

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 24, 2017

Item 2, Report No. 1, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on January 24, 2017.

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**UPLANDS GOLF & SKI CENTRE
RESULTS OF RFI16-276
OPTIONS FOR FUTURE OPERATIONS & PROPERTY MANAGEMENT
WARD 5**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager, Planning & Growth Management and the Director of Parks Development (Chair of Uplands Operations Committee), dated January 16, 2017:

Recommendation

The Deputy City Manager, Planning & Growth Management and the Director of Parks Development (Chair of Uplands Operations Committee) in consultation with the Deputy City Manager of Community Services, Director of Recreation Services, Chief Financial Officer & City Treasurer and the Director of Procurement Services recommend:

1. That staff report back to a future Committee meeting with RFP results and a recommendation to establish a new management agreement for the Uplands Golf & Ski Centre.

Contribution to Sustainability

Green Directions Vaughan embraces a Sustainability First principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations. Specifically, this report aligns with the following objectives:

- Objective 2.2 To develop Vaughan as a City with maximum green space and an urban form that supports our expected population growth.
- Objective 3.1 To develop and sustain a network of sidewalks, paths and trails that supports all modes of non-vehicular transportation.
- Objective 4.1 To foster a City with strong social cohesion, an engaging arts scene, and a clear sense of its culture and heritage.
- Objective 6.1 To fully support the implementation of Green Directions at all levels of City operations.

Economic Impact

The intent of the management agreement for the third-party operation of the Uplands Golf & Ski Centre (Uplands) is to allow the City to provide golf and ski programs for Vaughan residents and visitors in a cost-effective manner that is revenue neutral. The current agreement allows for estimated minimum revenue to the City of \$150,000 per operating year, to be deposited into the Uplands Reserve account and used to fund capital projects for the repair and replacement of facility infrastructure (grounds and buildings). Recent circumstances including a warm winter season in 2015-2016 and the closure of golf holes in 2012-2013 due to York Region emergency sewer repairs have negatively impacted both golf and ski attendance during subsequent seasons which has affected revenues. Staff are currently working with the current Operator to limit the negative financial returns associated with these impacts.

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The current management agreement is scheduled to expire on November 1, 2017 and accordingly a new agreement is required to allow for the continued operations and management of the property. The new agreement should be developed to specifically identify approaches to providing much needed capital and facility repairs at Uplands in the context of revenue generation and overall net benefit to Vaughan taxpayers. Required capital repairs include replacement of the watering system, building repairs and erosion on the ski hill. The total value of these works is estimated to be in the range of \$750,000 to \$1,000,000 which is proposed to be funded from approved Capital Projects for Parks Development and Facilities Maintenance Services or completed by the Operator in the context of a new management agreement.

Communications Plan

In June 2016 Parks Development staff and the Ward 5 Councillor attended a meeting with several members of the previous Uplands Task Force and representatives of the local community to seek input on City's intent to issue a Request For Information (RFI) for Uplands. Input from this meeting was included in the RFI document.

The RFI process was advertised on the Bids and Tenders section of the City's website, Biddingo.com, Ontario Public Buyers Association, Canadian Golf Superintendents Association, Canada Ski Council and Ontario Snow Resorts Association. In addition, notice of the RFI process was provided to the current Operator and to those who had previously identified informal interest in Uplands.

Purpose

The purpose of this report is to provide Council with an update on the RFI process and subsequent considerations and discussions that took place in effort to ensure the long-term financial sustainability of the Uplands property within the mandate to maintain the property for recreation and open space purposes.

Background - Analysis and Options

The Uplands property plays an important role in meeting levels of service for parkland in an area of the City where significant additional intensification is proposed. The property totals approx. 36ha (88 acres) in size and is included as Regional level parkland in the City's inventory. Large portions of the site are designated as Core Features as part of the Natural Heritage Network and the remaining portions are designated as Open Space with very little development potential. It is critical that the open space function of this property not be lost.

Over the last year a number of unsolicited expressions of interest have come to the City from private corporations or groups seeking to pursue the use of these lands. Most of these proposals are seeking the continued use of the lands for their current use as a golf and ski centre, or other recreation uses with certain distinguishing factors.

In June 2016 staff received Council approval to undertake an RFI process to formally identify potential interest and alternatives for use and/or management of the Uplands property with the premise that the property is to remain for recreation and open space purposes. Potential options arising from the RFI process could include interest in continuing operations of the property for golf and ski, or use of the property for other recreational purposes.

RFI Results

RFI16-276 Uplands Golf & Ski Centre Options for Future Operations and Property Management was released on July 15, 2016 with a closing date of August 9, 2016. One (1) Addendum was

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issued on August 3, 2016 to respond to questions from potential Respondents requesting clarity on the purpose. The purpose of the RFI is to gather information about the marketplace to assist in the determination of potential options for the future operations and property management of Uplands Golf and Ski Centre located at 43 Uplands Avenue in Thornhill, Ontario.

