

TO: GENERAL COMMITTEE


SUBJECT: SOUTHSHORE COMMUNITY CENTRE FACILITY USE AGREEMENT RENEWAL

WARD: Ward 8

PREPARED BY AND KEY CONTACT: R. EMERSON – MANAGER, BUSINESS SERVICES EXT. 4500

SUBMITTED BY: B. ROTH, DIRECTOR OF RECREATION SERVICES 

GENERAL MANAGER APPROVAL: RICHARD FORWARD, MBA, M.SC., P.ENG., GENERAL MANAGER OF COMMUNITY & CORPORATE SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: CARLA LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That, upon the expiry of the existing Southshore Community Centre Facility Use Agreement on August 31, 2014 the Mayor and Clerk be authorized to execute a renewed Southshore Community Centre Facility Use Agreement with the Barrie Canoe and Kayak Club, the Barrie Rowing Club, the Rotary Club of Barrie, and the Rotary Club of Barrie-Huron, subject to the agreement conforming to the following:
 - a) The term of the agreement shall be 5-years, from 2014 to December 31, 2019, with an option to renew for a further 2-year period subject to the mutual agreement of the parties.
 - b) The Rotary Clubs shall jointly and fully fund all costs related to a “digital building identification sign” to be installed by the City of Barrie on the Lakeshore Drive frontage of the Southshore Community Centre no later than December 31, 2015, the cost for which shall not exceed \$50,000;
 - c) The Barrie Rowing Club and Barrie Canoe & Kayak Club shall jointly and fully fund all costs related to the renovation of the lower level washrooms at the Southshore Community Centre and shall carry out such work to the satisfaction of the City of Barrie, the cost for which shall not exceed \$10,000;
 - d) The Barrie Rowing Club and Barrie Canoe & Kayak Club shall continue to enjoy the exclusive use of the lower level of the Southshore Community Centre;
 - e) The Rotary Club of Barrie-Huron and the Rotary Club of Barrie shall continue to be provided with right-of-first-refusal to book the Community Hall at the Southshore Community Centre on Tuesdays and Thursday respectively, for the purposes of holding their weekly lunch hour meetings;
 - f) The rental rates paid by the Barrie Rowing Club and Barrie Canoe & Kayak Club, and the facility rental rates paid by the Rotary Club of Barrie-Huron and the Rotary Club of Barrie shall remain at their current levels for the term of the agreement.
 - g) The agreement contain any other terms and conditions deemed necessary by the General Manager of Community & Corporate Services, and the form of the agreement shall be prepared to the satisfaction of the Director of Legal Services.

PURPOSE & BACKGROUND

2. In 1994, the City of Barrie entered into a 20-year facility use agreement with the Rotary Club of Barrie, the Rotary Club of Barrie-Huronia, the Barrie Canoe & Kayak Club, and the Barrie Rowing Club. This agreement expires August 31, 2014. For more details on the history of the Southshore Community Centre, and a chronology of the expiring facility use agreement, please see Appendix A of this staff report.

