

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 9, 2014

Item 1, Report No. 9, of the Finance, Administration and Audit Committee, which was adopted, as amended, by the Council of the City of Vaughan on September 9, 2014, as follows:

By receiving the following Communications:

- C10. Commissioner of Planning, dated September 2, 2014;**
C20. Mr. Mike Rietta, Woodbridge Soccer Club, Martingrove Road, Woodbridge dated September 8, 2014;
C25. Mr. Tony Browne, dated September 8, 2014; and
C32. Mr. Elliott Silverstein, dated September 9, 2014.

1 NORTH MAPLE REGIONAL PARK FINANCIAL ADVISORY REVIEW WARD 1

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Commissioner of Planning and the Commissioner of Finance & City Treasurer, dated September 3, 2014, be approved, subject to amending recommendation 3. to read as follows:**
 - 3. That staff be directed to review the options and considerations identified by the consultant and report back to a Finance, Administration and Audit Committee meeting in Q 2 of 2015, with a go-forward long term strategy;**
- 2) That once all commitments have been satisfied, that the balance of the funds in the Streetscape Phase 6 and 7 Capital Project PK-6130-07 be returned to the Keele Valley Reserve, and that the Keele Valley Reserve funds be used to fund a second artificial turf field in Phase 1 of the North Maple Park Plan when the capital costs for the second field are presented during the 2015 budget process;**
- 3) That the presentation by Mr. Sam Pickering, Partner, and Mr. David Bratton, Project Director, Grant Thornton, Montreal, Quebec, and Mr. Jamie Springer, HR&A Advisors Inc., New York, USA, and C1, presentation material, be received; and**
- 4) That the following deputations be received:**
 - 1. Mr. Andrew Amorin, Registrar, Vaughan Soccer Club, Keele Street, Maple; and**
 - 2. Ms. Marcella Di Rocco, Vaughan Cares, Gracefield Court, Maple.**

Recommendation

The Commissioner of Planning and the Commissioner of Finance & City Treasurer, in consultation with the Senior Management Team, Director of Parks Development, Director of Development Finance & Investments and the Director of Legal Services recommend:

- 1. THAT the presentation by the Grant Thornton consultant team be received;**
- 2. THAT the final written report provided by the Grant Thornton consultant team appended as Attachment 1 be received;**
- 3. THAT staff be directed to review the options and considerations identified by the consultant and report back to a Finance, Administration and Audit Committee in 2015 with a go-forward long term strategy;**
- 4. THAT as a part of a short term strategy staff be authorized to undertake design for Phase 1 park development as an interim measure to meet the needs and interests identified by community and stakeholder user groups; and**

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 9, 2014

Item 1, Finance Report No. 9 – Page 2

5. THAT funding up to \$300,000 for the completion of Phase 1 park development design be allocated within the approved Capital Project 5961-2-03 and that any additional development and capital work requests be submitted through the 2015 Capital Budget for consideration through the budget process.

Contribution to Sustainability

Undertaking a review of financial partnership opportunities and alternative funding models demonstrates a responsible, sustainable approach to ensure the development and on-going operation of the North Maple Regional Park (NMRP) for use by residents and community user groups. This report is consistent with the priorities previously set by Council in Green Directions Vaughan, specifically:

Objective 2.2 *To develop Vaughan as a City with maximum green space and an urban form that supports our expected population growth.*

Economic Impact

Staff are not recommending to immediately adopt any of the consultant's recommendations and therefore there is no direct economic impact arising from this study. Rather, staff believe that consideration needs to be provided to the outputs of this study as well as further internal due diligence performed on the feasibility of pursuing some of the funding/delivery strategies recommended by the consulting team. Staff will review and provide more substantial recommendations at a future FA&A meeting in 2015.

