

**DATE:** July 26, 2017

**FILE:** 1970-04/2018

**TO:** Chair and Directors  
Committee of the Whole

**FROM:** Russell Dyson  
Chief Administrative Officer

**RE: Permissive Tax Exemption – Sunnydale Golf Society 2018**

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**Purpose**

To request committee consideration of Sunnydale Golf Society's (the Society) application for a 2018 permissive tax exemption.

**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 each year in order for permissive tax exemptions to be enacted by BC Assessment for the following year.

**Executive summary**

The Society operates a public recreation golf course on crown land in electoral area that is leased to the regional district by the province and subleased to the society. The Society qualifies for a 100 per cent permissive tax exemption of taxable land and improvements, excluding the pro shop, which will result in a reduction in rural taxes collected of approximately \$25,029 in 2018 (2017 - \$24,300).

**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, 2017, allowing for a permissive tax exemption for 100 per cent of the taxable land and improvements for the year 2018 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.

Respectfully:

***R. Dyson***

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Russell Dyson  
Chief Administrative Officer

### 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 2017 was \$16,684 (2016 - \$16,758). 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 that the rate for the lease would be increasing to five per cent of gross receipts in 2018. This increase would pose a significant financial burden for the Society. In March 2016, the Society forwarded a letter to former MLA Don McRae requesting assistance in the matter and while verbally they have heard that no increase will be implemented in 2018. No written confirmation has been received to date.

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 by a staff member of the Society who serves as security for the maintenance and pro shop, 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.

### 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 per cent permissive tax exemption for the land and improvements, excluding the pro shop, would result in an estimated overall reduction in 2018 taxes collected as follows:

Provincial - schools, roads, policing	\$12,530
Local - CVRD, 911, waste management	7,519
Comox-Strathcona Regional Hospital District	2,684
Other - VI Regional Library, Courtenay Fire Protection	2,296
<b>Total</b>	<b>\$25,029</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 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 may feel that Sunnysdale has an unfair advantage by receiving a property tax exemption. No communication has been received from commercial golf courses in this regard.

Prepared by:

***R. Wyka***

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Renata Wyka, CPA, CGA  
Sr. Financial Accounting Technician

Concurrence:

***B. Dunlop***

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Beth Dunlop, CPPB, CPA, CGA  
Corporate Financial Officer

Attachments:

Appendix A – “Application for Sunnysdale Golf Society 2018 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 26 2017

To: B. Dunlop

June 26<sup>th</sup>, 2017

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

**Delivered by Hand**

Ladies/Gentlemen:

**Re: Application for Sunnydale Golf Society 2018 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 favourably 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 2018. If you require any further information please feel free to contact us.

Yours truly,

**SUNNYDALE GOLF SOCIETY**



Dave Stevens  
President

/gm  
Enclosures



1970.04/\_\_\_\_\_

DATE: June 26, 2017

1. Name of Organization: Sunnydale Golf Society
2. Society Number: S002972 Email Address: sunnydalegolf@shaw.ca
3. Contact Person: Dave Stevens Position: President  
Mailing Address: 5291 North Island Highway, Courtenay, B.C.  
Postal Code V9J 1S7 Telephone No: 250-334-3060
4. Purpose of Organization: To provide recreation at no direct expense to the Taxpayer
5. Folio Number of Property: 771 00500.000  
Legal description of the property: Lot A, Sections 27 & 28, Comox District, VIP64403Plan

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6. Executives of the Organization:  
President/Chairperson: Dave Stevens  
Vice President/Vice Chairperson: Ken Cottini  
Treasurer: Wally Pettigrew
7. Current Membership: 239 # of Meetings 12  
per year: \_\_\_\_\_
8. What types of services does your organization provide: \_\_\_\_\_  
We are a public golf course including golf for Juniors, Seniors, Ladies & Mens Groups

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9. What portion of your activities are considered:  
Non-Profit 100%  
Recreational/Athletic 100%  
Commercial 10%

10. What are your current fees? (if applicable)

Members: See attached General Public: See attached

When was your last fee increase?: 2017 – Nominal Junior - NIL

11. Has your organization received any of the following in the past?

	NO	YES				
Grant-in-aid	No		Amount	\$ _____	Year	Purpose _____
Permissive tax exemption		Yes	Amount	100%	Year	Purpose
					2018	100% Exemption
Waiver/reduction of fees and charges			Amount	\$ _____	Year	Purpose _____

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.**

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13. Please include with your application, copies of the following:

- (a) Year to date and the 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 year's property tax assessment notice
- (e) Copy of current year's rural property tax notice, if available.

