Net Budget Adjustment Required	$ -	$ 3,570	$ 3,570	$ 3,570	$ 3,570

Additional Comments:
The proposed amendment to the Lease Agreement will result in a reduction in property tax revenue derived from the subject tenant. The Tenant has paid the realty taxes for 2005 and has requested that it be refunded upon the approval of this Report. The Department is preapred to refund the subject realty taxes and to charge same to the Municipal Tax Account for City Properties 001-583010-630105-999.

"Original signed by"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Corporate Finance (Revenue and Taxation Division)

Legal Services Division

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: D. Armstrong
PPD File #: 5099/52 V3

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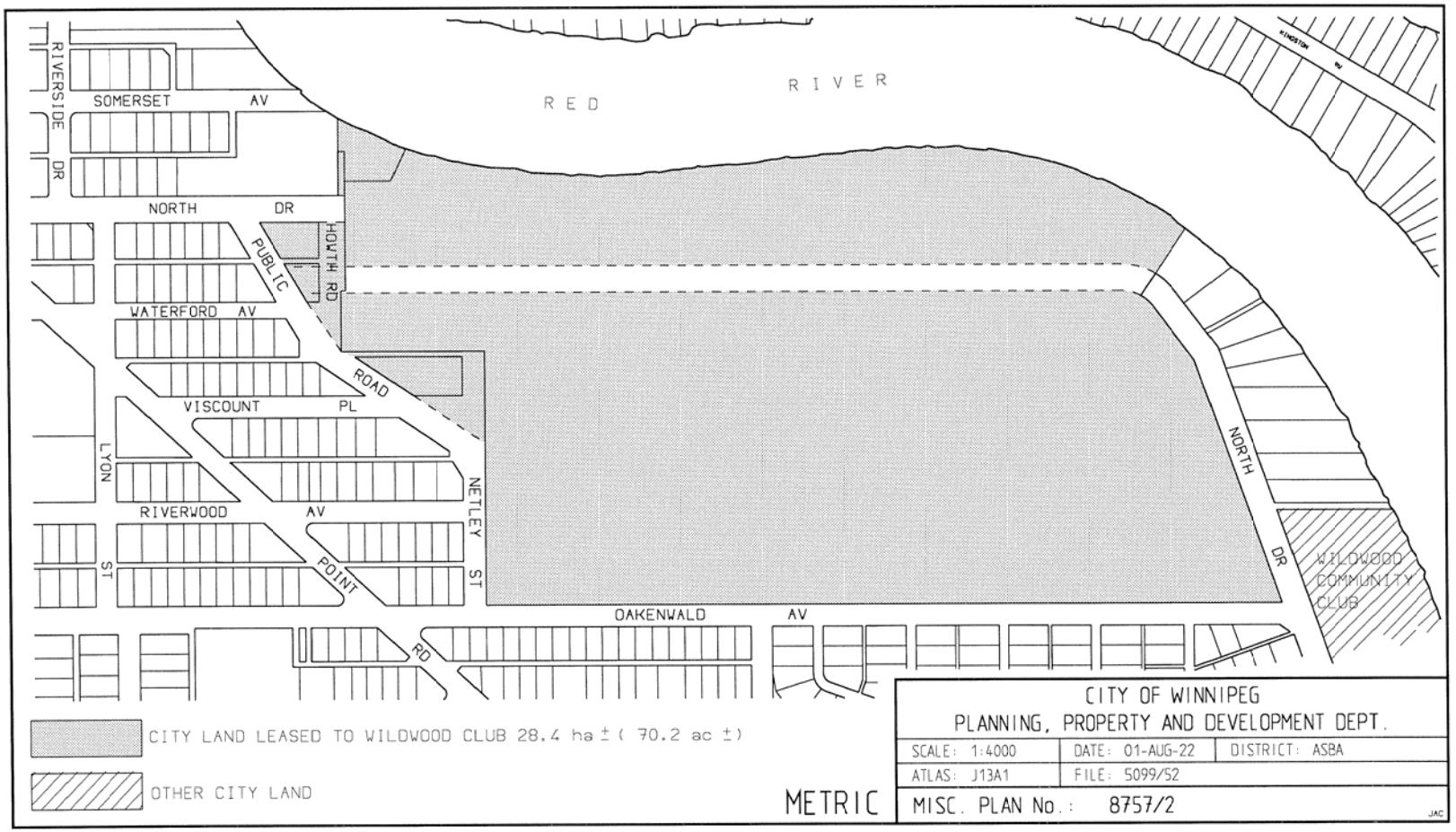
