



STAFF REPORT ACTION REQUIRED

License Agreement for the Operation and Maintenance of a Driving Range at 50 Ingram Drive

Date:	March 19, 2015
To:	Government Management Committee
From:	General Manager, Parks, Forestry and Recreation
Wards:	Ward 12 – York South-Weston
Reference Number:	P:\2015\Cluster A\PFR\GM03-040815-AFS#20838

SUMMARY

This report seeks Council authority to enter into a license agreement with Pace Golf Academy ("PGA") for the operation and maintenance of a driving range on the open space located at 50 Ingram Drive ("the property"). In 2007 Council had originally directed the General Manager of Parks, Forestry and Recreation ("PFR") to operate and maintain the driving range at the property itself.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation recommends that:

1. City Council authorize the General Manager of Parks, Forestry and Recreation (the "General Manager") to enter into a license agreement with Pace Golf Academy for the operation and maintenance of a driving range located at 50 Ingram Drive, for a term of five (5) operating seasons commencing April 15, 2015 and ending October 31, 2019 with the City having the option to renew in the sole discretion of the General Manager, for one additional operating season commencing April 15, 2020 and ending October 31, 2020, for a guaranteed net revenue of \$124,896.00 over the initial term and further revenue of \$26,497.00 should the General Manager choose to exercise the City's right to renew for the renewal term, subject to such additional terms and conditions as are satisfactory to the General Manager, including offering the opportunity for golf lessons to the community and weekly lessons free of charge to at risk youth registered in Parks, Forestry and Recreation summer camps, all in a form satisfactory to the City Solicitor;

2. That alternative City uses for the site by Toronto Water and Solid Waste Management Services be considered before any future license agreement renewals; and
3. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

FINANCIAL IMPACT

Approval of this report will result in the City receiving guaranteed licence fees totalling \$125,000 (rounded) over the initial five (5) year term of the Licence Agreement commencing on March 1, 2015.

If the option to renew the contract for an additional one (1) year term is exercised by the General Manager, Parks, Forestry and Recreation, this will result in guaranteed licence fee revenues totalling \$26,000 (rounded).

Parks, Forestry and Recreation's 2015 Operating Budget currently does not include an annual revenue target for this property. If approved by Council, Parks, Forestry and Recreation's 2015 Operating Budget will be changed in-year to capture the \$24,000 for the first year of the Licence Agreement. In 2016 and beyond, the budgeted revenue targets will be adjusted to reflect the expected revenues as outlined in the initial five (5) year Licence Agreement.

Initial Term	Guaranteed Revenue
2015	\$24,000
2016	\$24,480.00
2017	\$24,969.60
2018	\$25,468.99
2019	\$25,978.37

Option Term	Guaranteed Revenue
2020	\$26,497.94

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

City Council at its meeting of July 16, 17, 18, and 19, 2007 adopted a recommendation that the green space west of Ingram Transfer Station be transferred over to Parks, Forestry and Recreation for use as a City-owned and operated driving range.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2007.PW7.15>

City Council at its meeting of November 30, December 1, 2, 4 and 7, 2009 authorized the release of confidential recommendations and a settlement agreement between the City and North York Golf Academy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.GM26.36>

At its meeting held on April 28, 2011 the Community Development and Recreation Committee referred a request from the North York Academy of Golf and Practice Range Inc ("North York Golf Academy") to re-establish the golfing facility previously operated on lands leased from the City to the General Manager for appropriate action.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.CD3.4>

ISSUE BACKGROUND

Following Council direction in July of 2007, PFR reviewed the possibility of operating a City-owned driving range on the property; however, this was not an option due to a lack of available divisional funding.

The property consists of 8.13 acres of land which is separated by a fence from the Ingram Transfer Station and shares the same municipal address but is currently landlocked. The landlocked status of this site makes it challenging to access without an agreement with neighbouring properties. The only current access points to the site are from 2255 and 2265 Keele Street. The inability to access the property severely limits the City's ability to tender the site for any prospective business interest (See Schedule 'A' Attached).

Anthony Pace, the principal member of PGA is the current owner of the property at 2255 Keele Street. Mr. Pace previously operated a driving range on the property from 1997 to 2003 on a six (6) year lease with a four (4) year optional renewal but was not renewed by the City. Mr. Pace took legal action against the City which was settled in 2009. In 2011, Mr Pace requested that the City consider permitting him to re-establish the golfing facility he previously operated. The Community Development and Recreation Committee referred this request to the General Manager of Parks, Forestry and Recreation for consideration.

In January 2013 PFR concluded a review of a 2010 proposal for a sports dome on the property from a neighbouring property owner at 2265 Keele Street that has access to the property. It was determined that this proposal would not be a viable option for the City. This cleared the way for Mr. Pace to submit his proposal to operate a driving range being part owner of the property at 2255 Keele Street and the only other property with access to the Green Space.

COMMENTS

The proposed license agreement offers a term of five (5) operating seasons commencing April 15, 2015 and ending October 31, 2019 with the City having the option to renew for one additional operating season ending October 31, 2020.

Toronto Water is currently considering the installation of a storm water retention pond at the property and pending the necessary approvals, construction would commence in 2021. This future plan for the site has rendered it less desirable for any third party to operate a business as it offers a limited number of years to recover funds invested and to make a profit. PGA offers PFR the only possible option to receive revenues from the property considering that the driving range operations would terminate at the very latest by October 31, 2020. PGA would also be required to clean up the property allowing for an easier transition of the site over to Toronto Water in 2021. The site would then require less preparation work for construction of the storm retention pond.

Solid Waste Management Services continues to have an interest in the property as it is adjacent to the Ingram Transfer Station. The Division previously indicated its interest in the site in 2007 to improve the operation of the Ingram Transfer Station, including improved traffic flow, better access to the residential recycling depot, improved storage area for yard waste and potential reuse facility. This need continues as the Ingram Transfer station is the City's busiest transfer facility. In addition, the Long Term Waste Management Strategy is underway, which is expected to confirm future needs for the City's waste management system including infrastructure requirements. The short-term lease will allow time for full review requirements as well as discussion with Toronto Water to determine the long-term best use of the property.

In the interim the installation of a driving range at the property will provide a much needed source of recreation for Ward 12 and the surrounding area. In addition to driving range services, PGA would be offering the opportunity for golf lessons to the community. PGA also plans to introduce the game of golf to at risk youth in the immediate community in hope that this will enhance young lives. PGA will also be required to offer weekly lessons free of charge to a number of at risk youth registered in PFR summer camps as part of the proposed agreement.

CONCLUSION

Staff support the proposed license agreement as it offers the City an additional option for recreation in Ward 12. The proposed license agreement will allow for the utilization of property that would otherwise be inaccessible to the public due to the fact that it is landlocked. Pace Golf Academy will maintain the property and offer the City a source of revenue for the next five (5) to six (6) years while enhancing the neighbourhood through the operation of a driving range and offering golf lessons to customers and at risk youth.

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SIGNATURE

Janie Romoff
General Manager, Parks, Forestry and Recreation

Schedule 'A'