ANALYSIS

Proposed Terms

3. The following proposed terms for the Southshore Community Centre Facility Use Agreement were developed through negotiations between the City and the Community Partners from December, 2013 through July, 2014:
 - a) The term of the agreement would be 5-years, from 2014 to December 31, 2019, with an option to renew for a further 2-year period subject to the mutual agreement of the parties.
 - b) The Rotary Clubs would jointly and fully fund all costs related to a "digital building identification sign" to be installed by the City of Barrie on the Lakeshore Drive frontage of the Southshore Community Centre no later than December 31, 2015, the cost for which would not exceed \$50,000;
 - c) The Barrie Rowing Club and Barrie Canoe & Kayak Club would jointly and fully fund all costs related to the renovation of the lower level washrooms at the Southshore Community Centre and shall carry out such work to the satisfaction of the City of Barrie, the cost for which would not exceed \$10,000;
 - d) The Barrie Rowing Club and Barrie Canoe & Kayak Club would continue to enjoy the exclusive, unlimited, and uninterrupted use of the lower level of the Southshore Community Centre;
 - e) The Rotary Club of Barrie-Huronia and the Rotary Club of Barrie would continue to be provided with right-of-first-refusal to book the Community Hall at the Southshore Community Centre on Tuesdays and Thursday respectively, for the purposes of holding their weekly lunch hour meetings;
 - f) The rental rates paid by the Barrie Rowing Club and Barrie Canoe & Kayak Club, and the facility rental rates paid by the Rotary Club of Barrie-Huronia and the Rotary Club of Barrie would remain at their current levels for the term of the agreement.
4. The proposed terms listed above substantially reflect the directions that were provided by the Executive Management Team, Furthermore, the Community Partners have also expressed their support for the proposed terms and have indicated their willingness to enter in an agreement which reflects these terms.
5. The proposed Southshore Community Centre Facility Use Agreement between the City of Barrie and the Community Partners will see the City realize an additional \$60,000 investment towards improvements at the Southshore Community Centre. The agreement will also provide a solid foundation to continuing the existing stable and beneficial relationship between the parties.

Consideration of Other Uses for Southshore

6. As part of its due diligence prior to proposing a renewed facility use agreement with similar terms, Recreation Services considered other possible uses for the Southshore Community Centre in the context of the Waterfront and Marina Strategic Plan. It was determined that, while there may be other uses which would allow the City to better realize the full potential of the facility and the neighbouring waterfront area, if developmental work on such future uses were to begin in earnest today any change would not likely be realized for many years. For this reason, it was concluded that a facility use agreement with a reasonable term, such as five years, would not likely otherwise impact any possible future change in use for the Southshore Community Centre.
7. While allowing for the Community Partners to continue their current activities at the Southshore Community Centre for the foreseeable future, the 5-year term of the agreement provides the City with sufficient flexibility for the future of the Southshore Centre. Furthermore the agreement defines the conditions for terminating the agreement that are fair and adequate to both the City and the Community Partners, should the parties contemplate a change to the relationship or to the use of the Southshore Centre.
8. In 2013, the Southshore Community Centre was booked on 236 days, for a total of 2,087 hours. The facility was booked for some portion of the day on 72% of the total days available for bookings (not including closures due to holidays, maintenance and special events). The proposed Southshore Community Centre Facility Use Agreement is not anticipated to have any substantial impact on overall use of the facility, either negatively or positively.
9. Southshore was "blacked out" for a total of 10 days in 2013, making it unavailable for public booking, due to nearby waterfront events and road closures. These included: Celebrate Barrie, the Barrie Waterfront Marathon, the Barrie Triathlon, Run for the Cure, and the Santa Claus Parade. The impact of such intense use of the waterfront area around the Southshore Community Centre will have to be carefully considered, if a different use for the facility is to be contemplated in the future.

ENVIRONMENTAL MATTERS

10. The proposed Southshore Community Centre Facility Use Agreement will permit the continuance of activities on and near the shoreline of Lake Simcoe which are appropriate to the facility's lake side setting. Both the Barrie Rowing Club and the Barrie Canoe & Kayak Club promote environmentally friendly activities which do not pollute or negatively impact the environment, and through which participants stand to gain a better appreciation for Lake Simcoe.

ALTERNATIVES

11. There are two alternatives available for consideration by General Committee:

Alternative #1 General Committee could reject the proposed Southshore Community Centre Facility Use Agreement and instead allow the existing agreement to expire on August 31, 2013.

This alternative is not recommended, as allowing the current agreement to expire without committing to a renewed agreement would mean displacing the Community Partners from their current long term home, without adequate time to secure alternate locations for their activities. Furthermore, such a decision would negatively impact on the total usage of the Southshore Community Centre.

Alternative #2 General Committee could alter the proposed Southshore Community Centre Facility Use Agreement by amending any of the proposed terms which have been provided.

Although this alternative is available, the proposed terms have been endorsed by the Community Partners, who have all indicated a willingness to execute an agreement which is consistent with these terms. Altering the proposed terms would mean a risk that one or more of the Community Partners may not support the amended agreement.

