



Staff Report

Community Services

Report To: Committee of the Whole
Meeting Date: January 9, 2017
Report Number: CSPW.17.007
Subject: Options for Chamber of Commerce Building Agreement
Prepared by: Shawn Everitt, Director of Community Services

A. Recommendations

THAT Council receive Staff Report CSPW.17.007 entitled "Options for Chamber of Commerce Building Agreement";

AND THAT Council direct Staff to develop an agreement based on Option 3 for the Chamber of Commerce Executive to consider.

B. Overview

This report outlines the options considered thus far regarding moving forward with the development of an agreement between the Blue Mountains Chamber of Commerce (Chamber) and the Town for the future use arrangements of the 3 Grey Street property.

C. Background

Over the past year, Town Staff and representatives from the Chamber have had numerous discussions regarding the potential uses of the building and lands at the 3 Grey Street property as well as the need to develop a detailed agreement between the Chamber and the Town.

In 1988 the Chamber (then the Beaver Valley Chamber of Commerce) presented a brief to the former Thornbury Town Council that outlined the request to have a building placed on Town owned land at 3 Grey Street for a "permanent Tourist Information Centre". As researched, the Town of Thornbury made a Resolution in June of 1989 that identified the following;

"That this Council support the front end financing of the purchase of a building in co-operation with the Beaver Valley Chamber of Commerce AND matching funds from the Township of Collingwood to be placed on the Town site on Grey Street to the sum of \$15,000 SUCH funds to be made available immediately as the building must be purchased and moved before the end of June."

Since 1990, the Chamber has managed the building that is located on 3 Grey Street.

Over the years, the building has been used as a Tourist Information Centre, while it has also provided an office for the Chamber as well as a temporary location for an Ontario Provincial Police Detachment.

During 2016, Town Staff and representatives of the Chamber worked on a capital project that included the following:

- Landscaping enhancements including the removal of a kiosk structure
- Removal of the building's side decking and new stair construction
- Removal of overgrown vegetation along the building
- Enhancement to the parking lot area and sign
- Planting of trees transplanted from Tomahawk tree nursery
- New bench and slab placement
- Electrical supply and outdoor GFI plug installations for future beautification of the municipal gateway
- Installation of a water meter in the building as this building had been deficient and is now within the required metering program

D. Analysis

Staff have been provided with a proposed agreement that was drafted by the Chamber. Staff considers the following highlights taken from the draft agreement as Option 1:

Option 1

- a) Chamber of Commerce would rent the building for \$1.00 base rate payable each year
- b) Chamber would be responsible for cleaning and janitorial services
- c) Chamber would be responsible for window cleaning
- d) Chamber would be responsible for provision of insurance to the Town
- e) Chamber would be responsible for supplies used in relation the operation and maintenance of the building
- f) The Town would be responsible for repairs and replacements to the building and/or Billboard sign and any component of the building
- g) The Town be responsible for the provision, repair, replacement, and maintenance of the heating, cooling, ventilation, and air conditioning equipment throughout the building
- h) The Town would be responsible for all outdoor maintenance including landscaping and snow removal
- i) The Town would be responsible for the operation and maintenance of the parking area
- j) The Town would be responsible for all preventative maintenance and inspection

- k) The Town would be responsible for the payment of Capital costs to the exterior and structure of the building
- l) The Chamber would be responsible for the direct payment of utilities including hydro, telephone, internet and water
- m) The Town would assume clear ownership of the building and the Chamber of Commerce would be relieved of property taxes, however still be responsible for BIA Levy on an annual basis

After reviewing the draft agreement supplied by the Chamber, the Town's Senior Management Team has identified that taking on an additional facility at this time presents significant financial strain and the Town does not have the capacity to provide this additional level of service without increasing the operational costs in the Community Services Facility budget. This facility has not been included in the 2017 proposed budget, however, Staff recommend that Option 2 be considered.

Option 2 would provide a formal agreement that would have the Town assume ownership of the building as well as remain responsible for the property. The Chamber would be responsible for all building costs excluding capital costs as well as repair and maintenance costs of the HVAC system. Any Third Party lease agreement would be between the Town and the Third Party, however use of the building would also require an agreement between the Town and Chamber detailing the specific type of use that is deemed appropriate on a case by case basis;

Option 2

- a) The Town would assume ownership of the building and be responsible for capital costs
- b) Chamber would be responsible for cleaning and janitorial services
- c) Chamber would be responsible for window cleaning
- d) Chamber would be responsible for provision of insurance to the Town as a Tenant of the building
- e) Chamber would be responsible for supplies used in relation to the operation and maintenance of the building
- f) The Chamber would be responsible for the annual preventative maintenance costs of the HVAC system throughout the building
- g) The Town be responsible for the provision, repair and replacement of the HVAC system throughout the building
- h) The Town would be responsible for all outdoor maintenance including landscaping and snow removal
- i) The Town would be responsible for the operation and maintenance of the parking area
- j) The Town would be responsible for all scheduling of preventative maintenance and inspections
- k) The Town would be responsible for the payment of Capital costs of the building

