



REPORT

TO: Mayor Lawlor and Members of Council

FROM: Kevin Okimi, Director of Parks and Open Space

DATE: May 10, 2024

REPORT NO.: RP-2024-010

SUBJECT: Lease Agreement for McNab Park

RECOMMENDATION:

THAT Report No. RP-2024-010 dated May 10, 2024 regarding Lease Agreement for McNab Park, be received;

AND FURTHER THAT Council authorize the Mayor and Clerk to execute a Lease Agreement for McNab Park, as outlined in Report RP-2024-010;

AND FURTHER THAT the funding for the Lease for 2024 be funded through the existing 2024 Operating Budget;

AND FURTHER THAT the budget requirements for the Ministry of Transportation (MTO), 10-year lease agreement receive pre-budget approval of \$1,900 annually for all years of the agreement.

KEY POINTS:

The following are key points for consideration with respect to this report:

- McNab Park was established in the early 1990s through an encroachment permit in partnership with the Town, the Norval Community Association, and the Ministry of Transportation (MTO), however the documentation has been lost by all organizations, and no record exists to confirm the permission to operate the park.
- In 2023, Council directed staff to negotiate a lease agreement for McNab Park with the Ministry of Transportation in order to formalize the agreement for the operation of McNab Park. The Ministry of Transportation confirmed that they are not able to sell the park property to the Town, despite it being outside of the

official Highway 7 Right-of-Way (ROW), and that they preferred to use a lease to formalize the park use.

- Staff have reviewed the lease and find it to be in accordance with standard lease documents and requirements.
- The cost of the lease will be \$1,900 per year, which will need to be funded from the Town's operating budget.
- Staff are recommending that Council authorize the Mayor and Clerk to enter into a Lease Agreement with the Ministry of Transportation for the McNab Park Property.
- The existing Highway 7 Right-of-Way is not included in the lease, and will remain under MTO ownership/jurisdiction. The Town is responsible for maintenance of the Highway 7 Right-of-Way in this area under a Maintenance Agreement with MTO, and will be required to obtain an encroachment permit for any works within the ROW.
- Staff recommend that the initial lease payment be funded from general operations, and that the ongoing funding for the lease payment be included in the 2025 operating budget with pre-budget approval.

BACKGROUND AND DISCUSSION:

McNab Park in Norval was established in the former and active Highway 7 Right-of-Way (ROW) around 1991 through a partnership with the Ministry of Transportation (MTO), the Norval Community Association, and the Town of Halton Hills. Historic documentation confirms the intent for the MTO to issue an encroachment permit to the Town, for the operation of the park, provided that the Town be responsible for maintenance of the lands (turf maintenance and garbage collection). Over the years, the Norval Community Association and the Town have implemented various improvements, including a parking lot, seating, demonstration gardens, the pollinator canoe garden, as well as connections to the Town owned/operated McNab Trail that is located along the Credit River between McNab Park and Adamson Street (part of the future Credit Valley Trail alignment). Appendix A includes a plan for McNab Park and the surrounding area.

In 2020, as part of a review of operations for the park, it was discovered that no official permit or agreement was in place to allow the operation of McNab Park. All parties recognized the initial intent, and the MTO committed to review options for the Town to acquire ownership or formal permission to operate the park in the former Highway 7 Right-of-Way.

In 2022, MTO advised the Town that it was unable to sell the lands to the Town, but that it would consider a lease agreement and/or Highway Encroachment Permit to formalize the Town's use of the park. The Town has obtained a temporary encroachment permit since 2022 to provide basic permission for the park use.

In 2023, Council directed staff to negotiate a lease agreement for McNab Park. MTO staff have now provided a proposed lease agreement to the Town for review. The key terms of the lease are as follows:

- Leased area to include the areas of the park within the former Highway 7 ROW (See Appendix B for area of lease)
- Lease term of 10 years (2024-2033). No automatic renewal – subject to MTO approval.
- Annual lease payment of \$1,900 per year, based on market rates and accounting for the Town continuing to maintain the site.
- Town to provide insurance for use of the site as a park.
- An encroachment permit will continue to be required for any park features within the active Highway 7 ROW which remains under MTO ownership and jurisdiction. See Appendix B for ROW areas to be subject to an Encroachment Permit.

Staff recommend that Council authorize the Mayor and Clerk to execute any lease agreements or supplemental agreements required to facilitate the lease of McNab Park.

STRATEGIC PLAN ALIGNMENT:

This report identifies natural areas and heritage as one of the Town's Strategic priorities. Formalizing the agreements to permit the operation of McNab Park as a Town park contributes to the overall green space and park network available to local residents.

RELATIONSHIP TO CLIMATE CHANGE:

This report impacts and/or helps address climate change and the Town's resiliency through climate adaptation.

PUBLIC ENGAGEMENT:

Public Engagement was not needed as this report is administrative in nature. Staff have consulted with the Norval Community Association to advise of the negotiations with MTO with respect to the proposed lease. McNab Park has been used as a public park for over 30 years.

INTERNAL CONSULTATION:

Staff from Transportation and Public Works (Public Works, Park Operations, Transportation) and Planning (Legal), and Finance were consulted in the preparation of this report.

FINANCIAL IMPLICATIONS:

This report will require funding in a future budget year and therefore needs pre-approval for an approved funding source.

With the commitment of the ten-year lease agreement, the 2024 lease payment will be funded through the existing operating budget. Subject to Council's approval, the 2025 lease payment will be included as a pre-approved budget increase in the 2025 operating budget process, and the appropriate annual increase will be included in future operating budgets.

The maintenance and care of the park is already included in existing operating budgets as the property has been maintained by the Town since the early 1990s. The Town is also responsible for maintenance of the Highway 7 Right-of-Way in this area under a Maintenance Agreement with MTO.

Reviewed and approved by,

Damian Szybalski, Commissioner of Community Services

Chris Mills, Chief Administrative Officer