In the interim, staff is recommending to conduct design work for a first phase of the park development and necessary funds can be accommodated within existing approved Capital Project 5961-2-03 Maple Valley Plan Design and therefore there is no immediate economic impact. The current balance remaining in 5961-2-03 is \$1,858,284 after actual expenditures and open commitments. The cost for Phase 1 design is estimated to be in the range of \$200,000 to \$300,000 for facility layout, associated engineering and geotechnical investigations, detailed design and construction document development, which would leave a balance of approx. \$1.5m available for the design of future phases of park development.

There will be a future financial impact from carrying out the additional capital works associated with this design; however these costs will be submitted through the 2015 capital budget process for deliberation by Council at that time. At this time preliminary estimates by staff indicate that approximately \$4 to \$5 million is required for interim park construction. Actual cost estimates will be confirmed through the detailed design and engineering process.

As part of the 2014 financial planning process, funding for Phase 1 park development was recognized for 2015 and supported by the DC Background Study, which is in-line with the suggested value. In addition, approved funding of \$725,000 exists within Maple Artificial Turf Capital Project 5987-0-04. Although subject to budget prioritization deliberation, adequate funding is available for Phase 1 park development.

Furthermore, the Vaughan Soccer Association (VSA) has indicated a desire to financially partner with the City on certain aspects of soccer facility development at NMRP in order to help facilitate construction as quickly as possible to meet the needs of their club members. The City will be considering this early expression of interest from VSA as it conducts additional due diligence to inform development of the area. Details on the proposed financial arrangements have yet to be determined and are planned to be addressed at the time of capital budget consideration and after additional due diligence work has been completed.

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 9, 2014

Item 1, Finance Report No. 9 – Page 3

Communications Plan

Additional community consultation and discussion with user groups and stakeholders will take place as plans for park development are implemented.

Purpose

The purpose of this report is to provide Committee and Council with the results of the Financial Advisory Review for NMRP conducted by the Grant Thornton consultant team and to recommend a short term strategy to advance design for Phase 1 park development as an interim measure to meet the needs of community and stakeholder user groups. Proposed Phase 1 works will be designed in a manner that does not limit the City's future options and opportunities related to the potential Public-Private Partnership (PPP) lands identified along the Keele Street frontage.

Additionally, the purpose of this report is to receive Council direction to continue due diligence work and provide consideration to the consultant's recommendations with a view to providing Council with a long term internal financial/delivery strategy in 2015.

Background - Analysis and Options

On May 27, 2014 Council approved the retention of the Grant Thornton consultant team to undertake a Financial Advisory Review for NMRP. The review was intended to identify and evaluate opportunities for mitigating the significant costs associated with the development and operation of the park since conventional funding sources (Development Charges and Tax Levy) are allocated to multiple park projects across the City, limiting funding for NMRP in the short-term.

The scope of work for the financial review included:

- Overview of PPP service delivery models
- Commentary on the financial advantages/disadvantages of not pursuing PPP for the NMRP project.
- Recommendations on other potential funding sources related to PPP's
- Provision of relevant examples/benchmarks of other PPP arrangements
- Recommended service delivery models appropriate for the NMRP project
- Review of risk assessment, funding source implications, revenue generation opportunities, operating and maintenance considerations, for the various options being proposed

A copy of the consultant's final written report is appended as Attachment 1. The results of the consultant's review generally conclude there is limited potential for PPP opportunities to assist with a project of the size and scope of NMRP (total park area approx. 81ha). Through their experience and research, Grant Thornton identifies that traditional PPP projects, as executed by Infrastructure Ontario, have never been used for park development and operation projects in North America. Other potential delivery models, including construction by the City and operation by a non-profit organization, and construction/operation through a recreation facility partnership, may provide some opportunity, however may also be challenging to establish because of the relatively limited revenues associated with the programming of park facilities.

