

TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON AUGUST 13, 2019
FROM:	SCOTT STAFFORD MANAGING DIRECTOR, PARKS & RECREATION
SUBJECT:	WHITE OAKS PARK – PAVILION DONATION

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director of Parks and Recreation, the following actions **BE TAKEN** with respect to the proposed donation of a park amenity for White Oaks Park per Sections 4.1a) and 4.2b) of the Donation Policy:

- a) that the donation of a permanently-roofed pavilion to be constructed at White Oaks Park by a consortium led by York Developments (London) Inc. **BE ACCEPTED**; it being noted that the value of the donation is estimated to be \$300,000;
- b) that the acceptance identified above in part a) **BE CONDITIONAL** upon the Corporation entering into a formal agreement for the work to be done relating to this stage donation; and
- c) that Civic Administration **BE DIRECTED** to report back at a future meeting of the Community and Protective Services Committee with a formal Agreement related to the approval in part a), above.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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None

<b>BACKGROUND</b>
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White Oaks Park hosts multiple community events, including a signature Canada Day event, and each year the Community Council of White Oaks rents a portable stage for this event.

Civic Administration has been approached by the Community Council of White Oaks to indicate that a consortium led by York Developments (London) Inc. wishes to donate a permanently-roofed pavilion that would be used for Canada Day and for other events in White Oaks Park. This amenity will be donated, and while there will be no naming considerations attached to the donation, the contributions of the donating companies will be recognized on the structure by way of a plaque.

Initial discussions have taken place, and the anticipated value of this donation which is proposed to include the detailed design, site placement, and construction of a permanently-roofed pavilion, is anticipated to be approximately \$300,000. The location (see Appendix 'B') is proposed to be near the South London Community Centre where the temporary stage set-up has been located in the past. This location will provide access to the pavilion via the community centre and will mitigate potential noise issues, as the stage front would be directed away from adjacent homes. This location exceeds the City's standard set back requirement to adjacent property lines. This location also ensures AODA accessibility compliance and proximal access to electrical utilities.

The Donation Policy (attached as 'Appendix A') section 4.1a) states that "[t]he City reserves the right in its sole discretion to accept or decline any donation", and that "donations exceeding \$100,000 will be presented to City Council." Section 4.2b) further requires that "final acceptance of an in-kind donation will require a transfer of title or ownership through a written agreement as to the future use and disposition" of the amenity.

Part of this donation may be eligible for an official income tax receipt for the fair market value of the pavilion as assessed by an independent appraiser or supported by documentation satisfactory to the City Treasurer.

If approved, the pavilion will be designed and built to be compliant with all applicable legislation, and designed in consultation with the Facilities and Parks Planning and Operations Divisions. The pavilion design will encompass all considerations associated with risk mitigation, legal compliance, and health and safety. It is anticipated that this work will not require the closing of the park or any of its existing amenities.

Per the Public Notice Policy for recreation facilities and parks, public notice will commence upon Council approval to accept the donation, and will remain in place for a minimum of six weeks prior to any work beginning. In addition, consultation will occur with the public before final design is determined, following the Community Engagement Policy to “obtain public feedback on alternatives and/or decisions in order to inform decision making.”

This contract builds on Council’s strategic priorities:

Building a Sustainable City – This pavilion contributes to beautiful places and spaces in the City of London.

Strengthening Our Community – This pavilion would enhance amazing arts, culture, and recreation experiences for the White Oaks community.

<b>FINANCIAL IMPACT</b>
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If approved, there will be an annual operating expense requirement for routine and life-cycle maintenance of the amenity, upon its assumption by the City. These values will be determined upon confirmation of design and will be included in the annual budget update process or potentially put forward as an assessment growth business case.

<b>SUBMITTED BY:</b>	<b>RECOMMENDED BY:</b>
<b>L. SCOTT OLDHAM MANAGER, ADMINISTRATION &amp; ATTRACTIONS PARKS AND RECREATION</b>	<b>SCOTT STAFFORD MANAGING DIRECTOR, PARKS AND RECREATION</b>

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Andrew Macpherson, Division Manager, Parks Planning and Operations  
Tim Wellhauser, Division Manager, Facilities

## APPENDIX 'A'

### Donations Policy

**Policy Name:** Donations Policy

**Legislative History:** Enacted June 13, 2017 (By-law No. CPOL.-41-237); Amended June 26, 2018 (By-law No. CPOL.-348-339)

**Last Review Date:** May 10, 2019

**Service Area Lead:** Director, Financial Services

#### 1. Policy Statement

The purpose of this policy is to set out in accordance with the *Income Tax Act* and the Canada Revenue Agency guidelines and standards for:

- acceptance of Donations;
- issuing Official Income Tax Receipts to donors for income tax purposes; and,
- collection, recording and disbursement of Donations.

