



## Finance, Administration and Operations Committee

Tuesday, May 20, 2014, 4:15 pm.  
City Hall, Council Chambers

<u>Committee Members</u>	<u>Areas of Responsibility:</u>
Councillor J. Fullarton, Chair	Clerk's Office
Councillor J. Baker	Environmental Services
Councillor T. Blanchard	Finance Department
Councillor L. Bursey	Fire Department
Councillor J. Earle	Human Resources Dept.
Mayor D. Henderson, Ex-Officio	Operations Department
	Airport Commission
	Arena Advisory Board
	Brockville Municipal Accessibility Advisory Committee (BMAAC)
	CRCA
	Cemetery
	Health Unit
	Joint Services Committee
	PLMG
	Police Services Board
	Safe Communities Coalition
	St. Lawrence Lodge
	Management Board
	Volunteer Awards
	All legal matters [excepting the purchase and sale of land]

Page

## AGENDA

### DISCLOSURE OF INTEREST

### DELEGATION(S) AND PRESENTATION(S)

7 - 13

1. Mr. Jeff Shaver  
(Brockville Rifles)

*Mr. Shaver will provide an update to the Committee concerning the Brockville Rifles 150th Reunion.*

### CORRESPONDENCE

14

1. Provincial Property Tax Relief Program  
Downtown Brockville Business Improvement Association

*THAT the correspondence from Downtown Brockville Business Improvement Association, dated May 1, 2014, concerning the Provincial Property Tax Relief Program be received.*

Finance, Administration and Operations Committee  
May 20, 2014

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## STAFF REPORTS

- 15 - 16      1.      2014-053-05  
Supply/Truck/Stack Winter Sand

*THAT the quotation from Steve Polite Sand & Gravel Ltd. in the amount of forty-two thousand, seven hundred twenty-five dollars (\$42,725), excluding HST, for City of Brockville Quotation 11-2014, Supply of Winter Sand, be accepted.*

- 17 - 142      2.      2014-055-05  
Feasibility of Twin Pad Arena Facility

*THAT the Brockville Arena Expansion Feasibility Study reports, Phase I and Phase II, by Queen's Business Consulting, be received; and*

*WHEREAS the demand for a third ice surface in Brockville has been documented; and*

*WHEREAS the public support for additional indoor recreation facilities has been expressed;*

*THEREFORE the Arena Advisory Committee be authorized to examine the options for providing three ice surfaces and indoor recreation facilities.*

- 143 - 144      3.      2014-054-05  
Water Pollution Control Centre Building Use Proposal

*THAT the City of Brockville permit the Brockville & District Chamber of Commerce's Tourism Department to use the former Water Pollution Control Centre Administration building for the remainder of 2014 at no cost and;*

*THAT the City of Brockville permit the Brockville & District Chamber of Commerce's Tourism Department to place a storage building in the existing asphalt parking at the former Water Pollution Control Centre Administration building.*

- 145 - 185      4.      2014-060-05  
Sewer Use By-Law

*THAT Council authorize the enactment of a by-law to regulate the use of sewers in the City of Brockville, as attached to staff report 2014-060-05; and*

*THAT By-Law 12-91 by repealed.*

Finance, Administration and Operations Committee  
May 20, 2014

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186 - 189    5.    2014-047-04  
Parking By-law 119-1989  
Parking in Front of Residences

*(Note: Please see attached Addendum in response to the petition submitted by the residents of Cuthbertson Avenue.)*

*THAT City of Brockville Parking By-law 119-1989 be amended by deleting Section 81, Governing Parking In Front of Residences, etc., paragraphs (a) and (d) in their entirety and adding the following:*

- (a) *No person shall park a vehicle on any part of a street or highway for a period longer than three (3) hours between the hours of 7:00 am and 11:00 pm, and if such vehicle is removed it shall not be parked within three hundred (300) metres from the point at which it was first parked within one (1) hour from the time of its removal.*
- (d) *Notwithstanding Section (a), when signs are posted to the contrary, parking shall be permitted in accordance with the signs posted.*

190 - 203    6.    2014-058-05  
2014 Tax Rates and Tax Ratios

*THAT Council authorize staff to levy \$32,530,951 and impose municipal and education tax rates for the year 2014; and*

*THAT Council authorize the levy of \$288,479 on behalf of the Downtown Board Improvement Association (DBIA) to impose special purpose rates for the year 2014; and*

*THAT Council authorize the tax ratios for all property classes per the attached schedule, for the 2014 year; and*

*THAT the necessary by-laws be enacted.*

204 - 207    7.    2014-059-05  
2014 Capping and Threshold Options

*THAT Council adopts the following measures for the 2014 tax year:*

1. *THAT the cost of mandatory capping for the multi-residential, commercial and industrial classes be revenue-neutral; self-financing*

Finance, Administration and Operations Committee  
May 20, 2014

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*within the property class; and*

2. *THAT the capping percentage for the multi-residential class remain at 5% of the previous years annualized taxes; and*
3. *THAT the capping percentage for the industrial class remain at 5% of the previous years annualized taxes; and*
4. *THAT the capping percentage for the commercial class be set at 10% of the previous years annualized taxes; and*
5. *THAT the threshold change option be continued at \$150 for multi-residential, commercial and industrial classes; and*
6. *THAT when a property reaches full current value assessment it is removed from the capping/claw back system; and*

*THAT Council authorizes the passing of a By-law to adopt the 2014 Capping Options for the Protected Property Classes [Attachment #1 to Report].*

- 208 - 239    8.    2014-057-05  
                  2014 Departmental Work Plans First Quarter Report

*THAT Council receive the 2014 Departmental Work Plans First Quarter Report.*

- 240 - 339    9.    2014-051-05  
                  Aquatarium Operating Agreement

*THAT Council authorizes the Mayor and the Clerk to execute the Aquatarium Operating Agreement as outlined in Schedule 1 attached hereto.*

## **NEW BUSINESS**

1.    Provincial Property Tax Relief Program  
(Councillor Bursey)

*WHEREAS the property tax relief program for vacant commercial and industrial buildings is often provided to property owners through rebates issued by municipalities, in accordance with policies and procedures laid out in section 364 of the Municipal Act and Ontario Regulation 325/01; and*

Finance, Administration and Operations Committee  
May 20, 2014

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*WHEREAS the program is designed to provide support to property owners during economic downturns and unexpected vacancies, and the program can help ease transitions, renovations and re-generations to buildings, but without proper time restrictions put in place to incent growth and restructuring, this policy can act as a disincentive to providing needed growth and seeking long-term infrastructural improvements and foster tenant relationships; and*

*WHEREAS we as a city have gone to great lengths and spent large sums of money and resource to revitalize our downtown and keep our local economy strong and vibrant, both aesthetically and financially; and*

*WHEREAS though this provincial program does serve a valuable purpose, the legislation is felt by many to be lacking the proper tax incentives and enough disincentive to adequately reflect the needs of our municipality and others like us*

*THEREFORE BE IT RESOLVED that the Corporation of the City of Brockville send a letter to the Ministry of Finance, the Premier of Ontario, and our local Member of Provincial Parliament, asking that the terms of reference for the aforementioned tax relief program be revisited, and a definitive and realistic time restriction be implemented, with the intention of encouraging owners of vacant commercial and industrial properties to fill outstanding vacancies, and/or make the necessary renovations to allure market interest*

2. Busking  
(Councillor Bursey)

*WHEREAS street performers can add a hub of activity and excitement to our downtown corridor during the summer months, offering local artists an opportunity to share their talents, and attract new visitors and patrons, and;*

*WHEREAS many communities already have busking by-laws in place, as a means to nurture artistic development and create a welcoming atmosphere to songwriters and performers, and;*

*WHEREAS no proper licensing or by-law is currently in place, despite the fact that this initiative is being supported by many local artists and, if vetted through an audition process and time share, could create a tremendous opportunity for City revenue through licensing, artistic revenue for performers, and a vibrancy in our downtown;*

*THEREFORE BE IT RESOLVED that the Corporation of the City of Brockville draft and legislate a new street busker's by-law in association*

Finance, Administration and Operations Committee  
May 20, 2014

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*with the Clerk's department, the Downtown Business Improvement Association, and the City police, which will include an audition process where warranted, a performer's fee for licensing, and a plan for implementation for August 2014.*

3. Transient Traders  
(Councillor Bursey)

*WHEREAS for a number of years, the Brockville Police Services have been responding to residents and fielding phone calls from concerned citizens who are overwhelmed by aggressive door to door solicitation and sales tactic; and*

*WHEREAS, many times these citizens feel intimidated, and the validity of the seller's credentials are often in question; and*

*WHEREAS, we are attempting to find ongoing efficiency with our police services resource management, and this creates unnecessary de-escalation and mediation time due to inappropriate business practices;*

*THEREFORE BE IT RESOLVED, that the Corporation of the City of Brockville update the necessary bylaws to include that any door-to-door commercial vendors obtain clearance from either the Clerk's office or by-law department, and have their business intentions recorded in an effort to provide clarification of credentials. Once on record, the duration of their stay can be extended, updated and rerecorded.*

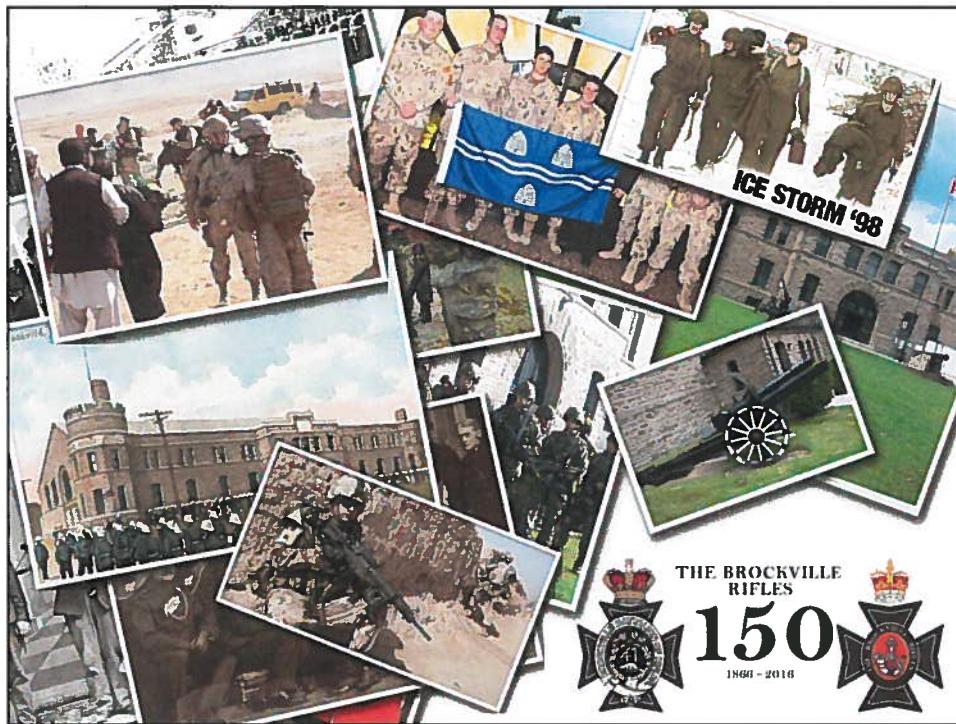
4. Stop Sign Apple Street at Water Street  
(Councillor Bursey)
5. Brock Trail Update  
(Councillor Fullarton)

Councillor Fullarton will provide an update on the Brock Trail project. Material will be distributed prior to or at the meeting.

**FAO - CONSENT AGENDA**

**ADJOURNMENT**

*THAT the Finance, Administration and Operations Committee adjourn its meeting until the next regular meeting scheduled for June 17, 2014.*



1866-2016



# PRESENTATION TO THE CITY OF BROCKVILLE



1866-2016



PRESENTED BY:

***LCOL JEFF SHAVER (Retired)***

***LCOL SHAWN HERRON (CO)***

***LCOL TED CREECH (Retired)***

***LCOL WARREN SPAAN (Retired)***



1866-2016



- Our intent today is to inform our City Council of our 150th anniversary year of The Brockville Rifles in order that they might give us direction and input for planning our activities and to allow the citizens of Brockville to be involved in the numerous special events.



1886-2016



Our mission statement for our 150th is:

**"To secure the future of the Regiment by celebrating our 150 years with our community, comrades and country."**



**1866-2016**



Our main events during 2016 will consist of:

- New Years Day Levee
- Sergeant Rick Foldeak Memorial Hockey Tournament (42 years)
- Officers Mess Dinner (Spring of 2016)
- Anniversary Weekend September 30-Oct 2, 2016
- New Years Eve Ball



**1866-2016**



Special initiatives for the main events:

- Commemorative stamp for The Brockville Rifles
- Erect a monument on the lawn of the Armouries for the 150<sup>th</sup>
- Government and special dignitaries invited for Mess Dinner and Anniversary Weekend



**1866-2016**



Anniversary Weekend (Sept 30-Oct 2/16)

will consist of:

1. Friday – Meet and Greet
2. Saturday- Open House, opening ceremony, monument dedication, Freedom of City Parade, Anniversary dinner and dance.
3. Sunday- Church parade, closing ceremonies.



**1866-2016**



**How may the City of Brockville support one of Canada's oldest Regiments bearing the City's name?**

By:

- Authorize a two gun salute on Blockhouse Island with a 1860's cannon and a current artillery gun.
- Dedicate Blockhouse Island road as "Rifles Way".
- Authorize The Brockville Rifles flag to fly at City Hall for the anniversary year



**1866-2016**



- Allow the City's Levee to be hosted by The Brockville Rifles at the Armouries.
- To make a City Proclamation for the Regiment stating: "Year of The Rifles"
- "Freedom of the City Parade" on the Anniversary Weekend (Sep 30-Oct 2/16)



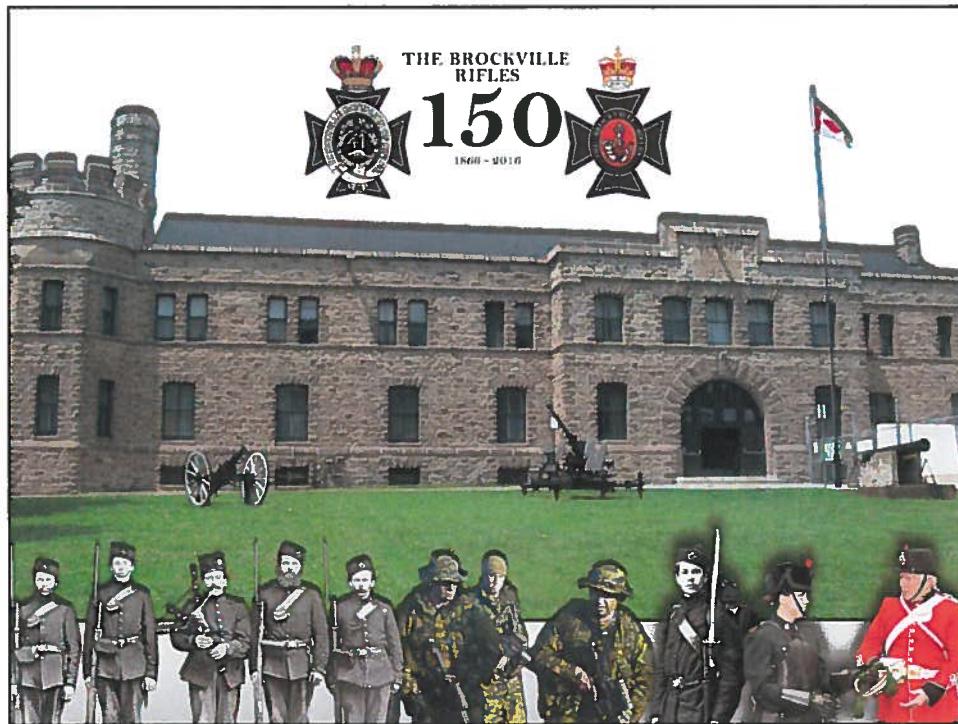
**1866-2016**

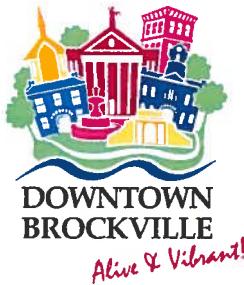


**Your Regiment, The Brockville Rifles have served our community for 150 years bearing the City's name around the world. This is an opportunity to acknowledge and celebrate as the City's Regiment.**

***SEMPER PARATUS***







May 1, 2014

City of Brockville  
Finance, Administration and Operations Committee

Re: Provincial Property Tax Relief Program – Notice of Motion

The DBIA Board of Directors has reviewed the Provincial Property Tax Relief Program - Notice of Motion that is being submitted to Council on May 13<sup>th</sup> by Councillor Bursey. The DBIA is in support of the Notice of Motion, however we would ask that it be amended to ensure that it would not include a “grandfather” clause.

We understand that the Tax Relief Program is provincially legislated and that the Province recognizes that a vacant property does not generate income and the program assists in offsetting some of the financial burden on the owner. What we are in disagreement with is the length of time that the property owner is allowed to continue to apply for the rebate and hope that if this was to pass there would not be a “grandfather” clause included.

At present the DBIA has a number of vacant properties which have been without a tenant in excess of 4 years. The DBIA looks for potential businesses to fill vacancies, but with a tax relief program it is our opinion that the property owners do not have an incentive to proactively look for tenants. As it stands it appears that the City is responsible for filling vacancies and although we recognize that it is part of the role of Economic Development there seems to be no accountability to property owners.

We appreciate the amount of money the City has spent in past years on the Downtown and how there is continued support with programs such as the Community Improvement Plan. The City uses tax payers dollars to fund these programs and then must comply with Provincial Legislation on refunding a % of them back to property owners who qualify for the rebate. We would hope that with a more restricted program it may then allow for the City to continue to support other programs for future development and attraction to benefit Brockville as a whole.

We understand that this request would require much debate and would be a lengthy process and may not come to fruition; however the DBIA Board felt it necessary to express our opinion on this matter.

We thank you in advance for your consideration.

Yours truly,

  
Wendy Onstein  
Chair-Downtown Business Improvement Area

**MAY 1, 2014**

**REPORT TO FINANCE, ADMIN. & OPERATIONS COMMITTEE – MAY 20, 2014**

**2014-053-05  
SUPPLY/TRUCK/STACK WINTER SAND  
QUOTATION 11-2014**

**C.J. COSGROVE, P. ENG.  
DIRECTOR OF OPERATIONS  
R. FRASER  
SUPERVISOR OF PUBLIC WORKS/PARKS**

**RECOMMENDED**

THAT the quotation from Steve Polite Sand & Gravel Ltd. in the amount of forty-two thousand, seven hundred twenty-five dollars (\$42,725), excluding HST, for City of Brockville Quotation 11-2014, Supply of Winter Sand, be accepted.

**PURPOSE**

Two bids were received for City of Brockville Quotation 11-2014. The Purchasing By-Law (#090-2005) requires Council approval when three bids are not received.

**BACKGROUND**

- a) 2,500 tonnes of winter sand was utilized by Public Works for winter maintenance operations (roads and sidewalks) during the 2013/2014 season therefore this amount must be replenished in preparation for the 2014/2015 operations.
- b) 527 tonnes of road salt is required to be stacked to ensure the on-site stockpile amount for the upcoming winter season is a minimum of 830 tonnes (Note: 303 tonnes are presently in the stockpile).

**ANALYSIS**

Quotations were opened at 1:15 p.m. on Tuesday, April 29, 2014 with the following results (all prices exclude HST):

	<u>Winter Sand (supply/truck/stack)</u>	<u>Stacking Salt</u>	<u>Contract Price</u>
Steve Polite Sand & Gravel Ltd.	\$40,625 (2,500 T) (\$16.25/T)	\$2,100 (527 T)	\$42,725
G. Tackaberry & Sons Construction Ltd.	\$46,750 (2,500 T) (\$18.70/T)	\$2,250 (527 T)	\$49,000

2014-053-05  
Supply of Winter Sand  
Quotation 11-2014

Page 2

	<u>Winter Sand (supply/truck/stack)</u>	<u>Stacking Salt</u>	<u>Contract Price</u>
2013 Price	\$26,437.50 (1,650 T) (\$14.75/T)	\$2,100 (472 T)	\$26,437
Operations Dept. Estimate	\$23,605 (1,520 T) (\$15.52/T)	\$2,300 (472 T)	\$25,905

## POLICY IMPLICATIONS

As per Budgetary Control and Purchasing By-Law #090-2005.

## FINANCIAL CONSIDERATIONS

Funding for this work is budgeted in the following accounts:

01-5-250477-2010 (Roadway Minor Plow/Chemical-Abrasives)	\$123,678
01-5-250477-3010 (Roadway Minor Plow/Chemical-Abrasives)	5,746
01-5-255481-2010 (Sidewalk Abrasives)	6,612

C. Cosgrove, P.Eng.  
Director of Operations

D. Dick, CPA, CA  
Director of Corporate Services

R. Fraser  
Supervisor of Public Works/Parks

B. Casselman  
City Manager

**May 14, 2014**

**REPORT TO FINANCE, ADMIN. & OPERATIONS COMMITTEE – MAY 20, 2014**

**2014-055-05  
FEASIBILITY OF TWIN PAD  
ARENA FACILITY**

**ARENA ADVISORY COMMITTEE  
J. ACKERMAN, CHAIR  
C.J. COSGROVE, P.ENG.  
DIRECTOR OF OPERATIONS**

**RECOMMENDED**

THAT the Brockville Arena Expansion Feasibility Study reports, Phase I and Phase II, by Queen's Business Consulting, be received; and

WHEREAS the demand for a third ice surface in Brockville has been documented; and

WHEREAS the public support for additional indoor recreation facilities has been expressed;

THEREFORE the Arena Advisory Committee be authorized to examine the options for providing three ice surfaces and indoor recreation facilities.

**PURPOSE**

The purpose of this report is to advise on the study into the feasibility of a twin pad arena facility and recommend further actions.

