

Friday August 6, 2010

To the Members of the Government Management Committee

RE: Property tax deferral agreement and 9 private golf courses

Dear Committee Members,

As you are aware, the former cities of Toronto forged an agreement with a number of private golf courses in the 1960's in an effort to stave off potential development of these 'green spaces'. The agreements called for varying deferrals of property taxes in perpetuity, providing the courses remained for the sole use of the golf clubs. Should the lands be sold and/or developed at some point in the future, these clubs would then be required to pay the City all of the owed deferred property taxes along with accrued interest. In 2009 this outstanding amount has been estimated at would over \$33 million.

All of these clubs are well established, private clubs and represent perhaps the best golfing in the city. Initiation fees range from \$30,000 to \$125,000 for new members and varying annual fees. In the intervening years, the homes surrounding the clubs have grown substantially in value, and would invariably have their property values compromised should any development ever take place.

Although City staff previously made efforts to meet with the golf clubs in this agreement, there has been no incentive for the clubs to negotiate in any capacity, since the agreement has no expiry date. It would be expected that paying more property taxes or providing value in-kind, would not be in their long term interest. Additionally, while the City has appealed the assessment of these lands in 2005 to MPAC, the appeal has yet to be heard, leaving the City seemingly with limited options.

Notwithstanding the best intentions at the time of this initial agreement, it is now a completely different environment in which we all live. The main points of contention are:

The lands will unlikely be developed

Aside from the heavy use of pesticides and other agents to maintain the course over the years, these courses are profitable, and have built expensive high assessment homes in the immediate vicinity.

There is no community or public access

Of the nine clubs, only one has demonstrated any kind of outreach program (Oakdale Golf Club).

Public subsidy without public benefit

While the clubs maintain they provide an invaluable service by preserving green space, they in fact restrict this enjoyment to a few members while the general public may only view it from outside a fence. The public are in essence paying for the deferral, without receiving any direct benefit.

Recommendations:

Government Management Committee will review all options including but not limited to:

- i. Open discussions with the golf clubs in these agreements and ask that community outreach programs similar to Oakdale be implemented.
- ii. That designated hours be assigned to persons with disabilities and other priority programs for prospective golfers.

There is no history of any other similar tax deferral arrangement between a private organization(s) and the City of Toronto based on preserving green space. Your consideration on these matters would be appreciated.

Yours Sincerely,

Adrian Heaps

City of Toronto Councillor

Scarborough Southwest, Ward 35