

**DATE:** July 24, 2018**FILE:** 1970-04/2019**TO:** Chair and Directors  
Committee of the Whole**FROM:** Russell Dyson  
Chief Administrative OfficerSupported by Russell Dyson  
Chief Administrative Officer**R. Dyson****RE: Permissive Tax Exemption – Sunnydale Golf Society 2019****Purpose**

To request committee consideration of Sunnydale Golf Society's (the Society) application for a 2019 permissive tax exemption.

**Recommendation from the Chief Administrative Officer:**

THAT pursuant to section 391(4)(a) of the *Local Government Act*, a bylaw be forwarded to the board for adoption by October 31, 2018, allowing for a permissive tax exemption for 100 per cent of the taxable land and improvements for the year 2019 for the property known as Parcel A, Plan VIP64403, Land District 15, Folio # 771-000500.000 (Sunnydale Golf Society) with the exception of the portion of Class 06-Business/Other relating to the pro shop operations.

**Executive Summary**

- The Society operates a public recreation golf course on crown land in Electoral Area B that is leased to the regional district by the province and subleased to the Society.
- The Society qualifies under the *Local Government Act* for a 100 percent permissive tax exemption of taxable land and improvements, excluding the pro shop.
- Approval of the permissive tax exemption would result in a reduction in rural taxes collected of approximately \$22,621 in 2019 (2018 - \$21,962).

Prepared by:

**K. Broughton**Kelly Broughton,  
Senior Accounting Technician

Concurrence:

**B. Dunlop**Beth Dunlop, CPPB, CPA, CGA  
Corporate Financial Officer**Stakeholder Distribution (Upon Agenda Publication)**

Sunnydale Golf Society	✓
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**Background/Current Situation**

The Sunnydale Golf Society has submitted a request for a permissive tax exemption (appendix A). The organization is a non-profit society that provides recreational golf, food and beverage services to its members and to the public. The land on which the golf course resides is owned by the province, leased to the regional district and sub-leased to the Sunnydale Golf Society for a thirty-year period effective May 1, 2002. The current annual lease rate assessed by the province is three per

cent of the society's gross revenue and is subject to review prior to each five year tenure renewal. The lease rate for 2018 was \$17,715 (2017 - \$16,684). The Comox Valley Regional District (CVRD) also collects a \$200 fee for administering the lease.

On August 6, 2013 the CVRD received notification from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRO), that the rate for the lease would be increasing to five per cent of gross receipts in 2018. In late 2017, the FLNRO advised the Society that based on the compelling arguments put forward, the ministry has rescinded the proposed lease rate increase as it poses a significant financial burden for the Society. The lease rate will continue to be three percent of the society's gross revenue for the next five year tenure period commencing 2018.

The property, with the exception of the pro shop operations, is used principally for public athletic or recreation purposes and therefore qualifies for a permissive tax exemption under section 391(4)(a) of the *Local Government Act*. The residential portion of the property is occupied and serves as security for the maintenance and pro shops, clubhouse and other areas of the facility and is also eligible to be considered for exemption. As long as the Society continues to operate the kitchen and bar with their own staff, that portion also remains eligible for the permissive tax exemption.

The Society's requests for permissive tax exemption in past years have been approved by the Board and have been supported by BC Assessment.

### Policy Analysis

The Society qualifies for a permissive tax exemption under section 391(4)(a) of the *Local Government Act* as well as under the regional district permissive tax exemption policy as an occupier of property 'used principally for public athletic or recreation purposes'.

Permissive tax exemption bylaws must be adopted by October 31<sup>st</sup> each year in order for permissive tax exemptions to be enacted by BC Assessment for the following year.

### Options

1. To support the permissive tax exemption as recommended.
2. To not support a permissive tax exemption.
3. To support a partial permissive tax exemption.

Since the exemption complies with the CVRD's policy and the *Local Government Act*, option 1 is recommended.

