

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 19, 2017

Item 1, Report No. 15, of the Committee of the Whole (Working Session), which was adopted without amendment by the Council of the City of Vaughan on April 19, 2017.

Regional Councillor Di Biase declared an interest with respect to this matter, as his children own land in Block 27, adjacent to said property, given to them by their maternal Grandfather, and did not take part in the discussion or vote on the matter.

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**NORTH MAPLE REGIONAL PARK UPDATE AND
AWARD OF TENDER T17-039 – PHASE 1 PARK DEVELOPMENT
WARD 1**

The Committee of the Whole (Working Session) recommends:

- 1) That the recommendation contained in the following report of the Deputy City Manager of Planning & Growth Management, the Chief Corporate Initiatives & Intergovernmental Relations and the Chief Financial Officer & City Treasurer, dated April 10, 2017, be approved;**
- 2) That the following be approved in accordance with Communication C1, from the Deputy City Manager, Planning & Growth Management and the Director of Parks Development, dated April 7, 2017:**
 - 1. That the contract for Part A of Tender T17-039 for North Maple Regional Park Phase 1 construction of two artificial turf fields, roadway, parking and associated works be awarded to Gateman Milloy Inc. in the amount of \$5,906,113.21, plus applicable taxes;**
 - 2. That the contract for Part B of Tender T17-039 North Maple Regional Park Phase 1 construction of the park building, sanitary and water servicing and associated works be held for further consideration as outlined in this report and in consideration of potential impacts to the building location, design and servicing requirements arising from partnership proposals;**
 - 3. That a contingency allowance in the amount of \$590,611.32 plus applicable taxes be approved, within which the Director of Parks Development, or his designate is authorized to approve amendments to the contract;**
 - 4. That a budget amendment to Capital Project PK-6305-15 North Maple Regional Park Phase 1 Construction in the amount of \$700,000 be approved and funded from City-wide Park Development Charges;**
 - 5. That the amounts identified in the above recommendations, including all contingency allowances, applicable taxes and administration recovery be funded from Capital Project PK-6305-15 North Maple Regional Park Phase 1 Construction;**
 - 6. That the inclusion of this matter on a Public Committee or Council agenda with respect to amending the capital budget identified above is deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002 as amended; and**
 - 7. That the Mayor and City Clerk be authorized to sign the appropriate documents.**
- 3) That the Phase 2 due diligence review consider the results of the previous request for information submissions and include an assessment of potential opportunities for private-sector partners and other sports organizations to assist the implementation and delivery of services to the community for the expanded vision of North Maple Regional Park and integrated park use with Golf Canada; and**

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4) That the following Communications be received:

- C2 Mr. Tony Bartolomeo, Vaughan Soccer Club Inc., Keele Street, Maple, dated April 7, 2017; and**
C3 Presentation material titled “North Maple Regional Park, Committee of the Whole Working Session”, dated April 10, 2017.

Recommendation

The Deputy City Manager of Planning & Growth Management, the Chief Corporate Initiatives & Intergovernmental Relations and the Chief Financial Officer & City Treasurer, in consultation with the Director of Parks Development, the Deputy City Manager of Legal and Human Resources, the Deputy City Manager of Public Works and the City Manager, recommend:

1. That Committee gives consideration to the recommendations contained within a Communication Item to be provided to the April 10, 2017, Committee of the Whole (Working Session) following completion of the tender process for T17-039 for the contract award of Phase 1 park development at North Maple Regional Park to ensure timely completion of this project in accordance with this term of Council Service Excellence priority;
2. That staff be authorized to negotiate and execute agreement(s) in accordance with the principles outlined in Attachment 4 with Golf Canada (a not-for-profit national sports organization) as necessary to jointly undertake the due diligence required to evaluate the unsolicited proposal submitted by Golf Canada for potential uses of North Maple Regional Park and surrounding open space lands, and report back to Council in Q4 2017;
3. That the City Manager be authorized to award single-source contracts greater than \$100,000 within the approved budget of Capital Project 5961-2-03 for North Maple Regional Park planning and design to procure external support for the necessary due diligence or to reimburse Golf Canada for the City's share of associated costs related to the due diligence; and
4. That the City Clerk circulates this report to the Regional Municipality of York, the City of Toronto, the Toronto and Region Conservation Authority, and relevant Provincial and Federal ministries.

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.

The recommendations of this report are 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.
- Objective 2.3 To create a City with sustainable built form.
- 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.

