

REVIEW OF GOLF COURSES- PLANNING CONSIDERATIONS AND TAXATION IMPLICATIONS

EXECUTIVE SUMMARY

In response to the recent redevelopment applications of four privately owned golf courses since 2013, Council has requested that Administration review the state of golf and golf courses within the City of Calgary and propose a framework for addressing golf course retention and redevelopment. To further this work, this scoping report provides an overview of the preliminary investigation and outlines the general process, timelines, funding, and resourcing requirements needed to deliver the request made by Council. The conclusions of this study will inform administrations review of future golf course applications, whether redevelopment should be supported, and how we can best manage the transition from a recreational land use in a community.

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Community and Protective Services recommends that Council:

1. Direct Administration to conduct the work as outlined in Attachment 1 and report back to Council by Q4 2018; and
2. Direct Administration to bring forward a funding request as part of the 2018 budget adjustment process.

PREVIOUS COUNCIL DIRECTION / POLICY

NM2017 -04 February 7

RE: TAX BURDEN OF CALGARY GOLF COURSES
COUNCILLOR SUTHERLAND

WHEREAS there are 16 private and public golf courses in Calgary (excluding those with a tax status of exempt from taxation);

AND WHEREAS the golf courses are assessed and taxed by The City in a similar manner to other non-residential properties in Calgary pursuant to the provisions of the *Municipal Government Act* (MGA);

AND WHEREAS golf courses pay taxes to The City based on their annual property assessments irrespective of the time that they are open to the public or their members;

AND WHEREAS each Alberta municipality administers property assessments and tax rolls, including property tax exemptions within their jurisdictions, as part of the process for maintaining the municipality's property assessments role as outlined in the MGA and its regulations;

NOW THEREFORE BE IT RESOLVED that Council requests that the Mayor write a correspondence to the Minister of Municipal Affairs requesting a review of the valuation process for completing annual property assessments of golf courses in the Province of Alberta.

REFER, that NM2017-04 be referred to Administration and that in advance of executing the resolution contained in NM2017-04, Council directs Administration to review the state of golf

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and golf courses within the City of Calgary and propose a framework for addressing golf course retention and redevelopment and report back to Council through the SPC on Community and Protective Service and/or the SPC on Planning and Urban Development by Q3 2017.

BACKGROUND

Notice of Motion (NM2017-04) was presented to Council on 2017 February 27. As part of debate Council questioned the viability of privately run golf courses as a business and if the current property tax structure negatively contributes to business sustainability. Further concerns were raised by Council regarding the recent closure and/or redevelopment of golf courses in Calgary and the potential for future redevelopment of additional golf courses in the City. As a result, the NM2017-04 was referred and Administration was directed to also review the general state of golf and golf courses within the City of Calgary and propose a framework for addressing golf course retention and redevelopment.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Council's direction for study requires an interdisciplinary review of the state of golf, in relation to golf course retention and future redevelopment considerations, and implications and options for taxation and assessment.

To ensure that this direction from Council is adequately addressed, the attached Scope of Work (Attachment 1) provides a summary of Administration's intended deliverables. A report with findings will be presented back to Council, through the SPC Committee no later than 2018 Q3.

Stakeholder Engagement, Research and Communication

The attached Scope of Work was developed in collaboration with internal stakeholders, including Assessment, Calgary Growth Strategies, Calgary Recreation and Community Planning. As further study goes into the various topic areas, outreach to other City Business Units will occur as appropriate.

The proposed future work includes engagement of a golf industry consultant to conduct a supply and demand study, which would cover both market research and economic analysis including financial performance trends in Calgary.

As part of the future work plan outlined in this report, Administration will include The City's Communications and Engagement teams to prepare a strategy to have an effective dialogue with community members, business owner/operators and other stakeholders. An important component of this strategy is engaging communities where golf course redevelopments have been approved to learn from that experience and evaluate what the community is seeking in terms of transition and outcomes. This information will help inform future redevelopment applications.

Strategic Alignment

This Investigation will determine how existing golf courses and potential redevelopment considerations align with achieving The City's Municipal Development Plan (MDP) goals.

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Strategic alignment will be a key consideration in this review. Recommendations will be made to Council in alignment with Council's Strategic Plan, MDP and Calgary Transportation Plan (CTP).

Social, Environmental, Economic (External)

Social

Golf courses provide social and recreational opportunities for citizens and visitors. The scoping report includes development of a communication strategy and stakeholder feedback will be considered in the final report. There are no social impacts directly arising from this report.

Environmental

There are no environmental impacts as a result of this report. Golf course lands can be located on or adjacent to environmentally sensitive areas. These areas, perhaps suitable for recreation opportunities, may not be appropriate for redevelopment to more intensive uses. The proposed framework for future redevelopment will provide an overview and discuss options.

The scope of work will also consider the physical and environmental considerations of golf course redevelopment.

Economic

An analysis of the existing property tax assessment process and taxation framework as it relates to golf courses operating within Calgary is included within the scope of work and will inform future decisions and options regarding the retention and redevelopment of golf courses in the City. Golf courses also have economic implications for the City of Calgary as a tourist attraction and these impacts have been considered in the scope of work as well.

Financial Capacity

Current and Future Operating Budget:

Costs associated as outlined in Attachment 1, are currently not within existing operating budgets and are therefore unfunded.

Current and Future Capital Budget:

There are no anticipated impacts to current or future capital budgets as a result of this work.

Risk Assessment

- **Public Concern:** Redevelopment of golf courses is an extremely sensitive matter in terms of public opinion and perceived and/or real impact to people who live in the adjacent area. This will require a sensitive and thoughtful approach to the communications and engagement plan associated with this work and with any future redevelopment scenarios.
- **State of Golf:** The consultants will provide a review of the current state of golf; however, it must be recognized that trends change over time, and this review may not adequately address the importance or future role of the sport of golf in Calgary.

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- **Municipal Golf Courses:** over the future state of City owned golf courses.
- **MDP Alignment: A review of Golf courses** and how they are aligned with The City's MDP may result in an adjustment of City policy.
- **Taxation:** Changes to assessment and taxation may have major implications for the retention and redevelopment golf courses in Calgary.

REASON(S) FOR RECOMMENDATION(S):

In order to respond to Council direction it is necessary to define the scope of work, deliverables, funding, and confirm the timeline associated with delivering this information.

ATTACHMENT(S)

Preliminary Scope of Work Identified for Review of Golf Courses and Proposed Framework for Addressing Retention and Redevelopment - Estimated Resources