

TORONTO STAFF REPORT

May 26, 2006

To: Economic Development and Parks Committee

From: Brenda Librecz, General Manager, Parks, Forestry and Recreation
Joseph P. Pennachetti, Deputy City Manager and Chief Financial Officer

Subject: Ward 32 Woodbine Beach Park Playground
(Ward 32 - Beaches-East York)

Purpose:

To allow the City to receive cash and in-kind donations toward the planning, design and development of additional phases of the Ward 32 Woodbine Beach Park Playground and related amenities and issue receipts for income tax purposes for eligible donations in accordance with the Income Tax Act and City policy in this regard; to authorize the City to amend the agreement, if necessary, with Toronto East Sports and Social Club (TESSC) Inc. to fundraise on behalf of the City of Toronto for the planning, design and development of additional phases of the Ward 32 Woodbine Beach Park Playground and related amenities, generally in accordance with the terms and conditions detailed in the body of this report and in a form and content satisfactory to the General Manager, Parks, Forestry and Recreation and the City Solicitor; and to authorize the establishment of a reserve fund to hold the cash donations.

Financial Implications and Impact Statement:

This report recommends the creation of an account within the Donations Reserve Fund to support fundraising for the planning, design, and development of additional phases of the Ward 32 Woodbine Beach Park Playground and related amenities. The fundraising target for this Reserve Fund is \$100,000.00. It is anticipated that when the target is reached, or within three years, these funds will be applied to a new Parks, Forestry and Recreation capital project in Ward 32.

Recommendations:

It is recommended that:

- (1) City Council establish an obligatory reserve fund called “Ward 32 Woodbine Beach Park Playground Reserve Fund” for receiving cash donations for the purpose of providing

funding for the planning, design and development of additional phases of the Ward 32 Woodbine Beach Park Playground and related amenities;

- (2) Municipal Code, Chapter 227 [Reserves and Reserve Funds] be amended by adding the “Ward 32 Woodbine Beach Park Playground Reserve Fund” to Schedule 9 – Donations Obligatory Reserve Fund;
- (3) all donations received by the City for the planning, design, redevelopment and enhancement of the Ward 32 Woodbine Beach Park Playground and related amenities, be held separately in the “Ward 32 Woodbine Beach Park Playground Reserve Fund” designated for this purpose, and receipts for income tax purposes be issued to donors for eligible donations in accordance with the *Income Tax Act* and City policy in this regard;
- (4) \$25,000 previously deposited and recorded for the Ward 32 Woodbine Beach Park Playground be transferred to this reserve fund upon its establishment;
- (5) authority be granted to amend the agreement, if necessary, with TESSC Inc. to allow TESSC Inc. to fundraise on behalf of the City of Toronto for the planning, design and development of additional phases of the Ward 32 Woodbine Beach Park Playground and related amenities, generally in accordance with the terms and conditions detailed in the body of this report and in a form and content satisfactory to the General Manager, Parks, Forestry and Recreation and the City Solicitor;
- (6) this report be forwarded to the Policy and Finance Committee for consideration; and
- (7) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto; and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.

Background:

In June 2004, the City issued an RFP to enter into a license agreement for the professional services for beach volleyball in Ashbridge’s Bay Park and Woodbine Beach Park.

At its meeting held on November 30 and December 1 and 2, 2004, Council adopted Report 8, Clause 4 of the Economic Development and Parks Committee entitled Professional Services for the Operation of Beach Volleyball in Ashbridge’s Bay Park and Woodbine Beach Park Request for Proposal 9155-04-7198 (Ward 32 Beaches-East York) and authorized that authority be granted to negotiate and enter into a five-year seasonal License Agreement commencing May 1, 2005, and ending September 30, 2009, with Toronto East Sport and Social Club Inc., the highest overall scoring proponent meeting the requirements for the operation of beach volleyball in Ashbridge’s Bay Park and Woodbine Beach Park, with an option to renew the License Agreement for an additional five-year term.

TESSC Inc. is providing organized recreational volleyball leagues during the spring and summer seasons at Ashbridge’s Bay Park and Woodbine Beach Park. This location is the largest

recreational volleyball site in the GTA. TESSC Inc. has been involved in recreational volleyball since 1996 at this location and has demonstrated and provided successful volleyball programs. The guaranteed net revenues to the City over the five-year term are \$975,000.00 with no added expense to the City. Also, TESSC Inc. is investing a total of \$335,000.00 in much-needed capital improvements to renovate the existing heritage washroom/bathing facility and the surrounding playground in Woodbine Beach Park.