**IF YOU HAVE ANY QUESTIONS ABOUT THE INFORMATION REQUIRED, PLEASE  
PHONE 250-334-6000**

  
Signature of Applicant

June 26, 2017  
Date

Applications are to be submitted no later than July 15<sup>th</sup> to be considered for a tax exemption for the following year: Mail: Comox Valley Regional District, 600 Comox Road, Courtenay, BC V9N 3P6 Fax: 250-334-4358 or Email: [administration@comoxvalleyrd.ca](mailto:administration@comoxvalleyrd.ca)

**DUE DATE: July 4, 2017**

eTaxBC Enrolment Code: T6W4

May 12, 2017

000296

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

Folio Number: 771 000500.000	
Account Number: RPT-1077-8945	
Letter Id:	L0075680000
Property Address:	5385 ISLAND HWY N COURTENAY BC
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	



P000055 1001709

**Penalties Apply If Payments Received After July 4, 2017**

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, 2017 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			1.97060	0.00	0.00	0.00
	06	5,000	10,000	4.80000	72.00	72.00	72.00
	08			2.70000	0.00	0.00	0.00
Less: Home Owner Grant					0.00	0.00	0.00
Net School					72.00	72.00	72.00
Provincial Rural Tax	01			0.54000	0.00	0.00	0.00
	06	5,000	10,000	2.95000	44.25	44.25	44.25
	08			0.93000	0.00	0.00	0.00
Police Tax	01			0.14490	0.00	0.00	0.00
	06	5,000	10,000	0.35500	5.33	5.33	5.33
	08			0.14490	0.00	0.00	0.00
<b>Local Services</b>							
911 EMERGENCY	06	5,000	10,000	0.13333	2.00	2.00	2.00
B COMOX VALLEY	06	5,000	10,000	4.60504	69.08	69.08	69.08
CS WASTE MANAGEMENT	06	5,000	10,000	0.46432	6.96	6.96	6.96
VAN ISL REG LIBRARY	06	5,000	10,000	0.53231	7.98	7.98	7.98
COURTENAY FIRE ID	06	5,000	10,000	1.05597	15.84	15.84	15.84
COMOX STRATHCONA HOSPITAL	06	5,000	10,000	1.85730	27.86	27.86	27.86
BC ASSESSMENT	06	5,000	10,000	0.13930	2.09	2.09	2.09
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 2017 PROPERTY TAXES</b>					<b>273.40</b>	<b>273.40</b>	<b>273.40</b>

Mailed out  
JUNE 5/17

POSTED

PAID

#5365  
Property TAXES

Keep the top portion for your records





# BC ASSESSMENT

## IMPORTANT INFORMATION FOR PROPERTY IDENTIFICATION

Area: 06 - Courtenay  
Jurisdiction: 771 - Courtenay Rural  
Roll: 00500.000

School District: 71 - Comox Valley  
Neighbourhood: 320

CONFIDENTIAL PIN: 0001176651



## 2017 PROPERTY ASSESSMENT NOTICE

### Property Location & Description

**5291 ISLAND HWY N**  
LOT A, PLAN VIP64403, SECTION 27, COMOX LAND DISTRICT, & SEC 28  
GOLF COURSE & OTHER RECREATIONAL PURPOSES,  
LEASE/PERMIT/LICENCE # 109337 LBF:0146098  
PID: 023-613-050

2017 Assessment - represents your property value as of July 1, 2016

	VALUE	CLASS
LAND	2,000	RESIDENTIAL
	10,000	BUSINESS/OTHER
	1,406,000	REC/NON PROFIT
BUILDINGS	60,000	RESIDENTIAL
	809,000	BUSINESS/OTHER
<b>2017 ASSESSED VALUE</b>	<b>\$2,287,000</b>	
Less Exemptions	2,272,000	
<b>TAXABLE VALUE</b>	<b>\$15,000</b>	

This Is Not a Tax Notice.  
Tax Notices Are Issued by Your Local Government.

This notice contains important information about your property. Please review and keep for your records.

No action is required unless you disagree with your assessment.

### YOUR PROPERTY VALUE HISTORY

Year	Change	Value
2017	0%	\$2,287,000
2016	0%	\$2,287,000
2015	0%	\$2,281,000
2014	0%	\$2,279,000
2013	0%	\$2,273,000

### Important messages about your Assessment

- A copy of this Property Assessment Notice is sent to all owners
- 2017 tax rates will be set in May. For tax information, please go to [gov.bc.ca/ruralpropertytax](http://gov.bc.ca/ruralpropertytax).

The Assessment Office for this property is:

Courtenay Assessment Office  
2488 Idiens Way  
Courtenay BC V9N 9B5  
06-71-771-00500.000

The Owner/Lessee of this property is:

S-01  
SUNNYDALE GOLF COURSE SOCIETY  
5291 ISLAND HWY N  
COURTENAY BC V9J 1S7

49146



### IMPORTANT DATES

#### July 1, 2016

Assessed value is estimated for most types of properties as of this date.

#### October 31, 2016

Assessed value reflects property's physical condition and permitted use as of this date.

#### January 31, 2017

Deadline for filing a Notice of Complaint (Appeal). Important information about the appeal process can be found on the back of this Notice.

### CONTACT US

For more information go to [bcassessment.ca](http://bcassessment.ca)

Review your property details and compare your assessment to others with our popular **e-valueBC** service.

Call us at **1-866-valueBC** (1-866-825-8322) or 604-739-8588. Fax us at 1-855-995-6209.