**BACKGROUND**

At their July 23, 2013 meeting, Council passed the following resolutions, based on Report 2013-084-07 (Attachment 1):

*Moved by : Councillor LeSueur*

**2013-084-07**

*Terms of Reference – Feasibility of Twin Pad Arena Facility*

*THAT the Arena Advisory Committee be authorized to review the feasibility of a twin pad arena facility in conformance with Schedule 1 of Report 2013-084-07; and*

*THAT the following items be added to the terms of reference:*

1. *Neighbouring municipalities be consulted regarding their participation*
2. *Costing of the Twin Pad Arena*
3. *Consideration given to strategic goals.*

**CARRIED**

2014-055-05

Feasibility of Twin Pad Arena Facility

Page 2

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## ANALYSIS/OPTIONS

Queen's Business Consulting was retained to undertake Steps 1 through 5, and 7 of the Terms of Reference under the guidance of the Arena Advisory Committee (total cost \$7,780). The work was split into two phases:

### Phase I

- Facilities Assessment
- User Group Consultation (major users)
- Adequacy of Supply Analysis (compare vs other municipalities)
- Capital Cost
- Demographics

### Phase II

- User Group Consultation (minor/potential users)
- Public Consultation
- Operating Cost

The Phase I and Phase II reports are appended to this report as Attachments 2 and 3.

The main findings of the reports are:

- There is an expressed demand for 56 hours of prime-time ice (Monday to Friday, 3 pm to 11 pm; Saturday/Sunday 7 am to 11 pm) beyond what is currently available. This represents a utilization rate of 78% of a third ice surface.
- 80% of public respondents are strongly in favour (58%) or somewhat in favour (22%) of a new twin pad arena.
- The estimated capital cost of a new twin pad arena (no additional recreation facilities) is \$15 million.
- The estimated net additional annual operating cost for a new twin pad arena (twin pad arena plus Memorial Centre; Youth Arena repurposed) is \$380,500.
- The public survey indicated support for other indoor recreation facilities (swimming pool, indoor sports field, fitness centre, walking track, etc.) in addition to the ice surface(s).
- Public fundraising and private sector funding are the most supported funding methods. Increased property taxes is the least supported funding method.
- The majority of user groups would be willing to pay moderately higher user fees to be able to use a new twin pad arena.

There appears to be sufficient demand to warrant a third ice surface. There also appears to be strong support from both frequent and infrequent arena users for a new recreation complex incorporating ice surfaces and other indoor recreation facilities.

There are several options for supplying a third ice surface and indoor recreation facilities, including:

2014-055-05

Feasibility of Twin Pad Arena Facility

Page 3

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- New twin pad arena plus indoor recreation facilities.
- New twin pad arena. Repurpose the Youth Arena to provide other indoor recreation facilities.
- Expand the Memorial Centre or Youth Arena to include an additional ice surface. Incorporate the indoor recreation facilities at one of the arena sites.
- New single pad arena plus indoor recreation facilities.

Each of these options will have different land, capital and operating costs.

It is recommended that the Arena Advisory Committee be authorized to investigate the options for supplying a third ice surface and indoor recreation facilities. This would include consultation with the public and potential user groups to better define the demand for the various indoor recreation facilities. It may be necessary to obtain external assistance to complete this investigation. The Arena Advisory Committee would report back to Council to request authorization for the cost of external assistance.

## POLICY IMPLICATIONS

None.

## FINANCIAL CONSIDERATIONS

None at this time. Council approval would be required for expenditures related to the recommendation.

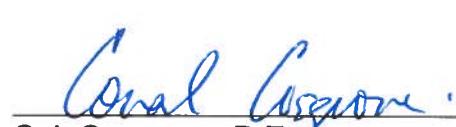
## CONCLUSION

As a result of the expressed demand and support for a third ice surface and indoor recreation facilities, the options for providing these amenities should be investigated.



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Arena Advisory Committee  
J. Ackerman, Chair



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C.J. Cosgrove, P.Eng.  
Director of Operations



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D. Dick, CPA, CA  
Director of Corporate Services



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B. Casselman  
City Manager

JULY 5, 2013

**REPORT TO FINANCE, ADMIN. AND OPERATIONS COMMITTEE – JULY 16, 2013**

**2013-084-07**

**TERMS OF REFERENCE  
FEASIBILITY OF TWIN PAD ARENA FACILITY**

**C.J. COSGROVE, P. ENG.  
DIRECTOR OF OPERATIONS**

**RECOMMENDED**

THAT the Arena Advisory Committee be authorized to review the feasibility of a twin pad arena facility in conformance with Schedule 1 of Report 2013-084-07.

**PURPOSE**

The purpose of this report is secure approval of the Terms of Reference for the process to determine the feasibility of a new twin pad arena facility.

**BACKGROUND**

At the April 23, 2013 meeting, Council passed the following resolution:

Moved by: Councillor Baker

THAT Council task the Arena Advisory Committee to work with Councillor Baker to investigate the building of a new twin pad arena; and

THAT Council direct the City Manager to modify the appropriate staff's work plans to participate in this investigation; and

THAT the assigned staff work with Councillor Baker, the Arena Advisory Committee and others they may identify, to create terms of reference for the investigation, research and preparation of data and reports to be used in consideration of a new twin pad arena; and

THAT the terms of reference and a list of (other) nominees for the Committee be presented to the Finance, Administration and Operations Committee for consideration and then forwarded to Council for approval.

**CARRIED**

2013-084-07

Terms of Reference – Feasibility of Twin Pad Arena FacilityPage 2**ANALYSIS/OPTIONS**

The Arena Advisory Committee, in conjunction with Councillor Baker, reviewed the processes used to review the feasibility of expanded arena facilities in Kingston, Loyalist Township, Napanee and Renfrew.

The Terms of Reference proposed by the Arena Advisory Committee (Schedule 1) is a synthesis of the most appropriate components of the processes followed in these communities.

Once the Terms of Reference is adopted by Council, the Committee will determine whether it is appropriate to request proposals from outside organizations, such as Queen's Business Consulting, to carry out any part of the Terms of Reference. Any recommendation to Council will consider timing to complete the feasibility analysis, advantages of objective, third-party analysis, and cost.

**POLICY IMPLICATIONS**

By resolution, Council approval of the Terms of Reference is required.

**FINANCIAL CONSIDERATIONS**

None at this time.

**CONCLUSION**

It is recommended the "Terms of Reference – Feasibility of Twin Pad Arena Facility", developed by the Arena Advisory Committee, be approved.

  
C.J. Cosgrove, P.Eng.  
Director of Operations  
D. Dick, CA  
Director of Corporate Services  
B. Casselman  
City Manager

## Schedule 1 to Report 2013-084-07

### TERMS OF REFERENCE — FEASIBILITY OF A TWIN PAD ARENA FACILITY

The Arena Advisory Committee in conjunction with Members of Council have been given the task of developing Terms of Reference to determine the feasibility of a new twin pad arena facility for the City of Brockville.

The Committee proposes the following steps to start this process:

#### 1. Facilities Assessment

An assessment will be conducted of the current facilities to determine the needs and possibilities for expansion and/or upgrades for existing facilities.

#### 2. User Group Survey

Surveys will be sent to all organizations that use the Brockville Memorial Centre and Centennial Youth Arena. The purpose will be to determine the overall satisfaction of the availability of the facilities and their proposed needs in the future.

#### 3. Public Survey and User Group Interviews

A public survey will be conducted to provide the public an opportunity to express their comments and/or concerns with the proposal for a new multi-pad, multi-use facility. Separate interviews will be held with all current user groups.

#### 4. Demographics

To determine the current demographics for the City of Brockville and surrounding areas as it relates to the current use of our arena facilities. This would also include the projected demographics over a determined length of time.

#### 5. Usage Trends

Current usage will be summarized, including comparison of prime and non-prime usage by user group. Historical registration numbers will be used to determine trends in registration by user group. Potential user groups and the needs of those groups will also be identified.

#### 6. Consult Neighbouring Municipalities

The neighbouring municipalities that specifically use our ice will be consulted regarding their level of participation.

## 7. Cost

Investigate the estimated cost of this facility by contacting municipalities that have recently built similar arenas.

## 8. Strategic Goals

Consideration will be given to strategic goals.



# Queen's

## BUSINESS CONSULTING

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**IDEAS ▶ ACTION ▶ RESULTS**

### Brockville Arena Expansion Feasibility Study

#### Phase I

**Queen's Business Consulting**

**Consultants:**

Alexander Banh  
Hamy Nguyen  
Jawwad Siddiqui

**Director:**

Professor Rob Woyzbun

**December 17, 2013**

Queen's Business Consulting  
Queen's University  
School of Business  
Kingston, Ontario  
K7L 3N6  
Tel: (613) 533-2309  
Fax: (613) 533-2370  
[www.qsbc.com](http://www.qsbc.com)

## EXECUTIVE SUMMARY OF RECOMMENDATIONS

In 2013, Queen's Business Consulting (QBC) was solicited by the City of Brockville to conduct a feasibility study on the possible upgrade and/or expansion of current ice facilities within the city. The study was divided into multiple phases to be conducted over multiple periods with this report pertaining to Phase I of the study, spanning September 2013 to December 2013, as well as considerations for Phase II moving forward. Mr. Conal Cosgrove, the City of Brockville's Director of Operation, was the primary contact throughout this study.

*In Phase I of the Feasibility Study, it was found that there is demand for an additional indoor arena expansion and inadequate supply of ice facilities in Brockville.*

This conclusion was reached after QBC conducted primary and secondary research in order to substantiate demand for a third arena, and evaluate current supply of ice facilities in Brockville against comparable municipalities.

*Demand:* QBC interviewed user groups to acquire feedback on amount of ice time currently allocated and the amount of additional ice time necessary for the purposes of each user group. A demographic analysis was also conducted to outline the impending issue of Brockville's aging population.

*Supply:* A supply analysis was performed to develop a high-level metric as a proxy of available supply of ice surfaces in Brockville relative to that of surrounding and comparable municipalities.

*Feasibility:* Case studies of recent arena expansions in surrounding municipalities were created from information sources in the public domain to determine an estimate of construction cost for a new arena facility, challenges with expansion projects, and best practices in the expansion process.

QBC recommends the following to the City of Brockville:

### RECOMMENDATION – REVISION OF PRIME-TIME ICE

It is suggested by both major and minor user groups that current prime-time periods does not reflect what is truly considered "prime-time". QBC recommends that prime-time ice be revised to reflect true periods of highest demand (5:00 PM to 10:00 PM on weekdays and 10:00 AM to 10:00 PM on weekends).

### RECOMMENDATION – THIRD INDOOR ICE PAD

Current facilities do not meet user groups' demand for the newly defined "prime-time ice". As such, a third ice pad should be considered as a logical development. Brockville's current supply of ice surfaces is low relative to that of surrounding cities, reaffirming the first

conclusion. However, further research and analysis is needed to determine the city's ability to recover the cost of operating a third ice surface. To determine the optimal method of adding a third ice pad (whether to build a brand new twin-pad facility or to expand one of the current single-pad facilities), QBC recommends the following actions to be taken in Phase II of the study:

1. **User group consultation** using the same method in Phase I for minor user groups neglected in Phase I, along with a population-wide survey, to determine possible demand generated by minor user groups and the general public.
2. **In-depth financial analysis** of the remaining two options to determine:
  - a) Sources of financing
  - b) Shortfall in actual construction costs versus initial \$15.0 million budget
  - c) Operating cost recovery
  - d) NPV, IRR, and payback period of the new facility
  - e) Required increases in taxes and / or user fees to recover any prohibitively high operating costs

## **RECOMMENDATION – UPGRADING OF EXISTING FACILITIES**

There is significant feedback from user groups regarding ice quality as well as the number of and size of dressing rooms in the existing facilities. QBC recommends that dressing rooms be expanded and additional dressing rooms to be built into existing facilities, regardless of whether the city decides to build a third ice surface. The City should consult with professional ice maintenance experts to determine the cause of poor ice quality and ways to improve it.

## **CONTENTS**

EXECUTIVE SUMMARY OF RECOMMENDATIONS.....	2
INTRODUCTION .....	6
1   USER GROUP CONSULTATION .....	7
1.1 Objective & Design.....	7
1.2 Summary of Findings .....	8
1.3 Estimating Shortfall of Prime-Time Ice .....	8
Determining Prime-Time Capacity .....	8
Determining Shortfall of Prime-Time Ice Experienced by User Groups .....	9
Determining Utilization Rate of Existing Facilities .....	9
Estimating Total Prime-Time Ice Shortfall .....	10
1.4 Issues with Existing Facilities .....	10
Brockville Memorial Civic Centre .....	10
Brockville Centennial Youth Arena .....	11
1.5 Willingness to Pay.....	11
1.6 Implications.....	11
Expansion .....	11
Upgrade/Improvements .....	11
2   ADEQUACY OF SUPPLY ANALYSIS .....	12
2.1 Methodology: Geographic Screening & Data Collection .....	12
2.2 Analysis of Ice Surfaces / Capita Data.....	13
3   PRELIMINARY FEASIBILITY .....	15
3.1 Interview with Industry Professionals.....	15
3.2 Major Insights from Case Studies .....	16
3.3 Edwardsburgh/Cardinal Arena Case Study (Jason Vezina Interview).....	17
3.4 City of Cornwall – Benson Centre Case Study .....	19
3.5 Town of Smiths Falls – Smiths Falls Community Memorial Centre Case Study .....	19
3.6 Elmira - Woolwich Memorial Centre Case Study .....	20
3.7 Stouffville Clippers Sports Complex Case Study .....	21
3.8 Analysis of Cost Data Per Square Foot.....	22
3.9 Analysis of User Fees.....	23
4   DEMOGRAPHICS ANALYSIS .....	25
4.1 Preface to Use of Canada Sports Participation Report Data .....	25
4.2 Summary of Drivers of Sport Participation.....	26

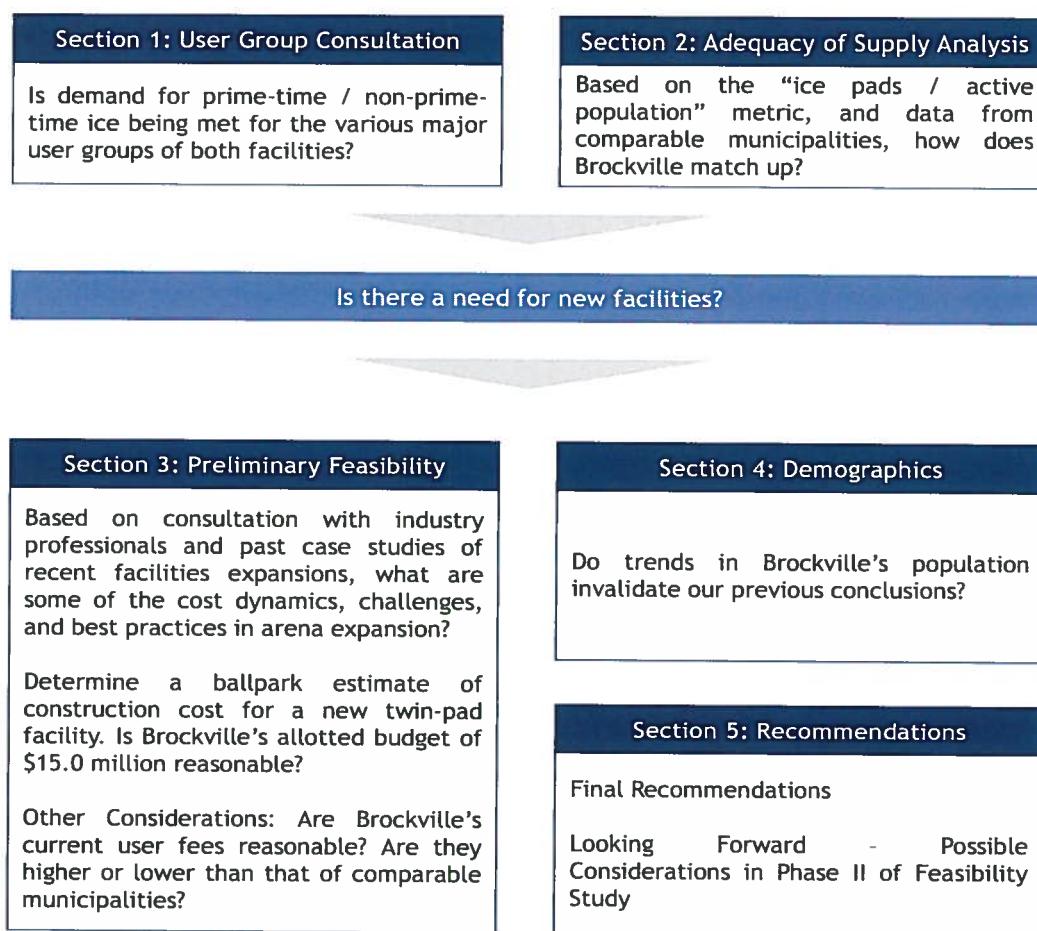
Age and Gender .....	26
Household Income .....	28
Education Attainment .....	28
<b>4.3 City of Brockville Demographics vs. Canada-wide Demographics .....</b>	<b>29</b>
Age Distribution of Population.....	29
Gender .....	31
Household Income .....	32
Education Attainment .....	32
<b>4.4 Implications of Relationships between Demographic Factors and Sport Participation With Respect To Brockville .....</b>	<b>33</b>
<b>5   RECOMMENDATIONS &amp; CONCLUSIONS .....</b>	<b>36</b>
5.1 Final Recommendations & Conclusions .....	36
5.2 Considerations for Phase II of Feasibility Study.....	37
<b>APPENDICES .....</b>	<b>38</b>
Appendix A: Copy of Initial Proposal .....	39
Appendix B: Data Points Collected for Surrounding Municipalities with Government-Managed Arena Facilities.....	42
Appendix B2: Ice Pads / Capita Data Collection Methodology.....	42
Appendix C: User Groups Questionnaire.....	43
Appendix D: Industry Professionals Questionnaire .....	44
Appendix E: Ice Pads Per Capita Raw Data .....	45
Appendix F: Ontario Public Health Units and % Active Population (By Health Unit).....	47
Appendix G: Ontario Public Health Units and % Active Population (By Decreasing Physical Activity) .....	48
Appendix H1: Engineering Firms Contact History .....	49
Appendix H2: Engineering Firm Quotes / Proposed Charge .....	50
Appendix I: Surrounding Geographies User Fees Analysis .....	51

## INTRODUCTION

The City of Brockville has a population of 21,870 people (2011 Census). There are currently 2 existing facilities in the city with ice surfaces, namely Brockville Centennial Youth Arena and Brockville Memorial Civic Centre. It was suggested that currently facilities no longer meet the demand generated by the population. Queen's Business Consulting (QBC) completed Phase I of a multi-phase Feasibility Study for the City of Brockville regarding upgrading and/or expanding current ice facilities. Phase I of the study commenced on September 23<sup>rd</sup>, 2013 and was completed on December 17<sup>th</sup>, 2013.

Phase I is a high-level, preliminary study, purposed to determine whether there is unmet demand for arena facilities, specifically for prime-time ice, and whether current supply of municipal facilities is adequate. In Phase I, primary research was conducted to obtain qualitative data from user groups who are directly impacted by the development decision. Secondary research was also used to gauge whether supply of ice surfaces is adequate when compared to that of other municipalities.

The roadmap below serves as a guideline to reading this report, listing each section of the analysis, the questions QBC was hoping to address, upon which recommendations are made:



## 1 | USER GROUP CONSULTATION

### 1.1 Objective & Design

User group interviews were conducted with the primary purpose of obtaining qualitative insights on users' current and future need for ice time. Additionally, data was also gathered regarding user experience at the two existing arenas, their willingness to pay if user fees are increased, and their opinions regarding the challenges / opportunities of building an additional ice surface.

QBC developed a questionnaire which was reviewed by the client, Mr. Conal Cosgrove. For the full list of questions, please refer to Appendix C. Mr. Cosgrove identified 9 Major User Groups, described by their consistent use of more than 5 hours of ice time per week, to be the focus of the interviews. Minor User Groups that consistently used less than 5 hours of ice time per week were also contacted to identify any possible unmet needs.

Each participating user group was asked the same set of questions. Of the 9 Major User Groups approached, 7 participated in the interview process:

Major User Group Contacted (Phone)	Responded
Brockville Braves	Yes
Brockville Figure Skating Club	Yes
Brockville Gentlemen's League	Yes
Brockville Minor Hockey Association (BMHA)	Yes
Brockville Girls' Hockey Association (Angels)	No
Kids' Christian Hockey	Yes
Metro Hockey League	Yes
Speed Skating	Yes
Brockville Tikis	No

Additionally, 5 Minor User Groups were also contacted, with 2 participating in the interview process:

Minor User Groups (Phone)	Responded
John Ryan	Yes
Stronger Hockey League	Yes
Monday Night Hockey Club	No
St. Lawrence Kings	No
Friday Morning Hockey	No

## 1.2 Summary of Findings

The core problem faced by Brockville's existing facilities was not a lack of *overall* ice time, but rather the availability of *prime-time ice*. All groups indicated that there was enough overall time available. However, specific / desirable time slot availability was limited. Some user groups saw a reduction in prime-time allocation, but constituent members were not able to take on less favourable time slots, resulting in overall reduction in usage. User groups were also unwilling to travel out of Brockville for ice time, except for summer months when ice is not available in Brockville. This limits the ice time available to Brockville arenas.

