Agenda - Executive Policy Committee - March 16, 2005

Report - Standing Committee on Fiscal Issues - March 8, 2005

Item No. 1 Entertainment Funding By-law Exemptions
File FL-6

STANDING COMMITTEE RECOMMENDATION:

On March 8, 2005, the Standing Committee on Fiscal Issues concurred in the administrative recommendation and submits the following to Council:

1. That the following amusements and/or places of amusement, which meet the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 7710/2000, be listed in Schedule "A", namely:

   A. Winnipeg Classical Guitar Society's event "Banner Concert Series- Kurt Tittlemier - Recital" to be held on May 14, 2005 at The Planetarium Auditorium.

   B. Winnipeg Classical Guitar Society's event "Banner Concert Series - The Manitoba Classical Guitar Duo - Recital Michael Daher - guitar and Skender Sefa - guitar" to be held on June 25, 2005 at The Planetarium Auditorium.

   C. Fantasy Theatre for Children and the Theatre School Inc.

   D. The event "WOW - GK CONCERT & EXPO" held by ANCOP International (Canada) Inc. - Winnipeg Branch to be held on May 21, 2005 at the Manitoba Centennial Centre Concert Hall.

2. That the following amusements and/or places of amusement, that do not meet the criteria set forth in Schedule "B" of The Entertainment Funding By-law No. 7710/2000, be denied listing in Schedule "A", namely:

   A. Winnipeg Classical Guitar Society's 2004/2005 season of performances for events held prior to March 24, 2005.

   B. Rose and Max Rady Jewish Community Centre's event "The Jerusalem Trio Concert" to be held on March 9, 2005 at the Berney Theatre.

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

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DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On March 8, 2005, the Standing Committee on Fiscal Issues concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

RE: RECOMMENDATION FOR ENTERTAINMENT FUNDING BY-LAW EXEMPTION – MARCH 2005

FOR SUBMISSION TO: Standing Committee on Fiscal Issues

ORIGINAL REPORT SIGNED BY: Chief Financial Officer

REPORT DATE: February 25, 2005

RECOMMENDATION(S):

That the following amusements and/or places of amusement, which **meet** the criteria set forth in Schedule "B" of The Entertainment Funding By-law 7710/2000, be recommended to Council for listing in Schedule "A":

1. Winnipeg Classical Guitar Society's event "Banner Concert Series- Kurt Tittlemier – Recital" to be held on May 14, 2005 at The Planetarium Auditorium.

2. Winnipeg Classical Guitar Society's event "Banner Concert Series- The Manitoba Classical Guitar Duo – Recital Michael Daher – guitar and Skender Sefa – guitar" to be held on June 25, 2005 at The Planetarium Auditorium.

3. Fantasy Theatre for Children and the Theatre School Inc.

4. The event "WOW – GK CONCERT & EXPO" held by ANCOP International (Canada) Inc. – Winnipeg Branch to be held on May 21, 2005 at the Manitoba Centennial Centre Concert Hall.

That the following amusements and/or places of amusement, that **do not meet** the criteria set forth in Schedule "B" of The Entertainment Funding By-law 7710/2000, be denied listing in Schedule "A"

1. Winnipeg Classical Guitar Society's 2004/2005 season of performances f or events held prior to March 24, 2005.

2. Rose and Max Rady Jewish Community Centre's event "The Jerusalem Trio Concert" to be held on March 9, 2005 at the Berney Theatre.

REPORT SUMMARY:

The Administration has conducted a consistent and thorough review of the applications received for exemption from the Entertainment Funding By-law in accordance with the criteria set forth in By-law 7710/2000.

Key Issue(s):

The applications for exemption from the Entertainment Funding Tax received from (a) the Fantasy Theatre for Children and the Theatre School Inc. and (b) for The Event "WOW – GK CONCERT & EXPO" held by ANCOP International (Canada) Inc. – Winnipeg Branch have met the criteria set forth in Schedule "B" of the Entertainment Funding By-law 7710/2000.

The Winnipeg Classical Guitar Society submitted an application for exemption from the Entertainment Funding Tax for their 2004/2005 season of performances. Although it is recommended that this application be denied as their season does not meet the local content requirement, two of their future performances do meet the criteria and it is recommended that these two events be listed for exemption. Should Council agree with this report's recommendation, the Winnipeg Classical Guitar Society will be required to submit the entertainment funding tax for events already held within their 2004/2005 season. The Society has been advised that a new application will be required for their 2005/2006 season whereby consideration will be given for a permanent listing.

The application received for the event "The Jerusalem Trio Concert" held by the Rose and Max Rady Jewish Community Centre for exemption from the Entertainment Funding Tax has not met the criteria set forth in Schedule "B" of the Entertainment Funding By-law 7710/2000.