### Financial Factors

A 100 percent permissive tax exemption for the land and improvements, excluding the pro shop, would result in an estimated overall reduction in 2019 taxes collected as follows:

Provincial - schools, roads, policing	\$11,549
Local - CVRD, 911, waste management	6,702
Comox-Strathcona Regional Hospital District	2,350
Other - VI Regional Library, Courtenay Fire Protection	2,020
<b>Total</b>	<b>\$22,621</b>

**Legal Factors**

In order for the tax exemption under the *Local Government Act* to be enacted, a bylaw must be adopted by the CVRD board by October 31<sup>st</sup> in the preceding year and forwarded to BC Assessment.

**Regional Growth Strategy Implications**

The operation of this public recreational facility assists in achieving the social, cultural and health related goals and objectives of the sustainability strategy since these targets are key factors in a sustainable community and support the public health and safety component of the regional growth strategy.

**Intergovernmental Factors**

Staff liaise with BC Assessment on permissive tax exemption issues to ensure bylaws adopted by the board will be invoked by BC Assessment once received. The CVRD forwards the Society's annual financial statements to the Ministry of Forest, Lands, Natural Resource Operations and Rural Development under the terms and conditions of the CVRD's lease with the province.

**Citizen/Public Relations**

The Society has indicated in their application that the exemption provides them with capital funds to improve the quality of the course and replace older equipment. If the property tax exemption is not granted, the Society will have to consider other revenue sources, an increase in user fees, expense reductions or deferrals of capital projects and acquisitions, in order to meet their annual operating and capital asset/improvement plans.

Commercial golf courses are not eligible for permissive tax exemptions, or any other assistance from local governments and many feel that Sunnydale has an unfair advantage by receiving a property tax exemption. No communication has been received from commercial golf courses in this regard.

Attachments: Appendix A – “Application for Sunnydale Golf Society 2019 tax exemption”



**Sunnydale**  
Golf & Country Club

5291 N. Island Highway Courtenay, B.C. V9J 1S7

Clubhouse (250) 334-3342 • Office (250) 334-3060 • Fax (250) 334-3018 • Email: sunnydalegolf@shaw.ca

Comox Valley Regional District

**RECEIVED**

File: 1970-04

**JUN 27 2018**

To:

June 26<sup>th</sup>, 2018

Comox Valley Regional District  
600 Comox Road  
Courtenay, BC  
V9N 3P6

**Delivered by Hand**

Ladies/Gentlemen:

**Re: Application for Sunnydale Golf Society 2019 Tax Exemption**

Please find enclosed our completed Application for Permissive Tax Exemption with all requested supporting documents.

Sunnydale Golf Society is a registered non-profit organization managing a golf recreational facility for the Regional District. The President and Board of Directors have worked diligently on behalf of members and green fee players to offer reasonably priced but challenging golf. Our members rates and green fee rates compare favorably with other 18 hole golf courses in the area. Family memberships continue to be offered to make golf affordable to families with children. Restricted Memberships have been introduced to offer affordable golf to working people. This membership offers weekday golf after 1:00 p.m. and all day privileges on the weekend.

The golf facility caters to various groups. Annual memberships consist of many seniors over 60 years of age and an active junior program run by our Proshop Manager. Open tee times are available for tourists and of course to all citizens of the Comox Valley. Fifty percent of the revenue is derived from green fee players. Sunnydale continues to donate many rounds of golf to various local charities, schools and recreational fund raisers and service groups.

Our Greens Superintendent conforms with the Agriculture and Pesticide Act when applying fertilizer and fungicides. The safety of these products is evident by the habitat we have on our course. Ducks and other birds have been nesting on the course for many years. Deer, raccoon and muskrat also reside on the course and ponds.

The membership also takes an active part volunteering their time to help maintain the gardens, fund raising and many other projects. Over the years work parties have been formed by volunteers for spring clean-up on the grounds, painting of outbuildings, re-roofing the barbecue pit, cutting down broom to help control the spread and numerous other jobs. This saves time and money for the Golf Course. This on-going dedication by members shows that membership at Sunnydale is more than just golfing. There is a sense of belonging and caring that helps make up the whole picture. The Elected Board of Directors, staff and membership join together for the good of Sunnydale.

We very much appreciate your support over the past years and look forward to working with you and your staff to continue making Sunnydale Golf Club an affordable golfing option for the residents of the Comox Valley as well as visitors to the area.

