
Saskatoon Soccer Centre Inc. Tax Abatement Renewal

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the Saskatoon Soccer Centre Inc. be granted a five-year tax abatement for the operation of the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre, commencing in 2016 and ending in 2020; and
2. That the City Solicitor be requested to prepare the required tax abatement agreement, and that the Mayor and the City Clerk be authorized to execute this agreement under Corporate Seal.

Topic and Purpose

The purpose of this report is to recommend that Saskatoon Soccer Centre Inc. be granted a five-year tax abatement with respect to the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre. This would be a renewal of a previous agreement that expired in 2016 and would be subject to Saskatoon Soccer Centre Inc. making the necessary contributions to a capital reinvestment reserve fund for the two soccer centres.

Report Highlights

1. Saskatoon Soccer Centre Inc. (Saskatoon Soccer) is a non-profit corporation that provides valuable recreational facilities for indoor soccer and other sports in Saskatoon.
2. Saskatoon Soccer is requesting a tax abatement renewal for a further five years, beginning in 2016, for the operation of the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre.

Strategic Goal

This report supports the City of Saskatoon's (City) Strategic Goal of Quality of Life by ensuring existing and future leisure centres and other recreational facilities are accessible, physically and financially, and meet community needs; by supporting community-building through direct investment, and by building capacity within the community to address a broad range of issues and build consensus around collaborative responses.

Background

Lease agreements have been signed with Saskatoon Soccer, a non-profit corporation, to lease lands from the City to operate the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre. The long-term lease agreements allow Saskatoon Soccer to lease municipal reserve land from the City in order to provide valuable recreational facilities for indoor soccer and other sports in Saskatoon.

At its December 5, 2011 meeting, City Council approved a report from the General Manager, Community Services Department, recommending that Saskatoon Soccer be granted a five-year tax abatement for the operation of the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre commencing in 2011 and ending in 2015.

This arrangement has a long history and is somewhat unique in that the buildings are located on City municipal reserve lands, but are owned and operated by a non-profit organization.

Report

Saskatoon Soccer Centre Inc. Community Benefit

Saskatoon Soccer facilities, Saskatoon Kinsmen/Henk Ruys Soccer Centre, and SaskTel Sports Centre are utilized by youth and adults, for both local and provincial soccer activities that include practices, league games, tournaments, and various camps and clinics. In addition, both facilities host various cultural, community and special events, and are utilized by a variety of youth and adult sport organizations including Kinsmen Tackle Football, ultimate disc frisbee, volleyball, lacrosse, baseball, lawn bowling, roller derby, and fly ball.

Saskatoon Soccer is well known for hosting numerous successful local, provincial, and national championships and events at these facilities. Saskatoon Soccer also offers daily drop-in playgroups for young children, walking groups for seniors, and drop-in soccer and sports programs for families. Saskatoon Soccer has estimated that there is approximately 1.4 million visitors annually to both the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre.

Centennial Collegiate and St. Joseph High School utilize SaskTel Sports Centre's indoor and outdoor fields for high school programming, as well as for junior football and soccer games as part of the Saskatoon secondary schools athletic development program.

Both recreation facilities are also designated as evacuation reception centres and have been utilized numerous times by the Province of Saskatchewan for residents of northern communities displaced by flood and/or fire emergency events.

Saskatoon Soccer Centre Inc. Tax Abatement Renewal

The Cities Act permits City Council to grant tax abatements for up to five years providing that City Council enter into an agreement with the owner or occupant of any property. The City has long-term lease agreements with Saskatoon Soccer for both the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre.

In the past, most, if not all of the lands on which the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre operate, have been exempt from taxation. Previously, City Council granted Saskatoon Soccer a five-year tax abatement

with respect to the Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre, commencing in 2011 and ending in 2015.

Saskatoon Soccer continues to operate both recreation facilities for public recreation purposes. Under the terms of their lease agreements with the City, they are requesting a tax abatement renewal for five years, beginning in 2016. This request does backdate the tax abatement, noting that since 2016 there have been discussions regarding the use of the soccer centres and details had to be worked out for the joint operation of the SaskTel Sports Centre. These discussions delayed the preparation of this report until this time.

The standard tax abatement agreement specifies the obligations of each party and the consequences of a breach. Saskatoon Soccer has made all the necessary contributions to the capital reinvestment reserve fund that were agreed upon. This fund, is held in trust at the City, and used for any renovations, upgrades, or replacements that may be required for the facilities.

This approach aligns with the practice of non-profit organizations seeking to establish and operate a recreational facility on municipal reserve lands and being granted a tax abatement on the condition that the organization demonstrates there are sufficient funds available to address construction and operating costs as well as any renovation or replacement needs, as the City does not want to assume the responsibility for such costs.

Further, this tax abatement request aligns with previous requests for tax abatements where the non-profit user is operating a recreational facility that has broad community engagement in recreational endeavours.

Options to the Recommendation

City Council could choose to not grant a five-year tax abatement to Saskatoon Soccer. The Administration recognizes that any change to now require the paying of property taxes would have an adverse economic impact on the ability of Saskatoon Soccer to continue to provide and maintain Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre; further direction would then be required.

Public and/or Stakeholder Involvement

Saskatoon Soccer has been involved in the process of reviewing the Tax Abatement Agreement and is in agreement, in principle, with the terms and conditions.

Financial Implications

The tax abatement request is for the total taxes, including City, library, and education taxes. The table below summarizes the tax abatement related to the portion of City taxes required, including library tax for Saskatoon Kinsmen/Henk Ruys Soccer Centre and the SaskTel Sports Centre for 2016 and 2017.

Saskatoon Soccer Centre Inc.	Actual	
	2016	2017
Saskatoon Kinsmen/Henk Ruys Soccer Centre	\$115,583.00	\$114,001.99
SaskTel Sports Centre	\$264,787.13	\$271,109.76

Subject to City Council granting Saskatoon Soccer a five-year tax abatement, the 2018 to 2020 tax abatement will be adjusted on an annual basis.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations; a communication plan is not required at this time.

Due Date for Follow-up and/or Project Completion

No follow-up is required at this time.

Public Notice

Public Notice pursuant to Section 3 of Public Notice Policy No. C01-021 is not required.

Report Approval

Written by: Brad Babyak, Section Manager,
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Reviewed by: Lynne Lacroix, Director of Recreation and Community Development
Approved by: Randy Grauer, General Manager, Community Services Department

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