Council – Agenda – September 22, 2010

Report – Executive Policy Committee – September 15, 2010

Item No. 5 Addition of Assiniboine Park Conservancy Inc. to the Community Groups Occupying City-Owned Facilities By-law No. 89/2005 eFile PR-7.1

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 15, 2010, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the table in Section 2 of the Community Groups Occupying City-Owned Facilities By-law No. 89/2005 be amended by adding Assiniboine Park Conservancy Inc., Assiniboine Park.

2. That the Director of Legal Services and City Solicitor be requested to prepare the necessary amending by-law for submission to Council.

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

Report – Executive Policy Committee – September 15, 2010

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 15, 2010, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: Addition of Assiniboine Park Conservancy Inc. to By-law 89/2005;

Critical Path: Executive Policy Committee → Council.

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Hewett	L.E. Strijack	M Ruta	A Robinson Deputy CAO

RECOMMENDATIONS

1. That Council amend the table in Section 2 of the Community Groups Occupying City-Owned Facilities By-law, By-law No. 89/2005, by adding Assiniboine Park Conservancy Inc., Assiniboine Park.

2. That the Director of Legal Services/City Solicitor, be requested to prepare the necessary amending by-law for submission to Council.

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

REASON FOR THE REPORT

On July 21, 2010, Council approved the general terms and conditions for agreement between the City and Assiniboine Park Conservancy Inc., ("the Conservancy") whereby the Conservancy is to become responsible for the operation and management of Assiniboine Park by October 1, 2010. One of the terms is that the Public Service is to support a recommendation to Council that the Conservancy and all qualifying property occupied by it (being City property that is used by the Conservancy for community purposes as set out in Section 11(2.1)(a) of The Municipal Assessment Act) be included in By-law No. 89/2005 so as to exempt the Conservancy from assessment of property tax on such property.

The purpose of this report is to add the Conservancy and Assiniboine Park to By-law 89/2005 in order that the Conservancy will not be assessed for property tax on qualifying property that it occupies within the Park.

IMPLICATIONS OF THE RECOMMENDATIONS

The land and facilities comprising Assiniboine Park are owned by the City. As a result, the Park is currently assessed in the name of the City and, pursuant to Section 22(1)(a) of The Municipal Assessment Act, the City is exempt from taxation on the Park other than for local improvements.

By listing the Conservancy and Assiniboine Park in By-law 89/2005, those portions of the Park that are occupied by it as long as it remains a non-profit organization and as long as it uses such property for prescribed community purposes will continue to be assessed in the name of the City. The listing will accordingly have no financial impact on the City, but give desired tax relief to the Conservancy in order that it can fulfill its mandate of operating and developing the Park for the benefit of the community.

HISTORY

- Properties owned and occupied by the City are exempt from municipal and school taxes under Section 22(1)(a) of The Municipal Assessment Act;
- In 2000, the City requested the Province to amend the Act to provide for exemptions for City owned properties that were occupied by non-profit groups for community purposes;
- In 2004, the Province amended the Act to provide (pursuant to Section 11(2.1)) that a City owned property would continue to be assessed in the name of the City (and therefore exempt from municipal and school taxes) where such property was occupied by a non-profit organization, used by the organization for prescribed community purposes and appropriately identified, along with the organization, on a City by-law. By-law 89/2005 was enacted and has been used by the City to identify such properties and organizations;
- On July 21, 2010, Council approved the general terms and conditions for agreement between the City and the Conservancy whereby the Conservancy is to become responsible for the operation and management of Assiniboine Park by October 1, 2010;
- Other relevant terms as approved by Council include the following:
    - the Conservancy was established with a mandate to develop, redevelop, operate, maintain and preserve Assiniboine Park for the benefit of the community;
    - in order that the Conservancy can fulfill its mandate, the City will commit to long-term funding of the Conservancy, including the provision of operating funds, funds to restore existing facilities, and funds to develop new facilities;
    - in order to reduce the tax burden upon the Conservancy, the Public Service is to support a recommendation that the Conservancy and all qualifying property occupied by it be included in By-law 89/2005 so as to exempt the Conservancy from assessment of property tax on such property;
    - in the event that the Conservancy is charged and pays property taxes, then the City is to reimburse the Conservancy for the municipal portion of such taxes;

- portions of Assiniboine Park that are occupied by third parties such as restaurant operators will be assessed for property and business taxes in their own name and will be liable for the payment of such taxes.

- Consistent with the above terms, the recommendations herein seek to reduce the tax burden upon the Conservancy in order that it can use available funds for its mandate of developing, redeveloping, operating, maintaining, and preserving Assiniboine Park for the benefit of the community.

FINANCIAL IMPACT

Financial Impact Statement **Date:** September 7, 2010

Project Name: **First Year of Program** **2010**

Addition of Assiniboine Park Conservancy Inc. to By-law 89/2005

	2010	2011	2012	2013	2014
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

There is no financial impact to the City in adding Assiniboine Park Conservancy Inc. and Assiniboine Park to By-law No. 89/2005. Assiniboine Park is currently assessed in the name of the City, and therefore, exempt from municipal and school taxes (Section 22(2.1)(a) of The Municipal Assessment Act). Adding Assiniboine Park Conservancy Inc. and Assiniboine Park to By-law No. 89/2005, maintains status quo on the tax treatment of Assiniboine Park.

(Original signed by R. Abeysekera)
Radhika Abeysekera
Manager of Finance - Campus Departments
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

Community Services Department

Assessment and Taxation Department

SUBMITTED BY

Department:	Legal Services Department
Division:	
Prepared by:	T.W. Hewett
Date:	September 8, 2010
File No.	A.2/2009(1)