- l) The Chamber would be responsible for the direct payment of utilities including hydro, telephone, internet and water service. In the case of a Third Party lease, the hydro costs associated with the lease would be payable to the Town and reimbursed to the Chamber
- m) The Chamber would be responsible for all repair and management of the outdoor advertisement sign
- n) The Town would assume clear ownership of the building and the Chamber would be relieved of property taxes, however would still be responsible for the BIA Levy on an annual basis

Staff have also identified Option 3 which would provide a formal agreement representing the current arrangement outlining the following;

Option 3

- a) The Town is responsible for all operations and maintenance of the 3 Grey Street property excluding the building, its access points and the advertisement/billboard sign. This property responsibility includes the parking lot area, trail, landscaping, gateway features and the gardens around the building
- b) Winter maintenance will include the daily inspection of the parking lot area from November 15 to March 31 of each year with snow removal in compliance with the Town's Winter Maintenance Policy (Level 2 based on the building utilizing a three day operation schedule)
- c) The Town is responsible for the hydro costs for the exterior hydro receptacles that provide power for the eastern gateway beautification. These hydro costs will be negotiated prior to works being completed. The negotiations will take place between an identified member of the Chamber and the Director of Community Services or designate
- d) The Town will not access water from the building for any reason unless specifically requesting use from the Chamber representative a minimum of 1 week in advance of the requested use
- e) The Chamber is identified and referred to as the "Owner" of the building and is responsible for any Third Party or other lease arrangements with tenants of the building
- f) In the case of a tenant utilizing the building, parking lot maintenance cost (specifically winter maintenance) will be negotiated if additional days from the above noted three days is required
- g) The Chamber is responsible for maintenance and operations costs of both the exterior and interior of the building
- h) The Chamber is responsible for all utility costs supplied to the building for the purposes of servicing the building and the advertisement/billboard sign
- i) Any modifications or additions to the building require the appropriate permits
- j) The Chamber is responsible for ensuring compliance with the Accessibility for Ontarians with Disabilities Act (AODA) for public spaces

- k) Any use of the land at 3 Grey Street will be negotiated between the Chamber and the Town within 2 months of the proposed use. Appropriate Insurance will be provide to the Town as well as all other required documentation such as WSIB, Health and Safety Policies and Procedures and Lands Use Permit approved by the Director of Community Services or designate

E. The Blue Mountains Strategic Plan

- Goal #1: Create Opportunities for Sustainability
- Goal #2: Engage Our Communities & Partners
- Goal #3: Support Healthy Lifestyles
- Goal #4: Promote a Culture of Organizational & Operational Excellence
- Goal #5: Ensure Our Infrastructure is Sustainable

F. Environmental Impacts

Appropriate management of Town owned land for sustainable use.

G. Financial Impact

Option 1

Estimated costs are expected to be comparable to the operations and maintenance costs associated with the OPP Detachment building, excluding utilities, janitorial supplies and contracting. Annual maintenance costs in the amount of \$25,500 are anticipated, however are not included in the 2017 proposed budget. Possible Capital costs are anticipated to be \$10,000 for accessibility requirements.

This option would result in the loss of approximately \$4,500 in annual property taxes.

Third Party leases of the building could be a potential source of revenue, however, due to unknown use and possible requests for subsidies and grants and donations, Staff suggest no revenue be projected for the purposes of this report.

Total estimated annual cost to the Town would be $(\$25,500 + \$4,500) = \textbf{\$30,000}$

Option 2

Estimated costs are expected to be comparable to the operations and maintenance costs associated with the OPP Detachment building, including the cost of annual preventative to the HVAC system while excluding utilities, janitorial supplies and contracting. Annual maintenance costs in the amount of \$20,000 are anticipated, however are not included in the 2017 proposed budget. Possible Capital costs are anticipated to be \$10,000 for accessibility requirements.

This option would result in the loss of approximately \$4,500 in annual property taxes.

Third Party leases of the building could be a potential source of revenue, however, due to unknown use and possible requests for subsidies and grants and donations, Staff suggest no revenue be projected for the purposes of this report.

Total estimated annual cost to the Town would be $(\$20,000 + \$4,500) = \textbf{\$24,500}$

Option 3

This option maintains the existing operational costs and is what is reflected in the 2017 proposed budget.

There would be no additional costs to the Town.

It is important to note that Option 3 may not be an acceptable option for the Chamber.

H. In consultation with

President of the Chamber of Commerce
Senior Management Team

I. Attached

None

Respectfully submitted,

Shawn Everitt
Director of Community Services

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