

Tennis dome tax break request raises eyebrows

By Brock Weir

A request from the operators of Aurora's new Marilyn Redvers Tennis Centre to be exempt from property taxes raised objections around the Council table last week as lawmakers weighed any benefits it might have to users and residents alike.

The request came about through a recommendation to Council by Al Downey, Aurora's Director of Parks and Recreation to declare both the Tennis Centre (informally known as the 'tennis bubble') adjacent to the Stronach Aurora Recreation Complex, as well as the Aurora Sports Dome on Industrial Parkway North to be 'municipal capital facilities.'

Both facilities are owned by Terry Redvers of the Redvers Group, but there are some key differences.

Under the current lease agreement signed between the Town and the Sports Dome in 2005, Aurora pays municipal and education taxes on the property rather than the facility operator, an estimated cost to taxpayers of just under \$51,000 a year.

The tennis bubble, on the other hand, is a different story. In operation for just over 11 months, the facility owners had previously agreed to pay all taxes on the facility, but have now applied for the exemption they might be entitled to as a 'municipal capital facility.'

'I have a problem with a tax exemption for a business that is making a profit and we have given them a sweetheart lease deal on our land,' said Councillor Tom Mrakas, speaking against the motion, suggesting an alternate plan of simply exempting the sports dome of taxes for the three-and-a-half years left on their lease agreement.

Councillor Michael Thompson said he had a similar view in that Aurora went forward with a tennis facility, put it out to an RFP on the condition that the owner/operator would pay the taxes, the lease agreement was executed over a year ago, and now things have changed.

'They asked us to give it some consideration,' said Mr. Downey in response. 'We had done some research as to whether or not this was even possible. It certainly is up to Council to either consider or not consider this. This is not unlike a request coming from another group. They have come forward to staff, staff have prepared a report, done some research, and given information to Council' for consideration.'

Nevertheless, Councillor Thompson was firm in his objection when it comes to a new deal for the tennis facility.

'When we entered into this agreement, the essence was we would receive \$9,000 a year in revenue as well as the tax revenue,' he said. 'That was a specific number we were counting on and now the business has come forward and said they would like a reduction. As far as I can tell, that reduction only benefits the business itself. I don't see any enhancement or improvement in the service, so I am not in favour of providing the tax break to the tennis centre unless there was some change to the service level or some benefit to the municipality.'

This was a common refrain around the Council table as they looked to see what possible benefits such a deal would have on both facility users and taxpayers.

Mayor Geoff Dawe, for instance, said the recommendations before Council were very different and should be split into two separate reports. Characterizing the tax arrangement with the sports dome as a 'long-standing burr under our saddle,' he said he wanted more information on the impacts the recommendation would have on the Town and the taxpayer.

'[The owners are saying they] need some more relief without any business before us to show there is a loss or anything else, so I can only assume it is going to add to his profit otherwise,' said Councillor John Abel. 'We have to be very careful on these agreements we make because they can have long-term implication and we saw that with the sports dome where we're paying some \$40,000 a year over the duration of the lease. I don't want to get into that situation here. I think we can do better than this for our community.'

Added Councillor Paul Pirri: 'The only way I would be able to support moving forward in this direction with the new facility is with very strong regulations placed on the owner of the bubble. I would want to see fees capped, different things put in place to ensure that there is an offset between what the proponent would be saving and what our residents would be saving so, at the end of the day, it is a wash and we can easily say [it was a benefit] to Aurora residents.'

The item was sent back to staff for more answers.