Again, we are asking for the Comox Valley Regional District to grant a 100% tax exemption for Sunnydale Golf Society for the year 2019. If you require any further information please feel free to contact us.

Yours truly,

**SUNNYDALE GOLF SOCIETY**

Ken Cottini  
President

/gm  
Enclosures



**COMOX VALLEY  
REGIONAL DISTRICT**

**APPLICATION FOR  
PERMISSIVE TAX EXEMPTION**

1970.04/\_\_\_\_  
DATE: June 25th, 2018

1. **NAME OF ORGANIZATION:** SUNNYDALE GOLF SOCIETY
2. **SOCIETY NUMBER:** S002972                      **Email Address:** sunnydalegolf@shaw.ca
3. **CONTACT PERSON:** Ken Cottini                      **Position:** President  
Mailing Address: 5291 North Island Highway  
Courtenay, BC V9J 1S7                      Telephone: 334-3060
4. **PURPOSE OF ORGANIZATION:** To provide recreation at no direct expense to the taxpayer.
5. **FOLIO NUMBER OF PROPERTY:** 06 771 00500.000  
**LEGAL DESCRIPTION OF PROPERTY:**  
LOT A, SECTIONS 27 & 28, COMOX DISTRICT, PLAN VIP64403
6. **EXECUTIVES OF YOUR ORGANIZATION:**  
President: Ken Cottini  
Vice President: Murry Erickson  
Treasurer: Wally Pettigrew
7. **CURRENT MEMBERSHIP:** Total of 244                      # of Meetings per year: 12
8. **WHAT TYPES OF SERVICES DOES YOUR ORGANIZATION PROVIDE:**  
We are a public golf course including golf for juniors, seniors, ladies and mens groups.
9. **WHAT PORTION OF YOUR ACTIVITIES ARE CONSIDERED:**  
Non-Profit                      100%  
Recreational/Athletic                      100%  
Commercial                      0%

.... /2

**10. WHAT ARE YOUR CURRENT FEES? (IF APPLICABLE)**

Members: See Attached

General Public: See Attached

When was your last fee increase? 2018 --Nominal; Junior --Nil

**11. HAS YOUR ORGANIZATION RECEIVED ANY OF THE FOLLOWING IN THE PAST?**

NO YES

Grant-in-aid No

Permissive Tax  
Exemption

Yes Amount -100% on  
qualifying property

Year 2018 Purpose -100%  
Exemption

Waiver/reduction  
of fees and charges

**12. DESCRIBE HOW A PERMISSIVE TAX EXEMPTION WILL BENEFIT THE COMMUNITY:**

It will provide us with capital funds to continue to improve the quality of our course and replace old equipment which we could not otherwise afford to do. Further it will provide us with a quality course for seniors, a quality junior program and will be attractive to tourists travelling to this area, all at affordable rates.

**13. PLEASE INCLUDE WITH YOUR APPLICATION COPIES OF THE FOLLOWING:**

- (A) Year to date and immediately preceding years' financial statements;
- (B) Budget for the year in which the permissive tax exemption is being requested;
- (C) If available, the most recent Annual Report;
- (D) Copy of current years Property Assessment Notice; and
- (E) Copy of current years Property Tax Notice if available.

**IF YOU HAVE ANY QUESTIONS ABOUT THE INFORMATION REQUIRED,**

**PLEASE PHONE 250-334-6000**

  
Signature of Applicant  
KEN COTTINI – PRESIDENT

June 25<sup>th</sup>, 2018  
Date

**ALL APPLICATIONS MUST BE SUBMITTED NO LATER THAN JULY 15TH TO  
BE CONSIDERED FOR A TAX EXEMPTION IN THE FOLLOWING YEAR.**



BRITISH  
COLUMBIA

Ministry of  
Finance

# 2018 PROPERTY TAX NOTICE

issued under the Taxation (Rural Area) Act

**DUE DATE: July 3, 2018**

eTaxBC Enrolment Code: t6w4

May 14, 2018

SUNNYDALE GOLF COURSE SOCIETY  
5291 ISLAND HWY N  
COURTENAY BC V9J 1S7

001122

Folio Number: 771 000500.000	
Account Number: RPT-1077-8945	
Letter Id:	L1815448320
Property Address:	5291 ISLAND HWY N COURTENAY BC V9J 1S7
PID:	023-613-050
Legal Description	
Lot A, Plan VIP64403, Section 27, Comox Land District, & SEC 28 GOLF COURSE & OTHER RECREATIONAL PURPOSES, Lease/Permit/Licence # 109337	



10006727

P0003364

## Penalties Apply If Payments Received After July 3, 2018

Postmarks are not accepted as date of payment.