All user groups interviewed indicated that they would like to use the ice within the following time frames, which they considered to be favourable for their members:

<b>Desired Definition</b>	<b>Currently Defined Prime-Time Ice</b>
<u>All Groups</u> Mon – Fri: 5:00PM – 10:00PM	<u>Youth</u> Mon – Fri: Noon – Close
<u>Adults</u> Mon – Fry: 3:00 PM – Close	
<u>All Groups</u> Sat – Sun: 10:00AM – 10:00PM	<u>All Groups</u> Sat – Sun: Open – Close

## 1.3 Estimating Shortfall of Prime-Time Ice

The following steps were taken to estimate shortfall of prime-time ice in Brockville:

### *Determining Prime-Time Capacity*

Since prime-time is indicated by periods of highest demand, the “desired definition” in the table above likely reflects the actual periods considered to be prime-time by user groups. As such, QBC redefined ‘prime-time’ from a user’s perspective rather than facility management definition in order to gauge demand during peak periods. Prime-time (PT) is, therefore, defined as:

- Mon – Fri: 5:00PM – 10:00PM
- Sat – Sun: 10:00AM – 10:00PM

Each arena has a capacity of 49 hours of PT per week.

$$\begin{aligned} \text{Arena PT capacity} &= \left( \frac{5\text{hrs}}{\text{day}} \times 5 \text{ days} \right) + \left( \frac{12\text{hrs}}{\text{day}} \times 2 \text{ days} \right) = 49.0 \text{ hrs} \\ \text{Arena PT capacity} \times 2 \text{ arenas} &= 49.0 \text{ hrs} \times 2 \text{ arenas} = 98.0 \text{ hrs} \end{aligned}$$

### *Determining Shortfall of Prime-Time Ice Experienced by User Groups*

User groups were asked to estimate the additional number of PT hours they would like to acquire, the sum of which is defined as the *shortfall* of prime-time ice that current facilities are incapable of providing:

USER GROUPS	WEEKLY PT SHORTFALL
<b><u>Major User Groups</u></b>	
BMHA	12.0
Brockville Gentlemen's League	3.0
Brockville Braves	0.0
Brockville Figure Skating Club	3.0
Speed Skating	0.0
Kids' Christian Hockey	3.0
Metro Hockey League	3.0
<b><u>Minor User Groups</u></b>	
John Ryan	0.5
Strowger Hockey League	1.5
Total	26.0

### *Determining Utilization Rate of Existing Facilities*

With the shortfall of prime-time ice usage identified from 11 user groups, QBC then estimated utilization of current facilities to see whether the shortfall can be met by spare capacity of the two existing ice surfaces. Utilization of PT for existing ice surfaces is calculated below:

Current Utilization / Week For Two Arenas	Number of Hours	Percent
Total PT used by interviewees / wk	67.0	68%
Total PT used by users not interviewed / wk	29.0	30%
Total PT not utilized / wk	2.0	2%
Total Available PT hours / wk / 2 arenas	98.0	100%

Currently, existing facilities operate at nearly full capacity with 98% of all available PT occupied by users. It follows that this is not sufficient to provide for excess demand generated by user groups since 11 user groups have already expressed the need for an additional 26.0 hours of prime-time ice. The possibility of a third rink can therefore be considered.

### *Estimating Total Prime-Time Ice Shortfall*

PT usage for a typical week by user groups that were interviewed was calculated for both arenas and is summarized below:

<b>PT Usage of a Typical Week by User Groups Interviewed</b>	
Youth Arena	35.0
Memorial Centre	32.0
Total	<u>67.0</u>

$$\% \text{ of Brockville PT ice occupied by users interviewed} = \frac{67.0 \text{ hrs}}{98.0 \text{ hrs}} \times 100 \% = 68\%$$

Assuming that PT ice is equally distributed based on needs, additional PT ice needed will be proportional to PT currently occupied. Since user groups interviewed weekly shortfall for PT ice is 26.0 hours, and currently occupy 68% of ice time, total shortfall prime-time ice is estimated to be:

$$\text{Estimated total shortfall of PT ice} = \frac{26.0}{68\%} \times 100\% = 38.0 \text{ hrs}$$

User groups who were *not* interviewed would account for 12.0 PT hours, resulting in 38.0 PT hours being utilized at the third rink. The third rink's utilization rate can be expected to be:

$$\text{Utilization of third rink} = (38.0 \text{ hrs} \div 49.0 \text{ hrs}) \times 100\% = 78\%$$

Since the focus of the interviews was major user groups, a large proportion of minor user groups were not interviewed. Minor user groups may currently be using fewer hours because they simply cannot get access to more hours, whether due to price or priority over ice time. As such, they may account for a higher portion of shortfall for PT ice, relative to their current usage.

### **1.4 Issues with Existing Facilities**

User groups were also asked to identify issues and points of improvement for current facilities:

#### *Brockville Memorial Civic Centre*

With regards to the Memorial Centre, 7 out of 9 user group interviews indicated poor ice quality as an issue, especially towards the end of the season between February and April. The ice surface has been described as 'soft' and 'cracked' with 'holes in the ice'. This has been raised as a safety concern for skaters. Additionally, it reduces the quality of a hockey game as pucks do not slide properly on uneven surfaces.

Users also expressed concern about dressing rooms, both in terms of size as well as the overall number of dressing room facilities, deemed to be insufficient. Dressing rooms are currently too

small and not ‘up to today’s standards’. While the Memorial Centre was built with 6 dressing rooms, 3 are reserved for the Brockville Tikis, the Brockville Braves and 1 for the referees. Therefore, only 2 are available to all other teams. This causes great inconvenience and delay for teams with large membership enrolment such as Kids’ Christian Hockey or BMHA.

#### *Brockville Centennial Youth Arena*

The ice surface at the Youth Arena is viewed to be comparatively better than that of Memorial Centre despite it being an older facility. Major issues with the Youth Arena include the lack of separation between team benches and the sharing of pathways between audience and players. The rink is also comparatively smaller than the Memorial Centre, and can only accommodate younger and small players. The Youth Arena dressing rooms are also considered to be small relative to today’s standards, however, the number of dressing rooms seems to be sufficient.

#### **1.5 Willingness to Pay**

User groups expressed little willingness to pay for extra fees for improved facilities. Groups were concerned that increasing user fees would decrease enrollment for their respective organizations.

#### **1.6 Implications**

##### *Expansion*

Based on calculations above, 78% of PT ice is likely to be utilized for the third ice pad. This is a significant amount of PT ice demand that cannot be met using existing facilities. However, more research needs to be conducted in order to determine if 78% utilization is sufficient to recovery the operating costs of the third rink.

##### *Upgrade/Improvements*

Current facilities face many issues that theoretically, can be improved. The most pressing issue appears to be the quality of ice at Memorial Centre, since it has potential implications to users’ safety. Improvements made to quality of ice may have the potential to significantly improve user experience.

Interviewees also suggested a need for expansion of dressing rooms at the Memorial Centre and the Youth Arena. Users have also suggested that dressing rooms be expanded as the current size is too small.

## 2 | ADEQUACY OF SUPPLY ANALYSIS

The objective of this analysis was to develop a high-level metric to gauge available supply of arena facilities / ice surfaces in Brockville relative to that of comparable municipalities. QBC found that in comparison to surrounding municipalities, Brockville's provision of municipal government-run ice surface facilities is below average.

### 2.1 Methodology: Geographic Screening & Data Collection

Comparative municipalities were defined as those located in Southern Ontario, with total population between 15,000 and 150,000 (2011 Census), as per Appendix B. These encompassed the entire sample of suggested cities with recent arena facility expansions, as given by Conal Cosgrove, leading to a final sample size of 83 municipalities. For complete methodology, please see Appendix B2.

For each municipality:

- Data on the total number of indoor ice surfaces managed / operated / owned by the municipal government was collected from public sources
- Number of ice surfaces was divided by the total active population (defined as those who are likely to engage moderately actively or actively in leisure-time physical activity) of each municipality
- This metric successfully adjusts for the behavioural characteristics for a given geography, leading to a more accurate proxy for sufficiency of supply.

## 2.2 Analysis of Ice Surfaces / Capita Data

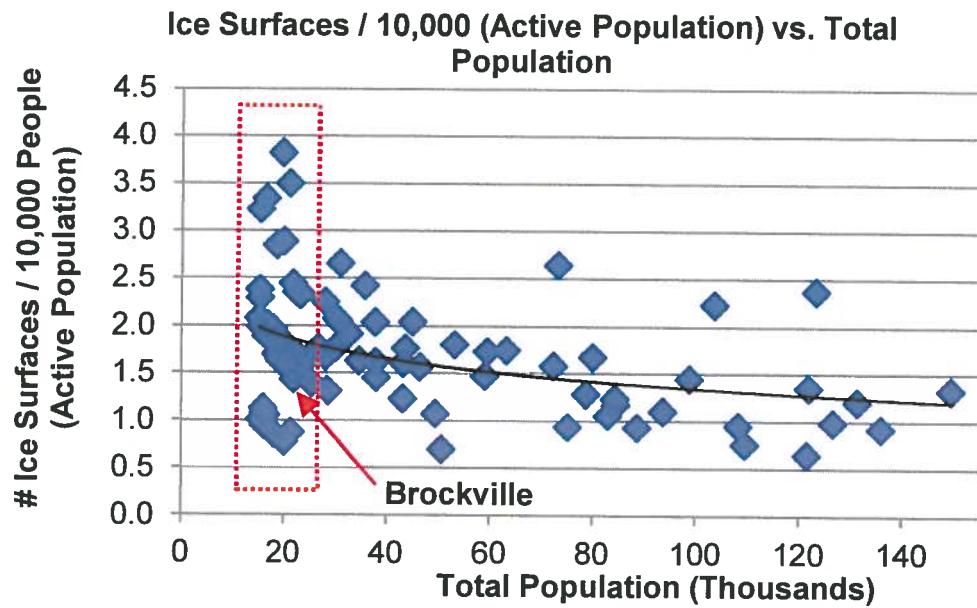
As per the summary statistics below, across 83 municipalities, the average number of ice surfaces / total population (definition in the previous section) is 0.97 ice pads per 10,000 people, with maximum and minimum of 2.04 and 0.395, respectively. Brockville's population of 21,870 relative to the two available indoor ice pads yields a ratio of 0.9145 ice surfaces / total population, which is beneath both mean and median, and 5.7% below the average.

### Summary Statistics

	Ice Surfaces / 10,000 People	
	Total Population	Active Population
<b>MAXIMUM</b>	2.0408	3.8218
<b>AVERAGE</b>	0.9699	1.6936
<b>MEDIAN</b>	0.9192	1.6262
<b>MINIMUM</b>	0.3950	0.6450
<b>STANDARD DEVIATION</b>	0.3763	0.6797
<b>RELATIVE STANDARD DEVIATION (% MEAN)</b>	38.8%	40.1%
<b>BROCKVILLE</b>	0.9145	1.4289
<b>% Above / (Below) Average</b>	(5.7%)	(15.6%)

Upon further segmenting the data to look at ice surfaces / active population, the data suggests that average or equilibrium ice surfaces per 10,000 people is 1.69, with maximum and minimum of 3.82 and 0.65, respectively. Brockville is once again beneath both mean and median, and 15.6% below the average. The graph below shows Brockville's relative position compared to sampled cities. There is an apparent negative relationship between the total population of the city, and the available ice surfaces per capita as offered by the municipal government. Brockville's population is on the low end of the sample, and when compared to municipalities with similar total population, it can be seen that its available ice surfaces are also on the low end.

The analysis of these broader metrics leads to the conclusion that current availability of ice surfaces is insufficient when compared to that of surrounding municipalities. This is reaffirmed upon analysis of Brockville's corresponding Public Health Unit (Appendix G), which shows that the Leeds, Grenville and Lanark District currently has one of the most physically active populations out of all 36 Health Units in Ontario (second only to the Kingston, Frontenac, Lennox and Addington Unit).



## 3 | PRELIMINARY FEASIBILITY

### 3.1 Interview with Industry Professionals

Six industry professionals were contacted with the questionnaire attached in Appendix D, with the goal of understanding the major cost drivers and challenges faced with each of their experiences in building their respective arena expansions. These included:

- **Stephen Alexander**, Manager of Planning, Parks and Recreation, City of Cornwall
- **Jason Vezina**, Chief Building Official, Municipality of Edwardsburg/Cardinal
- **Mark Guy**, Director, Parks, Recreation & Culture, Municipality of North Grenville
- **Wally Ferris**, Director, Recreation and Leisure Services, City of Kingston
- **David Morgan**, Manager of Infrastructure Services, Town of Napanee
- **Rick St. Dennis**, Director of Community Services, Town of Smith Falls

Various Engineering Consulting firms were also contacted (contact method and history are shown in Appendix H). However, due to non-response, certain industry professionals being out of the country, and all of the Engineering Consulting firms requesting a fee charged for answering any questions regarding cost estimates, only one detailed case study of a recent arena expansion was developed through an interview (Edwardsburg / Cardinal).

**The lack of data from primary research was compensated with information from the public domain regarding five arena construction project case studies in recent years.**

### 3.2 Major Insights from Case Studies

The information collected by QBC from the case studies of arena construction projects in Edwardsburgh / Cardinal, Cornwall, Smiths Falls, Elmira, and Whitchurch-Stouffville, is summarized below. Subscripts represent the corresponding case study (EC = Edwardsburgh / Cardinal, CW = Cornwall, SF = Smith Falls, E = Elmira, WS = Whitechurch-Stouffville). The case studies themselves are laid out in detail in the following section.

- **Reasons for Expansion<sup>(CW)</sup>** : On top of the desire to fulfill unmet demand for ice time, other reasons to build an arena could also include the desire to increase sports participation in the community, or as an added incentive for young families who want sports opportunities and are looking to settle in new areas.
- **Decision between Renovating and Building Anew<sup>(EC)</sup>** : Renovating an old facility is still an old facility with new components – old parts will still deteriorate quickly, leading to all-in costs (once future operating expenses have been factored in) that may be only slightly below that of building a new facility
- **Fundraising**: Having an extensive fundraising campaign in the beginning of the process mitigates the amount coming from the city's account later.
- **Project Management<sup>(EC)</sup>** : Design / Build strategy where an RFP is issued is the best way of approaching the search for a suitable engineering / contracting firm, whereby the bidding firm has to specify their ideal solution to the city's problem, and to list a price of how much they would be willing to charge for implementing that solution. This fixes costs and limits unforeseen expenses.
- **Contingency Fund**: Develop a sizeable contingency fund early on in the process for incidentals or oversight.
- **Going Over-budget and Relying on the City's Balance Sheet<sup>(CW, SF, E)</sup>** : Three out of five case studies show that arena expansion projects in general are likely to become over-budget as completion nears which led to many projects taking out debt to fill the gap in their projects).
- **Government Funding<sup>(SF)</sup>** : Government funding is available through funds such as Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF), and Industry Canada's Community Adjustment Fund.
- **Broad Consultation**: Bring area municipalities, who the town's studies show are major users of Smiths Falls ice facilities, into the project earlier.

### 3.3 Edwardsburgh/Cardinal Arena Case Study (Jason Vezina Interview)

**Description of Facility:** The new arena is a single-pad NHL regulation-sized ice surface with seating capacity for 400, and can be considered a success story based on cost management and fundraising. The grand opening was October 14, 2013.

**Pre-Construction / Feasibility:** It was determined in 2012 that the existing Cardinal Arena was “in a bad state”. The municipality had commissioned engineering reports with evidence in support of this. The Township staff recommended building a new rink at a high-end cost of ~\$6 million, rather than spending up to \$4.2 million on repairs for a building that was already four decades old and, in the municipality's view, failing.<sup>1</sup> Despite the fact that residents were still convinced that no safety issues had been identified in separate reports cited by council for the closure of the existing facility, city council still “stood firmly behind a decision to close the Cardinal and District Community Centre for the season at the end of March” 2012.<sup>2</sup>

The township hired a professional engineering firm to evaluate the existing arena to investigate three options: a) rehabilitation of the existing arena to meet various codes, b) significant renovation to bring the entire arena up to today's standards and c) construction of a new arena. The associated cost estimates were approximately: a) 2.5 million, b) 4.5 million and c) 5.2 million.

**Fundraising:** According to Jason Vezina, the Chief Building Official, the entire process did not “experience any significant problems”. The township undertook an extensive fund raising campaign, canvassing residents, local businesses, corporate sponsors and companies with which the Township had past dealings with. It also used funds from the arena reserve account plus a deal with the Port of Prescott (owned by the Township) to help fund the new construction. The Township had issued an RFP for a Design / Build contract, which meant that the company bidding on the job had to provide both services and the price quoted was 100% fixed, such that there was no variation to that cost whatsoever. The additional changes that were made where the contingency fund had to be used, were driven by the Township only and not by the design / builder. In September 2013, the township signed a \$5.2 million loan with Infrastructure Ontario.<sup>3</sup> In the end, the total cost of the arena came in under the \$6.3 million budget and the contingency fund was not exhausted. Vezina concludes that the “Design / Build” strategy with an RFP is “the way to go” for a project of this magnitude.

**Costing, Design / Build, RFP, Unforeseen Issues:** The “absolute price” set by the Township when the RFP was released was \$5.8 million, and the successful bidder was chosen based on ability to meet this number. There was an additional \$500,000 cost for a walking track and to operate the arena year round, leading to the grand total of \$6.3 million. These two were important factors as set out by user groups when they were interviewed during the feasibility stage of the project. Vezina had also recommended a contingency fund in the amount of \$150,000 for incidentals or for oversight. Unforeseen cost drivers included old construction materials buried in the parking lot next to the arena which had to be excavate and replaced with

<sup>1</sup> Gordanier, Derek. “Township needs close look under hood of Cardinal rink.” Recorder.ca, April 4, 2013. Web.

<sup>2</sup> Gardiner, Nick. “Council won't budge on Cardinal rink closure date.” Recorder.ca, March 20, 2013. Web.

<sup>3</sup> Duffy, Alanah. “New Rink Named Ingredion Centre.” Recorder.ca, September 24, 2013.

clean fill, and 13 change orders that were issued based on needs / wants once construction was underway. Vezina concludes that, “given the minor nature of things we added or changed there wasn’t much we could have done better.”

**Choice Between Construction / Expansion Alternatives:** Vezina cites that part of the reason the township decided to build a new facility over upgrading or renovating is that by just renovating the existing facility, the township would still have an old building with new components. Due to the fact that the old arena was run by a board of volunteers since it was constructed in the late 1960’s, the building was never taken care of properly, which led to its advanced deterioration. The major consideration here with the renovation option is that the new addition to the old facility will likely not deteriorate as quickly as the existing parts, themselves requiring significant upgrades in the future to keep pace with the new additions, representing additional cost. Vezina concludes that the new construction alternative proved favourable as “you will know what you are getting right from the start and can plan accordingly for recreation budgeting, maintenance”. The cost to expand an existing facility would include such things as structural, upgrades to the ice plant, upgrades to insulation, electrical, plumbing, most of which may not be all that different from building a new arena. For Edwardsburgh / Cardinal, the difference in cost between renovating and building a new facility was approximately \$750,000, which, when put in context of all the other factors above, made it an easy decision to choose the latter option.

#### Timeline<sup>4</sup>

- Oct. 9, 2012: Council approval
- Oct. 10, 2012: Design-build contract initiated
- Oct 10, 2012: Site available
- Nov. 2, 2012: Groundbreaking ceremony
- Oct. 1, 2013: Substantial completion
- Nov. 1, 2013: Construction completed

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<sup>4</sup> Duffy, Alanah. “Cardinal rink plans approved.” Recorder.ca, October 10, 2012

### 3.4 City of Cornwall – Benson Centre Case Study

**Description of Facility:** The Benson Centre opened on April 30, 2011, and contains 3 NHL-sized Rinks, with 5 dressing rooms per each ice surface. The main arena seats 500 spectators, while the other two seat 250, for total seating capacity of 1,000. Other features include an indoor field house, multi-sport indoor turf facility, multi-purpose court (tennis, badminton, pickleball, volleyball), walking track, multi-purpose room, and community rooms.<sup>5</sup>

**Fundraising & Cost Concerns:** In late 2010, projected cost of the facility amounted to \$32.5 million. Funding secured with financial contributions totaling \$18.3 million from the Government of Canada and Province of Ontario. Federal and provincial contributions come from the Building Canada Fund, which represents a joint federal-provincial investment of more than \$6 billion to help communities across the province address key infrastructure needs.<sup>6</sup> The City's own contribution of \$14.0 million was offset with a community fundraising effort that surpassed the goal of \$2.0 million. Total community fundraising amounted to \$2.7 million, with support from companies like Fortis and Cornwall Electric, and the Benson Organization purchasing naming rights for \$600,000.<sup>7,8</sup> However, prior to opening, there were concerns over both 38% potential increases in costs over budget in building the 180,000 square foot facility, and regarding the overhead / operating costs to manage the facility.<sup>9</sup> In late 2012, the City had to borrow a \$10.4 million 20-year loan to pay off the overbudget balance of the Benson Centre.<sup>10</sup>

**Impact of the New Facility:** “The Benson Centre has increased opportunities for traditional athletes, who have come droves to compete at the fieldhouse and three ice pads”, according to Christine Lefebvre, Division Manager for Parks and Recreation of the City. Bob Peters, Senior Development Officer of Cornwall, echoes this sentiment in 2012: “...even though it's only a year old, it [has] hosted thousands and thousands of people that have visited Cornwall for the first time.” The new facility’s amenities have boosted participation in some sports activities, such as a new three-on-three hockey program that saw 300 registrants in its first year. The Centre is also an added incentive for those looking to “settle in the areas, especially for young families who want sports opportunities for their children”.<sup>11</sup>

### 3.5 Town of Smiths Falls – Smiths Falls Community Memorial Centre Case Study

**Description of Facility:** The new arena opened in October 2010, has seating capacity of 1,500 and features an NHL-sized ice surface with six large dressing rooms, two rooms for referees.<sup>12</sup> A

<sup>5</sup> “Benson Centre.” City of Cornwall. Cornwall.ca. Web.

<sup>6</sup> Peters, Bob. “Cornwall celebrates official opening of the Benson Centre.” City of Cornwall. Choosecornwall.ca, June 29, 2011. Web.

<sup>7</sup> “Cornwall Electric powers \$40,000 for new Benson Centre.” Cornwall Electric. Cornwallelectric.com, April 11, 2011. Web.

<sup>8</sup> Peters, Bob. “New Cornwall Multi-Sport Facility to be Named the Benson Centre.” City of Cornwall. Choosecornwall.ca, September 27, 2010. Web.

<sup>9</sup> “Benson Centre Inflating City Budget? Support Cost Could be 38% Higher – City Councilors Tackle Budget – Cornwall Ontario.” Cornwall Free News. February 25, 2011. Web.