It has been proposed by TESSC Inc. that the Ward 32 Woodbine Beach Park Playground be redeveloped in order to provide a state-of-the-art inclusive playground facility for the residents of this area and for all those who visit Woodbine Beach Park. The new and enhanced playground will be adapted to be a universally accessible playground. This initiative brought forward by TESSC Inc. will see the initial capital investment of \$125,000.00 as per their agreement for the playground and fundraising of an additional \$100,000.00 for a combined total of \$225,000.00 for the planning, design and development of additional phases of the Woodbine Beach Park Playground and related amenities.

In consultation with Parks, Forestry and Recreation staff, a fundraising target for the playground and improvements has been set by TESSC Inc. at \$100,000.00 with the initial investment of \$125,000.00 for capital improvements to the playground for a combined total of \$225,000.00. In support of the project, TESSC Inc. is anxious to commence the necessary fundraising initiatives as soon as possible. All donations received for the Ward 32 Woodbine Beach Park Playground redevelopment, by the City of Toronto will be held separately in the “Ward 32 Woodbine Beach Park Playground Reserve Fund” designated for this purpose, and receipts for income tax purposes will be issued to donors in accordance with Section 110.0 and Section 118.1 of the Income Tax Act, which provides that donations to Canadian municipalities are tax deductible. All money raised for this initiative will be used for the redevelopment of the playground and related site improvements. Should this funding benchmark not be met or is exceeded, the design proposal and scope of work will be adjusted to reflect the funds available. Similar successful community initiatives have occurred in other playground locations including High Park, David A. Balfour Park, Hillcrest Community Recreation Centre, Eglinton Park and Kew Gardens Playground.

The initial phase will also include planning for additional phases of development. The intent is to develop, over time, a significant multi-use playground in Ward 32. Partnerships will form a key part of the continued expansion in future phases of development. The donations received shall be deposited in the Ward 32 Woodbine Beach Park Playground Reserve Fund until sufficient capital is in place to commence additional phases. Construction shall be phased subject to donations received.

Comments:

The City is seeking donations for the planning, design and development of additional phases of the Ward 32 Woodbine Beach Park Playground and related amenities.

It is being recommended that an account within the Donations Reserve Fund be created to be called the “Ward 32 Woodbine Beach Park Reserve Fund” with the following rules:

[a] Statement of Purpose

The Ward 32 Woodbine Beach Park Reserve Fund is established to receive donations for planning, design and development of additional phases of the playground and the purpose of which is to provide funds for the planning, design, and development of additional phases of the Ward 32 Woodbine Beach Park Playground and related amenities.

[b] Service Area or Beneficiary of the Program

Parks, Forestry and Recreation shall have primary responsibility for the account.

[c] Initial Contribution

Capital Contribution by TESSC Inc. in the amount of \$25,000.00 has been deposited and recorded for this project which is to be transferred to the reserve fund upon its establishment and those funds shall be deemed to be the initial contribution.

[d] Contribution Policy

Funds from public and private donors will be deposited as received in the reserve fund and the City will provide income tax receipts to all donors pursuant to the City's policies.

[e] Withdrawal Policy

Funds will be withdrawn either as part of the normal capital budget process (allocation to projects) for the purposes of the planning, design and development of additional phase of the Ward 32 Woodbine Beach Park Playground and related amenities or through a specific report to City Council authorizing the purpose and amount of the withdrawal.

[f] Review Cycle

The reserve fund will be reviewed in three years, and closed when the fund is depleted.

[g] Fundraising Target

The fundraising target for the planning, design and development of additional phases of the Ward 32 Woodbine Beach Park Playground related amenities is \$100,000.00.

If it is deemed necessary for the City to amend the agreement with TESSC Inc., the amendments shall include, but not be limited to, such terms and conditions listed below:

- (i) All fundraising activities by TESSC Inc. for the additional phases of the Ward 32 Woodbine Beach Park Playground and related amenities must receive prior written approval and authorization by the City. All literature or related information pertaining to the Ward 32 Woodbine Beach Park Playground must be submitted to the City for

approval prior to distribution and all fundraising activities shall comply with applicable City policies and practices regarding third-party fundraising.