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Economic Impact

The results for contract award of Tender T17-039 for Phase 1 park development of North Maple Regional Park (NMRP) and any associated financial implications will be provided in a separate Communication Item prior to Committee of the Whole (Working Session) due to the timing of the procurement process in relation to the print deadline of this report. A site plan of Phase 1 park development is appended as Attachment 1.

Capital funding for both the completion of Phase 1 and the NMRP Master Plan have been previously approved in Capital Project PK-6305-15 and Capital Project 5961-2-03.

An unsolicited proposal has been received by staff from Golf Canada that identifies the potential to accelerate efforts to conduct due diligence on the balance of NMRP and for an expanded set of economic development scenarios for NMRP, including potential funding of the full Phase 2 park build-out. External resources are required to support the necessary due diligence to confirm the magnitude of the benefits and the associated implications of this proposal.

The anticipated costs associated with the due diligence process are estimated to be in the range of \$700,000 to \$1 million and are proposed to be cost-shared with Golf Canada in accordance with the principles in Attachment 4. The City's share of these costs can be accommodated from within approved Capital Project 5961-2-03. Consequently, staff do not anticipate any tax levy requirements related to this work.

The information gathered through the due diligence work with Golf Canada will provide the City with a clearer understanding of these lands and their future potential, including the opportunities with or without the unsolicited proposal. It will provide an overview of the possibilities for the full build-out of NMRP and adjacent lands including potential costs, scope and timing. Staff will report back to Council once it has this information.

Communications Plan

A communications plan has been developed and deployed for Phase 1 of NMRP. A comprehensive plan will be developed to communicate the results of the due diligence process for the balance of NMRP if the project moves forward as recommended in this report.

Purpose

This report and the Communication Item to follow will provide Council with an update on the next steps for Phase 1 park development at NMRP and will seek authority to accelerate Phase 2 due diligence in the context of the unsolicited proposal received from Golf Canada.

Background - Analysis and Options

Synopsis:

In late 2016, staff were approached confidentially by Golf Canada with an interest in NMRP and surrounding open space lands for an expanded park vision that could be a potential location for the permanent venue for the prestigious Canadian Open Golf Championship and future home of the Golf Canada headquarters. After a search for potential sites across Canada, Golf Canada had short-listed several sites, including NMRP, as a preferred location.

A key focus for Golf Canada is to make the sport of golf relevant and accessible to Canadians of all ages, abilities and socioeconomic backgrounds to grow the game throughout the country.

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Its vision for NMRP includes development of an expanded destination park with year-round recreational, cultural and multi-sport facilities, including a public golf course and club house and a Golf Canada Village that would be home to the organization's headquarters and the Canadian Golf Hall of Fame.

Staff engaged in discussions with Golf Canada on the potential alignment between their vision and the City's vision for NMRP and the surrounding open space lands, and to explore their interest, including a site tour with PGA TOUR golf legend and golf course architect Jack Nicklaus. This initial site tour reviewed the suitability of NMRP and surrounding open space lands for an integrated public park, golf course and championship tournament venue. Mr. Nicklaus designed the Glen Abbey Golf Club in Oakville, Ontario which is the current home of Golf Canada and frequent host venue for the Canadian Open. He is interested in assisting Golf Canada with finding a new permanent home for the championship and has offered his company, Nicklaus Design, for preparing preliminary design concepts for the NMRP location.

In January 2017, Golf Canada submitted a letter to formally confirm its interest in NMRP and surrounding open space lands as the preferred location for an integrated public park and golf course. A copy of the Golf Canada letter and vision is appended as Attachment 2.

To begin to understand the opportunities and constraints associated with a project of this magnitude on this site, staff engaged the services of Deloitte LLP (Deloitte) to assist with conducting a preliminary assessment and recommendations for the necessary due diligence that would be required prior to bringing the proposal forward for Council's consideration. Groundwater Environmental Management Services Inc. (GEMS) also provided environmental-science based technical and professional advice related to the former landfill sites and natural open space lands. Following initial review, staff, with support from Deloitte and GEMS, agree the proposal from Golf Canada has merit for further consideration and recommend proceeding with the necessary due diligence.

A summary of staff's preliminary assessment is as follows:

- 1. Development of the 81-hectare (200-acre) NMRP represents the most ambitious park development project in Vaughan's history with the park envisioned to be a city-wide recreational and cultural destination for both residents and visitors.**

The planning and design of NMRP has been an ongoing City initiative for nearly two decades. The original concept plan for the park was created in 2003, and a revised vision was established in 2013 with input and support from residents and Council. The Council-endorsed vision reflects the community's desire for a balanced approach to park design and development – one that includes park facilities for active and passive uses for all levels of ability, age and interests, and is sensitive to the natural environment. The approach to planning and development of NMRP also aligns with the goals and objectives of the Active Together Master Plan, the City's strategic plan for parks, recreation and libraries.