<sup>10</sup> “City will borrow to pay off Benson Centre balance.” Cornwall Seaway News. November 13, 2012. Web.

<sup>11</sup> Brink, Cheryl. “Great first year for city's Benson Centre.” Standard Freeholder. April 30, 2012. Web.

<sup>12</sup> “Facilities: Memorial Community Centre.” Town of Smiths Falls. Smithsfalls.ca. Web.

youth arena used for the Bears team is attached which was renovated at the same time as the construction of the new replacement facility.

**Feasibility & Fundraising:** The town finalized an application to the Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF) in 2006 after two technical assessments were published that proved that the existing facility had outlived its useful life.<sup>13</sup>

**Budget & Cost:** The original budget for the facility amounted to \$14.0 million, which was “scaled down” to ~\$12.0 million to accommodate the original ~\$8.0 million budget the city had allotted to the project. According to Rick St. Dennis, Director of Community Services, “there is a gap of more than \$3.5 million that...will be raised through a combination of fundraising and borrowing.”<sup>14</sup> The Project was awarded funding from Industry Canada’s Community Adjustment Fund for construction of an upper level lobby, community hall, upper rooms, and roof replacement.<sup>15</sup>

**Cost-Sharing:** In November 2013, the Smiths Falls Council voted unanimously to impose a \$335 user-fee on non-residents who use the Town’s arena and live in municipalities which do not have a cost-sharing agreement with the town, with discussions to be held in December with surrounding municipalities.<sup>16</sup>

**Concerns:** Critics are of the opinion that the town “could have done a better job of bringing ... major users of Smiths Falls ice facilities, into the project earlier.” This would have better set out a repayment of the outstanding debt associated with the new facility. Other potential improvements to the whole process included making earlier arrangements with local partners for an equitable cost-sharing or user-fee arrangement (instead of developing one three years after the arena’s opening), and going into the beginning of the process with a “proper business plan”.<sup>17</sup>

### 3.6 Elmira - Woolwich Memorial Centre Case Study

**Description of Facility:** The Woolwich Memorial Centre (WMC) in Elmira, built in 2009 consists of two NHL-sized ice surfaces, two pools, a fitness centre and walking track. The facility also includes a community centre, seniors centre, youth centre, Concourse Cafe, two meeting rooms and offices for minor sport teams.<sup>18</sup> The facility opened on September 12, 2009.<sup>19</sup> Construction began in 2007, amidst five other facilities projects simultaneously, all drawing on municipal funds at the same time.<sup>20</sup>

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<sup>13</sup> “Smiths Falls shooting for new arena.” CBC News Ottawa. CBC.ca, August 21, 2006. Web.

<sup>14</sup> Levatte, John. “Mid-October opening for new Smiths Falls arena.” Recorder.ca, August 21, 2010. Web.

<sup>15</sup> “MINUTES: TOWN OF SMITHS FALLS SPECIAL MEETING OF COUNCIL COUNCIL CHAMBER, TOWN HALL.” City of Smiths Falls. October 13, 2009. Web.

<sup>16</sup> Palermo, Tony. “New users fees for Smiths Falls arena – cost sharing agreements on the table.” Lake 88.1 Radio. November 14, 2013. Web.

<sup>17</sup> Levatte, John. “Mid-October opening for new Smiths Falls arena.” Recorder.ca, August 21, 2010. Web.

<sup>18</sup> “Township Services: Woolwich Memorial Centre.” Township of Woolwich. Woolwich.ca, Web.

<sup>19</sup> “Opening of the Woolwich Memorial Centre.” Rising Stars. Web.

<sup>20</sup> “Township Services: Woolwich Memorial Centre.” Township of Woolwich. Woolwich.ca, Web.

**Cost / Fundraising / Debt:** Fundraising for the facility was an undertaking done in conjunction with all the other facility expansion / construction projects happening at the same time. Funding came from money set aside by the township for specific projects, development charges on new construction, donations, a partial cash-out of the debt the township held as part of its ownership share of a Hydro Company, a \$2-million provincial grant (specifically for the Memorial Centre twin-pad) and future sales of surplus township land and buildings.

David Brenneman, the Chief Administrative Officer of Elmira, said that the new projects would lever up the formerly debt-free balance sheet of the township to total debt of \$2.38 million, averaging to \$186 in debt for each of the township's 21,500 residents. At the time, the new debt was considered "easily manageable", as finishing overdue community projects gave the township council flexibility to deal with rebuilding roads, sewers, watermains, and bridges in years to come.<sup>21</sup>

### 3.7 Stouffville Clippers Sports Complex Case Study

**Description of Facility:** The Stouffville Clippers Sports Complex is a 79,000 sq. ft. community facility featuring two NHL sized hockey pads, twelve change rooms, two multi-purpose rooms and seating for more than 325 spectators per pad.<sup>22</sup>

**Feasibility:** In consultation with Major Ice User Groups a current shortfall (2007 / 2008 season) exists of approximately 74 hours / week which exceeded all prime ice time that would be available in a new ice pad.

**Arena Facility & Design:** The preferred approach in constructing a twin pad arena complex is to design and construct as a single project. Many of the advantages of this method as opposed to a phased approach include:<sup>23</sup>

- Economies of scale in construction costs, professional fees (Architect, Project Manager) and site development
- A significantly better design that allows for a central focus on public circulation and spectator areas
- Integrated design and efficiencies of all mechanical features and space requirements
- Avoidance of disruptive and costly renovation/construction costs when the second ice pad is added to the original facility

If both pads are built at the same time, the operating cost per pad will be lower from the outset, compared to a traditional single-pad facility due to the staff efficiencies in a one-site operation and the modern, energy-saving features that can be employed. It is beneficial to design and build the facility to peak operating efficiency and incorporate the LEED (Leadership in Energy and Environmental Design) principals into the design. These savings are greater with a twin pad

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<sup>21</sup> Swayze, Kevin. "Woolwich's \$32-million makeover." The Record. December 22, 2008. Web.

<sup>22</sup> "Stouffville Clippers Sports Complex." Town of Whitchurch-Stouffville, TownofWS.ca, Web.

<sup>23</sup> "NEW ARENA COMPLEX – BUILDING PROGRAM (C10-LS & A19)." Town of Whitchurch-Stouffville. CivicWeb, Web.

operation (e.g. heat recovery for seating, all warm rooms in the arenas, as well as the potential for heating the adjacent Fire Hall).

### 3.8 Analysis of Cost Data Per Square Foot

Construction cost data from a sample of arena construction projects were collected, ranging from 2005 to 2013. Costs were then inflated by the CPI to normalize all numbers to 2013 dollars, and then divided by the square footage of the facilities to yield a cost / square foot metric of comparable projects. QBC arrived at an average \$ / square foot of \$203.50. When multiplied by an approximate size of a new twin-pad facility of 70,000 square feet (the current Brockville Memorial Civic Center is 52,000 sq. ft. + size of an additional NHL regulation-sized rink of 200' x 85' = 69,000 sq. ft.), we get an estimated construction cost of \$14.2 million. This figure is well under the \$15.0 million budget that has been set aside in Brockville's 2018 – 2020 10-year capital plan allocated for a twin-pad project.

Facility	Type	Location	Year Built	Size (Sq. Ft.)	COST DATA (Approximate)			METRIC \$ / sq. ft.
					Actual	inf. Factor	inf. Cost	
Stouffville Clippers Sports Complex	Twin-Pad	Stouffville, ON	2010	76,534	\$14.0	1.0735	\$15.0	\$196.4
Innisfil Recreation Complex	Twin-Pad	Innisfil, ON	2008	140,000	\$30.0	1.1014	\$33.0	\$236.0
General Motors Centre	Twin-pad	Oshawa, ON	2006	180,000	\$45.0	1.1477	\$51.6	\$286.9
Woolwich Memorial Centre	Twin-Pad	Elmira, ON	2009	117,450	\$20.3	1.0763	\$21.8	\$186.0
Strathcona Centre	Twin-Pad	Napanee, ON	2004	93,315	\$9.8	1.1946	\$11.7	\$125.5
Clarence-Rockland Arena	Twin-Pad	Clarence-Rockland, ON	2011	121,500	\$18.1	1.0541	\$19.1	\$157.0
Vic Johnston Community Centre	Single-Pad	Streetsville, ON	2009	47,250	\$7.6	1.0763	\$8.2	\$173.1
The Benson Centre	Single-Pad	Cornwall, ON	2011	180,000	\$32.5	1.0541	\$34.2	\$190.3
Cardinal Arena	Single-Pad	Edwardsburg / Cardinal	2013	na	\$6.3	1.0091	\$6.4	na
Smith Falls Community Centre	Single-Pad	Smith Falls, ON	2010	46,000	\$12.0	1.0735	\$12.9	\$280.0
Invista Centre	Four Pads	Kingston, ON	2005	na	\$37.3	1.1729	\$43.8	na

Sources: Athletic Business Magazine  
 Municipal Government Facilities Webpages  
 Press Releases

Average (\$ / sq. ft.) \$203.5

Junick Property Size (Acres)	10.0
Acres to sq. ft. Conversion	43,560
	435,600
Approximate Size of Facility (sq. ft.)	70,000
Estimated Construction Cost (C\$ millions)	\$14,243,300.3
Municipal Government Budget	\$15,000,000.0
Surplus / (Deficit)	\$756,699.7

### 3.9 Analysis of User Fees

Data was collected regarding hourly ice rental fees charged by each of the municipalities in Section 2.1, with the objective of gauging whether Brockville is over- or under-charging for use of its facilities. Data segmentation method is as follows:

- Only rental rates for those arenas that were advertised as NHL regulation-size (200 feet by 85 feet) were used, as non-regulation ice pads had vastly different rates
- Those municipalities that do not have facilities with NHL regulation-size ice pads were discarded from the sample
- For those arenas that do not classify their users into Adult / Youth (Prime & Non-Prime Time), averages were taken to reclassify the user fee breakdowns
- For those where the classification is completely not comparable, user fees have been denoted “nc” and exclude from the average (i.e. facilities that charge per day, whereby the calculated hourly rate is vastly different from comparable fees)
- Fees data include only those for residents of the corresponding city
- “na” denotes unavailable information
- “nc” denotes fees that are not comparable or not broken down into the same buckets
- Surcharges are included in figures, but exclude HST

### Summary Statistics

	Pre-HST Winter 2013 Fees (Residents)			
	Adult		Youth	
	Prime	Non-Prime	Prime	Non-Prime
<b>MAXIMUM</b>	\$291.68	\$165.00	\$241.82	\$177.30
<b>AVERAGE</b>	\$198.50	\$130.18	\$153.84	\$113.09
<b>MEDIAN</b>	\$192.00	\$137.00	\$155.00	\$106.81
<b>MINIMUM</b>	\$140.51	\$80.25	\$99.00	\$68.00
<b>STANDARD DEVIATION</b>	\$33.02	\$22.16	\$27.96	\$30.73
<b>RELATIVE STANDARD DEVIATION (% MEAN)</b>	16.6%	17.0%	18.2%	27.2%
<b>BROCKVILLE</b>	\$176.00	\$134.00	\$134.00	\$72.00
<b>OVER / UNDERCHARGE</b>	(11.3%)	2.9%	nmf	nmf

The above segmentation led to a final sample size of 37. Generally, user fees do not differ based on how old the arena is, but rather by type of arena (NHL, Olympic, or Other), and more often than not are dictated by uniform fees stipulated by cities' bylaws. Due to the fact that a large proportion of municipalities actively subsidize youth sports, youth user fees have much higher standard deviations than their adult fee counterparts. Since accuracy of the mean would depend on the individual subsidy characteristics within each municipalities, this data was deemed non-material or "nmf". Appendix 1 shows the raw data, and summary statistics are listed above, which shows that while Adult Non-Prime-Time user fees are in line with measures of central tendency, Adult Prime-Time fees are "undercharged" by 11.3%. This seems to indicate that the city may be able to increase user fees to fill any gaps in maintenance costs in existing or potentially new facilities.

## 4 | DEMOGRAPHICS ANALYSIS

### 4.1 Preface to Use of Canada Sports Participation Report Data

Statistics Canada published a report in February 2013 that analyzed trend data using the 1992, 1998, 2005, and 2010 sport supplements to the General Social Survey (GSS), which provides information on the magnitude of, and changes in, sport participation in Canada. In particular, QBC used the portion of the report discussing participation in sport by socio-demographic factors.

Sport Canada defines sport in the report as “an activity that involves two or more participants engaged for the purpose of competition. Sport involves formal rules and procedures, requires tactics and strategies, specialized neuromuscular skills, and a high degree of difficulty and effort.” Moreover, a number of physical and leisure activities were excluded, such as “non-competitive aerobics, aquafitness, bicycling for recreation/transportation only, body building/sculpting, car racing, dancing, fishing, fitness classes, hiking, jogging, lifting weights (non-competitive), motorcycling, snowmobiling, and non-competitive walking”.<sup>24</sup> This definition is suitable for our purposes. The report concludes that the four most important characteristics that affect sport participation are:

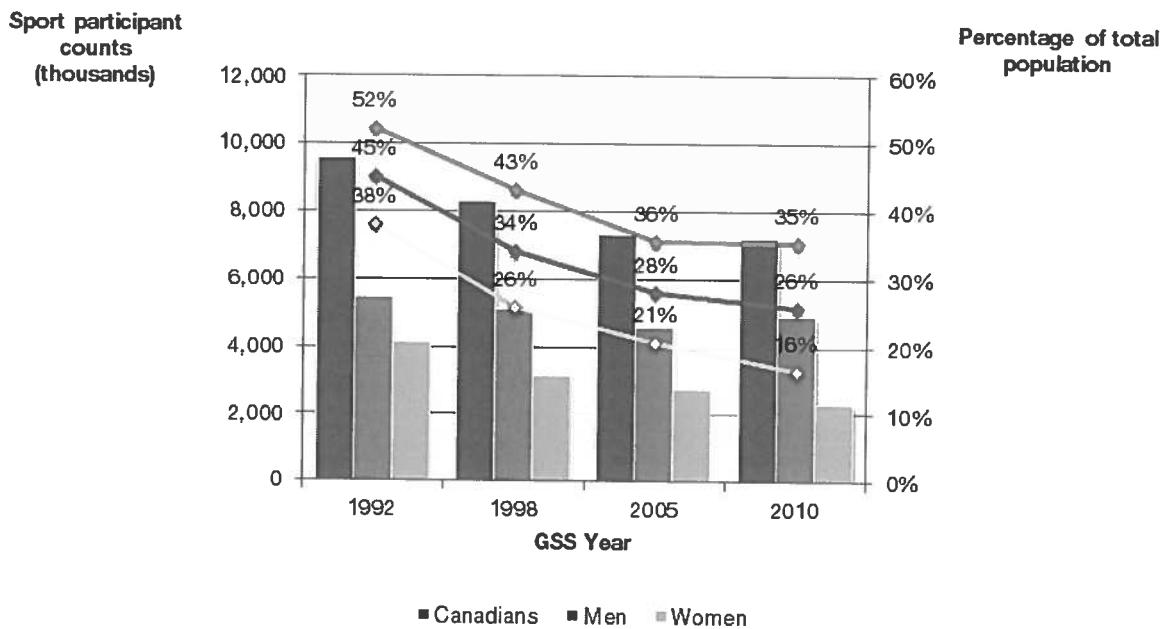
- Age
- Gender
- Household Income / Composition
- Education Attainment

These factors are “most notable when participation in sport competes with domestic responsibilities, child rearing, work-related activities, and participation in other leisure time activities”. This section begins by summarizing the relationships between the above factors and sport participation for nation-wide data using Statistics Canada’s report. These characteristics of the Brockville population will be cross-analyzed with those of the general population of the country. Conclusions from the Sports Canada report about the effect of the above drivers will be imposed on Brockville data to assess sports participation for the city.

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<sup>24</sup> Canadian Heritage: Sport Participation 2010 Research Paper. Statistics Canada.

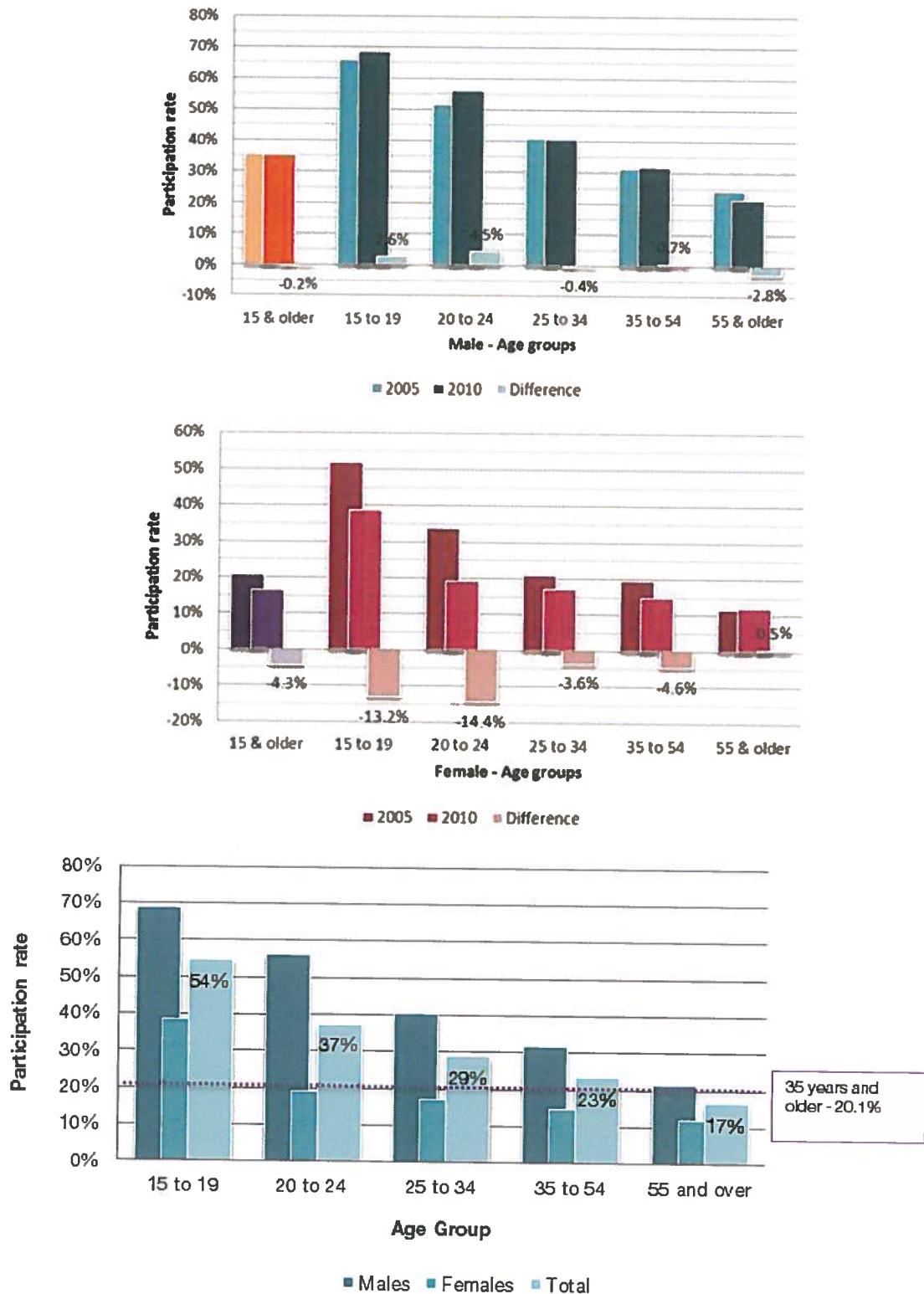
## 4.2 Summary of Drivers of Sport Participation



The data above shows nation-wide results for the General Social Survey, where although there were sharp declines from 1992 to 2005 in sport participation for both genders, the trend has stabilized and persisted at 35% to 36% from 2005 to 2010. The historical decline can be attributed to “a combination of factors of which **Canada’s aging population and the fact that active participation in sport decreases with age are perhaps the most important.**” Between 1991 and 2010, Canada experienced a significant increase in the proportion of its population age 65 and older (defined as seniors). In 1991, the census reported 3.5 million seniors in Canada, representing 11.6% of the total population, up from 8.1% in 1971. By 2011, this number had increased to 4.9 million seniors, or 14.8% of the population. This factor is further analyzed for Brockville in subsequent sections.

### *Age and Gender*

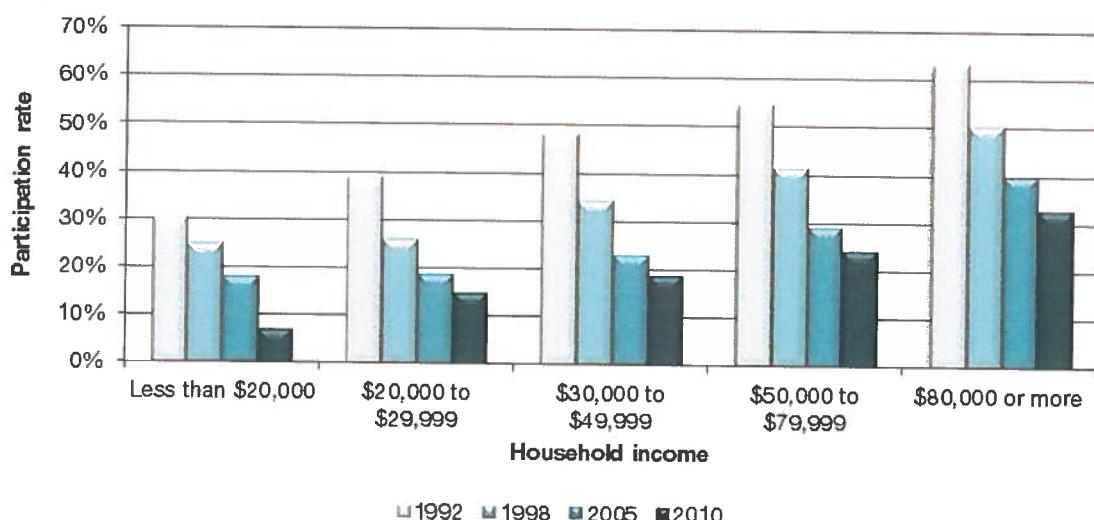
The charts below shows nation-wide sport participation for each age bracket, separated by gender, for 2005 and 2010. Sport participation for females has decreased for every age group except for those aged 55+, which has an immaterial increase. On the other hand, sport participation for males between the ages of 15 and 24 shows an increase, ages 25 to 54 shows negligible change, and those age 55+ have declined levels of sport participation. In general, male sport participation is greater than female sport participation by 10% or higher in all age brackets. The negative relationship between sports participation and age as outlined above is also clearly shown in the figures below.



