

STAFF REPORT: RECREATION DEPARTMENT & FINANCE

REPORT TO: Council
MEETING DATE: September 13, 2010
REPORT NO.: DOR.10.48
SUBJECT: Curling Club Facility follow up report
PREPARED BY: Shawn Everitt
Director of Recreation, and
Elizabeth Thompson, Deputy
Treasurer

A. Recommendations

THAT Council receives Staff Report DOR.10.48 "Curling Club Facility Follow up"; and,

THAT Council approve in principle the Curling Club Working Group proposal to construct a Town-owned Curling Club Facility at the existing Beaver Valley Community Center lands with anticipated costs of \$3,500,000, with no Town funding being requested; and,

THAT Council authorize the Curling Club Working Group to begin fundraising and that fundraising monies be held by the Town until such time as the project goes forward; and,

THAT Council approve in principle that the Town enter into an agreement with the Curling Club Working Group for the development and operation of a Curling Club Facility on Town-owned lands at the Beaver Valley Community Center property, be leased to the Curling Club, subject to the form and content of the agreement being to the satisfaction of the Director of Recreation and the Director of Financial and Informational Services; and,

THAT Council approve in Principle that the Town enter into an agreement with the Curling Club Working Group for the development and operation of a Curling Club Facility to be declared a municipal capital facility under Section 110 of the Municipal Act, to grant tax exemption under Section 110 (6), and the municipal capital facility is for the purposes of the municipality and is for public use; and,

THAT Council and the Curling Club Working Group agree that the project will only proceed when all the funds have been raised and if the project does not go forward that all fundraising dollars will be returned to each donor.

B. Background

At the May 26, 2010 meeting of Council, Staff Report DOR.10.033 “Request for Curling Club Facility Follow up” (attachment 1 of this report) was approved by Council and the recommendation outlined in the report. As outlined in Staff Report DOR .10.033 recommendation “a” the Curling Club Working Group presented “The Beaver Valley Curling Club Business Plan”.

During this presentation with the Working Group and Council, discussion took place in regards to the following points:

- ▶ A property appraisal should be included in this process to determine the potential in kind donation from the Town to the Curling Club Working Group.

Action suggested:

Staff suggest Town land on Grey Road 19 “former Board of Education property” be used as a preliminary comparison.

- ▶ Proposed site plan should be consistent within the Business plan, it was identified that two proposed site plans in the business plan were inconsistent. The Conceptual Landscape Site Plan showing an entrance off of Elma Street and Site Plan A1.1 and SP1 showing no entrance off of Elma Street.

Action suggested:

Site plans should reflect actual requests. If entrance off of Elma Street is requested, Approval from Planning and Engineering and Public works will be required. Final site plan approval would require approval from Council.

- ▶ Future Staff Report needs to clarify how funds to be raised.

Action suggested:

It has been suggested by the Working Group that fundraising through local fundraising projects, Curling Association, Ministry of Sport and Culture, Trillium Funding, potential naming rights, buy a stone programs as well as other common fundraising options that are used in other areas.

- ▶ Clarification is needed for who “owns” the land and “Building”

Action suggested:

Listed below are the various options propose by the Curling Club Working Group to assist in determining the best option to be utilized. In all option, the Curling Club would be responsible for operation and maintenance of the building and program.

- Town-owned lands leased to the Curling Club with the Curling Club owning the Building,
 - The Curling Club would be a tenant of the Town and would be required to pay property taxes. If the building is valued at \$3,500,000 of assessment under the residential class, the property tax would be approximately \$35,000.