Not contemplated when the vision for NMRP was established, a major transit hub is now planned in close proximity to the site. The new Kirby GO Station on Kirby Road is one of the 12 approved by the Metrolinx Board in June 2016. It would be a convenient transit option for people travelling to and from the park.

NMRP is envisioned to be a destination where residents and visitors will enjoy a variety of year-round uses. With the tendering process for Phase 1 construction complete, the first stages of this project will begin to take shape.

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- 2. With the City's parks capital development program facing a \$135-million shortfall, the City has struggled to identify adequate alternative funding to realize the full vision for the park within a reasonable timeframe in light of Council's direction not to consider options involving the sale of parkland at this time.**

Phase 1 park development comprises approximately 14 hectares (35 acres) of parkland, leaving the remaining 67 hectares (165 acres) of the NMRP site – 82 per cent of the property – without committed funding or a set timeline for initiating development. Based on the established vision, capital development of NMRP is estimated to cost in excess of \$35 million. Given that all remaining park-related development charge (DC) reserves have been allocated to other park projects across the City, a conventional approach using this funding would require development of NMRP to be phased over many years, with full build-out delayed until at least the 2030s.

Beyond capital funding challenges, park facilities rentals and other anticipated revenue sources will not significantly offset the park's considerable operations and maintenance costs. Identified revenue assumptions for each of the features planned for NMRP are anticipated to range between \$113,000 and \$263,000 per year. However the park's annual operations and maintenance costs are estimated to be \$600,000 to \$1.2 million.

Consideration has been given to the option of partnerships for delivering the full build-out of NMRP. However, previous consultant's studies identified limited opportunities associated with potential public-private-partnerships (PPPs) with no precedent examples of infrastructure PPPs for park projects of the scope and size of NMRP. The consultant studies recommended that alternative approaches be considered including the possible sale of land to fund park development. In 2015, Council requested that staff explore other potential partnership opportunities in lieu of considering the sale of parkland as a first option as a means of accelerating park planning and development on the balance of NMRP.

- 3. The recent unsolicited proposal from Golf Canada may advance the park's completion, with an expanded park vision for a nationally significant public sports, recreation and cultural venue.**

Golf Canada has identified the site, which comprises approximately 364 hectares (900 acres) of publically owned park and open space property – including the former Vaughan Township and Keele Valley landfill sites – as the preferred location for an integrated public park and golf course, which would be the permanent home to the national sporting body and the Canadian Open. A location map of NMRP and surrounding open space lands is appended as Attachment 3.

In discussions with staff, Golf Canada referenced a number of considerations that led to the site being identified as the preferred location, including its high level of public accessibility supported by existing and planned transportation infrastructure, the opportunity to deliver a positive environmental contribution by transforming the former landfills, the City and Region's cultural diversity, and a clear alignment with the City's vision for the NMRP as a year-round destination for a variety of sports, recreational and cultural uses.

In consideration of the inherent risks and opportunities associated with the unsolicited proposal, staff retained consulting services to undertake a preliminary review and provide advice related to its viability and necessary due diligence that should be undertaken before a formal decision is made by the City.

In concert with the consultants' preliminary findings, staff had conducted an environmental scan as part of the Phase 1 and Park Master Plan projects to review environmental constraints and opportunities associated with the use of NMRP and adjacent open space lands, including allowing public access to these lands as identified in the original Maple Valley Plan.

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- 4. Undertaking a comprehensive due diligence assessment is the first step to determining the true value and viability of Golf Canada's proposal and will provide the City with a clearer understanding of these lands and how to fully realize their promise to build a lasting legacy of social, cultural and economic benefits for Vaughan residents.**

The review conducted by Deloitte concluded that the proposal has the potential to provide several benefits beyond those the City would be likely to achieve in its current vision for the park:

- The course and clubhouse facilities would generate revenue from usage fees from Golf Canada for the Canadian Open, membership and green fees from the public, and rental fees for use of the club house facilities. Beyond covering golf course operations and maintenance, these proceeds could potentially be used to fund the capital and operating costs of other components of NMRP.
- The Canadian Open is a world-class event that each year will attract golfers, spectators and volunteers to Vaughan and could help generate significant tourism spending. According to the Sport Information Resource Centre, the 2016 Canadian Open attracted more than 100,000 spectators and generated \$15-20 million in economic impact to the host community and the province.
- Due to hosting the Canadian Open, there is potential that the course would become a tourist destination for golf enthusiasts throughout the season. Similarly, the Golf Canada Village, including a learning centre and potential museum, has the potential to draw visitors from outside the city throughout the year.
- The planned Kirby GO Station would provide an appealing transit option for visitors and residents coming to the park and golf course from across the City and the GTA.
- The relocation of Golf Canada's headquarters and approximately 50 full-time and 30 part-time/seasonal employees to the site would have direct and indirect economic benefits.

