

M&C No.	2020-258
Report Date	October 20, 2020
Meeting Date	October 26, 2020
Service Area	Transportation and Environment Services

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: Seaside Park Lawn Bowling Facility - License Agreement

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
Tim O'Reilly/ Holly Young	Michael Hugenholtz	John Collin

RECOMMENDATION

It is recommended that Common Council approve a License Agreement with the Seaside Lawn Bowling Club in the form and upon the terms and conditions as set out in the License Agreement as attached to M&C 2020-258 and that the Mayor and Common Clerk be authorized to execute the attached said Agreement.

EXECUTIVE SUMMARY

This report is being submitted in support of endorsing a License Agreement (the "Agreement") with Seaside Lawn Bowling Club (the "Club") to operate the lawn bowling building and greens (the "Facility"). The Agreement will provide for continued access to recreation within the City, confirm obligations of the Licensee, discontinue the City's financial obligation.

For the term of the Agreement, five (5) years, the Club will use the City's Facility, assume all financial responsibility related to the operation and maintenance of this Facility, support the alignment of PlaySJ's delivery model that focuses on Healthy and Active Living, Right-sizing, and Community Development. The Club has reviewed the Terms of the License Agreement and are in agreement.

PREVIOUS RESOLUTION

On October 7, 2019, it was resolved by Council to *receive and file M&C 2019-249: 'Sustainability: Addressing the Deficit 2021-2022'*.

On November 18, 2019, it was resolved by Council to: *endorse the proposed 'Rightsizing Recreation Facilities: Seaside Park Lawn Bowling - Sustainability Item' as an option to be considered in addressing the entirety of the deficit in 2021 and 2022.*

On May 4, 2020, it was resolved by Council to adopt the following:

1. *Approve the implementation of the Sustainability Plan and all elements as presented to address the projected deficit of \$10 Million through workforce adjustments (60%), revenue generation, service changes, and continuous improvement efforts in 2021 and 2022.*
2. *Direct the City Manager to return to Council as and when required for implementation plan approval, including any changes to bylaws, policies or Council guidance and direction.*
3. *Approve the implementation of Standby Sustainability Initiatives as prioritized to ensure the entirety of the deficit is addressed, inclusive of updated deficit figures, to balance the 2021 and 2022 general fund operating budgets.*

REPORT

The Seaside Park Lawn Bowling Facility has been owned and operated by the City of Saint John for more than 30 years. During this time, the Seaside Lawn Bowling Club (the “Club”) has been able to use this recreation facility, exclusively, without any financial obligation to the City. As part of *Sustainability: Addressing the Deficit*, this site was deemed as not financially viable for continued operation by the City. In order to continue this recreation activity at this site, the City recommends a partnership through a Community Development Model. In consultation with the Club, they expressed an interest in entering into an Agreement in order to continue this activity at this site.

This License Agreement (the “Agreement”) confirms the following points:

- The Club shall be responsible for all costs for maintenance, repairs and improvements to the Facility, if and when required.
- The Club shall pay all other charges, federal and/or provincial taxes, rates and assessments of whatsoever description during the term of this Agreement.
- The Club shall pay all utility usage costs, including but not limited to costs in connection with hydro, water, sewerage, and telephone which during the term of this Agreement.
- The Club shall obtain and keep in force during the entire term of this Agreement, comprehensive general liability insurance which coverage shall have an inclusive limit of not less than Two Million (\$2,000,000) which names the City of Saint John as an additional insured.
- The Club shall be responsible for any deductible arising in relation to a claim made under the insurance deductible.
- The Club shall be responsible for securing the Facility.

STRATEGIC ALIGNMENT

Supports Council’s Priority to be Fiscally Responsible, aligns with Play SJ in rightsizing recreation facilities and implementing a Community Development Model.

SERVICE AND FINANCIAL OUTCOMES

For the term of the Agreement, the financial responsibility for operation and maintenance shall be the responsibility of the Club. The Agreement allows flexibility for either the Club or the City to terminate the Agreement upon the giving of written notice of Sixty (60) days.

The agreement would result in an estimated \$9,300 in annual savings to the City's General Fund Operating Budget. \$10,000 in savings was projected from this project as part of the overall Sustainability Plan, which has been incorporated into the 2021 budget. The difference (\$700) is as a result of the negotiated agreement as attached considering a 50/50 split in responsibility of property tax costs. The original cost saving projections assumed a greater property tax contribution by the Club based on the facility's estimated contribution to the assessed value of the overall PID, which includes the entire Seaside Park.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

Input was provided by Parks and Recreation, Real Estate Services, Risk Management and the Sustainability Team. The Legal Department has prepared the attached License Agreement.

Consultation with the Seaside Lawn Bowling Club was completed and included discussion on the attached terms and conditions of the License Agreement. The Club has signed the attached agreement already. Common Council will note a hand-written addition on page 2 of the agreement related to dusk-to-dawn lights. City staff are content with this addition; the Club does not require them so the City will have them removed to avoid ongoing electrical costs.

ATTACHMENT

Proposed License Agreement signed by the Seaside Lawn Bowling Club.