Source: Canadian Heritage: Sport Participation 2010 Research Paper. Statistics Canada

### *Household Income*

Participation in most sports typically involves some expenditure on registration fees, equipment, uniforms, travel, accommodation, or food.<sup>25</sup> This becomes very relevant for the purposes of this report which focuses on ice hockey – the nature of the sport (equipment, need to travel to facilities, etc.) makes it a more expensive activity. For most households the amount of resources available for sport activities is dependent upon the amount of discretionary income after other essential needs are met.<sup>26</sup> In 2010, for Canadian households with incomes of more than \$80,000, participation in sport fell by 7%, from 40% in 2005, to 33% in 2010. Even so, at 33%, the rate of sport participation among higher income households was about five times greater than the 7% participation rate reported by households with incomes of less than \$20,000.



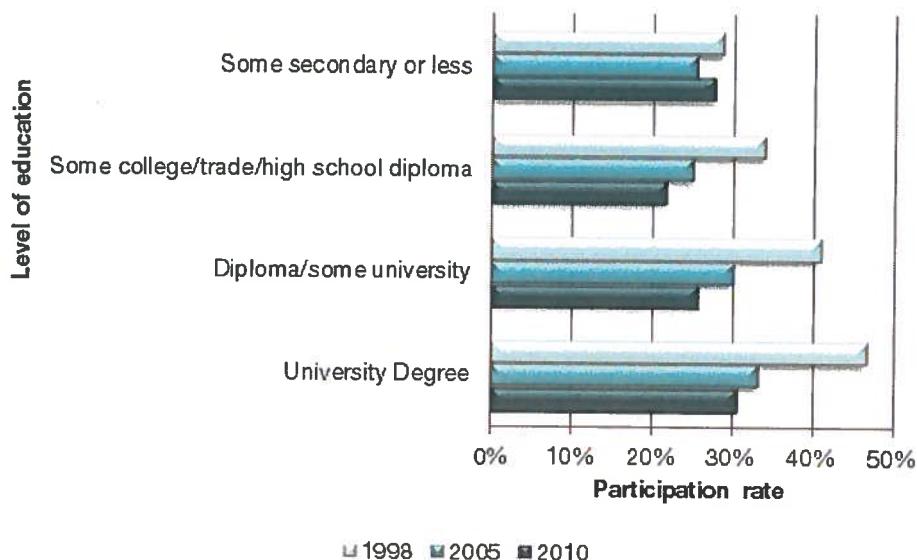
### *Education Attainment*

Although not significant in 2006-2007, education is now related to sport participation, according to a bulletin published by the Canadian Fitness and Lifestyle Research Institute in 2012. University-educated adults are more likely than those with a high school education to say that they have participated in the 12 months prior to the survey.<sup>27</sup>

<sup>25</sup> Canadian Heritage: Sport Participation 2010 Research Paper. Statistics Canada. Page 22

<sup>26</sup> Ibid.

<sup>27</sup> Sport Participation in Canada, 2011 – 2012 Sports Monitor. Canadian Fitness and Lifestyle Research Institute. 2013.



### 4.3 City of Brockville Demographics vs. Canada-wide Demographics

#### *Age Distribution of Population*

Age Bracket	Brockville	Canada	Indexed
	(2011)	(2013)	
0 to 4 years	4.5%	5.5%	81.5%
5 to 9 years	4.3%	5.4%	80.6%
10 to 14 years	4.9%	5.3%	92.0%
15 to 19 years	6.3%	6.2%	102.1%
20 to 24 years	6.1%	7.0%	88.3%
25 to 29 years	5.2%	6.9%	76.0%
30 to 34 years	4.8%	6.9%	69.3%
35 to 39 years	5.3%	6.6%	80.1%
40 to 44 years	5.6%	6.7%	83.7%
45 to 49 years	7.5%	7.3%	102.3%
50 to 54 years	8.2%	7.8%	104.7%
55 to 59 years	7.2%	7.1%	100.5%
60 to 64 years	7.3%	6.0%	121.8%
65 to 69 years	5.9%	5.0%	119.6%
70 to 74 years	5.1%	3.6%	142.0%
75 to 79 years	4.8%	2.7%	177.5%
80 to 84 years	3.6%	2.1%	172.1%
85 years and over	3.4%	2.0%	170.6%
Total	100.0%	100.0%	

The table above compares the age distribution of the City of Brockville's population using 2011 Census data, to that of most recent nation-wide data. The "indexed" column on the right indexes the population of Brockville to Canada, such that an index over 100 represents an age bracket for Brockville that is relatively more populated than Canada (Brockville % divided by Canada %). Any index with a differential of +/- 10 points or more (over or under 100) is considered over or under development for Brockville. There is a clear discrepancy between age brackets 44 years old and below (where Canada is higher than Brockville), and age brackets 45 years old and above (where Brockville is higher than Canada). This leads to the conclusion that the population of Brockville is older than that of Canada as a whole.

Looking at the trend between 2006 Census data and 2011 Census data in the table below named "Aging Population of Brockville", it appears that the population of Brockville has been aging, with both youth and working-age population decreasing by 12.8% and 0.5%, respectively. However, the population aged 65 and older has increased in the same period by 9.3%. Projecting outwards, a forecast conducted by Watson & Associates Economists shows that by the year 2031, ~50% of Brockville's population will consist of individuals age 55 and older. As this report was compiled in 2009 using 2006 Census data, and more Census data is available now, QBC has compared Watson 2011 forecasts (labelled 2011E), to 2011 Census data (labelled 2011A). Watson forecasts for the percentage of Brockville's population within each age bracket are within ~1% of actual Census data, which affirms its accuracy.

## Aging Population of Brockville

<b>Both sexes</b>	<b>2006</b>	<b>%</b>	<b>2011</b>	<b>%</b>	<b>Chg.</b>	<b>% Chg.</b>	<b>CAGR</b>
0 to 14	3,425	15.6%	2,985	13.6%	(440.0)	(12.8%)	(2.7%)
15 to 64	13,980	63.7%	13,910	63.6%	(70.0)	(0.5%)	(0.1%)
65+	4,550	20.7%	4,975	22.7%	425.0	9.3%	1.8%
<b>Total</b>	<b>21,955</b>	<b>100.0%</b>	<b>21,870</b>	<b>100.0%</b>	<b>(85.0)</b>	<b>(0.4%)</b>	<b>(0.1%)</b>
<b>Males</b>	<b>2006</b>	<b>%</b>	<b>2011</b>	<b>%</b>	<b>Chg.</b>	<b>% Chg.</b>	<b>CAGR</b>
0 to 14	1,725	16.8%	1,500	14.7%	(225.0)	(13.0%)	(2.8%)
15 to 64	6,685	65.2%	6,705	65.5%	20.0	0.3%	0.1%
65+	1,840	18.0%	2,030	19.8%	190.0	10.3%	2.0%
<b>Total</b>	<b>10,250</b>	<b>100.0%</b>	<b>10,235</b>	<b>100.0%</b>	<b>(15.0)</b>	<b>(0.1%)</b>	<b>(0.0%)</b>
<b>Females</b>	<b>2006</b>	<b>%</b>	<b>2011</b>	<b>%</b>	<b>Chg.</b>	<b>% Chg.</b>	<b>CAGR</b>
0 to 14	1,700	14.5%	1,490	12.8%	(210.0)	(12.4%)	(2.6%)
15 to 64	7,300	62.4%	7,205	61.9%	(95.0)	(1.3%)	(0.3%)
65+	2,705	23.1%	2,945	25.3%	240.0	8.9%	1.7%
<b>Total</b>	<b>11,705</b>	<b>100.0%</b>	<b>11,640</b>	<b>100.0%</b>	<b>(65.0)</b>	<b>(0.6%)</b>	<b>(0.1%)</b>

## Brockville Demographics by Age Forecast

Age Bracket	(Census) 2006A	(Watson) 2011E	(Census) 2011A	(Watson) 2021E	(Watson) 2031E
0 to 18 years	4,875	4,500	4,375	4,300	3,900
19 to 54 years	9,685	10,200	9,360	9,000	8,500
55 to 74 years	5,085	5,900	5,575	7,800	8,000
75+ years	2,315	2,500	2,570	3,000	4,200
<b>Total</b>	<b>21,960</b>	<b>23,100</b>	<b>21,880</b>	<b>24,100</b>	<b>24,600</b>

Percentage of Pop. Older Than:	(Census) 2006A	(Watson) 2011E	(Census) 2011A	(Watson) 2021E	(Watson) 2031E
18 years	77.8%	80.5%	80.0%	82.2%	84.1%
<b>54 years</b>	<b>33.7%</b>	<b>36.4%</b>	<b>37.2%</b>	<b>44.8%</b>	<b>49.6%</b>
74 years	10.5%	10.8%	11.7%	12.4%	17.1%

## Accuracy of Watson Estimates

Age Bracket	(Watson) 2011E	(Census) 2011A
0 to 18 years	19.5%	20.0%
19 to 54 years	44.2%	42.8%
55 to 74 years	25.5%	25.5%
75+ years	10.8%	11.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Statistics Canada 2006 and 2011 Census

Source: City of Brockville: Official Plan Review Growth Analysis Study 2006 to 2031, Watson & Associates Economists Ltd., April 13, 2009

Note: Use of different Statistics Canada tables for different breakdowns may lead to slightly different population totals for the same census area. Small differences are negligible as the analysis is conducted on a percentage basis.

### Gender

Gender distribution in Brockville is not materially different from that of the Canadian population, as percentages differ by only ~2% for either gender.

### 2011 Population by Gender

Gender	Brockville		Canada	
	(#)	(%)	(#)	(%)
Males	10,235	46.8%	16,414,225	49.0%
Females	11,635	53.2%	17,062,460	51.0%
<b>Total</b>	<b>21,870</b>	<b>100%</b>	<b>33,476,685</b>	<b>100%</b>

### *Household Income*

#### **2005 Private Households By Income**

# Households	Brockville		Canada		Indexed (%)
	(#)	(%)	(#)	(%)	
Under \$10,000	500	5.0%	628,745	5.1%	99.0%
\$10,000 - \$19,999	1,290	12.9%	1,270,335	10.2%	126.4%
\$20,000 - \$29,999	1,375	13.8%	1,301,045	10.5%	131.5%
\$30,000 - \$39,999	1,205	12.1%	1,364,975	11.0%	109.9%
\$40,000 - \$49,999	1,135	11.4%	1,234,770	9.9%	114.4%
\$50,000 - \$59,999	1,030	10.3%	1,094,520	8.8%	117.1%
\$60,000 - \$69,999	730	7.3%	982,730	7.9%	92.4%
\$70,000 - \$79,999	715	7.2%	848,285	6.8%	104.9%
\$80,000 - \$89,999	430	4.3%	715,080	5.7%	74.8%
\$90,000 - \$99,999	340	3.4%	588,565	4.7%	71.9%
<b>\$100,000 and over</b>	<b>1,245</b>	<b>12.5%</b>	<b>2,408,410</b>	<b>19.4%</b>	<b>64.3%</b>
<b>Total</b>	<b>9,995</b>	<b>100%</b>	<b>12,437,460</b>	<b>100%</b>	

The “Indexed” column on the right shows the discrepancy between the percentages of total households within each income bracket for Canada and for Brockville (Brockville % divided by Canada %). Of note are the differences in the \$10,000 to \$30,000 brackets (Brockville is greater than Canada by ~3%), and \$100,000+ income bracket (Canada is greater than Brockville by ~7%). Both average and median household income for Canada are greater than Brockville.

### *Education Attainment*

#### **2006 Education Attainment (15+ years old)**

Degree Attained	Brockville (%)	Canada (%)	Difference
High school certificate	27.2%	21.8%	(5.4%)
Apprenticeship or trades certificate or diploma	7.3%	9.3%	2.0%
College, CEGEP or other non-university certificate/diploma	23.3%	14.8%	(8.5%)
University certificate, diploma or degree	15.1%	19.3%	4.2%
University certificate or diploma below bachelor level	3.1%	3.8%	0.7%
University certificate or degree	12.0%	15.5%	3.5%
Bachelor's degree	7.8%	9.9%	2.1%
University certificate or diploma above bachelor level	1.5%	1.6%	0.1%
Degree in medicine, dentistry, veterinary medicine or optometry	0.5%	0.5%	(0.0%)
Master's degree	1.9%	2.9%	1.0%
Earned doctorate	0.2%	0.6%	0.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	
No certificate, diploma or degree	25.6%	23.8%	(1.9%)
Certificate, diploma or degree	74.4%	76.2%	1.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	

#### 4.4 Implications of Relationships between Demographic Factors and Sport Participation With Respect To Brockville

As per section 4.3, it is concluded that the distribution of Brockville's population is very different from that of the nation with respect to the metrics that Sports Canada has deemed relevant to influencing sport participation. The Canadian population is younger, more educated, and has higher average household income. This invalidates the use of Canadian Sport Participation trends in projecting those of Brockville as an accurate method. However, other insights can be drawn from Sport Canada's data on reasons for non-participation in sports as laid out in the General Social Survey.

**Reasons for non-participation in sport by age group, 2010**

	Both Sexes		Male		Female	
	Thousands	Percentage	Thousands	Percentage	Thousands	Percentage
<b>Total</b>	<b>20,846</b>	<b>74.2%</b>	<b>895.8</b>	<b>64.4%</b>	<b>11,885.7</b>	<b>83.6%</b>
<b>All ages</b>						
No particular reason	3,668	17.6%	1,629	18.2%	2,040	17.2%
Not interested	5,302	25.4%	1,962	21.9%	3,339	28.1%
Programs not available in community	209	1.0%	66 <sup>E</sup>	0.7% <sup>E</sup>	143	1.2%
Don't have time	6,401	30.7%	2,933	32.7%	3,468	29.2%
Don't want to be committed to regular schedule	230	1.1%	133 <sup>E</sup>	1.5% <sup>E</sup>	96	0.8%
Facilities not available	110 <sup>E</sup>	0.5% <sup>E</sup>	30 <sup>E</sup>	0.3% <sup>E</sup>	80 <sup>E</sup>	0.7% <sup>E</sup>
Too expensive	627	3.0%	229 <sup>E</sup>	2.6% <sup>E</sup>	397	3.3%
Health or injury	2,381	11.4%	1,106	12.3%	1,275	10.7%
Age	1,685	8.1%	812	9.1%	874	7.4%
Disability	487	2.3%	213	2.4%	274	2.3%
Participated casually only for leisure	1,228	5.9%	556	6.2%	672	5.7%
Other reason	648	3.2%	249	2.8%	426	3.6%
<b>15 to 19</b>						
No particular reason	207	19.8%	64 <sup>E</sup>	16.8% <sup>E</sup>	143 <sup>E</sup>	21.6% <sup>E</sup>
Not interested	395	37.9%	149 <sup>E</sup>	39.3% <sup>E</sup>	246 <sup>E</sup>	37.1% <sup>E</sup>
Programs not available in community	F	F	F	F	F	F
Don't have time	233	22.3%	76 <sup>E</sup>	19.9% <sup>E</sup>	157 <sup>E</sup>	23.7% <sup>E</sup>
Don't want to be committed to regular schedule	F	F	F	F	F	F
Facilities not available	F	F	F	F	F	F
Too expensive	F	F	F	F	F	F
Health or injury	F	F	F	F	F	F
Age	F	F	F	F	F	F
Disability	F	F	F	F	F	F
Participated casually only for leisure	89 <sup>E</sup>	8.6% <sup>E</sup>	32 <sup>E</sup>	8.4% <sup>E</sup>	57 <sup>E</sup>	8.6% <sup>E</sup>
Other reason	52 <sup>E</sup>	5.0% <sup>E</sup>	19 <sup>E</sup>	5.0% <sup>E</sup>	33 <sup>E</sup>	5.0% <sup>E</sup>

Source: Statistics Canada

### Reasons for non-participation in sport by age group, continued

<b>20 to 24</b>							
No particular reason	299	21.7%	110	23.3%	189	20.9%	
Not interested	356	25.9%	114	24.1%	242	26.8%	
Programs not available in community	F	F	F	F	F	F	
Don't have time	554	40.3%	148	36.9%	379	42.0%	
Don't want to be committed to regular schedule	F	F	F	F	F	F	
Facilities not available	F	F	F	F	F	F	
Too expensive	92 <sup>E</sup>	6.7% <sup>E</sup>	F	F	F	F	
Health or injury	24 <sup>E</sup>	1.8% <sup>E</sup>	F	F	F	F	
Age	F	F	F	F	F	F	
Disability	F	F	F	F	F	F	
Participated casually only for leisure	95 <sup>E</sup>	6.9% <sup>E</sup>	50	10.6%	45 <sup>E</sup>	5.0% <sup>E</sup>	
Other reason	53 <sup>E</sup>	3.9% <sup>E</sup>	14 <sup>E</sup>	3.0% <sup>E</sup>	39 <sup>E</sup>	4.3% <sup>E</sup>	
<b>(Continued...)</b>							
		<b>Both Sexes</b>		<b>Male</b>		<b>Female</b>	
		Thousands	Percentage	Thousands	Percentage	Thousands	
<b>25 to 34</b>							
No particular reason	544	16.2%	213	15.0%	331	17.1%	
Not interested	743	22.1%	238	16.8%	505	26.0%	
Programs not available in community	F	F	F	F	F	F	
Don't have time	1,641	48.9%	774	54.6%	867	44.7%	
Don't want to be committed to regular schedule	F	F	F	F	F	F	
Facilities not available	F	F	F	F	F	F	
Too expensive	202	6.0%	78	5.5%	124	6.4%	
Health or injury	183 <sup>E</sup>	5.4% <sup>E</sup>	97	6.8%	86 <sup>E</sup>	4.4% <sup>E</sup>	
Age	F	F	F	F	F	F	
Disability	F	F	F	F	F	F	
Participated casually only for leisure	180 <sup>E</sup>	5.4% <sup>E</sup>	75 <sup>E</sup>	5.3% <sup>E</sup>	105 <sup>E</sup>	5.4% <sup>E</sup>	
Other reason	166 <sup>E</sup>	4.9% <sup>E</sup>	58 <sup>E</sup>	4.1% <sup>E</sup>	108 <sup>E</sup>	5.6% <sup>E</sup>	
<b>35 to 54</b>							
No particular reason	1,342	17.3%	628	18.1%	714	16.6%	
Not interested	1,846	23.8%	707	20.4%	1,138	26.4%	
Programs not available in community	90 <sup>E</sup>	1.2% <sup>E</sup>	F	F	60 <sup>E</sup>	1.4% <sup>E</sup>	
Don't have time	3,067	39.5%	1,471	42.5%	1,596	37.0%	
Don't want to be committed to regular schedule	87 <sup>E</sup>	1.1% <sup>E</sup>	53 <sup>E</sup>	1.5% <sup>E</sup>	34 <sup>E</sup>	0.8% <sup>E</sup>	
Facilities not available	F	F	F	F	F	F	
Too expensive	221	2.8%	71	2.1%	150	3.5%	
Health or injury	737	9.5%	349	10.1%	388	9.0%	
Age	134 <sup>E</sup>	1.7% <sup>E</sup>	75 <sup>E</sup>	2.2% <sup>E</sup>	59 <sup>E</sup>	1.4% <sup>E</sup>	
Disability	156 <sup>E</sup>	2.0% <sup>E</sup>	64 <sup>E</sup>	1.9% <sup>E</sup>	91 <sup>E</sup>	2.1% <sup>E</sup>	
Participated casually only for leisure	449	5.8%	219	6.3%	231	5.3%	
Other reason	235	3.0%	104	3.0%	131	3.0%	

Age and health / injury together account for one fifth of the explanations given by older age groups for why they did not partake in any sport activities – health / injury likelihood both a function of a person’s age. Interestingly, while age is a reason mainly cited by the 55 and older age group, health/injury was mentioned by 10% of adults between 35 and 54 and by 5% of adults age 25 to 34. This affirms the negative relationship between sport participation and age as set out in Section 4.2.

When taken in conjunction with the Watson estimate of Brockville’s population aging faster than that of broader geographies (such as Ontario), we can see that sport participation and thus demand for arena facilities in Brockville likely will take a toll in the future. This is especially true when many of the major user groups currently consist of youth. However, the Watson forecasts were conducted on a static model – assuming a static view of the world at the time that the report was produced, which did not consider the possibility of new sports facilities at the time.

This is not a problem that is faced by Brockville alone, but instead is ubiquitous across Ontario, and nation-wide to some extent. Various studies have been commissioned to explore methods using which to “attract a younger generation” to preserve the birth rate in respective jurisdictions in order to combat an aging population. Important factors that attract young families or individuals include the availability of leisure, social, and sports facilities. This is also one of the important insights drawn from QBC’s analysis of past case studies of facilities expansions, that on top of the desire to fulfill unmet demand for ice time, other reasons to build an arena could also include the desire to increase sports participation in the community, or as an added incentive for young families who want sports opportunities and are looking to settle in new areas. Daryl Bennett, Mayor of Peterborough, faces the same problem, and said that “the city might want to consider building new sports facilities and other infrastructure to attract young families”.<sup>28</sup> Perhaps the very key for Brockville to rejuvenating its population is through similar strategies, and building a new arena may not be invalidated by decreasing demand.

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<sup>28</sup> Wedley, Brendan. “City’s growth rate 4.4%, county population drops.” The Peterborough Examiner. Feruary 9, 2012. Web.

