



Staff Report for Committee of the Whole Meeting

Date of Meeting: July 2, 2019

Report Number: SRCS.19.19

Department: Community Services
Division: Recreation and Culture Services

Subject: Oak Ridges Lions Club Facility Use Agreement
Renewal

Purpose:

The purpose of this report is to renew and update the facility use agreement of October 18, 1982 between the City of Richmond Hill and the Lions Club of Oak Ridges

Recommendation(s):

- a) That the Mayor and Clerk be and they are hereby authorized to execute an agreement between the Oak Ridges Lions Club and the Corporation of the City of Richmond Hill upon the recommendation of the Commissioner of Community Services.

Contact Person:

Ilmar Simanovskis, Commissioner of Community Services, extension 2422

Report Approval:

Submitted by: Ilmar Simanovskis, Commissioner of Community Services

Approved by: Neil Garbe, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner and City Manager. Details of the reports approval are attached.

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Background:

In June of 1972 Richmond Hill entered into an agreement with the Oak Ridges Lions Club (the Club) for the purpose of executing a sale of land to the City in exchange for free use of facility space for Club meetings and functions. The general terms and conditions of the agreement were:

- The Club to sell a parcel of land being part of lot 65 (in the first concession of the former Township of King), to Richmond Hill for \$18,000 to be used only for municipal purposes including a fire hall and public library (currently named Connor Building).
- The Club to have free use of the community meeting room at the arena in Ozark Park and park lands for a stipulated number of meetings and expected events through the calendar year.
- The Club to contribute at least \$17,000 of the purchase price towards the development of the community meeting room/arena/Ozark Park.

This agreement essentially resulted in the Club giving land to the City in exchange for free access to meeting space.

A second agreement was executed in October 1982 that describes the meeting space requirements and a new term of two periods of 20 years. This would result in the first renewal period ending in 2003 and the second renewal period ending in 2023.

Prior to the city assuming operation of the Arenas in 2010, the Arena Board honoured the intent of the initial agreement, granting the Oak Ridges Lions Club free use of space within the Bond Lake Arena, Norm Taylor Room. When the City assumed the arena operations in 2010, in absence of any current agreement or renewal agreement, the City implemented approved user fees for the Lions Club continued use of this space, which was consistent with fees and charges applied to all other service clubs, Lions clubs and community groups throughout the City.

This report is providing the background on the relationship between the City and the Club and is seeking authorization to renew the expired agreement in good faith consideration of the initial financial contribution of the Club to the City in 1972.

Financial/Staffing/Other Implications:

Oak Ridges Lions Club Contributions to City Warrant Further Consideration

In reviewing the history of this file, staff are of the opinion that implied expiry of the 1982 agreement which occurred in 2012 was an unintentional oversight on both parties and did not transpire from a breach of any conditions of the agreement but rather the inaction of renewing the agreement prior to the 2003 expiry deadline.

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The Club has therefore been paying rental fees for the space they use since 2012. The practice of offering space free of charge was still in place for the first 9 years of the second term of the agreement from 2003 to 2012.

Considering the land and financial contributions made to the City in 1972, there is an implied commitment that should be honoured, and considering the community work of the Club, there will continue to be benefit to the citizens in providing this space at no cost.

This situation is unique and will not create a precedent for other clubs who rent space from the City as the initial agreement of 1972 established a notable exchange of value for both parties.

Renewal and Extension of 1982 Agreement is Recommended

In considering the initial intent of the 1982 agreement and the incurred rental costs during the 8 year period from 2012 to 2019, it is recommended that an offer of an extended term be made to the Club. A minimum proposed term for rent-free use of space for the Club is 12 years based on the 8 years plus the 4 years remaining in the period 2020 to expiry in 2023. This would result in a new expire date of 2031.

Council may also consider an additional 20 year renewal option within the contract for an ultimate expiry of 2051. In considering land and financial contributions of this Club in 1972, staff would be in support of this additional term.

Financial Implications

The Oak Ridges Lions Club currently utilizes space at the Bond Lake Arena, Norm Taylor room on average once per month for 2 hours and are charged the approved affiliated community group rate of approximately \$250.00 + HST annually.

Relationship to the Strategic Plan:

This initiative supports the strategic goals of creating stronger connections, and creating a more vibrant community.

Conclusion:

In 1972, the Oak Ridges Lions Club entered into an agreement that provided for free access to meeting space in exchange for land and a cash contribution towards new facility construction costs.

A second agreement was executed in 1982 that provided for a total of 40 years of continued free access to community space over two 20 year terms. The agreement was never formalized for the second 20 year term and changes on policy resulted in charges being applied to rental space starting in 2012.

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To honour the contribution and earlier commitments to the Oak Ridges Lions Club, staff are recommending that a revised agreement be executed with an expiry of 2031 (12 years). Council may also consider an additional term of 20 years to an ultimate end date of 2051 for free access to community space.

Attachments:

None

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Report Approval Details

Document Title:	SRCS.19.19 Oak Ridges Lions Club Agreement Renewal.docx
Attachments:	
Final Approval Date:	Jun 25, 2019

This report and all of its attachments were approved and signed as outlined below:

Ilmar Simanovskis - Jun 25, 2019 - 1:22 PM

Neil Garbe - Jun 25, 2019 - 1:44 PM