



City of
Peterborough

To: **Members of the Committee of the Whole**

From: **Ken Doherty, Director of Community Services**

Meeting Date: **May 8, 2017**

Subject: **Report CSD17-011**
Draft Memorandum of Understanding with the Peterborough
Agricultural Society Agreement

Purpose

A report to approve the draft Memorandum of Understanding with the Peterborough Agricultural Society.

Recommendations

That Council approve the recommendations outlined in Report CSD17-011, dated May 8, 2017, of the Director of Community Services, as follows:

- a) That a background presentation by the Director of Community Services be received;
- b) That the draft Memorandum of Understanding regarding the Transfer Agreement between the City of Peterborough and the Peterborough Agricultural Society, appended to Report CSD17-011 as Appendix A, be approved for a seven year term, with a renewal option; and that the Mayor and Clerk be authorized to execute any applicable legal agreements that arise from the Memorandum of Understanding;
- c) That upon execution of any and all agreements by the parties;

- i) That the Peterborough Agricultural Society's 2017 approved Service Grant be increased by an additional \$25,000 for a total of \$75,000, which becomes the new funding base for future years, with the funding to be allocated from the 2017 Contingency; and
- ii) That Staff be directed to engage the services of a qualified Architect to begin the high level conceptual and subsequently more detailed plans and costing for capital improvements to Morrow Park as contemplated in the draft Memorandum of Understanding.

Budget and Financial Implications

The City currently provides approximately \$29,000 annually through the Arena Division's budget in support of the Agricultural Society's annual exhibition to provide tents, electrical services, portable toilets, portable grandstands, and other support to offset the demolition of the former Manufacturers Building and the Grandstand. It is anticipated that this will continue until new infrastructure as contemplated in the draft Memorandum of Understanding ("MOU") is constructed.

Earlier this year, the City provided the Agricultural Society with a \$50,000 Service Grant. Awarding the additional \$25,000 from the 2017 Contingency will result in a balance of \$375,827. The resulting \$75,000 will serve as a new base Service Grant level for the Society going forward.

There are sufficient funds in the Arena Division's original Facility Upgrade – Morrow Park fund as approved in its 2012 Capital Budget, reference 6-6.06, to secure Architectural Services for the high level design and for the detailed design of the first structure as contemplated in the MOU. The current balance in the account is \$390,327.25. There is also a balance of \$71,438.27 in the Capital account for the Phase 1 Conceptual Design, Drawings, Assessment & Evaluation of Buildings.

The original 2011 costing for the full construction of Phase 1 of the Morrow Park Master Plan was identified as \$2.6M. This included: removal of grandstand, daycare, and fencing and construction of linear park (around full perimeter), trails, portable grandstands, and preliminary tree planting.

The cost of removing and replacing the two existing barns and construction of two additional barns and the creation of a new track/ sand ring was not calculated in the original Morrow Park Master Plan but is estimated to be \$5-7M. The City will also relocate the existing ball diamonds if required. The City will be responsible for maintenance and snow removal for all buildings on an on-going basis. The draft MOU indicates that the contemplated changes would be phased in over the length of the term of the actual agreement(s), pending available funding.

Background

The City and the Peterborough Agricultural Society (the Society) have been trying to reach a mutually beneficial agreement relating to the use of Morrow Park for a number of years. While the Society has been trying to ensure that it retains appropriate infrastructure to ensure the on-going success of its annual exhibition and other agriculture-related programming, the City has been attempting to balance maintaining current programming in the park, like the Exhibition, while opening up Morrow Park to greater every-day use, as contemplated in the Morrow Park Master Plan Design Study.

In an attempt to accommodate the Society's needs, revise or replace the Transfer Agreement (dated August 15, 1983) and enhance public use of the Park, Council passed the following motions at its meeting of December 12, 2011 in response to Report CSAD11-011 (Appendix B):

- b) That the Morrow Park Master Plan Design Study be adopted to serve as a guide for future planning and budgetary decisions;
- c) That Phase 1 of the Morrow Park Master Plan Design Study be approved, pending the annual budget approval process and the outcome of negotiations with the Agricultural Society.

This set the stage for on-going but ultimately unsuccessful negotiations for the next several years, culminating in the City's decision in 2014 to initiate an arbitration proceeding to finally resolve the Society's and the City's differences. The arbitration proceeding are presently on hold pending a resolve of all issues between the parties.

As a result of Committee of the Whole Report CAO15-013, dated April 27, 2015, (Appendix C) the parties reached an Interim Agreement, dated April 27, 2015, which provided funding from the City to clear up the Society's 2014 payables; to support its 2015 and 2016 Exhibitions; eliminate motorized events by 2017 and to enable the Society to undertake a Strategic Planning process. Both parties agreed to continue negotiations for a new agreement to be completed on or before May 31st, 2016.

With receipt of Committee of the Whole Report CSD16-008 on April 18, 2016, (Appendix D), Council received a copy of the Society's Draft Strategic Plan and awarded an additional \$30,000 in one-time funding in support of the Society's partial or full elimination of motorized events in the park in 2016. Both parties agreed to continue negotiations to finalize the Transfer Agreement by October 31st, 2016. Subsequently, by mutual consent, both parties have agreed to postpone the arbitration process and to continue negotiations.

This proposed MOU, outlining the draft terms negotiated by the parties, is the result of those deliberations.

Approval of these terms will not, however, result in the immediate re-development of Morrow Park. It proposes the construction of a new shared building between the Morrow building and the first of the two horse barns as the first priority. The proposed structure would provide much needed storage for the Arena Division's use; but also provide new office and program space for the Society ; washrooms to support the Exhibition and other activities in the park.

The City will not proceed with the full implementation of Phase 1 of the Morrow Park Master Plan until the Major Sport and Entertainment Facility Needs Assessment is completed. That study will determine the need for, size of, and location of a new multi-purpose facility to replace the Peterborough Memorial Centre, as well as the fate of the Memorial Centre once the new facility is up and operating.

Summary

Approval of the MOU marks a major turning point in the relationship between the City and the Peterborough Agricultural Society and sets the stage for the gradual redevelopment of Morrow Park.

Submitted by,

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Attachments:

Appendix A - Draft Memorandum of Understanding
Appendix B - Report CSAD11-011
Appendix C - Report CAO15-013, dated April 27th, 2015 (including Interim Agreement)
Appendix D - Report CSD16-008 Review of Draft Agricultural Society Strategic Plan