## 5 | RECOMMENDATIONS & CONCLUSIONS

### 5.1 Final Recommendations & Conclusions

Based on the analysis above, QBC makes recommendations following the logic as laid out in the “Roadmap”:

**Prime-time ice should be redefined:** According to the user group interviews, what is truly considered “prime-time” are the hours between 5:00 PM to 10:00 PM on weekdays, and 10:00 AM to 10:00 PM on weekend, and not the current hours. (Adults: 3:00 PM to closing on weekdays, Youth: Noon to closing on weekdays, opening to closing on weekends for both)

**There is unmet demand for prime-time ice:** Once the new definition of prime-time ice is factored in, current facilities do not meet the need of major user groups for prime-time ice, and suggest that a third ice surface will have its associated 49 hours of prime time occupied to 78% capacity – a significant enough figure for QBC to consider arena expansion as a logical development.

**Brockville’s current ice pads / active population is low relative to that of surrounding cities:** The degree to which surrounding municipalities have made arena facilities available to their respective active populations is greater than that of Brockville. This suggests inadequacy of supply of facilities in Brockville, and reaffirms the conclusion above.

**Major challenges faced by recent arena expansions in surrounding municipalities include:** Being generally over-budget, such that the cities ended up relying on its own balance sheet to take out debt to pay the outstanding balance, not conducting broad consultation with all user groups and relevant taxpayers before making the decision to go ahead with facility expansion.

**Best practices from these case studies include:** Conducting an extensive fundraising campaign early on in the design / build process to mitigate unforeseen costs, issuing an RFP to search for a suitable engineering firm / contractor, developing a sizeable contingency fund early on in the process for incidentals or oversight, and effective use of both provincial and federal funding sources set aside for municipal expenditures of this very nature.

**Analysis of construction costs for recent arena expansions in surrounding municipalities leads to a ballpark estimate for a new twin-pad facility that is within Brockville’s \$15.0 million budget.**

**Raising user fees is not advised:** While it appears that Brockville’s user fees are under the average of that which is charged by surrounding municipalities for usage of their ice surfaces, there is negative sentiment from major and minor user groups against increasing fees. Any increase in fees must be matched by a corresponding in value provided – through improved facilities.

## 5.2 Considerations for Phase II of Feasibility Study

**Wide Public Surveying:** Sending out a survey to randomly selected respondents to gauge public opinion of an arena expansion. The need for other recreational facilities above and beyond a new ice surface (such as swimming pools, fields, etc, could also be gauged).

**User Group Consultation:** Further user group consultations, using the same methodology used in Phase I, but for minor user groups on top of major user groups. There could be minor user groups who are currently not afforded prime-time ice (and thus not interviewed in Phase I), but have the need.

**In-Depth Financial Analysis:** Phase I only provided a ballpark estimate of construction cost for one option of expansion. Further analysis is required to determine a) possible sources of financing, b) any shortfall of actual construction cost versus the \$15.0 million budget, c) operating cost recovery once the new facilities are operation, d) NPV, IRR, and payback period of the new facility, and e) required increases in taxes and user fees to cover any prohibitively high operating costs.

The scope and depth of Phase II of the study should be discussed at length with the team of consultants assigned to Phase II to complete the analysis.

## **APPENDICES**

## Appendix A: Copy of Initial Proposal



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Goodes Hall, Queen's University  
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[www.qsbc.com](http://www.qsbc.com)

Conal Cosgrove  
Director of Operations, City of Brockville  
1 King St. West  
Brockville, Ontario K6V7A5  
P.O. Box 5000

### Proposal: Phase I - Feasibility Study of Expansion/Upgrading of Hockey Arena in Brockville

Dear Mr. Cosgrove,

It was a pleasure meeting with you and Earle Moore to discuss the possibilities of upgrading or expanding existing hockey facilities in the City of Brockville ('Brockville Project'). Further to our meeting on September 17<sup>th</sup>, it is understood that the City of Brockville ("the client") wishes to retain Queen's Business Consulting ("QBC") to explore a feasibility study for the expansion and/or construction of hockey facilities in Brockville. We have defined the project in terms of three separate 'Phases', the first of which will be carried out between now and the end of November. The following provides our understanding of your requirements and objectives, our proposed project plan, and the basic terms of our work.

#### A. Background

The City of Brockville has a population of approximately 21,000 people. There are currently 2 existing hockey facilities in the city, namely Brockville Centennial Youth Arena and Brockville Memorial Civic Centre. It is suggested that currently facilities no longer meet the demand generated by the population. This study is purposed to determine the demand for arena facilities and recommend the appropriate option of expansion in consideration of current and future demand, cost to construct, willingness to pay, and efficiency of arena management. As per our discussion on Tuesday, we have defined the project in terms of three separate 'Phases', the first of which will be carried out between now and the end of November. Below, we have outlined a proposed work plan for Phase I, including objectives, actionable items, and a breakdown of billable hours.

#### B. Consulting Work Breakdown Structure - Phase I

##### Part I. Supply-Side Research - Capacity, Cost, and Efficiency

Objectives	Actionable Items
<ul style="list-style-type: none"> <li>Determine the available capacity in current facilities in terms of spatial availability and ice time</li> <li>Determine the most efficient expansion option to manage           <ul style="list-style-type: none"> <li>Option A: Build a new twin pad separate from existing facilities and eliminate the Centennial Youth Arena</li> <li>Option B: Expand an existing arena to twin pad</li> <li>Option C: Build a new single pad separate from existing facilities</li> </ul> </li> <li>Using case studies of recent arena expansions in surrounding municipalities to gauge cost to construct</li> </ul>	<p><b>1.1 Synthesis of Facilities Assessment Findings (7.5 hrs)</b></p> <p><b>1.2 Industry Professional Interviews</b></p> <ul style="list-style-type: none"> <li>1.2.1 Interview Design (10 hrs)</li> <li>1.2.2 Interview Execution (In-person and/or Phone) (10 hrs)</li> <li>1.2.3 Analysis of Past Case Studies (10 hrs)</li> </ul>

##### Part II. Demand-Side Research

Objectives	Actionable Items
<ul style="list-style-type: none"> <li>Substantiate known, unmet demand for arena expansion options</li> <li>Determine:           <ul style="list-style-type: none"> <li>Major user groups' current usage of both arenas (spatial requirements &amp; ice time)</li> <li>Major user groups' desired usage levels</li> <li>Preferred form of expansion (options A, B, or C)</li> <li>Willingness to pay</li> <li>Form of payment</li> </ul> </li> </ul>	<p><b>2.1 Define Major User Groups</b></p> <p><b>2.2 Major User Group Interviews</b></p> <ul style="list-style-type: none"> <li>2.2.1 Interview Design (8 hrs)</li> <li>2.2.2 Interview Execution (In-person and/or Phone) (10 hrs)</li> </ul> <p><b>2.3 Post Interview Survey</b></p> <ul style="list-style-type: none"> <li>2.3.1 Survey Design (10 hrs)</li> <li>2.3.2 Survey Execution (2 hrs)</li> </ul>

### III. Data Analysis, Synthesis, & Recommendations (15 hrs)

- Which of the expansion options' resulting capacity (Part BII) best fulfills demand of current user groups (Part BII)?
- How much of the estimated cost to construct (Part BII) can be fulfilled by current user groups' willingness to pay (Part BII)?

### IV. Demographics Analysis (15 hrs)

- Using data from the public domain (e.g. Statistics Canada), stratify the entire population of Brockville into recommended relevant groups for use in surveying the general public in future Phases of the project
- Make recommendations on forecasted trends and future distribution of Brockville demographics

### V. Integration and Report Writing (15 hrs)

#### C. Note on Subsequent Phases of the Project

Objectives and deliverables of future phases (Phase II and III) of the project are not discussed in this proposal and are not the responsibility of the Phase I team. A future team of consultants will be responsible for defining and carrying out subsequent phases of the Brockville Project should City Council decide to proceed. Possible topics to be addressed after the closing of Phase I of the Project include: surveying the general population of Brockville to determine level of general public support for expansion based on our demographics breakdown, financial model of the arena's capital expenditures, future cash flows, and payback period, etc.

#### D. Note on Interviews, Surveys, and Sample Size Constraints

It is understood that we, the consultants, will be involved in carrying out primary research in person. For Part BII of the consulting work, this is limited to in-person or phone interviews with a representative from each of the major user groups. As per the discovery meeting, the client estimated that there are approximately 5-10 major user groups, and 3-4 industry professionals. Post-interview surveys will be sent out using the Qualtrics platform to each of the groups that were interviewed, along with groups that we could not reach in person. This is to ensure that all objectives under Parts BI and BII are fulfilled.

#### E. Travel

Carrying out primary research in person will require travel between Kingston and Brockville. We estimate that two trips will be required to and from Brockville, the first of which is for the site visit of arena facilities, and the second of which is to conduct in-person interviews. Fees for these two trips are summarized in Section G.

#### F. Preliminary Timeline

**Sept. 23, 2013 -** Proposal submitted

**Sept. 24, 2013 -** City Council Meeting

**Oct. 2013 -** Primary Research, Data Collection, Survey Execution

**Nov. 2013 -** Data Analysis, Synthesis, Report Writing

**Nov. 30, 2013 -** End of Phase I (Proposed Date of Completion)

**Jan. 2014 - Apr. 2014 -** Phase II

**May 2014 - Aug. 2014 -** Phase III

#### G. Fee Estimate

Queen's Business Consulting professional fee rate is \$150 per day per consultant. Each day is considered to be 7.5 hours. Billable hours have been broken down by deliverable in the work breakdown structure (Section B) as a blended sum of estimated hours of both consultants involved.

The fee for the work involved in this proposal and stated above in the work breakdown structure, includes:

Description	Billable		
	Hours	Days	Amount
Part I: Supply-Side Analysis	37.5	5.0	\$750.00
Part II: Demand-Side Analysis	30.0	4.0	\$600.00
Part III: Data Analysis, Synthesis, & Recommendations	15.0	2.0	\$300.00
Part IV: Demographics Analysis	15.0	2.0	\$300.00
Part V: Integration and Report Writing	15.0	2.0	\$300.00
15 days of consulting (at 7.5 hours per day)	112.5	15.0	\$2,250.00
HST (13.00%)			\$292.50
After-Tax Expenses			
Printing <sup>1</sup>			\$50.00
Travel Expenses <sup>2</sup>			\$180.00
<b>Total Fees &amp; Expenses</b>			<b>\$2,772.50</b>

#### Notes

1. Two colour copies of the final report
2. Two round-trips from Kingston to Brockville for two people by train

The cost stated above is the total amount of fee agreed upon between the City of Brockville (client) and Queen's Business Consulting. As indicated, we will have an expected date of completion to be Nov. 30<sup>th</sup>, 2013 or earlier.

To confirm your acceptance of this proposal, please sign and return one copy of this proposal with a retainer representing 50% of our engagement, or \$1386.25. Upon completion of the engagement, we will send you an invoice for the remaining amount, \$1386.25, which may be adjusted to reflect changes in scope or approved additional expenditures such as travel or out-of-pocket disbursements, as per our original proposal. Please note that your approval in writing will be required prior to any changes in scope or expenses over and above \$50.00

Please make your cheque payable to **Queen's Business Consulting** and send this cheque and one signed copy of this proposal letter to:

**Queen's Business Consulting**  
 Queen's School of Business  
 Goodes Hall  
 Queen's University  
 Kingston, ON K7L 3N6

Should you require an invoice in order to process our retainer and fee payments, one can be provided upon request.

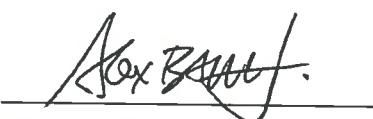
**Disclaimer: Client Acceptance of the QBC Business Model**

QBC exerts its right to conduct its analysis objectively, and without bias. Findings reported in the final deliverable are based on the analysis agreed upon in this proposal, irrespective of the whether these conclusions support a desired client outcome otherwise.

QBC is committed to ensuring our clients are satisfied with the value of the work done and the quality of our reports. As a client of Queen's Business Consulting you understand the project is entirely managed and executed by Queen's School of Business students. It is your responsibility to accept or reject the findings and recommendations of the work conducted. However, acceptance or rejection does not reduce your financial responsibility for the work conducted unless the consultants failed to complete the work outlined in the proposal above. Please review the proposed steps listed in "Methodology", to ensure the steps match your expectations. Our work is reviewed by the Director for overall quality and consulting practice standards, but it is not supervised for analytical or strategic context. As a client of QBC you understand you are paying nominal per diem fees reflecting the nature of student-based consulting.

We look forward to working with you on this very interesting project.

Sincerely,



Alexander Banh  
*Consultant*  
 Queen's Business Consulting

Email: [alexander.banh@queensu.ca](mailto:alexander.banh@queensu.ca)  
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**Client Approval**

This certifies that I

---

Name

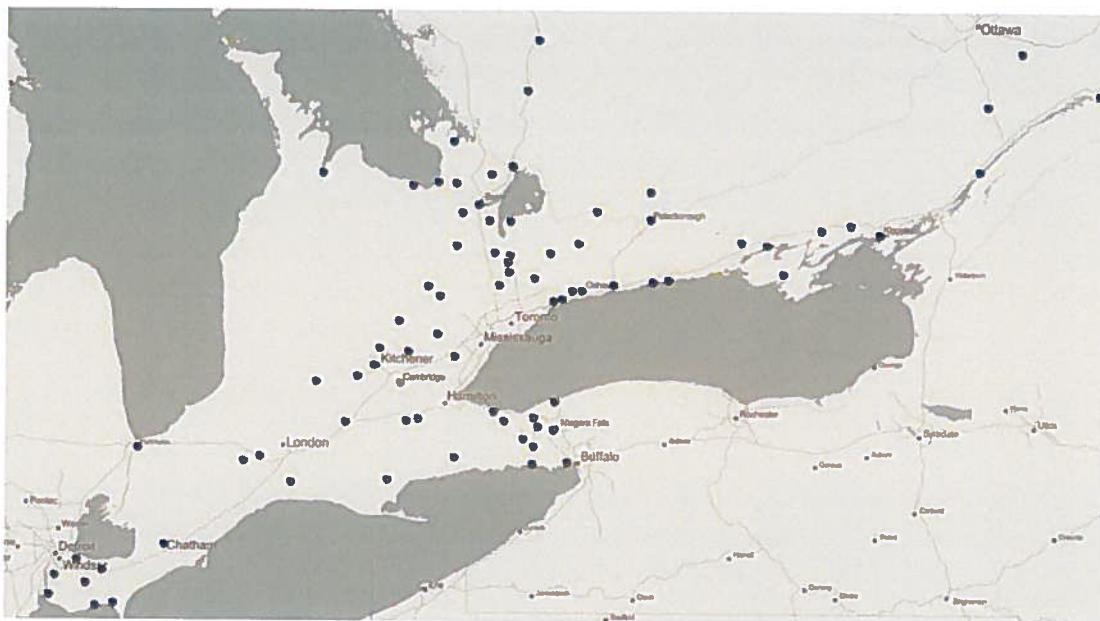
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Title

have the authority to bind my organization to engage with Queen's Business Consulting for this project.

Approved and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

## Appendix B: Data Points Collected for Surrounding Municipalities with Government-Managed Arena Facilities



Source: ARCGIS

### Appendix B2: Ice Pads / Capita Data Collection Methodology

Data on the total number of indoor ice surfaces managed / operated / owned by the municipal government was collected. Sources in the public domain used included municipal government Parks & Recreations webpages, ice surface rental sites, and press releases.

2011 Census data was used to determine the total population within each listed geography. Statistics Canada collects data on health and physical activity based on Public Health Units ('PHU'), which divides all of Ontario into 36 separate jurisdictions. In Ontario, Public Health Units administer health promotion and disease prevention programs, and when broken down geographically, refers to administrative areas defined by the provincial ministries of health.<sup>29</sup> The Health Profiles of each Unit were used to determine the percentage of total population within each Health Unit who engage in leisure-time physical activity, either moderately actively, or actively (Appendix F).<sup>30</sup> This was then multiplied by the population data of the corresponding municipalities that fell within the health units, with the assumption that socioeconomic and behavioural characteristics do not differ materially between municipalities in the same health unit, to develop an "active population" data set (Appendix E).

Lastly, the final metric was formed by dividing the total number of ice surfaces by the active population. As a result, this metric successfully adjusts for the behavioural characteristics for a given geography, leading to a more accurate proxy for sufficiency of supply.

<sup>29</sup> *Health Services in Your Community*. Ontario Ministry of Health and Long-Term Care, July 11, 2013. Web.

<sup>30</sup> *Canadian Community Health Survey*, Statistics Canada, 2011/2012. Web.

Definition by Statistics Canada: "Population aged 12 and over who reported a level of physical activity, based on their responses to questions about the nature, frequency and duration of their participation in leisure-time physical activity. Respondents are classified as active, moderately active or inactive based on an index of average daily physical activity over the past 3 months."

## Appendix C: User Groups Questionnaire

### **USER GROUPS QUESTIONNAIRE**

Objectives:

- Substantiate unmet demand for arena expansion options;
- Determine:
  - Major user groups' current usage of both arenas (spatial requirement & ice time)
  - Major user groups' desired usage levels
  - Preferred form of expansion (options A, B, or C)
  - Willingness to pay
  - Form of payment

1. What do you currently use the Centennial Youth Arena and/or Memorial Civic Centre for?
2. How many members do you have?
3. What age groups does your user group consist of?
4. How often do you use the facilities above in terms of ice time?
5. Out of the current number of hours of ice time allocated to your group, is this sufficient or insufficient for your purposes?
6. If sufficient, how much more ice time would your group need?
7. Where do you see your organization in 5 years? 10 years?
8. What is the average time it takes for you and your user group to get to the facilities?
9. Are you willing to use the Grenville and Leeds facilities? Have those facilities been able to meet your unmet demand for ice time?
10. What improvements would you like to see at the current facilities?
11. Is your organization interested in running ice sports during the summer time?

## Appendix D: Industry Professionals Questionnaire

### INDUSTRY PROFESSIONALS QUESTIONNAIRE

#### Objectives:

- Understand the major COST DRIVERS, and CHALLENGES faced with each of the industry professionals' experience in building their respective expansions
  - Determine the differences between their arenas, and our prospective Brockville Arena
  - We will assume that the expanded arena / new twin pad arena will be regulation size (but with twice the ice time due to it being a twin-pad...) as the existing Brockville Memorial Civic Centre
  - Preface the call with an introduction of the firm, and describing the current project under consideration by Brockville (main points: lack of available ice time, two single pads exist, but one is old and not regulation size).
  -
1. Could you please give me some details regarding the facility?
    - a. Its recent launch
    - b. Problems faced
    - c. Lessons learned, etc.
  2. A high-level breakdown of costs associated with the construction of the Arena?
    - a. Any unexpected costs?
    - b. Major Categories of costs
  3. Given the recent launch of your arena, is there something that could have been done better? In regards to cost measures? Planning measures?
  4. Currently, Brockville is considering three different expansionary options;
    - a. **Option A:** Build a new twin pad arena separate from existing facilities and convert the Centennial Youth Area to other purposes.
    - b. **Option B:** Expand an existing arena to twin pad
    - c. **Option C:** Build a new single pad separate from existing facilities
  - Based on your expertise and experience in the industry, which of the above options would be:
    - a. More efficient?
    - b. More cost effective in terms of structure and/or transitioning to minimize disturbance to existing operations of existing facilities?

