

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 28, 2016

Item 5, Report No. 8, of the Special Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on June 28, 2016.

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UPLANDS GOLF & SKI CENTRE OPERATIONS UPDATE AND PROPOSED NEXT STEPS WARD 5

The Special Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager of Planning & Growth Management and the Director of Parks Development (Chair of Uplands Operations Committee), dated June 21, 2016:

Recommendation

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

1. That staff coordinate with the Ward Councillor to receive input from the local community and stakeholders prior to issuing a Request for Information (RFI) for Uplands Golf & Ski Centre, appended as Attachment 1, which shall include the requirement to maintain the Uplands property for recreation and open space purposes, and that staff report back with the results of the RFI in Q4 2016.

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). The Uplands Reserve is currently in a negative financial position due to the significant investment required in 2012 to replace the chair lift at the ski centre which was necessary to meet industry safety requirements.

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Due to an unseasonably warm winter from December 2015 to March 2016, a significant drop in ski revenue was experienced at Uplands which has placed financial pressure on the Operator. This financial pressure, coupled with a significant amount of capital repair and replacement required at Uplands, poses risk to the City and is cause for consideration. Staff will continue to work with the Operator to mitigate financial risk and ensure that minimum revenues are achieved as per the terms of the operating agreement.

Communications Plan

Working with the Ward Councillor, staff will seek input from the local community and stakeholders prior to issuing the RFI. The RFI process will be advertised on the Bids and Tenders section of the City's website, Biddingo.com, Ontario Public Buyers Association and Daily Commercial News. Staff will also reach out to potential partners, including the current Operator and those that have recently expressed interest in Uplands.

Following the RFI process, staff propose to consult with the local community through an advertised community meeting in Thornhill, survey and/or other means to obtain citizen input on identified options for the continued or renewed operations and property management of Uplands.

Purpose

The purpose of this report is to provide Council with an update on Uplands operations and to seek approval to issue a Request for Information (RFI) in effort to ensure the long-term financial sustainability of the Uplands property and continued use of the property for recreation and open space purposes.

Background - Analysis and Options

In January and March 2015 updates were provided to Council regarding Uplands operating and capital asset needs. As part of this review a two-year extension to the existing management agreement with the current facility Operator was approved and is now set to expire November 1, 2017. The two-year extension was negotiated in an effort to continue current levels of service for golf and ski programs while further review of Uplands facilities and services could be initiated.

A summary of the challenges being experienced at Uplands is as follows:

- The Uplands Reserve account is currently in a negative position which results in a funding gap for infrastructure renewal projects that are required in the short-term to improve or replace deteriorating assets
- Facility condition assessments have identified approx. \$0.7M in capital funding that is required immediately for water service replacement and a total of \$1.2M required to meet other capital asset needs over the next 3-5 years, the majority of which remain unfunded
- Continuing water seepage on one of the ski runs is a cause of concern and will require engineering investigations and capital expenditure
- Operating revenues being received by the City are not sufficient to replenish the Reserve over the forecasted timing of the capital needs and recent significant loss of revenue puts the City at risk should the Operator decide the business is no longer viable based on current terms of the agreement

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Accordingly, a new and more sustainable operating arrangement is required for the Uplands property. City staff successfully negotiated an extension of the current management arrangement expiring November 1, 2017; however, continued management at Uplands may require support from the City.

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.

Staff is seeking 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. A draft Terms of Reference for the RFI is appended as Attachment 1.

Depending on the type of responses received, the City could also consider operating the property as a municipal facility with City staffing or service providers or consider scaling back level of service at Uplands for the property to be used primarily as parkland and trails. These considerations could include a variety of options whereby the City continues to operate the ski centre component for winter use but discontinues the golf component due to the amount of other golf opportunities that are available locally. Alternatively, the entire property could also be maintained simply as park and open space.

Timing and Next Steps

The following schedule is proposed:

- Council approval to finalize the RFI with community input (June 2016)
- RFI process to identify potential Options (July-August 2016)
- Report back to FAA on results of RFI (October 11, 2016)
- Public Consultation with local residents on Options (November 2016)
- Report back to FAA on results of Public Consultation and next steps (January 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.

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Regional Implications

York Region is an important stakeholder at Uplands with significant underground sanitary services running through the property. Regional easements will need to be considered in developing the RFEI related to any future proposed uses on the lands.

Conclusion

The current management agreement for operation of the Uplands Golf & Ski Centre is scheduled to expire on November 1, 2017. Challenges are being experienced at this property both operationally and in terms of required capital investment, which requires a new approach to ensure long-term sustainability. Staff recommend that an RFI process be initiated with consultation and input from the community and stakeholders, in effort to identify potential interest and alternatives for use of the Uplands property, with the premise that the property is to remain for recreation and open space purposes. Depending on the responses received, the City could also consider alternatives for the continued operation of Uplands for golf and ski or as parkland.

Attachment

1. Draft Request For Information dated May 29, 2016

Report prepared by:

Jamie Bronsema, Director of Parks Development, Ext. 8858

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)