-
- Estimating the facility just over 2,000 m² of development area, this building's development charges would be approximately \$269,000. Council has the authority to waive development charges, however if Council wishes to supply relief, in the past Finance has recommended to contribute an in-kind contribution equal to the charge.
 - For a Capital Facility, the municipality must own or will own on reversion of the property, the municipal capital facility, including the land where the facility is situated.
 - The Curling Club own the land and the building outright,
 - The Town could sever a piece of property from the Beaver Valley Community Centre property and register it to the Curling Club,
 - The Town can only issue income tax receipts for donations to municipal facilities not privately owned facilities.
 - The property tax would be paid to the Town, County and the School Boards at the residential rate. Any rebate of taxes to the Curling Club would be a donation from the Town, covered through Town taxation.
 - Through conversations with other municipalities in Grey County, some Curling Clubs are privately owned, some are municipally owned and operated and others are municipally owned and leased to the Curling Club.
 - The Town-owned lands and Town-owned building and the Curling Club enter a 50 year lease for the use and operations of the building
 - As a tenant to the Town, the Curling Club Facility would be subject to property taxes and development charges.
 - The Town-owned lands and Town-owned building be considered a Municipal Capital Facility and the Town lease to the Curling Club for operating and maintenance of the facility.
 - For the building to be consider a Municipal Capital Facility the municipality must own or will own on reversion of the property, the municipal capital facility, including the land where the facility is situated. The Town could then lease the building operation and maintenance to the Curling Club.
 - The Town can issue income tax receipts for donations towards a Municipal Capital Facility
 - Council has the authority to exempt a municipal capital facility from development charges and property taxes for recreation purposes
- ▶ Clarification needed if it is common for a Municipality to hold money for fundraising of this type.

Action suggested:

Some municipalities hold fundraising dollars for group projects being initiated for Municipal purposes. If the property is to be privately owned, the Municipality does not have the authority to issue income tax receipts as the project is no longer for municipal purposes. If the property or building were to be privately owned, I would recommend the non-for-profit organization hold their own funds.

Income Tax receipts are issued by municipalities for monetary donations to municipal projects, programs, and facilities.

- ▶ Council requested clarification for what happens to monies raised being held by the Town if the project does not move forward.

Action suggested:

Canada Revenue Agency (CRA) was contacted and if Council wishes the fundraising dollars to be returned, they can be returned up to 7 years from receiving the donation. The Town can return the funds and cancel the tax receipt, accompanied by a letter requesting the donator to amend their income tax return for the year of donation.

A suggestion from the CRA was that Council determine an alternative use for the funds and at the time of issuing the income tax receipt, provide a written disclosure of how the moneys would alternatively be used, for example "That in the event the project does not go forward, all donations will be placed in the Recreation Reserve Fund for future recreation purposes" (or some other location that Council decides appropriate).

- ▶ Council questioned how grants typical of requiring 1/3 – 1/3 – 1/3 funding from Municipal, Provincial and Federal streams would be achieved.

Action suggested:

Criteria of Grant applications would be reviewed and only those opportunities that the criteria can be met would be applied for, therefore similar grants such Building Canada or Infrastructure stimulus funding may not be applicable for this type of project. It has been noted in previous reports that the Town would only be used as a co-applicant and not be requested to be a lead applicant at anytime.

- ▶ Clarify how lost revenue in taxation and water sewer is detailed for in-kind donation.

Action suggested:

- If the property is owned by the Town, the property will be exempt from taxation and development charges as other Municipal properties.
- If the property or building or both are privately owned the property will be subject to property taxes at the residential rate, consisting of Municipal Taxes, County Taxes, and School Board Taxes. If Council was considering an in-kind contribution for the amount of property taxes, this amount would be an additional taxation budget pressure.
- Water and Sewer usage is billed to all municipal and private services. The Development Charges for Water and Sewer are estimated at \$130,000.

Under the Municipal Act and associated regulations, municipal Councils have the authority to enter into an agreement for the provisions of a Municipal Capital Facility.

Among other things, the facilities can be for recreational purposes. The municipal capital facility agreement, for a recreation facility must provide that:

- The municipality owns or agrees to purchase or will own on reversion of the property, the municipal capital facility, including the land where the facility is situated; and
- The council has declared by resolution that the municipal capital facility is for the purpose of the municipality and is for public use.

