

HSN Land Sale – Course Redesign – Frequently Asked Questions

If the land sale were to occur, what are the benefits to the Idylwylde Membership?

The Golf Course redevelopment costs will be funded 100% by HSN. The redesigned holes on the Front 9 will utilize the latest technologies, irrigation, drainage systems, materials, and equipment. This will represent a significant improvement not only in playability but also in turf maintenance. With the new irrigation work being completed as part of the construction, a substantial portion of the Golf Course Long Range Capital Plan will be finished at no cost to the Members, easing the future financial burden on Membership.

Additionally, the land sale proceeds would be used towards the Clubhouse Redevelopment project and its financing plan, which will significantly reduce the future financial burden on the Membership by millions of dollars.

How much property is HSN interested in purchasing?

HSN has advised us of their intent to purchase 10.3 acres of land for future hospital expansion. No written offer from HSN has been received yet, and no deal has been negotiated; however, we anticipate formalizing an agreement with HSN in the coming months. This 10.3 acres is situated where the current #6 and #7 holes are, as well as on land adjacent to #6 near Ramsey Lake Road. To maintain a par 72 course measuring 6,656 yards while addressing historical public safety and Club liability concerns related to errant balls hitting the road, sidewalk, and vehicles on Ramsey Lake Road, six holes on the Front 9 are impacted, some significantly and others minimally.

What holes will be affected? Why are there so many holes affected? How many holes will be available during construction?

Holes #2, #3, #4, #6, #7, and #8 will be affected. Holes #6 and #7 will need to be entirely rebuilt and relocated to available land on the Front 9 that the Club owns. Holes #2, #3, #4, and #8 will be either shortened or lengthened to retain yardage on the Front 9. During construction, the entire back 9, along with holes #1, #5, and #9, will remain intact. However, the intact holes on the front 9 may be divided into shorter holes with the addition of temporary tees and greens to provide the Membership with more holes to play during the construction period.

Will I be able to maintain my Golf Handicap while Golf Course construction is occurring?

Yes. According to the Rules of Handicapping: For a 9-hole score to count for handicap purposes, all 9 holes must be played, and for an 18-hole score to count for handicap purposes, at least 10 holes must be played. Missed holes in an 18-hole round are accounted for by calculating your expected score using the handicap index to determine the score differential for each missed hole.

How long will construction take? How many golf seasons will be affected?

Ideally, construction would commence in the second half of the golf season in 2026 and continue through 2027. During the first half of the 2028 golf season, the entire Front 9 would be back in play. The work will be sequenced to minimize disruption to as few holes at a time as possible, keeping the safety of the construction crews and protection of new areas to allow for “grow-in” at the forefront of decisions for re-opening sections of the course. Our Golf Course Superintendent, Jay Sisko, will actively participate in the project and update Members as the work progresses.

Will the Golf Course construction and Clubhouse construction occur simultaneously?

No. Golf Course construction would occur first, and then Clubhouse construction would follow, ideally at the end of the 2028 Golf season. In the interim, planning would continue for Clubhouse redevelopment. By the end of the Golf Course reconstruction, the Club will be further along in its definitive plans for Clubhouse redevelopment and have the benefit of more of its own funding to put towards a Clubhouse project from the proceeds of the HSN land sale. We will also have a few more years of capital assessments in our Clubhouse Reserve account.

Under Section 4.18 of our by-laws, “Member Approval of Major Changes” is required. Would this be considered “Major Changes”?

Yes. Currently, negotiations are ongoing with HSN, but there is no agreement or related transaction with final terms. We anticipate reaching final terms in the coming months, and then the decision will be put to a vote by ordinary resolution to the Membership later this year. The same applies to the Clubhouse project. Before any construction-ready drawings are prepared or any tenders are solicited, the Membership will vote on the Clubhouse project option(s) presented to them by the Board.

What will the impact be on Membership dues and capital assessments?

There will be no impact on current Membership dues and capital assessments related to the sale of land to HSN or Golf Course construction costs. All costs associated with the land sale and course construction will be covered by HSN. Business interruption costs have been accounted for in our course redevelopment budget as a project contingency. In summary, HSN will pay for 100% of the Golf Course construction, including course architect and project management fees, all labour and materials, legal fees, and tax implications the club would face with the land sale.

Will the Club be subject to Capital Gains Tax on the land sale proceeds?

No. In consultation with MNP and CRA rulings supporting similar transactions with other Golf Clubs, if the land being sold is used exclusively for the recreational facility (Golf holes #6 & #7), it is not taxable.

Who initiated the proposed land sale, HSN or Idylwyld?

In January 2024, Members of Long-Range Planning and the Board approached HSN following its announcement that it had received a planning grant for future expansion. The Board took this proactive approach because a friendly negotiation was believed to be more beneficial to both parties, saving time and money compared to an expropriation situation. A negotiated deal also fosters goodwill for our Club with HSN and in the community.

Why wouldn't the Club wait and let HSN expropriate?

In consultation with the same BLG Expropriation Lawyer the Club used in the 2013 HSN land sale, avoiding expropriation saves time and money. More importantly, it allows our Club to plan. A negotiated sale enables the Club to control the timing of a deal, which helps minimize disruption to the Membership. If HSN were to expropriate our land, they, like any expropriation authority, would seize the land they require and initially pay only for the land, not for all the course redevelopment that would be necessary. The Idylwyld would have to redesign the course using our own funds and settle the repayment of those costs and any associated business disruption costs in court. A voluntary sale of land to HSN allows the Club to use funds from the negotiated deal to cover construction costs and business interruption instead of relying on its own funds, which the Club would later have to attempt to recover through lengthy and costly legal proceedings, potentially years after the expropriation has occurred.