

Purpose

This report deals with the designation of the Sudbury Winter Tennis Club as a municipal capital facility and the property tax arrears associated with the Sudbury Winter Tennis Club.

Background

The Sudbury Winter Tennis Club (SWTC), also known as the Sudbury Indoor Tennis Centre is a tenant on the municipally owned property located at 0 Cypress Street, which is utilized by the City as a public park and recreation area commonly known as Queen's Athletic Field. This property also includes a sports field, an outdoor track (summer), skating oval (winter), outdoor tennis courts, a parking lot, a field house with dressing rooms and common space. This field house is shared with the tenant (SWTC). The Roll number is 040.001.01900.0000.

In 1992 the City of Sudbury authorized a lease agreement with the Sudbury Winter Tennis Club by the passing of By-law 92-185. As per the lease, there was no rent payable and the club was responsible for property taxes, if assessed. Subsequent lease agreements had similar terms related to the need for the club to pay property taxes, if assessed.

In the fall of 2017, staff advised the SWTC that the facility was assessed by MPAC resulting in taxes owing back to 2016.

In March 2018, the Board of the SWTC informed the City of its inability to pay the outstanding taxes for 2016 and 2017 and they would not be in a position to pay future property taxes and requested that the City provide similar relief to that offered to the Northern Water Sports Centre. Without relief the Board felt the SWTC would close.

On June 4, 2019 the Finance and Administration committee gave approval to the Sudbury Winter Tennis Club being designated as a municipal capital facility.

Legislation Regarding Municipal Capital Facilities

Section 110 of the Municipal Act and Ontario Regulation 603-06 provides the authority for a municipality to designate a facility as a municipal capital facility under certain terms and conditions. With reference to the Sudbury Winter Tennis Club, a condition of the designation includes the execution of a lease between the Sudbury Winter Tennis Club and the City of Greater Sudbury. The current lease for the period January 2, 2012 to December 31, 2021 satisfies that requirement. Under provincial legislation, the facility appears to meet the criteria of a municipal capital facility since one of the eligibility requirements is noted as "municipal facility used for cultural, recreational or tourist purposes".

Property Tax Arrears

As a result of the addition of the Sudbury Winter Tennis Club to the tax roll, approximately \$61,000 in property taxes remain unpaid. The designation of a municipal

capital facility would make the facility exempt from property taxes on a go forward basis but does not deal with tax exemption retroactively. An alternate strategy is required to address the property tax arrears.

Legislation Regarding the Provision of Grants

Section 107 of the Municipal Act authorizes a municipality the general power to make grants to any person, group or body. Since there is no other applicable legislation to strike a tax liability from the tax roll, it would be appropriate for members of City Council to authorize a grant in the approximate amount of \$61,000 to cover to cost of the property tax arrears at the Sudbury Winter Tennis Club.

Summary

It is recommended that the City of Greater Sudbury designate the Sudbury Winter Tennis Club as a Municipal Capital Facility and that the appropriate by-law be passed.

It is further recommended that City Council authorize the provision of a grant to the Sudbury Winter Tennis Club to offset the property tax arrears in the approximate amount of \$61,000 to be funded from the Tax Rate Stabilization Reserve.

Relevant Links for Further Information:

1. Finance and Administration Committee meeting of June 4, 2019

Staff report: Sudbury Indoor Tennis Centre Request for Tax Relief

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1368&itemid=16956&lang=en>