In summary, the proposed recommendation indicates that council would approve in principle, the Curling Club Working Group (Club) to begin fundraising with the monies to be held by the Town and the Town issuing income tax receipts for donations received. The Club would construct, at no cost to the Town, a Curling Club Facility (Facility) on Town-owned property (at the Beaver Valley Community Centre) a Town-owned facility. That council would (approved in principle) enter into a Municipal Capital Facility agreement with the Club to operate and maintain the Facility under a lease agreement. The Municipal Capital Facility agreement would exempt the Club from taxation that would otherwise apply to the Facility. The terms of the agreement can provide for other municipal assistance under the direction of Council, including exemption of development charges. The project will only proceed to construction when sufficient fund to cover the construction of the project have been raised and if the project does not go forward that all fundraising dollars will be returned to each donor.

C. The Blue Mountains' Strategic Plan

Addressing the Town's municipal infrastructure needs

Supporting the development of social and recreational programs to meet the broad range of needs in the community

D. Environmental Impacts

It is suggested that all reasonable efforts would be made to ensure energy efficient measures are incorporated in the Construction of the proposed facility.

The addition of a Curling Club Facility provides additional Active Lifestyle opportunities to a vast range of the Communities residents

E. Budget Impact

It would be requested as part of the proposal that the lands for the construction be supplied by the town and leased to the Curling Club Group at no cost.

All Planning, permits, servicing, permits and construction costs will be the responsibility of the Curling Club Group. With the exception of the Town supplying the land and the exemption of taxes, no Town funding of any type will requested by the Curling Club.

All operational and capital replacement costs will be the responsibility of the Curling Club Group under the lease agreement.

F. Attached

- 1) Staff Report DOR.10.33

Respectfully submitted,

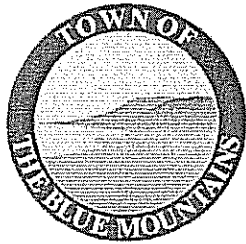
Signature
Shawn Everitt, Director of Recreation

Signature
Elizabeth Thompson, Deputy Treasurer

For more information, please contact:

Shawn Everitt, Director of Recreation
severitt@thebluemountains.ca
519-599-3131 ext. 281

STAFF REPORT:



REPORT TO: Council
MEETING DATE: May 26, 2010
REPORT NO.: DOR 10 33
SUBJECT: Request for Curling Club Facility
Follow up report
PREPARED BY: Shawn Everitt
Director of Recreation

A. Recommendations

THAT Council receive Staff Report DOR 10 33 "Request for Curling Club Facility Follow up Report" and request the development of a Curling Club Business Plan in consultation with the Curling Club Working Group, community members, special interest groups, Town Staff and neighbouring communities and existing surrounding curling clubs;

AND THAT final Approval of any works related to this project shall be subject to Council endorsement of the Curling Club Business Plan, which shall confirm that total project financing is in place for the project as well as presenting a twenty year plan identifying all operational and capital replacement costing and budgeting;

And that Council ;

- a) Approve in Principle the Curling Club Working Group's , ability to apply for grant funding for curling club facility construction to be attached to the existing Beaver Valley Community Center with anticipated costs of \$3,000,000.00; with no Town funding being requested;
- b) Request an agreement be prepared, subject to Council endorsement between the Curling Club Working Group and the Town, identifying that no financial support from the Town will be requested at any time for the construction, operations or capital replacement of the Curling Club Facility;
- c) Consider the provision of land for the potential construction of a curling club facility as the sole Town contribution to said project;
- d) Authorizes the Director of Recreation and the Treasurer to sign on behalf of the Town as co-applicants on any grant application with the Curling Club Working Group to be shown as Lead Applicant
- e) Directs that any grant applications shall be based on any future Curling Club Executive and Membership being responsible for Year Round Operations of the Curling Club Facility and all operational and capital replacement costs;
- f) Directs staff to revise the March 2006 Leisure Activities Plan to identify the possible provision of a curling club facility as a potential action item to be determined through a public consultation process.

B. Background

At the March 22, 2010 meeting of Council, discussion took place in regards to Staff Report DOR 10 05 for the Request for Curling Club Facility that was included in the March 9, 2010 Infrastructure and Recreation Committee Minutes. As a result of this discussion Council requested that a follow up report be brought to Council at a later date.

For the benefit of all members of Council the following is a summary of the process that brings us to this point.