A 5% penalty is applied on unpaid taxes and unclaimed home owner grant amounts after the tax due date.

An additional 5% penalty is applied after October 31.

The Rural Property Tax Notice for the period ending December 31, 2018 has been sent to all property owners. The easiest way to pay your taxes and claim your home owner grant is online using eTaxBC at [gov.bc.ca/ruralpropertytax](http://gov.bc.ca/ruralpropertytax). Find all payment options on the reverse.

	Class	Land Value	Improvements	Rate	No Grant A	Reg Grant B	Add'l Grant C
<b>Provincial Services</b>							
School	01			1.76810	0.00	0.00	0.00
	06	5,000	10,000	4.20000	63.00	63.00	63.00
	08			2.50000	0.00	0.00	0.00
Less: Home Owner Grant					0.00	0.00	0.00
Net School					63.00	63.00	63.00
Provincial Rural Tax	01			0.50000	0.00	0.00	0.00
	06	5,000	10,000	2.84000	42.60	42.60	42.60
	08			0.91000	0.00	0.00	0.00
Police Tax	01			0.13310	0.00	0.00	0.00
	06	5,000	10,000	0.32610	4.89	4.89	4.89
	08			0.13310	0.00	0.00	0.00
<b>Local Services</b>							
911 EMERGENCY	06	5,000	10,000	0.11554	1.73	1.73	1.73
B COMOX VALLEY	06	5,000	10,000	4.11647	61.75	61.75	61.75
CS WASTE MANAGEMENT	06	5,000	10,000	0.40550	6.08	6.08	6.08
VAN ISL REG LIBRARY	06	5,000	10,000	0.48963	7.34	7.34	7.34
COURTENAY FIRE ID	06	5,000	10,000	0.90831	13.62	13.62	13.62
COMOX STRATHCONA HOSPITAL	06	5,000	10,000	1.62565	24.38	24.38	24.38
BC ASSESSMENT	06	5,000	10,000	0.12410	1.86	1.86	1.86
MUNICIPAL FINANCE	06	5,000	10,000	0.00050	0.01	0.01	0.01
<b>Parcel Tax</b>							
EA PARKS & GREENWAYS					20.00	20.00	20.00
<b>TOTAL 2018 PROPERTY TAXES</b>					<b>247.26</b>	<b>247.26</b>	<b>247.26</b>

POSTED  
PAID

# 5365

PROPERTY  
TAXES

Keep the top portion for your records



**CORRECTED STATEMENT OF DIRECTORS AND REGISTERED OFFICE**

BC Society • Societies Act

**Last Name, First Name Middle Name:**

FAUTEUX, DAVE

**Delivery Address:**550 POWERHOUSE RD  
COURTENAY BC V9N 9L1**Last Name, First Name Middle Name:**

HAIGH, IAIN

**Delivery Address:**2460 HARDY RD  
COURTENAY BC V9J 1T2**Last Name, First Name Middle Name:**

KOSTER, GERRY

**Delivery Address:**5400 ISLAND HWY N  
COURTENAY BC V9J 1S9**Last Name, First Name Middle Name:**

MCCRONE, LYSBETH

**Delivery Address:**2 - 2030 ROBB AVE  
COMOX BC V9M1M1**Last Name, First Name Middle Name:**

MORGAN, PATRICK

**Delivery Address:**465 ANDERTON RD  
COMOX BC V9M 1Y9**Last Name, First Name Middle Name:**

PETTIGREW, WALLACE

**Delivery Address:**390 PANORAMA CRES  
COURTENAY BC V9N 6V2**Last Name, First Name Middle Name:**

URBAN, JULES

**Delivery Address:**681 CROWN ISLE DR  
COURTENAY BC V9N 8R5