

Supplementary Report- Review of City of Toronto Golf Courses

Date: January 24, 2022

To: City Council

From: General Manager, Parks, Forestry and Recreation

Wards: All

SUMMARY

This supplemental information report provides a summary of the existing contractual arrangements and financial performance of the two leased-out City golf courses as.

FINANCIAL IMPACT

This report is for supplemental information and does not have any financial impacts.

DECISION HISTORY

Supplemental information was requested at the January 11, 2022 meeting of the Infrastructure and Environment Committee.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.IE27.6>

City Council, at its meeting September 30 - October 2, 2020, amended Parks, Forestry and Recreation's report titled "Lease and Contract Extensions for City of Toronto Golf"

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.GL15.14>

COMMENTS

The City fully leases out two golf courses to separate third party operators:

- Royal Woodbine Golf Club (RWGC)
- Centennial Park Golf Course (CPGC)

These courses were not included in the review of the five City operated golf courses as the terms and condition of their lease agreements do not align with those of the City's five directly operated courses.

Table 1: Summary of the City of Toronto's two leased golf courses

Course	Address	Par	Yardage	Ownership	Model
Royal Woodbine	195 Galaxy Blvd	Par 71	6,405	City of Toronto	Leased
Centennial Park Golf Centre	550 Centennial Park Blvd	Par 90 (27 holes)	5,809 (27 holes)	Province of Ontario	Leased

Tenants are responsible for the full operations of the golf courses, in addition to:

- Minimum rent
- Percentage rent
- Property taxes
- Utilities associated with the operation and management of the facilities
- Capital improvements and maintenance

Royal Woodbine Golf Corporation (RWGC)

- The lease term between the City and RWGC commenced in 1997.
- In 2000, RWGC exercised its right to renew the lease for a term of 40 years (eight further terms of five years each).
- The lease expires on March 31, 2040.

Centennial Park Golf Centre (CPGC)

- The City entered into an agreement with the Province of Ontario for the use of land for recreational purposes at Centennial Park in 1984 for a term of 50 years.
- The lands were subleased to CPGC in 1986 for the construction and operation of a golf course for a term of 20 years including two renewal periods of three and two years each.
- An amending sublease agreement was entered into in 1995 to extend the sublease for a further period of 20 years with an option to extend for an additional five years.
- CPGC exercised its rights to extend.
- In 2020, City Council authorized the General Manager, Parks, Forestry and Recreation to negotiate and enter into an agreement to extend and amend the existing lease agreement with Centennial Park Golf Centre (Contract Number 301347) respecting the lease of Centennial Park Golf Centre for an additional two year term from December 1, 2020 to November 30, 2022, with a further optional year from December 1, 2022 to November 30 2023, on terms and conditions satisfactory to the General Manager, Parks, Forestry and Recreation and the City Solicitor.

- A future long term agreement will need to be secured through a competitive process, anticipated to be initiated in 2022. It is anticipated the successful proponent would be in place for the 2024 season.
- The existing tenant possesses a first right of refusal for the management of the golf course within the existing terms of their agreement with the City, which needs to be considered as part of the Request For Proposal process.

Financial

Both RWGC and CPGC agreements include the payment of minimum rent and percentage rent based on the following terms:

Royal Woodbine Golf Club

Table 2: Royal Woodbine Golf Club payment allocation to the City of Toronto

Term	Payments to the City of Toronto	
	Minimum rent	Percent of Gross Revenue (Percentage Fees)
2015-2020	\$90,000 per annum	\$1,700,001 to \$2,500,000 is 8 percent
2020-2025	\$100,000 per annum	
2025-2030	\$110,000 per annum	\$2,500,001 to \$3,500,000 is 9 percent
2030-2035	\$120,000 per annum	
2035-2040	\$130,000 per annum	Over \$3,500,000 is 10 percent

Table 3: Royal Woodbine Golf Club payments to the City of Toronto

RWGC	2016	2017	2018	2019	2020
Base Rent	\$90,000	\$90,000	\$90,000	\$90,000	\$100,000
Percentage Rent	\$18,856	\$13,598	\$5,493	\$11,491	\$83,163
Total	\$108,856	\$103,598	\$95,492	\$101,491	\$183,163

From 2016-2020, RWGC has paid an average of \$118,520 in total rent.

Centennial Park Golf Course

Table 4: Centennial Park Golf Course payment allocation to the City of Toronto

Term	Payments to the City of Toronto	
	Minimum rent	Percent of Gross Revenue in excess of \$900,000 (Percentage Fees)
2016	\$65,000	13 percent
2017	\$65,000	13 percent
2018	\$70,000	13 percent
2019	\$70,000	13 percent

2020	\$70,000	13 percent
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Table 5: Centennial Park Golf Course payments to the City of Toronto

CPGC	2016	2017	2018	2019	2020
Base Rent	\$65,000	\$65,000	\$70,000	\$70,000	\$70,000
Percentage Rent	\$48,194	\$56,002	\$58,337	\$93,504	\$178,374
Total	\$113,194	\$121,002	\$128,337	\$163,504	\$248,374

From 2016-2020, CWGC has paid an average of \$154,882 in total rent.

CONTACT

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SIGNATURE

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