- ▶ **April 28, 2009** a group of local residents presented a request to formalize a Working Group to review the potential of building a Curling Facility in The Blue Mountains.
- ▶ **May 26, 2009** Infrastructure and Recreation Committee approved Report DOR 09 27 “Curling Club Facility Working Group” and directed staff to establish a Working Group with a mandate to determine the feasibility and potential of a Curling Club Facility.
- ▶ **November 10, 2009**, Curling Club Working Group reports to Infrastructure and Recreation Committee. The proposal identified the request to construct a 4 sheet curling facility at Moreau Park on Victoria Street in Thornbury, utilizing the former Thornbury Arena site. Moreau Park was the preferred site at that time for the following reasons:
 - Services are available
 - Proximity to existing Community Center
 - Shared use of exterior washrooms answers washroom requirements at Moreau Park for summer activities
 - Adding Recreational facility to area enhances the Victoria Street as a Recreation Complex
 - Excellent active transportation linkages exist
- ▶ **January 12, 2010** Infrastructure and Recreation receives Staff Report and suggests the project is not feasible at this time, and that the Curling Club Working Group proceed to continue searching for financial support to seek a more viable option.
- ▶ **February 23, 2010** Curling Club Working Group makes a presentation to the Infrastructure and Recreation Committee. The Curling Club Working Group also provided a list of approximately 250 individuals interested in Curling. The Committee directed Staff to provide a report back to Infrastructure and Recreation. The Committee noted the following concerns;
 - High Priority submission from existing grants recently offered are only 2/3 funding from the Provincial and Federal Governments with 1/3 funding coming from the Town.

- How to proceed with putting this project as a high priority and convincing Council that it should be at the top of the list.
 - Current Council cannot commit any new Council to any significant expenditures for the next two to three years.
 - Infrastructure & Recreation Committee realize that curling club need something in writing from the Town to move forward.
 - Economy is very slow with no new development coming forward therefore no Development Charge Funds available.
- ▶ **March 9, 2010**, Staff Report DOR 10 05 is discussed at Infrastructure and Recreation Committee. The recommendation of this report was as follows;
- a) Approve in Principle the Curling Club Working Group, the ability to apply for funding for Curling Club Facility construction anticipated costs of \$3,000,000.00; with no funding being made from taxation or development charge; and,
 - b) Approve in Principle that all Grant Applications be based on the Curling Club Executive and Membership being responsible for Year Round Operation of the Facility and all operational costs; and,
 - c) Direct Staff to include the Curling Club project as possible Grant application candidate where applicable; and,
 - d) Authorize the Director of Recreation and the Treasurer to sign as co-applicant on grant application with the Curling Club as Lead Applicant; and,
 - e) Consider the provision of lands for the potential construction of a curling club facility as the sole Town contribution to said project; and that,
 - f) No approval from Council to proceed be granted until proof of financing is in place for both capital and operating costs.
The Motion to approve this recommendation was "Lost".
- ▶ **March 22, 2010**, Council discusses Minutes from March 9, 2010 Infrastructure and Recreation and moves a Recommendation to have DOR 10 05 Request for Curling Club Facility of the Infrastructure & Recreation Committee Report of March 9, 2010 be referred to Staff for a Report back to Council at a future date. This recommendation was carried.
- ▶ **May 26, 2010** As a result of the information provided to staff through the past presentations, the Curling Club Working Group has reflected on feedback from Council and Staff and have tailored their request to accommodate the majority of concerns and believe that approval of their request does in no way provide approval to proceed with construction of a Curling Club Facility. Upon approval of this report the Curling Club Working Group's next step would be to begin

sourcing out required funding and provide Council with a Business Plan identifying all required funding and potential sources for construction and operations as well as the findings of a Public Consultation process.

A revised Final Business Plan indentifying the required total secured funding and identified sources of funding would require Council's final approval. Staff would provide support to determine any issues with the use of the property such as land use compatibility, zoning, parking requirements, etc as well would provide support and guidance through the Public Consultation process.

