



REPORT FOR ACTION

Expansion of the Ted Reeve Community Arena Board Jurisdiction over Covered Outdoor Arena

Date: February 13, 2018

To: Community Development and Recreation Committee

From: General Manager, Parks, Forestry and Recreation

Wards: Ward 32, Beaches-East York

SUMMARY

This report seeks City Council approval to amend Chapter 25 of the former City of Toronto Municipal Code, to expand the jurisdiction of the Ted Reeve Community Arena Board to include the operations and management of the covered outdoor ice rink located on the same City-owned property as the Arena.

RECOMMENDATIONS

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

1. City Council approve the amendment of Chapter 25 of the former City of Toronto Municipal Code to expand the jurisdiction of the Ted Reeve Community Arena Board to include the operations and management of the covered outdoor ice rink located on the same City-owned property as the Arena, for the duration of the current lifespan of the vinyl membrane covering the structure, with extensions subject to available capital maintenance funding within the Parks, Forestry and Recreation Capital Budget and Plan.
2. City Council authorize the City Solicitor to introduce the necessary bill in Council to amend Chapter 25 of the former City of Toronto Municipal Code in accordance with recommendation 1.

FINANCIAL IMPACT

On the basis of the Ted Reeve Arena Board's current cost recovery operation of the covered outdoor rink for the third party, it is estimated that \$0.055 million of additional net revenue would result from operation.

Capital maintenance of all arena board facilities is the responsibility of Parks, Forestry and Recreation. The vinyl covering is nearing the end of its life span with the cost of replacement estimated at \$0.100 million. With replacement of the vinyl covering, the projected lifespan of the frame of the structure and of the rink is expected to be approximately 15 years.

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

DECISION HISTORY

The City issued Request for Proposal No. 3918-00-5188, dated March 20, 2000, for the construction of an enclosure and related amenities for the Facility and for the operation of the Facility on a year round basis.

At its meeting held on July 4, 5 and 6, 2000, by the adoption of Report No. 7, Clause 11 of the Economic Development and Parks Committee, City Council awarded RFP No. 3918-00-5188 to Air Athletics Inc. and authorized staff to negotiate and enter into a suitable agreement, in a form acceptable to the City Solicitor, and the Chief Financial Officer and Treasurer, with Air Athletics Inc. for the construction and operation of an enclosure for the ice rink at East Toronto Athletic Field as per the proposal submitted by Air Athletics Inc. in response to Request for Proposals No. 3918-00-5118;
<https://www.toronto.ca/legdocs/2000/agendas/council/cc/cc000704/edp7rpt/cl011.pdf>

At its meeting held on May 30, 31 and June 1, 2001, by the adoption of Report No. 5, Clause 18 of the Economic Development and Parks Committee, City Council authorized staff to amend the terms of the agreement approved in July 2000, to include capital repairs to the ice pad and to report to the June 11, 2001 meeting of the Economic Development and Parks Committee regarding the financial implications of the capital repairs and resulting recommended agreement with Air Athletics Inc.
<https://www.toronto.ca/legdocs/2001/agendas/council/cc010530/edp5rpt/cl018.pdf>

At its meeting held on June 11, 2001, the Economic Development and Parks Committee recommended that the Commissioner of Economic Development, Culture and Tourism be directed to negotiate and execute an agreement, in a form satisfactory to the Commissioner of Economic Development, Culture and Tourism and the City Solicitor, with Air Athletics, to enclose and operate the existing East Toronto Athletic Field ice Rink in accordance with the report before it dated June 6, 2001, and the general terms and conditions of RFP No. 3918-00-5118, and that the required capital repairs to the facility be undertaken by Air Athletics and funded through the operational savings achieved through the agreement; and further that the report be forward to the Policy and Finance Committee for its meeting of June 14, 2001.
<https://www.toronto.ca/legdocs/2001/agendas/council/cc010626/edp6rpt/cl019.pdf>

At its meeting held on June 26, 27 and 28, 2001, by the adoption of Report No. 9, Clause 7 of the Policy and Finance Committee, Council approved the recommendation of the Policy and Finance Committee adopting the June 11, 2001, recommendations of the Economic Development and Parks Committee, subject to funding in the amount of