#### 2. Definitions

- 2.1. **City** – means The Corporation of the City of London;
- 2.2. **City Treasurer** - means the City's Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, or designate;
- 2.3. **CRA** – means the Canada Revenue Agency;
- 2.4. **Donation** – means a gift, bequest, financial contribution, or in-kind contributions of tangible property such as art, furniture, equipment, material of historical interest, which has been given voluntarily and without compensation or non- monetary consideration such as advertising, promotion or services;
- 2.5. **Gifts in-Kind** – means a gift of tangible property, other than cash, that are eligible donations;
- 2.6. **Fair Market Value (or Valuation)** – means the highest dollar value that a property would bring in an open and unrestricted market, between the willing buyer and the willing seller who are acting independently of each other. The fair market value of a property does not include taxes paid; taxes are costs incurred by the buyer;
- 2.7. **Non-Qualifying Donations** – means donations for which an Official Income Tax Receipt cannot be issued in accordance with CRA guidelines;
- 2.8. **Official Income Tax Receipt** – means a receipt issued by the City as a Qualified Donee under the *Income Tax Act*, for a Donation made to the City, which may be used by the donor to claim a tax credit on their income tax return.
- 2.9. **Qualified Donee** – An organization that under the *Income Tax Act* may issue Official Income Tax Receipts for Donations it receives from individuals and corporations and registered charities.

#### 3. Applicability

This policy applies to all Donations to the City to support projects, programs or services offered by the City. This policy does not apply to Donations of Land and Buildings.

## **4. The Policy**

### **4.1. Accepting Donations**

- a) The City reserves the right in its sole discretion to accept or decline any Donation. The City Treasurer has the authority to refuse any Donation up to \$100,000 where it is determined that it is not in the City's best interest to accept the Donation. Donations exceeding \$100,000 will be presented to City Council. If a Donation is declined, the City Treasurer shall advise the donor in writing of the reason.
- b) Donations must be for purposes consistent with the City's mandate, programs, services and activities and must be deemed by the City to be in the public interest.
- c) Donations are only to be accepted if the City has, in its sole discretion, the capacity to meet the initial and ongoing costs and obligations associated with the Donation.
- d) The City shall not accept a Donation where any advantage will accrue to the donor or to any person not dealing at arm's length to the donor as a result of the Donation. The City may decline Donations from any donor who in the opinion of Council, represents a reputational risk to the City through involvement in activities that are contrary to the values of the City. Examples include but are not limited to:
  - Proven or suspected criminal organizations; and
  - Organizations that promote hatred against individuals or groups.
- e) The City may not accept Donations from individuals or organizations currently in litigation against the City.
- f) The City will accept Donations from community groups, organizations and individuals subject to general direction. Donations where the purpose is not specified are deemed to be undesignated and become contributions to general revenue of the City.
- g) The City will accept the involvement of charitable organizations and community groups in fundraising activities for projects related to the repair, enhancement or construction of City-owned facilities.
- h) Where the donor requests that conditions be placed on the use of the Donation, Legal Services must be consulted to ensure that the appropriate agreements are prepared prior to accepting the Donation.

### **4.2. Gifts In-Kind**

- a) In-kind Donations to the City must be free and clear of all encumbrances, conditions and restrictions and shall provide that use of the property shall be entirely at the discretion of the City.
- b) Final acceptance of an in-kind Donation will require a transfer of title or ownership through a written agreement as to the future use and disposition except with respect to applicable legislation on preservation, copyright and/or resale. An agreement, satisfactory to the City Treasurer, signed by the Donor and the City shall be required prior to the acceptance of the in-kind Donation.
- c) In the event of a significant Donation of land and/or buildings to the City, the Donation of Land and Buildings to the City Policy as amended from time to time shall apply.

- d) Written valuations of in-kind Donations shall be submitted with an external appraisal by an independent arm's length qualified appraiser or other third party supporting documentation, satisfactory to the City Treasurer to substantiate fair market value.

#### 4.3. Official Income Tax Receipts

- a) The City will issue an Official Income Tax Receipt for Donations for City programs or projects that qualify as Charitable Gifts in accordance with the *Income Tax Act*, regulations and CRA guidelines. The Treasurer shall be responsible for the issuance of all Official Income Tax Receipts in accordance with the following:
  - i) Official receipts for income tax purposes shall be authorized by the City Treasurer for eligible gifts and gifts-in-kind made to the City.
  - ii) For gifts in-kind, the fair market value of the Donation must be supported by an independent arm's length appraisal or other third party supporting documentation, satisfactory to the City Treasurer;
  - iii) Receipts shall be made in the name of the donor only;
  - iv) Receipts shall be issued for all Donations having a value of \$20.00 or more, if requested by the donor.
- b) Non-Qualifying Donations, in accordance with the *Income Tax Act*, regulations and CRA guidelines include:
  - i) Intangibles such as services, time, skills and effort;
  - ii) Donations that are given to the City intended as a flow through to a specified recipient who does not have charitable organization status (a Qualified Donee);
  - iii) Donation of business marketing products such as supplies and merchandise;
  - iv) Sponsorship in the form of cash, goods or services toward an event, project program or corporate asset in return for commercial benefit.

#### 4.4 Records

- a) The City shall maintain proper books and records supporting all Official Income Tax Receipts issued.
- b) Copies of Official Income Tax Receipts issued must be retained and filed in accordance with the City's records retention policy.

#### 4.5 Accounting

- a) Where Donations are received by the City, the funds will be recorded in the appropriate account by the City Treasurer.
- b) Donations directed for specific operations or for specific capital projects (such as to a community or recreational centre) shall be deposited to the donation revenue account of the appropriate program.
- c) Donations may be disbursed only for their intended purpose and in accordance with the terms, conditions, restrictions or any agreement governing the use of the Donation.

APPENDIX 'B'