New Proposal (May 26, 2010)

The Group after reflecting has significantly changed its proposal and feels that with the changes made is a justifiable proposal. It is to be noted that a completed Business Plan for the Curling Club Facility including construction, operations, and capital replacement budgets must be endorsed by Council prior to final approval being made to move forward with the projects construction initiation.

The Group is asking that approval in principle for the future construction of a Curling Club Facility to be constructed on to the existing Beaver Valley Community Center Arena as outlined in Attachment "1" with the Town to consider the supply of Land as the sole contribution to the said project. All costs associated with the planning, design, servicing, construction, operations, as well as capital replacement costs would be borne by the Curling Club Group, however with all final approvals being at the Town's discretion. Total funding for the planning, design, servicing and construction must be in place prior to Council approving the initiation of the projects construction. It is being requested that the facility be within Town ownership and that the Club would not be subject to Property Tax.

The construction of a facility at the proposed location does not affect the findings and results of the August 2010 Multi use facility feasibility study.

Initial Proposal (February 23, 2010)

The initial proposal requested that the town provide funding in the amount of \$2,500,000.00 from Development Charge and Taxation funds with the Curling Club Working Group raising \$500,000.00 of the total project costs with a proposed agreement that the facility would be leased to the Curling Club from October 1st to March 31st and then operated by the Town from April 1st to September 30th. The Curling Club Working Group would pay for all operational costs from October 1st to March 31st. The group identified Moreau Park on the former Arena site as its location of choice.

Second Proposal (March 9, 2010)

The second proposal presented some changes resulting from the feedback received from the initial report to Committee. The Curling Club Working Group would provide all funding for the construction of the facility with the Town supplying the required land. The Curling Club Working Group would operate the facility year round with all expenses being paid for by the Curling Club. All revenue would remain with the Club to offset expenses. The Town would support the Construction of the facility by prioritizing the

project in grant applications as well as be the co-applicant with group for funding opportunities. The group continued to identify Moreau Park and the former Arena site as its location of choice.

As outlined in the previous reports, reviews of other properties were considered through the process. The properties included the Tomahawk Recreation Complex, and the former Board of Education Property in Craighleith. It was determined by the group that the preferred region of the municipality was Thornbury. This eliminated the former Board of Education property. The Tomahawk Recreation Complex property was reviewed however the lack of existing servicing deemed that location as less desirable.

Moreau Park provided the benefit of its proximity to the Beaver Valley Community Center for additional special event venues, and ability to have a facility in walking distance for one of the largest core residential areas and determined that Moreau Park location the most desirable.

The proposed addition to the existing Beaver Valley Arena provides all the same benefits as the Moreau Park Site.

The Curling Club Working Group had provided preliminary blue prints (see Attachment 2 & 3) for a 4 sheet curling stand alone facility that includes a viewing lounge, change rooms, kitchen as well as outdoor accessible washrooms that would accommodate the needs of summer usage sports. The cost of this design build had been estimated at \$3,000,000.00 for the initial stand alone facility and it is expected the cost would remain similar even with the change of location.

The Working Group has based operational justification on a membership of 300. Using these numbers of paid members at a membership cost of \$225.00 would be within an affordable range, while also being able to cover all operational costs and provide funding to reserve for future years. The working group has also identified the need to establish a novice rate at \$175.00 and Junior Curler rate of \$65.00. Budget development for the business case also includes summer rentals, and bar sales.

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D. Environmental Impacts

It is suggested that all reasonable efforts would be made to ensure energy efficient measures are incorporated in the Construction of the proposed facility.

The addition of a Curling Club Facility provides additional Active Lifestyle opportunities to a vast range of the Communities residents

E. Budget Impact

It would be requested as part of the proposal that the lands for the construction be supplied by the Town to the Curling Club Group at no cost.

All Planning, permits, servicing, permits and construction costs will be the responsibility of the Curling Club Working Group. With the exception of the Town supplying the Land, No Town funding of any type will requested by the Curling Club.