Due to the foregoing analysis, Grant Thornton identifies that the most significant financial opportunity for NMRP may exist with the potential sale of PPP lands along the Keele Street frontage (net area approx. 10ha). The report indicates that subject to a further detailed valuation exercise the sale of PPP lands could secure sufficient funding to significantly, if not fully, fund the cost of park development works. Annual operating, maintenance and lifecycle replacement costs would need to be funded through other, possibly more traditional, means such as property taxes.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 9, 2014

Item 1, Finance Report No. 9 – Page 4

Although sale of the PPP lands may be a viable option, staff require more time to adequately review and assess all options provided by Grant Thornton and to develop an appropriate go-forward long term strategy for the ultimate completion of this project.

Concurrent with the Financial Advisory Review by Grant Thornton, and at the request of the Vaughan Soccer Association (VSA), Parks Development staff reviewed the potential for a short term strategy focused on a Phase 1 park development project as an interim measure. The VSA advises they are experiencing growing club participation which is expected to continue. Continuing growth in soccer participation within Vaughan is placing significant strain on the City's supply of field time. In addition to growing participation in general soccer programs, many of Vaughan's soccer clubs were successful in joining the Long Term Player Development league (LTPD) which places pressure on the clubs to have fields and facilities that meet league-specific criteria such as field size and quality, longer playing seasons, supporting facilities such as washrooms and change rooms, and spectator seating. The VSA has indicated a desire to financially partner with the City on certain aspects of the development of soccer facilities at North Maple Regional Park, but the scope and extent of these financial arrangements are undetermined and at the early stages of development.

Based on the results of the consultant's review and in consideration of the request from the VSA to advance Phase 1 park development as quickly as possible, staff recommend that existing capital funding be used to advance design works in 2014 with development to follow in 2015 pending Council approval of further capital budget monies for construction through the 2015 capital budget process. The scope of Phase 1 would include sufficient works required to provide interim driveway access, parking and development of one artificial turf field. In addition, improvements are also proposed for pedestrian access points, trails and signage so that the entire NMRP lands can be opened for public use and enjoyment.

Advancement of Phase 1 design development works will be planned in a manner that does not limit or restrict potential future partnership or other financial opportunities, in keeping with the findings of the consultant's report. Phase 1 design and development works will take into account previous plans and consultations and work underway as part of the New Communities Secondary Plan for Block 27 which may have implications for access points and infrastructure onto Keele Street.

Relationship to Vaughan Vision 2020 / Strategic Plan

This report is consistent with the priorities previously set by Council in the Vaughan Vision 2020 Plan and the necessary resources have been allocated and approved. Conducting a review of alternative funding and service delivery models for the development and operation of North Maple Regional Park supports the City's commitment to enhancing natural and built environments through efficient use of resources, managing corporate assets through continuous assessment of infrastructure requirements, pursues excellence in service delivery and supports the goal of enhancing community health, safety and wellness through design and program opportunities. Taking steps to achieving the North Maple Regional Park plan demonstrates Council's commitment to providing service excellence to citizens.

Regional Implications

Not applicable.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 9, 2014

Item 1, Finance Report No. 9 – Page 5

Conclusion

The results of the consultant's report generally conclude that opportunities for alternative service delivery models including PPP's are limited for the NMRP project. Staff will review and assess the options and ideas identified by Grant Thornton in further detail and report back to Committee and Council with recommendations on a go-forward long term strategy for the ultimate completion of the park. In the interim, it is proposed that a short term strategy be pursued through the design of a Phase 1 park development project, which would be initiated in 2014 to meet the needs and interests identified by the community and stakeholder groups such as the Vaughan Soccer Association. Implementation of Phase 1 park development works would include construction of a limited amount of park elements including interim driveway access, parking and one artificial turf field. Improvements to pedestrian access, trails and signage is also proposed to open the entire park property for use and enjoyment by the public. Funding for Phase 1 park design can be accommodated within existing approved Capital Projects and funding for Phase 1 construction will be included in the 2015 Capital Budget submission.

Attachments

1. Final Report August 21, 2014 by Grant Thornton

Report prepared by:

Jamie Bronsema, Director of Parks Development, Ext. 8858

Lloyd Noronha, Director of Development Finance & Investments, Ext. 8271

(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.)