

DATE: August 4, 2021

FILE: 1970-04/2022

TO: Chair and Directors
Electoral Areas Services Committee

Supported by James Warren
Deputy Chief Administrative Officer

FROM: James Warren
Deputy Chief Administrative Officer

J. Warren

RE: Permissive Tax Exemption – Sunnydale Golf Society 2022

Purpose

To request Committee consideration of Sunnydale Golf Society’s (the Society) application for a 2022 permissive tax exemption.

Recommendation from the Deputy Chief Administrative Officer:

THAT pursuant to section 391(4)(a) of the *Local Government Act* (RSBC 2015 c.1) (LGA) a bylaw be forwarded to the Comox Valley Regional District (CVRD) Board for adoption by October 31, 2021, allowing for a permissive tax exemption for 100 per cent of the taxable land and improvements for the year 2022 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 LGA for a 100 per cent 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 \$21,023 in 2022 (2021 - \$20,022).

Prepared by:

Concurrence:

K. Broughton

M. Foort

Kelly Broughton
Senior Accounting Technician

Myriah Foort, BBA, CPA, CA
Chief Financial Officer

Government Partners and Stakeholder Distribution (Upon Agenda Publication)

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| 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 2021 was \$19,537 (2020 - \$18,607). The 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 per cent 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 LGA. 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 LGA 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.

Options

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

Since the exemption complies with the CVRD's policy and the LGA, 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 reduction in 2022 rural taxes collected for the provision of provincial and local services as follows:

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| Provincial - schools, roads, policing | \$11,636 |
| Local - CVRD, 911, waste management | 6,251 |
| Comox-Strathcona Regional Hospital District | 1,469 |
| Other - VI Regional Library, Courtenay Fire Protection | 1,666 |
| Total | \$21,023 |

Legal Factors

In order for the tax exemption under the LGA 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 FLNRO under the terms and conditions of the CVRD's lease with the province.

Interdepartmental Involvement

Not relevant.

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 it may be perceived that Sunnydale has an unfair advantage by receiving a property tax exemption. No communication has been received from commercial golf courses in the region on this issue.

Attachments: Appendix A – Application for Sunnydale Golf Society 2022 tax exemption

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|  Comox Valley REGIONAL DISTRICT | Application For Permissive Tax Exemption |
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1970.04/

DATE: June 28, 2021

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, BC
 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 000500.000
 Legal description of the property: Lot A, Plan VIP64403, Section 27 & 28 Comox Land District

6. Executives of the Organization:
 President/Chairperson: Dave Stevens
 Vice President/Vice Chairperson: Ken Cottini
 Treasurer: Wally Pettigrew

7. Current Membership: 314 # of Meetings per year: 12

8. What types of services does your organization provide: We are a public golf course, including golf for all ages, junior, seniors, womens & mens groups

9. What portion of your activities are considered:
 Non-Profit 100%
 Recreational/Athletic 100%
 Commercial 0%

10. What are your current fees? (if applicable):
 Members: see attached General Public: See attached
 When was your last fee increase?: 2021 - Green Fees nominal

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

| | NO | YES | | | |
|---|-------------------------------------|-------------------------------------|--------|-----------|------------------------|
| Grant-in-aid | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Amount | Year | Purpose |
| Permissive tax exemption | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Amount | Year 2021 | Purpose 100% exemption |
| Waiver/ reduction of fees and charges | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Amount | Year | Purpose |

12. Describe how a permissive tax exemption will benefit the community:
The exemption will continue to provide capital funds in order that we may carry on improving the quality of our course for the enjoyment of our membership, tourists and the community.
During the time of COVID-19 we have been able to provide recreation for all ages at an affordable cost. The tax exemption will allow Sunnydale to upgrade equipment as needed, in an efficient way.

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 28, 2021

Date

Applications are to be submitted no later than July 15st to be considered for a tax exemption for the following year:

Mail: Comox Valley Regional District, 770 Harmston Avenue, Courtenay, BC V9N 0G8
 Fax: 250-334-4358 or Email: administration@comoxvalleyrd.ca



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:

JUL 08 2021

To:

June 28th, 2021

Comox Valley Regional District
770 Harmston Avenue
Courtenay, BC
V9N 0G8

Ladies/Gentlemen:

Re: Application for Sunnydale Golf Society 2022 Tax Exemption

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

It certainly has been a different year on the course. With COVID 19 protocols in place Sunnydale has continued to offer a grand game of golf, while keeping our staff, members and the general public safe. As restrictions are lifted we look forward to returning to business as usual.

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 affordable and challenging golf for all ages.

Sunnydale supports other local non-profit groups, schools, recreation and service groups with donations of many rounds of golf during the year.

Our Greens Superintendent has a current Pesticide Licence and conforms to the Agriculture and Pesticide Act when applying fertilizer and fungicides. The safety of these products is evident by the wildlife we share the course with; ducks and other birds have been nesting on the course for many years. Deer, raccoon and muskrat also reside on the property and in our ponds.

Sunnydale Members are active participants, volunteering to help maintain the gardens, fund raising and working on many other projects. This last couple of years member work parties have been formed for danger tree removal, re-roofing the locker room, keeping our gardens beautiful and numerous other jobs. This saves time and money for the Golf Course.

Membership is more than just a place to golf; it is dedication and 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.

We are once again asking for the Comox Valley Regional District to grant a 100% tax exemption for Sunnydale Golf Society for the year 2022. If you require any further information please feel free to contact us.

Yours truly,

SUNNYDALE GOLF SOCIETY



Dave Stevens
President

/gm
Enclosures