All operational and capital replacement costs will be the responsibility of the Curling Club Group

F. Attached

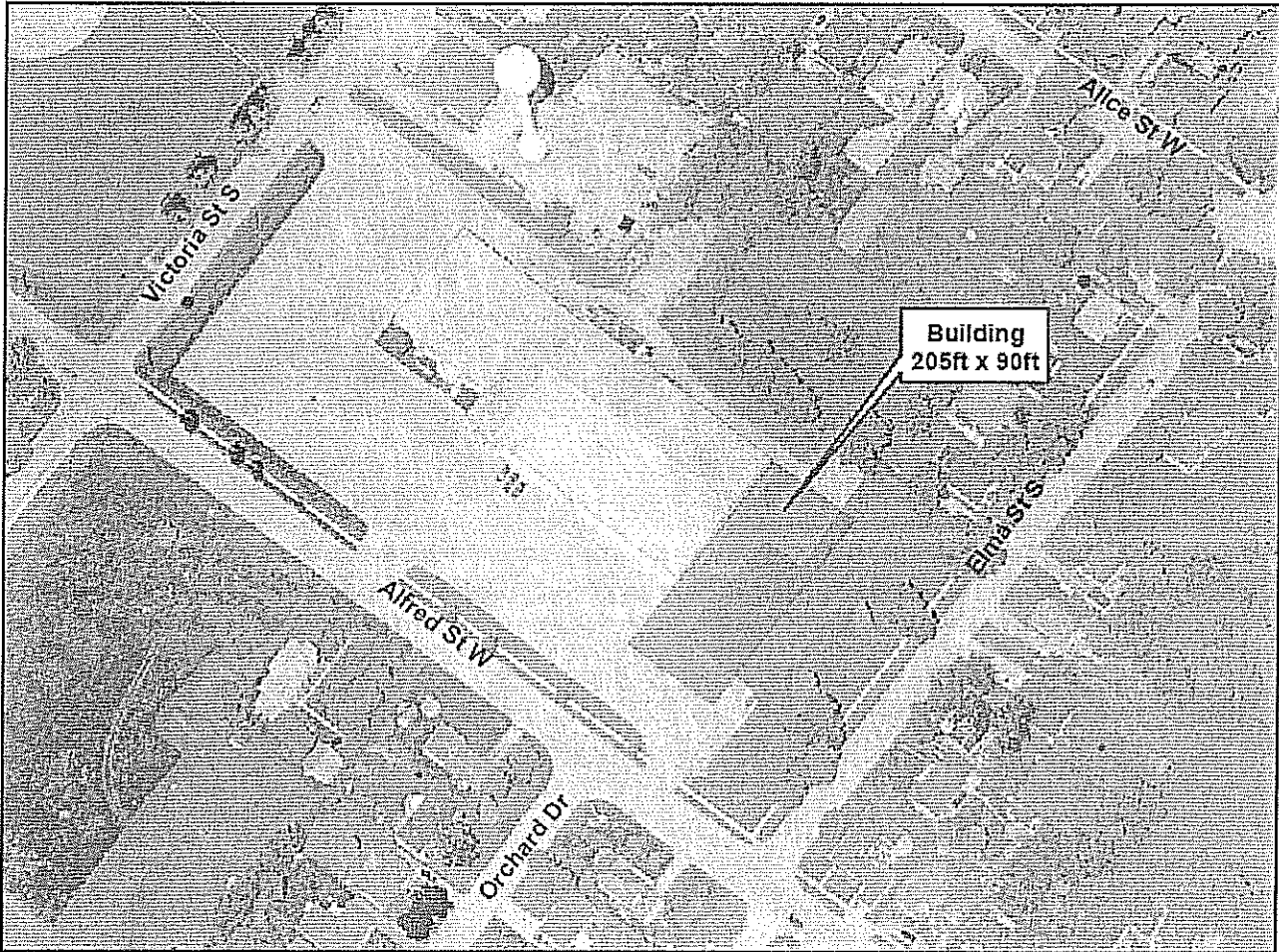
- 1) Location Map
- 2) Proposed Layout of Curling Club First Floor
- 3) Proposed Layout of Curling Club Second Floor