- (ii) In the event that the City, acting reasonably, considers any fundraising activity or promotion to be inappropriate, or in the event that the City decides for any reason, at any time, to discontinue or not proceed with the Ward 32 Woodbine Beach Park Playground, TESSC Inc. shall immediately cease all fundraising activities for the development of additional phases of the Ward 32 Woodbine Beach Park Playground or, in the case of inappropriate activities, such activities shall cease as the City shall specify.
- (iii) TESSC Inc. makes no representation or warranty with respect to the dollar amount of the funds to be raised, but agrees to work cooperatively with City staff on a best efforts basis, in order to maximize funds for specific portions of the Ward 32 Woodbine Beach Park Playground and related amenities. The City agrees to work cooperatively with TESSC Inc. and volunteers in good faith, and to provide the documents, drawings, materials and written endorsements reasonably necessary to facilitate the implementation of the Ward 32 Woodbine Beach Park Playground and related amenities and the fundraising efforts of TESSC Inc.
- (iv) All funds raised by TESSC Inc. shall be forwarded to the City to the attention of the Manager of Capital Projects, Parks, Forestry and Recreation and held within the “Ward 32 Woodbine Beach Park Playground Reserve Fund” and shall become property of the City.
- (v) Use of the funds shall be as agreed upon by the parties and, in the event that the Ward 32 Woodbine Beach Park Playground does not proceed, or proceeds on a smaller scale, the parties, acting reasonably, shall agree upon the re-allocation or redistribution of any funds raised by TESSC Inc. in relation to the planning, design and development of additional phases of the Ward 32 Woodbine Beach Park Playground, to different aspects of Ward 32, to projects similar in nature to the Ward 32 Woodbine Beach Park Playground, or to be treated in accordance with any funding agreements which may be in place with third party donors.
- (vi) The City Auditor or anyone designated in writing by the City Auditor may audit and inspect accounts, records, receipts, vouchers, and other documents relating to TESSC Inc. fundraising activities and shall have the right to make copies and take extracts from such records. TESSC Inc. agrees to furnish the City and its authorized representatives with all such information as it, or they, may require with reference to all such records. TESSC Inc. shall cause all such records to be preserved and kept available for audit and inspection at any reasonable time, until the expiration of two years from the date of completion of the fundraising activities contemplated by an agreement.
- (vii) TESSC Inc. acknowledges that an agreement does not grant any exclusivity and the City may, in its sole discretion, accept, solicit or otherwise raise funds for the Ward 32 Woodbine Beach Park Playground, as it deems appropriate.

- (viii) Subject to any legislative requirements, no confidential information acquired during the term of an agreement shall be disclosed in any manner whatsoever without the prior written approval of the City. TESSC Inc. shall hold all confidential information obtained in trust and confidence for the City and shall not disclose any such information, by publication, or other means, to any person, company or other government agency and not use the same for any other project other than for the benefit of the City as may be authorized by the City, in writing. Any request for such approval by the City shall specifically state the benefit to the City of the disclosure of confidential information and any use of the confidential information shall be limited to the express purposes set out in the approval by the City. TESSC Inc., shall not, at any time during or after the term of an agreement, use any confidential information for the benefit of anyone other than the City.

Conclusions:

This report recommends that the City be granted authority to receive in-kind donations and establish an account within the Donations Reserve Fund to receive cash donations toward the planning, design, and development of additional phases of the Ward 32 Woodbine Beach Park Playground and related amenities, and issue receipts for income tax purposes to donors for eligible donations in accordance with the *Income Tax Act* and City policy in this regard. The report also recommends that Council authorize the approval to amend the agreement, if necessary, with TESSC Inc., to allow TESSC Inc. to fundraise on behalf of the City of Toronto for the planning, design and development of additional phases of the Ward 32 Woodbine Beach Park Playground and related amenities, generally in accordance with the terms and conditions detailed in the body of this report and in a form and content satisfactory to the General Manager, Parks, Forestry and Recreation, and the City Solicitor.

Contacts:

Neil Zaph
Director, Strategic Services
Tel: 416-395-6065
Fax: 416-392-8565
Email: nzaph@toronto.ca

Len Brittain
Director, Corporate Finance
Tel: 416-392-5380
Fax: 416-397-4555
Email: lbrittai@toronto.ca

Doug McDonald
Manager, Business Services
Tel: 416-392-8578
Fax: 416-392-3355
Email: dmcdona0@toronto.ca

Don Altman
Manager, Corporate Financial Strategies
Tel: 416-397-4220
Fax : 416-397-4555
Email : daltman@toronto.ca

Brenda Librecz
General Manager
Parks, Forestry and Recreation
(P:\2006\Fin\Cf\ad06034Cf) - et

Joseph P. Pennachetti
Deputy City Manager and
Chief Financial Officer