A total of six (6) documents were picked up with zero (0) responses submitted before the deadline. Following the deadline staff received several informal interests in Uplands including the following:

- Late response to RFI16-276 which identified interest in managing Uplands for golf and ski
- Letter from the current provider with terms to extend their service
- Confidential interest in the Uplands property for golf and ski

Despite not receiving formal submissions to the RFI process, during the fall of 2016 staff reviewed the various informal interests that were provided and also considered current levels of service and the importance of the recreational opportunities provided by Uplands to the local and greater community. It was identified that opportunities exist to increase the marketing and promotion of the Uplands Golf & Ski Centre and that along with the completion of several required capital repairs to the grounds and buildings, the City should pursue the continuation of providing municipal golf and ski services at Uplands provided that the mandate of being revenue neutral is met. Details in this regard can be determined through the RFP process which will provide a fair and competitive approach to considering and evaluating proposed interests in the Uplands property.

An RFP process is appropriate and timely to undertake since the current management agreement is scheduled to expire November 1, 2017 with a 6 month provision notice required should a new operator be considered.

Current Levels of Service

The City currently contracts-out the day-to-day management of Uplands Golf & Ski Centre to a third-party Operator who has been managing the property on the City's behalf since 2000 for the provision of golf and ski programs. The current management agreement is scheduled to expire on November 1, 2017. Over the years contractual obligations with the management of Uplands have been met with relatively few issues of concern, however the Operator has identified challenges in meeting financial performance obligations along with the need for capital investment in the property in order to keep the golf and ski facilities in good working order and to a standard that is safe and suitable to support public access and use of the facilities.

As previously reported, Uplands is currently experiencing some challenges including the need for capital repairs to the watering system, buildings and erosion areas on the ski hill as well as attendance shortfalls and operating revenue shortages in recent years. Despite these challenges, the current Operator and City staff have worked together to complete repairs as needed in order to provide continued levels of service for both golf and ski programs. Notwithstanding these efforts, both the Operator and City staff agree that a new and more sustainable operating arrangement is required.

Go-Forward Plan

In keeping with the mandate that the Uplands property be maintained for recreation and open space purposes, staff suggest that a refresh of the Uplands Golf and Ski Centre is required and propose an action plan as follows:

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- Transfer responsibility and oversight of the Uplands Operating Committee to Recreation Services to leverage their expertise in recreation business development, programming and marketing with support from other City departments including Facilities Maintenance, Parks & Forestry Operations and Finance;
- Complete the RFP process to establish a new management agreement for the continued provision of golf and ski services at Uplands; the RFP could include options for companies to bid on golf and ski components together or separately in order to leverage the best return on this property along with a base term of service with options for renewal at the City's discretion;
- Undertake identified capital repairs to the Uplands buildings and grounds as either City-led capital projects within approved levels of funding or through financing arrangements developed through the new RFP process;
- Include a review of the Uplands Golf & Ski Centre property and its long-term role in the City's delivery of parks and recreation services as part of the planned update to the Active Together Master Plan (ATMP), the City's strategic plan for Parks, Recreation and Libraries; the ATMP will conduct household survey's that can assess the role and support for golf and ski programs and level of service provided at Uplands, within the context of the entire program offering.

Staff will report back to Council at the completion of the RFP process with proposal evaluation results and a recommended go-forward approach.

Next Steps and Timing

The next steps and timing are proposed as follows:

- Issue RFP for third-party management of Uplands Golf & Ski Centre (January 2017)
- Evaluate RFP submissions and assess options (February 2017)
- Report back to Committee on results of RFP (March 2017)
- Inclusion of Uplands in the ATMP update (Q3/Q4 2017)

Relationship to Term of Council Service Excellence Strategy Map (2016-2018)

This report is consistent with the priorities established in the updated Term of Council Service Excellence Strategy Map, specifically:

- Invest, renew and manage infrastructure and assets:
 - by establishing a go-forward strategy that considers capital infrastructure investment requirements along with the premise that the property remain for recreation and open space purposes.
- Support and promote arts, culture, heritage and sports in the community:
 - by including recreational uses and the history of the site in future plans for the Uplands property.

Regional Implications

York Region is an important stakeholder at Uplands with significant underground sanitary services running through the property. Regional easements will continue to be considered with respect to proposed uses on the lands.

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Conclusion

RFI16-276 did not result in any responses regarding market interest in the managing the Uplands property for golf and ski, although several informal responses were received following the RFI deadline had passed. Discussions with the Ward Councillor and local community representatives prior to undertaking the RFI confirmed support for continuing levels of service for municipal golf and ski programs provided this can continue to be done in a revenue neutral manner. Alternatives may be required to provide for continued levels of service which can be explored through an RFP to establish a new management agreement for the operations and maintenance of the Uplands Golf & Ski Centre. Staff propose to undertake an RFP process and report back to a future Committee meeting with the evaluation results and a recommended go-forward approach.

Attachment

Not applicable.

Report prepared by:

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