Respectfully submitted,

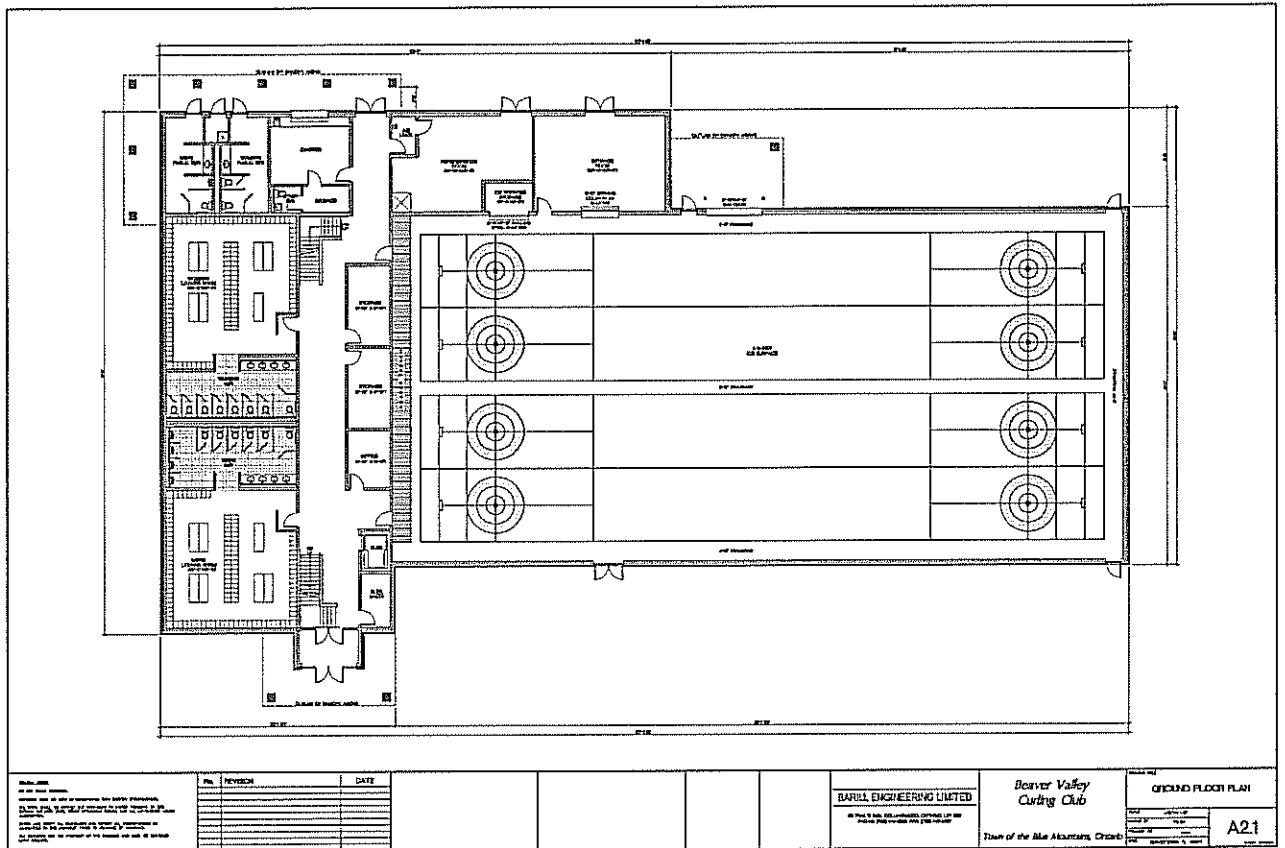
Signature

For more information, please contact:
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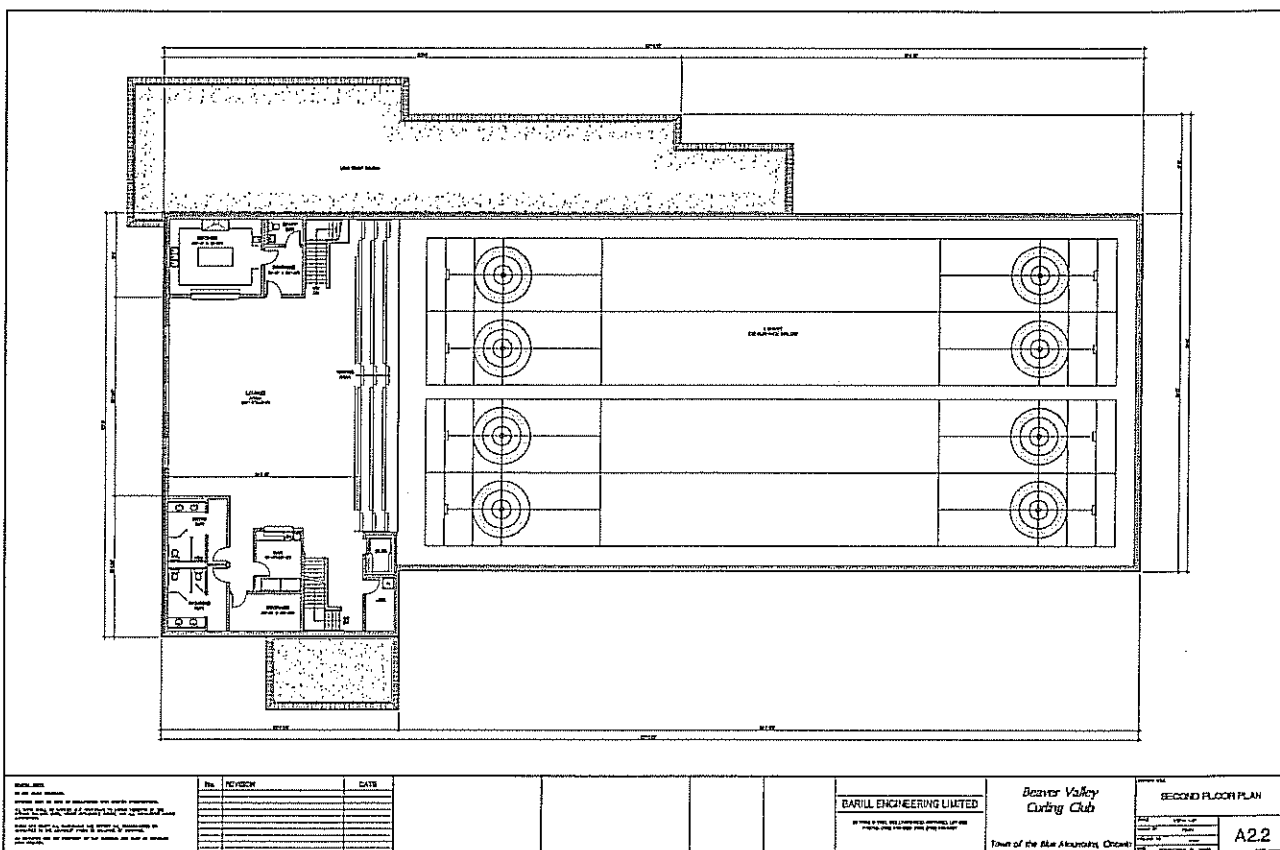
Attachment 1



Attachment 2
 First Floor



Attachment 3
 Second Floor



<small> DRAWING OF THE CLUB FACILITY PREPARED FOR THE TOWN OF BEAVER VALLEY BY BARILL ENGINEERING LIMITED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TOWN OF BEAVER VALLEY ZONING BY-LAW NO. 1000, AS AMENDED, AND THE TOWN OF BEAVER VALLEY BUILDING BY-LAW NO. 1001, AS AMENDED. </small>	<table border="1"> <thead> <tr> <th>NO.</th> <th>REVISION</th> <th>DATE</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	NO.	REVISION	DATE																												BARILL ENGINEERING LIMITED <small> 1000 10th Street West St. John's, NL A1B 2X6 Tel: (709) 753-1111 Fax: (709) 753-1112 Email: info@barill.com </small>	Beaver Valley Curling Club Town of the Blue Mountains, Ontario	SECOND FLOOR PLAN A2.2
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