FINANCIAL

12. In 2014, the Barrie Canoe & Kayak Club and the Barrie Rowing Club will pay an estimated \$1,100 each for the exclusive use of the lower level of the Southshore Community Centre, for a total of \$2,200 in revenue to the City.
13. Currently the Barrie Canoe & Kayak Club and the Barrie Rowing Club rental payments are based on the water, electricity and natural gas consumption related to their use of the facility. This consumption is estimated at 5% of the \$43,000 in total annual utility consumption for the Southshore Community Centre – a small portion of the total facility consumption since the Clubs' activities are very limited in comparison to the more frequent activities within the Community Hall on the main level. Since the Clubs' are entirely responsible for all other maintenance costs related to the lower level, the \$2,200 in total annual rent payments means the City currently recovers 100% of the operating costs related to the Clubs' occupancy of the lower level.
14. The proposed agreement would see the annual rent of \$1,100 paid by each of the Barrie Canoe & Kayak Club and the Barrie Rowing Club frozen at this level for the 5-year term, and therefore the total annual revenue of \$2,200 related to these activities is expected to remain the same.
15. The Rotary Club of Barrie and the Rotary Club of Barrie-Huron currently pay a rental fee of \$106.90 per week, for 4-hours use of the Community Hall within the Southshore Community Centre for their weekly lunch meetings. In 2014, these rental charges are expected to generate a total of \$9,500 in revenue to the City of Barrie.

16. Based on the total operating expenses for the Southshore Community Centre, and the total hours available for booking, the Community Hall had an hourly operating cost of \$24.58 in 2013. Using this approach, the operating cost for each 4-hour weekly meeting of the Rotary Clubs was \$98.32. This means that the \$106.90 charged to the Rotary Clubs for each of their weekly lunch meetings currently allows the City to recover over 100% of the operating costs related to their use of the Community Hall.
17. The proposed agreement would see the weekly meeting rate charged to the Rotary Clubs remain at \$106.90 for the proposed 5-year term of the agreement, and therefore annual revenue related to these activities is expected to remain the same.
18. In 2013, Southshore Community Centre generated \$105,000 in revenue from all bookings, while incurring \$137,000 in operating expenses, for a net expense to the City of \$32,000 and a 76.6% operating cost recovery rate. Since the Community Partners' use of the Southshore Community Centre is not anticipated to change, and the rental rates charged will remain the same, the proposed facility use agreement is not anticipated to have any substantial impact on revenue received by the facility – \$93,000 of which was related to facility bookings by other parties in 2013.
19. While increases to the rental and meeting rates were pursued as part of negotiations, ultimately the Community Partners offered to make a further capital contribution to the facility conditional upon the rental and meetings rates being frozen for the term of the agreement. Since the City will realize \$60,000 in community investment in the Southshore Community Centre through the execution of this agreement, it is recommended that the request to maintain the rental and meeting rates at their current levels should be reflected in the renewed facility use agreement.
20. It is reasonable to assume that water, electricity, natural gas, and other expenses directly related to the Community Partners use of the Southshore Community Centre will increase somewhat in the next 5 years, while the rental and meeting rates charged to the Community Partners will remain the same. This means that, over the proposed 5-year term of the agreement, the City will begin to recover less than 100% of the operating costs directly related to the Community Partners use of the facility through the revenue received from them. However, any operating cost recovery deficit which may arise as a result of the agreement could be fully offset by insignificant increases to the rental rates charged to other Southshore Community Centre users.
21. The proposed agreement would see the Rotary Club of Barrie and the Rotary Club of Barrie-Huronia jointly and fully fund all costs related to a "digital building identification sign" to be installed at the Southshore Community Centre. The terms of the agreement would require the City of Barrie to install such a sign no later than December 31, 2015, while the Rotary Clubs will fund the \$50,000 cost for such work in equal annual payments over the 5-year term of the agreement. Upon approval of the recommended motion, a Capital Project Submission related to the installation of building identification signage at the Southshore Community Centre will be prepared and included for consideration as part of the 2015 Business Plan. The submission will note that the work will be funded 100% by donations from the Rotary Clubs in the form of \$10,000 annual contributions in each of 2015 through 2019, and the final agreement between the City and the community partners would reflect these terms.

