



REPORT

TO: Mayor Lawlor and Members of Council

FROM: Kevin Okimi, Director of Parks, Community Development and Environment

DATE: September 20, 2024

REPORT NO.: CSE-2024-009

SUBJECT: Kiwanis Field – Updated Agreement

RECOMMENDATION:

THAT Report No. CSE-2024-009 regarding Kiwanis Field Updated Agreement, dated September 20, 2024, be received;

AND FURTHER THAT Council approve the terms of the Updated Agreement with the Halton District School Board, as outlined in Report CSE-2024-009;

AND FURTHER THAT the Mayor and Clerk be authorized to sign the final Updated Agreement with the Halton District School Board (HDSB) which shall be to the satisfaction of the Town's Solicitor, as outlined in Report CSE-2024-009;

AND FURTHER THAT the 2025 capital Budget requirements for the Kiwanis Field Turf Replacement (8500-11-2605) project receive pre-budget approval of \$750,000, funded from the Contingency Reserve for 2025, as outlined in Report CS-2024-009;

AND FURTHER THAT, in the event that the Halton District School Board's tender for the turf replacement exceeds the Town's maximum contribution of \$750,000, staff report back to Council with any additional budget implications following the tender.

KEY POINTS:

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

- In 2010, the Town of Halton Hills and the Halton District School Board (HDSB) entered into a Development and Financial Agreement for the development,

operation and management of the Kiwanis Field, the artificial turf premium field located at Georgetown District High School - which opened in 2010.

- Kiwanis Field is the only Town-managed premium artificial turf field. The field provides a key facility for use by community sports organizations such as the Georgetown Soccer Club, Halton Hills Minor Football, and local track & field groups.
- Christ the King Catholic Secondary School also has an artificial turf field, managed directly by the Halton Catholic District School Board.
- The Town financed its initial financial contribution to the project through a loan with HDSB, and the annual loan payments were funded through financial agreements set up with various user groups (Soccer and Football), which included long-term commitments to rent the field to provide revenue to make the annual loan payments.
- In 2019, the Town repaid the entire amount owing to the HDSB and refinanced the loan through a 10-year debenture with Halton Region which will be paid off in 2029.
- The Agreement includes a requirement for the Town to pay for the replacement of the artificial turf at the end of its life (approximately 10 years).
- The original agreement was for 10 years with an automatic extension for an additional 10 years, based on the expected replacement date of the artificial turf.
- Due to reduced usage during the COVID-19 pandemic, and extensive remediation and maintenance, the life of the field was extended to maximize its useful life, but the turf now requires replacement.
- Due to the change in financial arrangements, and other updates (e.g. length of the term), Town and HDSB staff have negotiated an updated Agreement to govern the replacement of the turf, and ongoing management till the end of the term of the agreement.
- Key terms of the updated agreement include:
 - A new 10-year term where the Town manages the field and collects the revenues from community rentals of the field;
 - HDSB use of the field at specific times (school use times);
 - HDSB use of Town fields during construction of the artificial turf field;
 - Shared maintenance costs of the artificial turf field and playing area;
 - A Town contribution of \$750,000 towards the replacement of the artificial turf field;
 - HDSB to be responsible for any costs for improvements to any portion of the facility other than the artificial turf field (i.e. track, bleachers, etc.)
 - HDSB to manage the design, bid and tender process as the owner of the assets;
 - HDSB or the Town may approve additional funds to cover any shortfall, or the field may be returned to natural turf condition;
 - Other standard terms regarding insurance, lost time, and coordination with the Reciprocal Agreement for Community Use of Schools, and termination obligations are included in the agreement.
- The Town's Solicitor has reviewed the updated agreement and will provide any final comments pending approval of this Council Report.

- Staff recommend that Council pre-approve the project in the amount of \$750,000 in order to facilitate timely advancement of the project in partnership with the HDSB, through the issue of a tender as the next key step.
- Staff will report back to Council if the tender results exceed the approved budget.

BACKGROUND AND DISCUSSION:

In 2010, the Town of Halton Hills and the Halton District School Board (HDSB) entered into a Development and Financial Agreement for the development, operation and management of the Kiwanis Field - the artificial turf premium field located at Georgetown District High School which opened in 2010. See Appendix A for a map showing the field.

Kiwanis Field is the only Town-managed premium artificial turf field, though ownership remains with the HDSB. Christ the King Catholic Secondary School also has an artificial turf field that is managed directly by the Halton Catholic District School Board. Kiwanis Field provides a key community recreation facility for use by community sports organizations such as the Georgetown Soccer Club, Halton Hills Minor Football, and local track and field groups.

The initial partnership agreement included the Town funding and financing a significant portion of the project due to the anticipated level of community use and need. The Town financed its initial financial contribution to the project through a loan with the HDSB, and the payments were recovered through financial agreements with user groups (soccer and football). These financial agreements included long-term commitments by the groups to rent the field to provide revenue for the Town to make the annual loan payments. In 2019, the Town repaid the entire remaining amount owing to the HDSB and refinanced the loan through a 10-year debenture with Halton Region.