\$183,000.00 being provided from the Parkland Reserve account over a period of 3.8 years for completion of the required capital repairs to the East Toronto Athletic Field Ice Rink and subject to the finalization of the agreement with Air Athletics Inc.
<https://www.toronto.ca/legdocs/2001/agendas/council/cc010626/pof9rpt/cl007.pdf>

An operating agreement between the City, Ted Reeve Arena Committee of Management and Air Athletics Inc., through its General Partner, Sportscentre Design & Management, LP ("SCDMLP") was entered into on March 1, 2003 together with a construction agreement also dated March 1, 2003.

By the adoption of Notice of Motion J(7) moved by Deputy Mayor Bussin and seconded by Councillor Walker, at its meeting held on April 15 & 16, 2004, City Council consented to the assignment of the agreements with the City and Ted Reeve Community Arena Committee of Management (TRCM) for the capital improvements, and the operation and management of the Facility, by SportsCentre Design & Management, LP (SCDMLP), to Beaches Sports Centre Inc., a wholly-owned subsidiary of SCDMLP.
<https://www.toronto.ca/legdocs/2004/agendas/council/cc040415/cofa.pdf>

COMMENTS

The Ted Reeve Community Arena is located at 175 Main Street and includes the arena building and immediate grounds. There is an outdoor covered ice rink (the "Bubble"), also located on the property, which is owned by the City and shares a refrigeration system with the main, indoor arena. The vinyl membrane covering the ice rink has a useful lifespan of approximately 15 years and will need replacement within the next 2 years. The lifespan of the metal support structure is also approximately 15 years.

For the past 15 years the Bubble has been managed and operated by an outside third party in accordance with an operating agreement between the City, the operator and the Ted Reeve Community Arena Board (the "TRB"). In accordance with this agreement, the TRB has been responsible for the provision of services including staffing, installation and removal of ice and other daily operation and management services in exchange for a fee paid by the third party operator. This agreement will expire at the end of March 2018.

The TRB has expressed interest in continuing to manage and operate the Bubble following expiration of the current operating agreement, and the Parks, Forestry and Recreation Division, which has jurisdictional management of the Bubble, is supportive of expanding the TRB's jurisdiction to include the Bubble on a temporary basis. The TRB would be able to maximize the use of both pads by being able to manage bookings and effectively allocate rentals between both of the rinks. As the TRB has been responsible for the operation and day-to-day maintenance of this facility for the past 15 years, through the existing operating agreement, expanding the TRB's jurisdiction to include the Bubble will provide for a smooth transition, and the practical effect of this change will be minimal.

Under the current operating agreement, revenues from use of the facility have been paid to the private operator, and the TRB has received compensation for its services in

accordance with a budget established under the operating agreement. With the proposed change, expanding the TRB's jurisdiction to include the Bubble, it is estimated that approximately \$0.055 million additional net revenue will come to the Arena Board. These revenues will offset any additional costs to the TRB as a result of assuming full responsibility for the facility.

Board managed Arenas are governed by the City's Arena Board Relationship Framework and Chapter 25 of the former City of Toronto Municipal Code ("Chapter 25"). In order to effect this change, an amendment to Chapter 25 will need to be made to expand the jurisdiction of the TRB to include the operation and maintenance of the Bubble.

Chapter 25 currently provides that the TRB is responsible for the Ted Reeve Arena building and immediate grounds. The TRB's jurisdiction under Chapter 25 does not include the Bubble. In order to expand the TRB's jurisdiction to include the Bubble it is necessary to amend Chapter 25 to include the Bubble under the TRB's jurisdiction. Given the limited lifespan of the Bubble, Staff recommend that the expansion of the TRB's jurisdiction over the Bubble be for the duration of the current lifespan of the vinyl membrane covering the structure, with extensions subject to available capital maintenance funding within the Parks, Forestry and Recreation Capital Budget and Plan.

Strategic and Corporate Policy, City Manager's Office, who were consulted in the preparation of this report, will coordinate with Legal Services to amend the Relationship Framework to include the Bubble under the TRB's jurisdiction.

CONTACT

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SIGNATURE

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