## Appendix E: Ice Pads Per Capita Raw Data

Municipality	Corresponding Public Health Unit	Number of Ice Surfaces	2011 Census Population			Ice Surfaces / 10,000 People	
			Total	% Active	Active	Total	Active
Ajax	Durham Regional	5	109,600	60.5%	66,308	0.4562	0.7541
Amherstburg	Windsor-Essex County	2	21,556	53.4%	11,511	0.9278	1.7375
Aurora	York Regional	5	53,203	52.3%	27,825	0.9398	1.7969
Barrie	Simcoe Muskoka District	8	136,063	64.0%	87,080	0.5880	0.9187
Belleville	Hastings and Prince Edward Counties	3	49,454	56.6%	27,991	0.6066	1.0718
Bracebridge	Simcoe Muskoka District	1	15,414	64.0%	9,865	0.6488	1.0137
Bradford West Gwillimbury	Simcoe Muskoka District	3	28,077	64.0%	17,969	1.0685	1.6695
Brant	Brant County	5	35,638	58.1%	20,706	1.4030	2.4148
Brantford	Brant County	6	93,650	58.1%	54,411	0.6407	1.1027
Brockville	Leeds, Grenville and Lanark District	2	21,870	64.0%	13,997	0.9145	1.4289
Caledon	Peel Regional	5	59,460	48.7%	28,957	0.8409	1.7267
Cambridge	Waterloo	7	126,748	56.0%	70,979	0.5523	0.9862
Centre Wellington	Wellington-Dufferin-Guelph	3	26,693	63.7%	17,003	1.1239	1.7643
Chatham-Kent	Chatham-Kent	10	103,671	43.3%	44,890	0.9646	2.2277
Clarence-Rockland	Eastern Ontario Regional	3	23,185	55.3%	12,821	1.2939	2.3399
Clarington	Durham Regional	6	84,548	60.5%	51,152	0.7097	1.1730
Cobourg	Haliburton, Kawartha, Pine Ridge District	3	18,519	57.0%	10,556	1.6200	2.8420
Collingwood	Simcoe Muskoka District	2	19,241	64.0%	12,314	1.0394	1.6241
Cornwall	Eastern Ontario Regional	4	46,340	55.3%	25,626	0.8632	1.5609
East Gwillimbury	York Regional	2	22,473	52.3%	11,753	0.8900	1.7016
Essa	Simcoe Muskoka District	2	18,505	64.0%	11,843	1.0808	1.6887
Essex	Windsor-Essex County	4	19,600	53.4%	10,466	2.0408	3.8218
Fort Erie	Niagara Regional Area	3	29,960	56.9%	17,047	1.0013	1.7598
Georgina	York Regional	4	43,517	52.3%	22,759	0.9192	1.7575
Greater Napanee	Kingston, Frontenac and Lennox and Addington	2	15,511	65.0%	10,082	1.2894	1.9837
Grimsby	Niagara Regional Area	2	25,325	56.9%	14,410	0.7897	1.3879
Guelph	Wellington-Dufferin-Guelph	5	121,688	63.7%	77,515	0.4109	0.6450
Haldimand	Haldimand-Norfolk	5	44,876	54.6%	24,502	1.1142	2.0406
Halton Hills	Halton Regional	5	59,008	57.7%	34,048	0.8473	1.4685
Huntsville	Simcoe Muskoka District	2	19,056	64.0%	12,196	1.0495	1.6399
Innisfil	Simcoe Muskoka District	4	32,727	64.0%	20,945	1.2222	1.9097
Kawartha Lakes	Haliburton, Kawartha, Pine Ridge District	11	73,214	57.0%	41,732	1.5024	2.6359
King	York Regional	3	19,899	52.3%	10,407	1.5076	2.8826
Kingston	Kingston, Frontenac and Lennox and Addington	19	123,363	65.0%	80,186	1.5402	2.3695
Kingsville	Windsor-Essex County	1	21,362	53.4%	11,407	0.4681	0.8766
Lakeshore	Windsor-Essex County	3	34,546	53.4%	18,448	0.8684	1.6262
LaSalle	Windsor-Essex County	2	28,643	53.4%	15,295	0.6983	1.3076
Leamington	Windsor-Essex County	2	28,403	53.4%	15,167	0.7042	1.3186
Lincoln	Niagara Regional Area	3	22,487	56.9%	12,795	1.3341	2.3446
Loyalist	Kingston, Frontenac and Lennox and Addington	1	16,221	65.0%	10,544	0.6165	0.9484
Middlesex Centre	Middlesex-London	3	16,487	54.5%	8,985	1.8196	3.3387
Midland	Simcoe Muskoka District	2	16,572	64.0%	10,606	1.2069	1.8857
Milton	Halton Regional	6	84,362	57.7%	48,677	0.7112	1.2326
New Tecumseth	Simcoe Muskoka District	4	30,234	64.0%	19,350	1.3230	2.0672
Newmarket	York Regional	7	79,978	52.3%	41,828	0.8752	1.6735
Niagara Falls	Niagara Regional Area	5	82,997	56.9%	47,225	0.6024	1.0588
Niagara-on-the-Lake	Niagara Regional Area	2	15,400	56.9%	8,763	1.2987	2.2824
Norfolk	Haldimand-Norfolk	6	63,175	54.6%	34,494	0.9497	1.7395
North Grenville	Leeds, Grenville and Lanark District	2	15,085	64.0%	9,654	1.3258	2.0716
Orangeville	Wellington-Dufferin-Guelph	4	27,975	63.7%	17,820	1.4298	2.2447
Orillia	Simcoe Muskoka District	4	30,586	64.0%	19,575	1.3078	2.0434
Oro-Medonte	Simcoe Muskoka District	1	20,078	64.0%	12,850	0.4981	0.7782
Oshawa	Durham Regional	12	149,607	60.5%	90,512	0.8021	1.3258

Municipality	Corresponding Public Health Unit	Number of Ice Surfaces	2011 Census Population			Ice Surfaces / 10,000 People	
			Total	% Active	Active	Total	Active
Owen Sound	Grey Bruce	3	21,688	56.8%	12,319	1.3833	2.4353
Pelham	Niagara Regional Area	1	16,598	56.9%	9,444	0.6025	1.0588
Petawawa	Renfrew County and District	1	15,988	55.6%	8,889	0.6255	1.1249
Peterborough	Peterborough County-City	6	78,698	59.3%	46,668	0.7624	1.2857
Pickering	Durham Regional	5	88,721	60.5%	53,676	0.5636	0.9315
Port Colborne	Niagara Regional Area	2	18,424	56.9%	10,483	1.0855	1.9078
Port Hope	Haliburton, Kawartha, Pine Ridge District	1	16,214	57.0%	9,242	0.6168	1.0820
Prince Edward	Hastings and Prince Edward Counties	2	25,258	56.6%	14,296	0.7918	1.3990
Quinte West	Hastings and Prince Edward Counties	3	43,086	56.6%	24,387	0.6963	1.2302
Russell	Eastern Ontario Regional	2	15,247	55.3%	8,432	1.3117	2.3720
Sarnia	Lambton	6	72,366	52.5%	37,992	0.8291	1.5793
Scugog	Durham Regional	2	21,569	60.5%	13,049	0.9273	1.5327
Selwyn	Peterborough County-City	2	16,846	59.3%	9,990	1.1872	2.0021
Springwater	Simcoe Muskoka District	1	18,223	64.0%	11,663	0.5488	0.8574
St. Catharines	Niagara Regional Area	9	131,400	56.9%	74,767	0.6849	1.2037
St. Thomas	Elgin-St. Thomas	3	37,905	54.6%	20,696	0.7915	1.4495
Stratford	Perth District	4	30,886	48.8%	15,072	1.2951	2.6539
Strathroy-Caradoc	Middlesex-London	4	20,978	54.5%	11,433	1.9068	3.4986
Tecumseh	Windsor-Essex County	2	23,610	53.4%	12,608	0.8471	1.5863
Thorold	Niagara Regional Area	2	17,931	56.9%	10,203	1.1154	1.9603
Timmins	Porcupine	4	43,165	57.8%	24,949	0.9267	1.6032
Uxbridge	Durham Regional	2	20,623	60.5%	12,477	0.9698	1.6030
Wasaga Beach	Simcoe Muskoka District	1	17,537	64.0%	11,224	0.5702	0.8910
Waterloo	Waterloo	8	98,780	56.0%	55,317	0.8099	1.4462
Welland	Niagara Regional Area	2	50,631	56.9%	28,809	0.3950	0.6942
Whitby	Durham Regional	10	122,022	60.5%	73,823	0.8195	1.3546
Whitchurch-Stouffville	York Regional	4	37,628	52.3%	19,679	1.0630	2.0326
Wilmet	Waterloo	2	19,223	56.0%	10,765	1.0404	1.8579
Woodstock	Oxford County	3	37,754	49.3%	18,613	0.7946	1.6118
Woolwich	Waterloo	3	23,145	56.0%	12,961	1.2962	2.3146

Source: Municipal Government Websites, Bylaws, Parks & Recreation Departments, ArenaMaps.com, Rinktime.com

## Appendix F: Ontario Public Health Units and % Active Population (By Health Unit)

Health Unit	2011 Census	% Population
	Population	Active
Brant County	137,102	58.1%
Chatham-Kent	104,075	43.3%
City of Hamilton	519,949	51.6%
City of Ottawa	883,391	62.6%
City of Toronto	2,615,060	46.2%
Durham Regional	608,124	60.5%
Elgin-St. Thomas	87,461	54.6%
Grey Bruce	158,670	56.8%
Haldimand-Norfolk	108,051	54.6%
Haliburton, Kawartha, Pine Ridge District	172,366	57.0%
Halton Regional	501,669	57.7%
Hastings and Prince Edward Counties	160,192	56.6%
Huron County	59,100	61.4%
Kingston, Frontenac and Lennox and Addington	191,562	65.0%
Lambton	126,199	52.5%
Leeds, Grenville and Lanark District	164,973	64.0%
Middlesex-London	439,151	54.5%
Niagara Regional Area	431,346	56.9%
North Bay Parry Sound District	124,787	56.8%
Northwestern	74,741	60.7%
Oxford County	105,719	49.3%
Peel Regional	1,296,814	48.7%
Perth District	75,112	48.8%
Peterborough County-City	134,933	59.3%
Porcupine	84,244	57.8%
Renfrew County and District	102,617	55.6%
Simcoe Muskoka District	504,110	64.0%
Sudbury and District	194,620	56.4%
District of Algoma	114,784	56.9%
Eastern Ontario Regional	196,545	55.3%
Thunder Bay District	147,346	58.3%
Timiskaming	33,365	55.8%
Waterloo	507,096	56.0%
Wellington-Dufferin-Guelph	265,241	63.7%
Windsor-Essex County	388,782	53.4%
York Regional	1,032,524	52.3%
<b>Total / Average</b>	<b>12,851,821</b>	<b>56.2%</b>

Source: Statistics Canada – Health Profile by Health Unit, Geographic Hierarchy

## Appendix G: Ontario Public Health Units and % Active Population (By Decreasing Physical Activity)

Health Unit	2011 Census	% Population
	Population	Active
Kingston, Frontenac and Lennox and Addington	191,562	65.0%
Leeds, Grenville and Lanark District	164,973	64.0%
Simcoe Muskoka District	504,110	64.0%
Wellington-Dufferin-Guelph	265,241	63.7%
City of Ottawa	883,391	62.6%
Huron County	59,100	61.4%
Northwestern	74,741	60.7%
Durham Regional	608,124	60.5%
Peterborough County-City	134,933	59.3%
Thunder Bay District	147,346	58.3%
Brant County	137,102	58.1%
Porcupine	84,244	57.8%
Halton Regional	501,669	57.7%
Haliburton, Kawartha, Pine Ridge District	172,366	57.0%
Niagara Regional Area	431,346	56.9%
District of Algoma	114,784	56.9%
Grey Bruce	158,670	56.8%
North Bay Parry Sound District	124,787	56.8%
Hastings and Prince Edward Counties	160,192	56.6%
Sudbury and District	194,620	56.4%
Waterloo	507,096	56.0%
Timiskaming	33,365	55.8%
Renfrew County and District	102,617	55.6%
Eastern Ontario Regional	196,545	55.3%
Elgin-St. Thomas	87,461	54.6%
Haldimand-Norfolk	108,051	54.6%
Middlesex-London	439,151	54.5%
Windsor-Essex County	388,782	53.4%
Lambton	126,199	52.5%
York Regional	1,032,524	52.3%
City of Hamilton	519,949	51.6%
Oxford County	105,719	49.3%
Perth District	75,112	48.8%
Peel Regional	1,296,814	48.7%
City of Toronto	2,615,060	46.2%
Chatham-Kent	104,075	43.3%
<b>Total / Average</b>	<b>12,851,821</b>	<b>56.2%</b>

Source: Statistics Canada – Health Profile by Health Unit, Geographic Hierarchy

## Appendix H1: Engineering Firms Contact History

<b>Firm</b>	<b>PCL Construction</b>	<b>Peak Engineering &amp; Consulting</b>
<b>Website</b>	<a href="http://wwwpcl.com/Pages/default.aspx">http://wwwpcl.com/Pages/default.aspx</a>	<a href="http://www.peakltd.ca/">http://www.peakltd.ca/</a>
<b>Phone #</b>	613-225-6130	905-355-1500
<b>Name of Contact</b>	Customer Service	Phil Smith
<b>Email Address</b>	<a href="Ottawalinquiries@pcl.com">Ottawalinquiries@pcl.com</a>	<a href="phils@peakltd.ca">phils@peakltd.ca</a>
<b>Action Step 1</b>	[ <input checked="" type="checkbox"/> ] Sent Email	[ <input checked="" type="checkbox"/> ] Sent Email
<b>Action Step 2</b>	[ <input checked="" type="checkbox"/> ] Call (If No Reply)	[ <input checked="" type="checkbox"/> ] Call (If No Reply)
<b>Outcome</b>	Requested to Charge QBC	Requested to be in touch with the client
<b>Firm</b>	<b>Barry Bryan Associates</b>	<b>Millenium Engineering</b>
<b>Website</b>	<a href="http://www.bba-archeng.com">http://www.bba-archeng.com</a>	<a href="http://www.mill-eng.com/">http://www.mill-eng.com/</a>
<b>Phone #</b>	905-666-5252	905-631-7778
<b>Name of Contact</b>	Customer Service	Customer Service
<b>Email Address</b>	<a href="bba@bba-archeng.com">bba@bba-archeng.com</a>	<a href="millenn@mill-eng.com">millenn@mill-eng.com</a>
<b>Action Step 1</b>	[ <input checked="" type="checkbox"/> ] Sent Email	[ <input checked="" type="checkbox"/> ] Sent Email
<b>Action Step 2</b>	[ <input checked="" type="checkbox"/> ] Call (If No Reply)	[ <input checked="" type="checkbox"/> ] Call (If No Reply)
<b>Outcome</b>	Requested to charge QBC	Requested to charge QBC
<b>Firm</b>	<b>DEI Associates</b>	<b>CIMCO Refrigeration</b>
<b>Website</b>	<a href="http://www.deiassociates.ca/">http://www.deiassociates.ca/</a>	<a href="http://www.cimcorefrigeration.com">http://www.cimcorefrigeration.com</a>
<b>Phone #</b>	519-725-3555	613-271-4444
<b>Name of Contact</b>	Customer Service	Mike Walker
<b>Email Address</b>	<a href="dei@deiassociates.ca">dei@deiassociates.ca</a>	<a href="mwalker@toromont.com">mwalker@toromont.com</a>
<b>Action Step 1</b>	[ <input checked="" type="checkbox"/> ] Sent Email	[ <input checked="" type="checkbox"/> ] Sent Email
<b>Action Step 2</b>	[ <input checked="" type="checkbox"/> ] Call (If No Reply)	[ <input checked="" type="checkbox"/> ] Call (If No Reply)
<b>Outcome</b>	-No Reply-	-No Reply-
	<b>I.B. Storey Energy Solutions</b>	
<b>Website</b>	<a href="http://www.ibstorey.ca/">http://www.ibstorey.ca/</a>	
<b>Phone #</b>	902-367-3545	
<b>Name of Contact</b>	Customer Service	
<b>Email Address</b>	<a href="info@ibstorey.ca">info@ibstorey.ca</a>	
<b>Action Step 1</b>	[ <input checked="" type="checkbox"/> ] Sent Email	
<b>Action Step 2</b>	[ <input checked="" type="checkbox"/> ] Call (If No Reply)	
<b>Outcome</b>	Requested to charge QBC	

## Appendix H2: Engineering Firm Quotes / Proposed Charge

FIRM	Phone	Name of Contact	Email to Followup	Fee Schedule
PCL Construction	613-225-6130	Customer Service	<a href="mailto:OttawaInquiries@pcl.com">OttawaInquiries@pcl.com</a>	Does not offer Services
Peak Engineering & Consulting	905-355-1500	Phil Smith	<a href="mailto:phils@peakltd.ca">phils@peakltd.ca</a>	N/A
Barry Bryan Associates	905-666-5252	Customer Service	<a href="mailto:bba@bba-archeng.com">bba@bba-archeng.com</a>	Does not offer Services
Millenium Engineering	905-631-7778	Customer Service	<a href="mailto:millenn@mill-eng.com">millenn@mill-eng.com</a>	Does not offer Services
DEI Associates	519-725-3555	Customer Service	<a href="mailto:dei@deiassociates.ca">dei@deiassociates.ca</a>	Does not offer Services
CIMCO Refrigeration	613-271-4444	Rich Welner	<a href="mailto:rwelner@toromont.com">rwelner@toromont.com</a>	See Attached Fee Schedule
I.B. Storey Energy Solutions	902-367-3545	Customer Service	<a href="mailto:info@ibstorey.ca">info@ibstorey.ca</a>	Does not offer Services Not Within Geographical Reach

Included above are details for quotes provided by various firms contacted, and what they are willing to charge for consulting services. Only one firm offers consulting / professional services, while the remainder are strictly engineering firms. All firms are ‘project’ based, where free resources are not available for allocation to a ‘per hour’ consulting project. We have included below DEI Associates’ proposed fee schedule:



### Per Diem Rates

Principal	\$160.00 / hour
Sr. Engineer	\$130.00 / hour
Sr. Project Designer	\$110.00 / hour
Project Manager	\$100.00 / hour
Designer	\$90.00 / hour
CAD Operator	\$80.00 / hour
Administration	\$70.00 / hour

Minimum Charge                    \$1,400.00

All fees as listed include computer time, HST is extra

### Disbursement Charges

Courier	At cost
Photocopies	\$0.20 each
Faxes	\$0.50 each
Prints	\$1.25 / sq ft
Vellums	\$1.64 / sq ft
Travel	\$0.47 / km
Meals & Out of Pocket	At cost
Subconsultant's charges	Cost + 5%
Any other preapproved expenses	

*HST is extra. Disbursements all per diem work will be extra*

*Net 30 days. 1.5% interest per month charged on overdue accounts*

## Appendix I: Surrounding Geographies User Fees Analysis

Municipality	Pre-HST Winter 2013 Fees (Residents)			
	Adult		Youth	
	Prime	Non-Prime	Prime	Non-Prime
Ajax	\$214.85	\$136.02	\$187.57	\$101.37
Aurora	\$193.00	\$121.50	na	na
Barrie	\$218.52	\$144.20	\$175.77	\$144.20
Bradford West Gwillimbury	\$180.00	\$120.00	\$155.00	na
Brockville	\$176.00	\$134.00	\$134.00	\$72.00
Cambridge	\$258.04	\$154.80	\$140.05	\$95.84
Centre Wellington	\$183.00	\$103.00	\$128.00	\$72.00
Chatham-Kent	\$181.45	\$145.00	\$145.00	\$145.00
Clarence-Rockland	\$195.00	\$165.00	\$195.00	\$165.00
Clarington	\$190.23	\$143.31	\$160.88	\$108.61
Cobourg	nc	nc	\$156.50	\$81.50
Collingwood	\$187.17	\$93.59	\$142.63	\$93.59
Cornwall	\$206.06	\$144.24	nc	nc
Greater Napanee	\$191.00	\$105.00	\$146.00	\$86.00
Guelph	\$271.06	\$159.10	\$132.30	\$132.30
Haldimand	\$161.61	\$80.25	\$122.11	\$80.25
Kawartha Lakes	\$140.51	nc	\$105.00	\$105.00
Kingston	\$253.05	\$143.76	\$189.38	\$143.76
Leamington	\$153.00	\$140.00	\$135.00	\$135.00
Loyalist	\$214.17	\$154.49	\$155.64	\$116.22
Milton	\$223.58	\$159.70	\$171.44	\$159.70
Newmarket	\$291.68	\$137.00	\$172.18	\$127.00
Niagara Falls	\$194.52	\$100.00	\$129.56	\$82.70
North Grenville	\$178.00	\$138.00	\$99.00	\$99.00
Orangeville	\$205.25	\$102.62	\$177.30	\$177.30
Orillia	\$169.64	\$142.24	\$149.44	\$74.69
Oshawa	\$198.49	\$131.12	\$157.86	\$104.47
Owen Sound	\$173.20	\$123.65	\$126.44	\$98.91
Peterborough	\$198.00	\$127.00	\$171.25	\$127.00
Pickering	\$188.70	\$142.77	\$168.29	\$126.44
Sarnia	\$241.82	\$151.42	\$241.82	\$151.42
St. Catharines	\$186.00	\$105.00	\$158.00	\$68.00
St. Thomas	\$181.49	\$134.21	\$134.21	\$134.21
Stratford	\$170.00	\$142.00	\$170.00	\$142.00
Strathroy-Caradoc	\$154.05	\$82.04	\$134.90	\$82.04
Whitchurch-Stouffville	\$219.00	\$138.00	\$184.00	\$138.00
Woolwich	\$204.79	\$112.28	\$132.76	\$74.55

Source: Municipal Government Websites, Bylaws, Parks & Recreation Departments, Facilities Booking Systems



# Queen's

## BUSINESS CONSULTING

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**IDEAS ► ACTION ► RESULTS**

### Brockville Arena Feasibility Study Phase II

**Queen's Business Consulting**

**Consultants:**

Mackenzie Lovsin  
Maximillian Ripper  
Jacqueline Soong

**Director:**

Professor Robert Woyzbun

**April 7, 2014**

Queen's Business Consulting  
Queen's University  
School of Business  
Kingston, Ontario  
K7L 3N6  
Tel: (613) 533-2309  
Fax: (613) 522-2370  
[www.qsbc.com](http://www.qsbc.com)

# Executive Summary

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## PROJECT OVERVIEW

In 2013, Queen's Business Consulting (QBC) was solicited by the City of Brockville to conduct a feasibility study on the possible upgrade and/or expansion of current ice arena facilities within the City. Conal Cosgrove, the City of Brockville's Director of Operations, was the primary contact throughout this study.

The study was divided into three phases, Phase I was completed in December 2013 and determined that there was demand for an additional indoor arena due to the inadequate supply of ice facilities in Brockville. Phase II, which began in January 2014 and concluded in April 2014, evaluated the demand for a new twin-pad arena from user groups not consulted in Phase I and the general public. Phase II also included a financial analysis to determine whether the twin-pad arena could be self-financed.

## METHODOLOGY

Phase II was divided into three sections: User Group Consultations, Public Consultation and Financial Analysis.

**User Group Consultations:** Interviews were conducted with regular arena users not contacted in Phase I, potential arena users, and field users. The goal of these interviews was to gather qualitative insights regarding current and future needs for ice and field time, the quality of existing facilities, the willingness to pay for new or improved facilities.

**Public Consultation:** A citywide public survey was conducted to gather information regarding demand for the current arena facilities, level of interest in a new twin-pad arena facility and multiplex containing additional facilities, as well as methods of funding.

**Financial Analysis:** Based on the findings in Phase I and II, and at the request of the City, comparable financial statements were obtained by the City and used by QBC to produce an estimated revenue and expense summary as if the arena were built as a multiplex.

A copy of the initial proposal can be found in [Appendix 1](#).

## KEY FINDINGS

**User Group Consultations:** Existing arena facilities should be upgraded to better serve the needs of current user groups and further research should be done to assess the demand for an indoor field.

**Public Consultation:** There is support from the general public for a new twin-pad arena in the City of Brockville, there was also further support for building this new facility as a multiplex recreation centre with additional facilities to address a broader community interest beyond ice activities.

**Financial Analysis:** If the twin-pad arena were built, the City of Brockville would expect an operating deficit of \$522,400. The City must evaluate whether this operating loss can be justified by the qualitative and unquantified benefits this facility would provide for the community.

## RECOMMENDATION

The City of Brockville should construct the twin-pad arena if the operating loss is deemed to be acceptable: The user group interviews and public survey provided qualitative support for the construction of a brand new twin-pad arena.