Implications of the Recommendation(s):

General Implications

- [x] **None**
- [ ] **For the organization overall and/or for other departments**
- [ ] **For the community and/or organizations external to the City**
- [ ] **Involves a multi-year contract**

Comment(s):

Policy Implications

- [x] **No**
- [ ] **Yes**

Comment(s):

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): The financial impact of an approved application for exemption from the Entertainment Funding Tax is unknown. The tax revenue that could be generated from future events cannot be quantified.

REASON FOR THE REPORT:

Council must approve all Entertainment Funding By-law exemptions.

HISTORY:

The Entertainment Funding By-law 7710/2000 was adopted in September 2000, wherein the former Amusement Tax By-law was replaced. A report to the Standing Committee on Fiscal Issues is prepared for each scheduled meeting if an application for exemption is received. The report was first submitted for the meeting of January 16, 2001 and for each meeting thereafter as required.

DISCUSSION:

An amusement or place of amusement may be listed in Schedule "A" where an organization has submitted an application for exemption. Listings are intended to assist locally based charitable and not-for-profit cultural or athletic organizations in producing entertainment and sporting events with admission prices at a level which will encourage a broad audience. Listings are not intended to apply where an amusement is held for

fund raising events in which the performers or promoters profit or where the exemption would result in for-profit gains.

The Administration has conducted a thorough review of the applications received for exemption from the Entertainment Funding By-law in accordance with the criteria set in Schedule "B" of By-law 7710/2000. The following amusements and/or places of amusement **are being recommended** for exemption listing in Schedule "A":

1. Winnipeg Classical Guitar Society's event "Banner Concert Series- Kurt Tittlemier – Recital" to be held on May 14, 2005 at The Planetarium Auditorium

2. Winnipeg Classical Guitar Society's event "Banner Concert Series- The Manitoba Classical Guitar Duo – Recital Michael Daher – guitar and Skender Sefa – guitar" to be held on June 25, 2005 at The Planetarium Auditorium.

3. Fantasy Theatre for Children and the Theatre School Inc.

4. The event "WOW – GK CONCERT & EXPO" held by ANCOP International (Canada) Inc. – Winnipeg Branch to be held on May 21, 2005 at the Manitoba Centennial Centre Concert Hall.

For the amusement and/or place of amusement **not being recommended** for exemption listing in Schedule "A", the reason (i.e. the criteria that was not satisfied) is explained in the table below.

Name of Organization	Name of Event	Criteria Not Satisfied
Winnipeg Classical Guitar Society	Winnipeg Classical Guitar Society's 2004/2005 Season of Performances Events held prior to Council's March 24, 2005 meeting.	Pursuant to By-law No. 7710/2000, Section 3 under Limited Local Content: • "For the purposes of this by-law, where more than 40% of the performers involved in the performance of an amusement do not reside within Winnipeg, the amusement is deemed to have limited local content."

Name of Organization	Name of Event	Criteria Not Satisfied
		Of the 7 events held, or to be held, prior to Council's March 24, 2005 meeting, 6 events do not meet the local content requirement.
Rose and Max Rady Jewish Community Centre	The event "The Jerusalem Trio Concert" to be held at the Berney Theatre to be held on March 9, 2005.	Pursuant to By-law No. 7710/2000, Section 3 under Limited Local Content: • "For the purposes of this by-law, where more than 40% of the performers involved in the performance of an amusement do not reside within Winnipeg, the amusement is deemed to have limited local content." This event has 0% local content.

The Winnipeg Classical Guitar Society (WCGS) submitted an application for exemption from the Entertainment Funding Tax for their 2004/2005 season of performances. The WCGS's season is comprised of 9 performances held between October 3, 2004 and June 25, 2005 and is comprised of 6 International Concert Series recitals and 3 Banner Artist Concert Series recitals. The International Concert Series recitals do not meet the local content requirement of the By-law whereas the Banner Artist Concert Series recitals do meet this criteria.

Although it is recommended that this application be denied as their overall season does not meet the local content requirement, two of their future performances do meet this criteria and it is recommended that these two events be listed for exemption. With respect to the Banner Artist Concert Series recital held on December 18, 2004, that event has already been held without the benefit of an exemption listing and is therefore subject to the Entertainment Funding Tax.

Should Council agree with this report's recommendation, the Winnipeg Classical Guitar Society will be required to submit the entertainment funding tax for past events already held within their 2004/2005 season. The Society has been advised that a new

application will be required for their 2005/2006 season whereby consideration will be given for a permanent listing.

FINANCIAL IMPACT STATEMENT - Date: February 25, 2005

The financial impact of approving applications for exemption from the entertainment funding tax is unknown for the listed events. The tax revenue that could be generated from these events cannot be quantified because the events have not yet occurred.

"Original signed by Carrie Erickson"
Carrie Erickson
Manager of Finance & Administration

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

THIS REPORT SUBMITTED BY:

Corporate Finance Department
Taxation & Revenue
Prepared by: Robert Weselowski, Manager of Taxation and Revenue
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