One of the key terms of the existing agreement requires the Town to pay for the replacement of the artificial turf at the end of its life (approximately 10 years). It also automatically extends the agreement for an additional 10 years based on the expected replacement date of the artificial turf.

Due to reduced usage during the COVID-19 pandemic, and extensive remediation and maintenance, the life of the field was extended. However, it now requires replacement in order to maintain the high level of quality expected of a premium field. Due to the changes to the financing of the agreement, and other updates required to the agreement, the Town's legal counsel recommended that a new agreement replace the current agreement. Town and HDSB staff have negotiated an updated Agreement to govern the replacement of the turf, and ongoing management until the end of the term of the new agreement.

Key terms of the Updated Agreement include:

- The terms of the new agreement will permit the Town to manage and collect revenues from community field use for 10 years from the completion of the turf replacement project in order to recover revenues to offset the Town's financial

contribution to the project. This extends beyond the initial 20-year total period anticipated in the original agreement, which would have ended in 2030.

- The HDSB retains the right to use the field at no charge during school times and limited other times as agreed to by the Town.
- The Town will provide use of Town sport fields at no cost to the school board during the construction of the artificial turf surface.
- HDSB and the Town will continue to share maintenance costs on a 50/50 basis.
- The Town agrees to contribute a maximum of \$750,000 towards the replacement of the artificial turf field.
- The Town would pay the HDSB the amount in the form of an initial deposit (\$65,000) at the time of execution of the agreement, and the balance at the time of construction of the field.
- HDSB is responsible for any costs for improvements to any portion of the facility other than the artificial turf field (i.e. track, bleachers, etc.) and will manage the design, bid and tender process as the owner of the assets.
- Should the estimated costs (based on the HDSB tender) exceed the Town's approved contribution of \$750,000, either the Board or the Town may approve additional funds to cover any shortfall.
- If neither party is able to fund the difference, the Town is responsible for the costs to restore the field to a natural turf field per the original agreement terms.
- Other standards terms regarding insurance, lost time, and coordination with the Reciprocal Agreement for Community Use of Schools are included in the agreement.
- Termination requirements and end of agreement obligations are also specified in the agreement – the Town and Board will ensure that the field is in a reasonable condition at the end of term consistent with a condition expected for a 10-year old field.

The Town's Solicitor has reviewed the updated agreement and will provide any final comments, pending approval of this Council Report.

Staff will report back to Council if the tender results exceed the approved budget.

Pending approval of this Council Report, staff will continue to finalize the agreement with HDSB staff in order to facilitate a tender in late 2024 and a planned turf replacement for summer/fall 2025.

Not proceeding with the updated turf replacement agreement and/or delay with the replacement project will pose significant risks to the ability of the local soccer, football and track and field groups being able to use the field, and the associated impacts to their programs and revenue collected by the Town.

STRATEGIC PLAN ALIGNMENT:

This report identifies infrastructure and asset management as one of the Town's Strategic priorities. This report also identifies a safe and welcoming community as one of the Town's Strategic priorities.

RELATIONSHIP TO CLIMATE CHANGE:

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

PUBLIC ENGAGEMENT:

Public Engagement was not needed as this report is administrative in nature.

INTERNAL CONSULTATION:

Staff from Finance, Community Services (Parks, Community Development and Environment), Transportation and Public Works (Park Operations), Corporate Services (Finance) and the Town's legal counsel 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.

The Kiwanis Field Turf Replacement (8500-11-2605) project is identified in the Town's Capital Forecast for 2025 in the amount of \$750,000. In order for the HDSB to tender the project, the Town will be required to enter into the agreement prior to the finalization of the Town's Budget for 2025 in December.

Through the Long Range Financial Plan, funding for this project has been set aside in the Contingency Reserve in preparation for this project as it was anticipated by staff. Annual contributions to the Contingency Reserve in the past have utilized the revenues collected from the arrangements with user groups. This was to ensure that the revenue collected from user groups for use of the field funded both the annual loan/debenture costs remaining from the original agreement, as well as the anticipated future replacement costs for the field, which have now come to fruition.

Staff recommend that Council pre-approve the capital budget and project in the amount of \$750,000 in order to facilitate the signing of the agreement so that the project can proceed in a timely manner to be completed in 2025.

As noted above, any additional capital funding needs stemming from cost overruns from the tender issued by HDSB are required to come back to Council for consideration. Additionally, obligations for full replacement of the field turf in the future have been excluded from the general agreement conditions recommended through this report.

While the Town will provide use of Town fields to the HDSB during the construction of the artificial turf fields, these daytime uses will not displace the Town's normal users. Any lost revenue is anticipated to be minimal and accounted for through existing operating budgets.

Reviewed and approved by,

Damian Szybalski, Commissioner of Community Services

Chris Mills, Chief Administrative Officer