Due diligence efforts will accelerate and support planning for NMRP lands while informing the Golf Canada proposal.

A report prepared by GEMS recommended the City take the necessary steps to better understand the current conditions on the former Vaughan Township and Keele Valley landfill sites and the anticipated timeframe when the lands may be available for public use. It also noted that a more detailed and planned project design would be required to recommend a specific approach.

Based on these findings and staff's research, it is recommended the City enters into a Memorandum of Understanding (MOU), Cost-Sharing and/or other appropriate agreement(s) with Golf Canada to jointly conduct further due diligence to explore the expanded vision of an integrated public park and championship golf course, and report back to Council in Q4 2017.

And agreement based on the guiding principles outlined in Attachment 4 would help ensure both the City and Golf Canada are on the same page regarding key project and due diligence components. It would define the mutual objectives for the project, the currently envisioned partnership model and the scope of the necessary due diligence to understand the benefits and implications of the Golf Canada proposal.

It is recommended that this process includes both a feasibility study and a business case analysis. The feasibility study would include such deliverables as developing a conceptual layout and design for the park facilities, trails, golf course, club house and Golf Canada Village, and undertaking necessary environmental studies, while the business case analysis would include a

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market assessment, an economic impact assessment, financial and project delivery analyses, and a risk assessment. This will allow the City to accelerate planning for future phases of NMRP's development.

Consideration of this project will also require an assessment of opportunities and constraints with existing and planned projects in this area, including meaningful collaboration with adjacent landowners, dialogue with Alectra to determine how its solar panel project may be integrated in the project and co-ordination with York Region with respect to the Teston Road IEA.

Proceeding with further due diligence of the proposal does not impede the City's ability to move forward with Phase 1 of NMRP's development which includes two artificial turf soccer fields, parking and associated works. A separate Communication Item will be provided to recommend contract award for the completion of Phase 1 works.

Given the complex environmental, technical, financial and legal considerations of this proposal, due diligence is expected to be in the range of \$700,000 to \$1 million. To ensure that the necessary due diligence leverages work completed by the financial and environmental advisors to date, and in consideration of the time-sensitive and commercially confidential nature of due diligence required on this proposal, staff are recommending that non-competitive procurements be employed to secure external advisors.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

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
- Attract investment and create jobs
- Support and promote arts, culture, heritage and sports in the community

Regional Implications

Phase 1 park development requires York Region involvement as the site is located along Keele Street, a regional road.

The unsolicited proposal from Golf Canada, particularly related to the Canadian Open, has the potential to have nation-wide implications. The City will identify opportunities to work with York Region, the City of Toronto, Toronto and Region Conservation Authority, relevant Provincial ministries and other parties. Co-ordination with the Teston Road Environmental Assessment will also be required.

Conclusion

As the largest and most ambitious park development project in the City of Vaughan's history, NMRP is envisioned to be a city-wide cultural and recreational destination that features a variety of year-round uses for residents and visitors to enjoy. However, the timing and funding of future development for the majority of the park remain uncertain. Due to significant funding challenges, the completion of the full vision for the park will be delayed until the 2030s based on conventional funding approaches.

A recent unsolicited proposal may hold the answer to accelerating completion of Phase 2 park development, with an expanded vision for a nationally significant public sports, recreation and cultural venue. Golf Canada has identified the site and adjacent open space lands as a preferred location for an integrated public park and golf course, which would become the permanent home to the national sporting organization and the prestigious Canadian Open.

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With support from the findings of preliminary consultants' reports, staff recommend that the next step is for the City to enter into a MOU or other appropriate agreement with Golf Canada to undertake additional due diligence to review the proposal. This would position the City to better understand the magnitude of the benefits and associated challenges of the proposal and support the City's decision-making. The undertaking will give the City a clearer understanding of these lands and how to fully realize their promise to build a lasting legacy of social, cultural and economic benefits for Vaughan residents.

Proceeding with a MOU or similar agreement will not impede the City's ability to move forward with Phase 1 development of NMRP in 2017.

Attachments

1. North Maple Regional Park Phase 1 site plan
2. Golf Canada letter and vision document dated Jan. 22, 2017
3. Site location map
4. Memorandum of Understanding guiding principles

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.)