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

22. The recommendation(s) included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:
- Strengthen Barrie's Financial Condition
 - Create a Vibrant and Healthy City Centre
 - Improve and Expand Community Involvement and City Interactions
23. The proposed Southshore Community Centre Facility Use Agreement would:
- a) Contribute to the City's goal of a strengthened financial condition through a \$60,000 investment by the Community Partners towards improvements at the Southshore Community Centre. Furthermore the agreement would ensure the continuance of rental payments from the Community Partners to the City for the next five years;
 - b) Contribute to the City's goal of creating a vibrant and healthy city centre, by allowing a significant level of community activity to continue at this waterfront facility.
 - c) Contribute to the City's goal of improving and expanding community involvement and city interactions by providing a solid foundation to continuing the existing stable and beneficial relationship between the City and the Community Partners.

Appendix A
History and Chronology of the Southshore Community Centre
and Former Facility Use Agreement

- a) In December 1992, Barrie City Council approved the redevelopment and expansion of the existing CN Master Mechanics Building on the south shore of Kempenfelt Bay, to be operated as a City owned community centre facility and to be known as the Southshore Centre.
- b) The City Council motion in December 1992 noted that funding for the \$1.5 million project would be provided 1/3 by the City of Barrie, 1/3 by a provincial Wintario Grant, and 1/3 to be collectively provided by the Barrie Rotary Club, the Huronia Rotary Club, the Barrie Rowing Club, and the Barrie Canoe Club.
- c) The December 1992 staff report noted that City had been approached by the Barrie Rotary Club in 1988, who proposed the development of the Southshore Community Centre for waterfront community uses. The Parks & Recreation Master Plan at the time identified the creation of facilities to support community leisure activities in the waterfront area, as a priority.
- d) On March 31, 1994 the City of Barrie entered into a Facility Use Agreement for the Southshore Community Centre, with the Barrie Rotary Club, the Huronia Rotary Club, the Barrie Rowing Club, and the Barrie Canoe Club (herein collectively referred to as the "Community Partners"). This agreement was for a 20-year term, with an expiry date of August 31, 2014.
- e) The 1994 agreement defined the terms and conditions under which the City and the Community Partners would collaborate on the development of the former CN Master Mechanics Building into a "multi-purpose facility, including community centre and boathouse/training centre." The agreement defines the rights and responsibilities of the City and the Community Partners, in return for the funding which had been provided by the Community Partners. In summary, these rights and responsibilities included:
 - i. The City of Barrie would be exclusively responsible for the operation of the Southshore Community Centre, including renting the facility to the general public for "market rent" amounts.
 - ii. The Barrie Rotary Club and Huronia Rotary Club would have "first right of refusal" on an annual basis to rent the facility for their weekly meetings.
 - iii. The Barrie Rowing Club and Barrie Canoe Club would be granted "exclusive, unlimited, and uninterrupted use" of certain areas on the lower level of the facility, for which they would reimburse the City on an annual basis for occupancy costs (defined as heat, hydro, water, insurance and maintenance).
 - iv. The Barrie Rowing Club and Barrie Canoe Club would be granted access to the shore of Kempenfelt Bay, including vehicular access.
 - v. The Community Partners would have the ability to use the facility above and beyond their defined rights, as availability permits.

- f) With the original Southshore Community Center Facility Use Agreement set to expire on August 31, 2014, the Community Partners expressed a desire, in the fall of 2013, to renew the agreement under similar terms.

- g) From December 2013 through July 2014, Recreation Services engaged the Community Partners in discussion concerning the possible terms for a new agreement. In February 2014, a presentation was made to the City of Barrie's Executive Management Team, to update on the discussions and to seek direction on the framework for a possible agreement.