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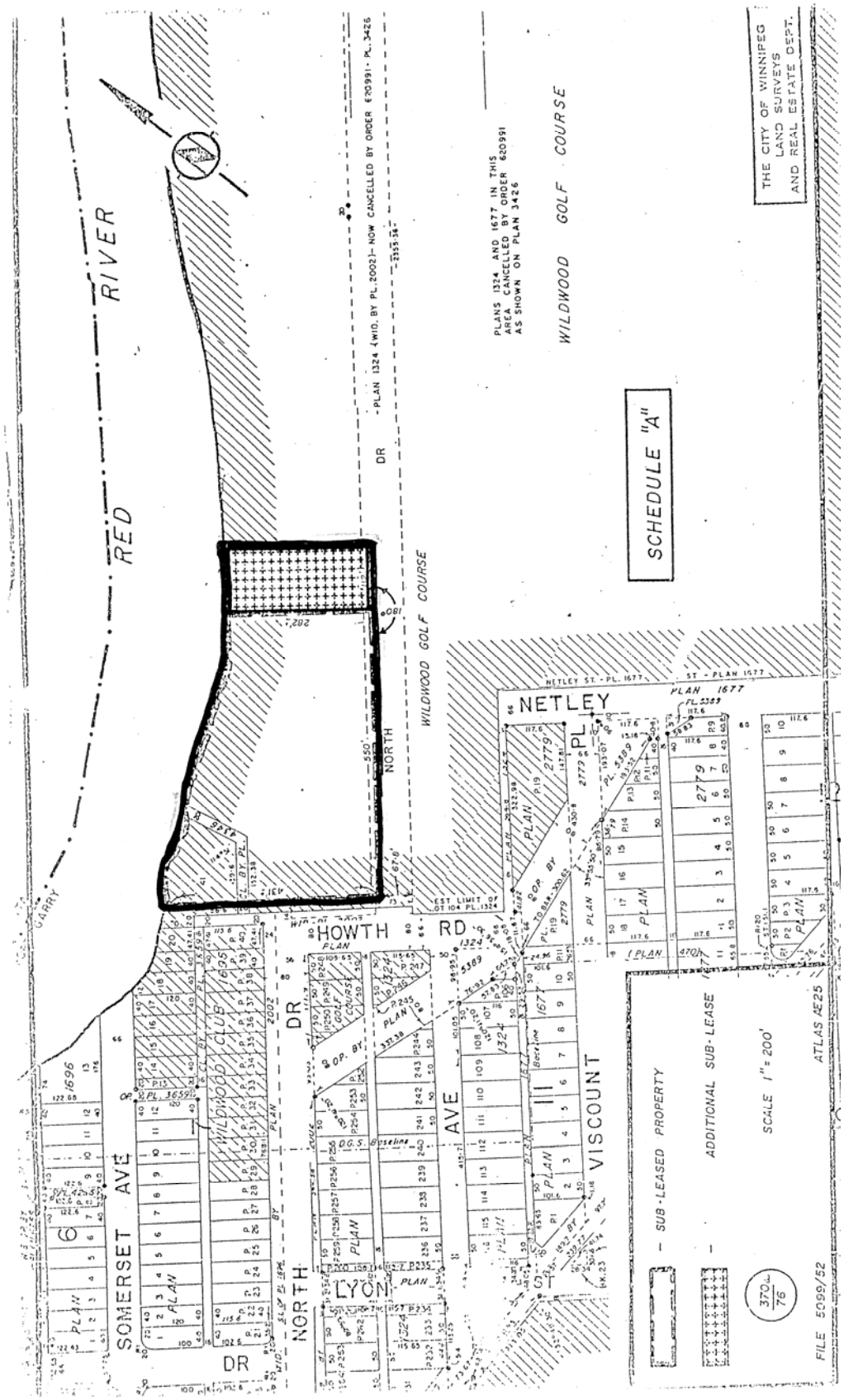
RIVERSIDE DR
SOMERSET AV
NORTH DR
PUBLIC ROAD
HOWTH RD
WATERFORD AV
VISCOUNT PL
LYON ST
NETLEY ST
RIVERWOOD AV
POINT RD
OAKENWALD AV
NORTH DR
WILDWOOD COMMUNITY CLUB
CITY LAND LEASED TO WILDWOOD CLUB 28.4 ha ± (70.2 ac ±)
OTHER CITY LAND
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
SCALE: 1:4000
DATE: 01-AUG-22
DISTRICT: ASBA
ATLAS: J13A1
FILE: 5099/52
MISC. PLAN No.: 8757/2
JAC


THE CITY OF WINNIPEG
LAND SURVEYS
AND REAL ESTATE DEPT.
SCHEDULE "A"
PLANS 1324 AND 1677 IN THIS AREA CANCELLED BY ORDER 620991 AS SHOWN ON PLAN 3426
WILDWOOD GOLF COURSE
RED RIVER
NORTH DR
NETLEY PL
HOWTH RD
SOMERSET AVE
NORTH DR
LYON AVE
VISCOUNT ST
WILDWOOD CLUB
GARRY
SUB-LEASED PROPERTY
ADDITIONAL SUB-LEASE
SCALE 1" = 200'
ATLAS AE25
FILE 5099/52