The financial analysis demonstrated the estimated operating deficit is expected to be \$522,400, which is similar, based on a percentage of revenue, to the operating deficit of comparable facilities. The City of Brockville should evaluate whether the additional \$380,500 of annual increased cash costs to operate the twin-pad facility is worth the unquantifiable benefits that the City will receive.

Funding for the facility should come from a combination of fundraising campaigns, private sector funding, and increased user fees. The general public was most supportive of fundraising campaigns and private sector funding. User groups expressed willingness to pay a modest increase in user fees in exchange for new or improved facilities. The general public was the least supportive of paying increased property taxes. This funding method should be used as a last resort.

If the operating loss is deemed to be acceptable and the facility is build, the following elements should be incorporated into the facility at the suggestion of the users:

- A high quality ice refrigeration system
- 8 large and 4 small dressing rooms
- A separate walkway for players to reach the ice that is closed to the general public
- Accessibility for sledge hockey players

Finally, the facility should be designed to include more than just a hockey arena to provide maximum value for the general public. Members of the public expressed interest in including a variety of amenities, the City should try to include as many of the suggested amenities as possible into the new facility.

## CONSIDERATIONS FOR PHASE III

QBC has set the preliminary objectives for Phase III to include research on how to acquire the funding methods discussed in Phase II, and repurposing the Youth Arena as an indoor field facility. Upon completion of the first two phases, the reports will be forwarded to the City Council of Brockville for review. City Council along with the Arena Advisory Committee of Brockville will determine the scope for Phase III. The objectives set by QBC may change based on the direction set by these two groups.

## Table of Contents

Executive Summary .....	2
Project Methodology .....	7
Part 1: User Group Interviews .....	8
Objective .....	8
Methodology and Design .....	8
User Groups Interviewed .....	9
Key Findings .....	11
Estimated Shortfall of Prime Time Ice .....	11
Estimated Summer Ice Time Requirements .....	12
Utilization of Field Facilities .....	13
Issues with Existing Facilities.....	14
Memorial Centre.....	14
Youth Arena .....	15
Fields.....	15
Willingness to Pay .....	16
Arenas .....	16
Fields .....	16
Recommendations .....	17
Continue to Explore the Feasibility of Building a Twin-Pad Arena .....	17
Increase User Fees for the New Arena Facility .....	18
Make Limited Summer Ice Time Available on One Pad.....	18
Further Investigate the Feasibility of Including an Indoor Turf Facility in the Arena Complex .....	18
Consult Field User Groups to Prioritize Potential Upgrades.....	18
Open Dialogue Regarding the Non-Resident User Fee for Fields.....	18
Part 2: Public Consultation .....	19
Survey Methodology .....	19
Objectives .....	19
Development and Design.....	19
Sample Size and Target Respondents.....	19
Sampling Method.....	20
Respondent Demographics .....	21
Respondent Demographics vs. Population Demographics.....	22

<b>Survey Results .....</b>	<b>23</b>
Average Use .....	23
Level of Support.....	24
Multiplex with Additional Facilities .....	25
Level of Support for Proposed Funding Methods.....	26
<b>Relationships between Responses and Demographics.....</b>	<b>27</b>
Correlation between Level of Income and Willingness to Pay Increased Property Taxes .....	27
Correlation between Homeownership Status in Brockville and Willingness to Pay Increased Property Taxes .....	28
Correlation between Average Current Facility Usage and Willingness to Pay Increased User Fees.....	29
Correlation between Age and Level of Support for a Twin-Pad Ice Arena.....	30
Correlation between Children Living at Home and Level of Support for Twin-Pad Arena.....	31
Correlation between Average Use and Level of Support for Twin-Pad Ice Arena.....	32
<b>Key Findings and Recommendations Based on Public Survey .....</b>	<b>33</b>
There is public support for building a new twin-pad arena .....	33
There is a high level of interest for building a multiplex facility.....	33
Increased property taxes is the least supported funding method .....	33
Public fundraising campaigns and private sector funding are the most supported funding methods .....	33
<b>Part 3: Financial Analysis .....</b>	<b>34</b>
Objective .....	34
Design and Methodology .....	34
Limitations.....	35
Summary of Results .....	35
Revenues.....	36
Expenses.....	36
Operating Profit .....	38
Sensitivity Analysis .....	38
Increase in Cash Costs.....	39
Recommendations .....	39
Determine if the Financial Operating Loss is Acceptable .....	39
Increase User Fees by an Average 10% .....	39
<b>Final Conclusions .....</b>	<b>40</b>
Summary of Recommendations for Phase II.....	40

Considerations for Phase III of the Feasibility Study.....	41
Appendix 1 – Initial Proposal.....	42
Appendix 2 – User Group Questionnaire .....	47
Appendix 3 – User Groups of Other Facilities Questionnaire .....	48
Appendix 4 – Public Opinion Survey.....	49
Appendix 5 – Sample Size Calculation.....	50
Appendix 6 – Intercept Sentence .....	51
Appendix 7 – Accuracy of Public Survey Representation.....	52
Appendix 8 – Public Opinion Survey Results .....	53
Appendix 9 – Annual Household Income vs. Increased Property Tax .....	56
Appendix 10 – Homeownership Status in Brockville vs. Increased Property Tax .....	57
Appendix 11 – Average Level of Use vs. Increased User Fees.....	58
Appendix 12 – Age vs. Support.....	59
Appendix 13 – Children Living at Home vs. Level of Support.....	60
Appendix 14 – Average Level of Use vs. Level of Support.....	61
Appendix 15 – Expected Revenue .....	62
Appendix 16 – Supplementary Sources of Revenue .....	63
Appendix 17 – Expected Operating Expenses .....	64
Appendix 18 – Labour Expense .....	65
Appendix 19 – Part Time Casual Wage Expense .....	66
Appendix 20 – Office Expenses .....	66
Appendix 21 – Snow Removal Expense.....	67
Appendix 22 – Sensitivity Analysis .....	68

## Project Methodology

The overall methodology for Phase II of the Brockville Arena Feasibility Study project is based on the generally accepted process for conducting a feasibility study. Feasibility studies are designed to objectively answer the question, "does the proposed project make economic sense?" In order to determine whether or not the City of Brockville should proceed with the proposal to build a new twin-pad arena, two key feasibility questions must be answered. First is to determine whether there is a market for the good or service being offered by evaluating the general public's support and willingness to pay, and second is to assess the financial feasibility of the facility.

Phase I determined that building a new twin-pad arena would be the best way to meet the community's unmet ice time needs. As a result, the scope of Phase II has been narrowed to determine the feasibility of building a new twin-pad arena or multiplex. The City of Brockville's assumption was that the Youth Arena would be closed or repurposed if a new twin-pad arena were to be built. This assumption is embedded into the study and the results would differ materially should this assumption change.

Phase II was organized into three parts:

Part I, User Group Consultations, was designed to supplement Phase I by refining the estimate for the unmet demand of ice time and determining whether or not there is a market for additional ice time in Brockville. Additional interviews were conducted to reach a wider range of user groups; the estimate for unmet demand for ice time was adjusted based on their projected needs. The user groups interviewed included major arena users who did not respond to the request for an interview in Phase I, minor arena users, potential arena users and field users.

Part II was a Public Consultation. Residents were intercepted randomly at major retail outlets in Brockville and asked to fill out a short survey. The results of this survey were used to provide an indication of public support for building a new twin-pad arena, and evaluate which methods of funding the general public was most supportive of, should it be approved.

In the third and final stage, a financial analysis was conducted to assess whether the proposed twin-pad arena would be self-financing from an operations perspective. In this stage, expected revenues and operating costs were estimated in order to determine the expected profit or loss for the proposed twin-pad facility. The existing utilization of the Youth Arena and the expected shortfall of ice time were used to estimate the projected revenues for the facility. Operating budgets from three comparable facilities in neighbouring communities, Brockville's Memorial Center, and Brockville's Youth Arena were used to estimate the facilities operating costs. Once the operating budget was determined, a sensitivity analysis was performed on the expected revenues based on the increase in operating costs and the percentage of budgeted revenue collected. Finally, the increase in annual cash expenditures for the City, should they build the new facility, was calculated.

## Part 1: User Group Interviews

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### Objective

User group interviews were conducted with the objective to obtain qualitative insights on users' current and future needs for ice time. Additionally, data was gathered regarding user experience at the two existing arenas and the user groups' willingness to pay additional user fees to cover the cost of new and improved facilities. QBC used the information from the interviews of arena user and the public survey to assess the overall state of recreational facilities and services in Brockville.

### Methodology and Design

User group interviews focused on getting feedback from minor arena user groups and user groups who did not respond in Phase I of this project. At the City of Brockville's request, QBC also contacted users of field facilities in Brockville to assess how the existing fields were meeting their needs. The objective of consulting field user groups was to determine whether or not additional field space is required and whether or not an indoor field should be included in the new arena complex.

The user group interviews in Phase II of this project were conducted using the same methodology as those conducted in Phase I. A list of contacts was provided by the City, respondents were first contacted by email to arrange an interview time, and the interview was then completed over the phone. QBC developed two questionnaires which were reviewed by the client authority. The full list of questions for arena user groups can be found in [Appendix 2](#) and the full list of questions for field user groups can be found in [Appendix 3](#).

There are three limitations to the estimates provided by the user groups.

1. The estimates for additional ice time hours the user groups provided are non-binding, and many representatives said that they could not accurately estimate how much additional ice time they would require.
2. The field users groups' estimates about how much time they would use in an indoor facility were also unreliable because none of the organizations knew that the City was considering building an indoor field and had not developed plans for expanding their services. Therefore, the estimates provided by the user groups were based off of assumptions and are not very accurate.
3. Arena and field users were asked if they would be "willing to pay increased user fees in return for new and improved facilities", but the question did not specify by exactly how much user fees would be increased. Information about the proposed amount of the user fee increase was not available when the interviews were conducted and as a result, most respondents said their answer would depend on the amount of the proposed increase.

## User Groups Interviewed

Four categories of recreational users were asked to participate in the interviews:

**Category 1 – Major Arena Users** use at least 10 hours of ice time per week. These user groups were first contacted in Phase I but did not respond to the consultant's request for an interview.

Exhibit 1: Major Arena Users Interviewed in Phase II

Major Arena Users	Interviewed
Brockville Tikis	Yes
Brockville Girls Minor Hockey Association (Angels)	Yes

**Category 2 – Minor Arena Users** use up to 5 hours of ice time per week. Some minor user groups were contacted in Phase I but did not respond to the consultant's request for an interview.

Exhibit 2: Minor Arena Users Interviewed in Phase II

Minor Arena Users	Interviewed
Monday Night Hockey Club	Yes
Rideau St. Lawrence Kings	Yes
Friday Morning Hockey	Yes
St. Lawrence College	Yes
Thousand Island Secondary	Yes
St. Mary's Catholic High School	Yes

**Category 3 – Potential Arena Users** are associations identified by the City of Brockville who may be interested in using ice time in Brockville.

Exhibit 3: Potential Arena User Groups contacted in Phase II

Potential Arena User Groups	Interviewed
Brockville Collegiate Institute	No*
Upper Canada Cyclones	Yes
Rideau St. Lawrence Thunder	Yes
Senior Women's Team	Yes
Sledge Hockey Team	Yes

**Category 4 –Field Users** are associations who regularly use the field facilities in the City of Brockville.

**Exhibit 4: User Groups of Other Facilities contacted in Phase II**

Field Users	Interviewed
Brockville Soccer Club	Yes
St. Lawrence United Soccer Club	Yes
Brockville Privateers Rugby	Yes
Youth Football	Yes
Brockville Blast Lacrosse	No*

\*The Brockville Collegiate Institute (BCI) and the Brockville Blast Lacrosse were contacted twice by email and twice by phone and did not respond to the request for an interview. The reasons for failing to respond appeared to be that BCI has discontinued its hockey program for the foreseeable future and the Brockville Blast Lacrosse will not be running a program for the upcoming season.

## Key Findings

The user group consultation uncovered the following key findings: shortfall of prime time ice, demand for summer ice, utilization of field facilities, issues with existing facilities, and willingness to pay increased user fees.

### ***Estimated Shortfall of Prime Time Ice***

As part of the interview, user groups were asked to estimate the additional number of prime time ice hours they would use. Prime time ice is defined as Monday to Friday 3 PM – 11 PM, and Saturday and Sunday 7 AM - 11 PM. The estimates made by users interviewed in Phase II has been combined with the estimated weekly shortfall from Phase I to determine the total estimated shortfall of prime time ice.

**Exhibit 5: Estimated total Ice Time Shortfall (in hours)**

User Group	Shortfall (Hours/Week)
<b>Estimated Phase I Shortfall</b>	<b>26</b>
<b>Major User Groups</b>	
Brockville Tikis	1.5
Brockville Girls Minor Hockey Association (Angels)	6
<b>Subtotal</b>	<b>7.5</b>
<b>Minor User Groups</b>	
Monday Night Hockey Club	0.5
Rideau St. Lawrence Kings	1.5
Friday Morning Hockey	0.5
St. Lawrence College	1.0
Thousand Island Secondary	2
St. Mary's Catholic High School	1
<b>Subtotal</b>	<b>6.5</b>
<b>Potential User Groups</b>	
Brockville Collegiate Institute	
Upper Canada Cyclones	0
Rideau St. Lawrence Thunder	10
Senior Women's Team	4
Sledge Hockey Team	2
<b>Subtotal</b>	<b>16</b>
<b>Total</b>	<b>56</b>

Based on the estimates in Exhibit 5, Brockville has a potential shortfall of available ice time of 56 hours per week. The third ice surface could have a prime time utilization of approximately 78% as calculated below.

$$\text{Utilization of 3rd Ice Surface} = \frac{\text{Estimated shortfall of prime time ice}}{\text{Available Prime Time Hours}^*} = \frac{56}{72} = 78\%$$

\*Available Prime Time Hours = Monday to Friday 3 PM – 11PM, and Saturday and Sunday 7 AM – 11 PM

## **Estimated Summer Ice Time Requirements**

User groups were asked if they were interested in using summer ice time if it was available and asked to estimate how much regular scheduled ice time they would use. User groups estimated that they would use a total of 26 hours of summer ice per week as displayed below. Summer ice prime time is defined as Monday to Friday 8 AM – 4 PM, and Saturday and Sunday 7 AM - 11 PM.

**Exhibit 6: Estimated Weekly Summer Ice Time Requirements (in hours)**

User Group	(Hours/Week)
<b>Estimated Phase I</b>	<b>10.5</b>
<b>Major User Groups</b>	
Brockville Tikis	3
Brockville Girls Minor Hockey Association (Angels)	12
<b>Subtotal</b>	<b>15</b>
<b>Minor User Groups</b>	
Monday Night Hockey Club	0
Rideau St. Lawrence Kings	0
Friday Morning Hockey	1
St. Lawrence College	0
Thousand Island Secondary	0
St. Mary's Catholic High School	0
<b>Subtotal</b>	<b>1</b>
<b>Potential User Groups</b>	
Brockville Collegiate Institute	
Upper Canada Cyclones	0
Rideau St. Lawrence Thunder	0
Senior Women's Team	0
Sledge Hockey Team	1
<b>Subtotal</b>	<b>1</b>
<b>Total</b>	<b>27.5*</b>

\*does not include hours necessary for tournaments or training camps

A single ice surface operating in the summer would have a weekly prime time utilization rate of 38% assuming that the definition of prime time ice remains unchanged from winter hours.

$$\text{Utilization of Summer Ice Surface} = \frac{\text{Estimated Usage}}{\text{Available Prime Time Hours}^*} = \frac{27.5}{72} = 38\%$$

\*Available Prime Time Hours = Monday to Friday 8 AM – 4PM, and Saturday and Sunday 7 AM - 11 PM

In addition, users were also asked to estimate whether they would host any tournaments or training camps over the summer months. The Braves, Tikis, Angels, Christian Kids, and Figure Skating all expressed interest in hosting at least one training camp over the summer for a total of 8 camps. Tournaments were less popular with only the Brockville Angels expressing interest in hosting a summer tournament.

### ***Utilization of Field Facilities***

Based on the interviews with the field users, there is no lack of field availability. Despite having enough field time during the summer season from late May to early October, the field users identified a potential need for field use during the off-season (from November – April) and indicated that they would likely use an indoor turf facility should one be constructed. The estimates of potential indoor turf facility use (hours per week) are summarized in Exhibit 7 below

**Exhibit 7: Estimated Off-Season Field Time Requirements (in hours)**

User Groups of Other Facilities	Hours/Week
Brockville Soccer Club	10-12
St. Lawrence United Soccer Club	3+
Brockville Privateers Rugby	2-3
Youth Football	Unknown
Brockville Blast Lacrosse	N/A
<b>Total</b>	<b>28</b>

## Issues with Existing Facilities

User groups were asked to identify issues with the existing facilities to help the City make improvements to them and provide advice about how the new facility should be designed.

### ***Memorial Centre***

#### *Ice Quality*

The issues identified with the ice quality are consistent with the issues identified in Phase I.

1. **Soft ice:** Specific observations and comments were made about soft ice.
  - The ice chipped very easily because the ice was soft, creating dangerous ruts and grooves that have tripped players.
  - The ice is too soft for the entire duration of their ice time.
  - The problems were most noticeable right after flooding.
  - The ice remained wet for a longer than normal period after flooding and even once dried to the touch, the ice still was not very hard.
2. **Ice resurfacing machine ramp bulge:** One coach noticed that the machine leaves a bulge at the end of the ice where it comes on and off the ice. He believes that this bulge is a safety hazard for players skating quickly behind the net.

#### *Dressing Rooms*

The issues with the dressing rooms are also consistent with the issues identified in Phase I.

The second most discussed issue with the Memorial Centre was the inadequate size and quantity of dressing rooms. User groups noted the following issues with dressing rooms:

1. **Dressing room size:** The existing dressing rooms are too small at the Memorial Centre. User groups frequently complained that there is not enough space for the large hockey teams that use them.
2. **Number of dressing rooms:** Some user groups noted that the Memorial Centre does not have enough dressing rooms, especially to accommodate tournaments.
3. **No dedicated dressing room for referees:** A small dressing room for the referees would free up space for teams to use the regular dressing rooms. This would help solve the issue of lack of dressing rooms.
4. **Lack of co-ed/female dressing rooms:** The existing dressing rooms do not accommodate mixed gender teams. Some of the user groups recommended that at least 2 dressing rooms be re-designed to accommodate mixed gender teams.
5. **Dressing room hallway:** A small minority of user groups noted that the hallway between the dressing room and the bench is too tight and gets congested quickly between games.

#### *Accessibility*

Based on the user group interviews, there are several barriers for persons with disabilities and sledge hockey players at the Memorial Centre.

### *Management*

Two user groups expressed frustration with empty ice at the Memorial Centre. These users noticed that the ice was sometimes empty before their scheduled ice time. User groups who had late night times scheduled would have liked to have used this time to finish earlier and user groups who need more ice time would have liked to have taken this ice time for extra practice time. The City of Brockville already has a policy in place that dictates that no ice returns are permitted during the regular season.

### **Youth Arena**

This issues identified with the Youth Arena are consistent with the issues identified in Phase I.

#### *Ice Surface Size*

User groups with players over the age of about 8 found that the ice surface at the youth arena was too small for their regular games and practices.

#### *Dressing Rooms*

1. **Dressing room size:** Dressing rooms are too small for teams with players older 10 years old.
2. **Disrepair of change room:** An isolated incident was reported where the roof in a dressing room leaked and some of the players' clothes got wet while they were on the ice.

#### *Overall Cleanliness*

1. **Walkway from dressing rooms to ice rink:** The walkway to the ice is the same as the public walkway. Players complained that walking over the mud and gravel tracked into the arena dulled their skates on the way to the ice.
2. **General cleanliness:** Most user groups noticed that the arena was old and in a general state of disrepair. Other user groups noticed that the whole arena smelt musty.

#### *Benches*

The benches are too small for teen and adult teams.

### **Fields**

Field users said that Brockville's fields are some of the best in the region. Each of the four field user groups identified a short list of club specific upgrades that they would like to see completed at existing field facilities.

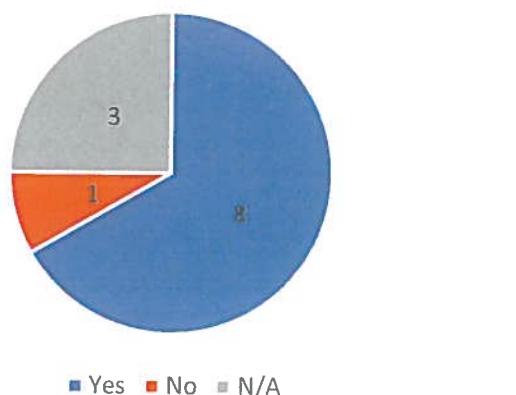
## Willingness to Pay

### Arenas

Most of the users were willing to pay increased user fees but only in return for a new or improved facility. Youth user groups were concerned that hockey was becoming prohibitively expensive for families and any increase in user fees would aggravate this situation because it would have to be passed directly to their members. Colleges, schools, and junior teams appeared to be as price sensitive as youth associations. Adult leagues appeared to be less price sensitive.

Exhibit 8: User groups willingness to pay increased user fees for a new or improved facility

Willingnes to Pay Increased User Fees for a New or Improved Facility



### Fields

The City's levy on non-resident users of field facilities was identified as field user groups' most important issue with the existing facilities. This fee was said to be too high and a deterrent to potential players who live just outside the Brockville city limits from joining Brockville's clubs. Instead, players from cost conscious families have elected to play in other leagues in the surrounding communities as a way to reduce their costs. This fee is making it prohibitively expensive for some families to play soccer in Brockville and was identified as the biggest barrier to growth for both soccer clubs.

## Recommendations

The following section outlines the key recommendations based on the user group consultations.

### ***Continue to Explore the Feasibility of Building a Twin-Pad Arena***

Given an estimated 78% utilization rate for a third ice in the City of Brockville, there appears to be sufficient unmet demand for prime time ice to warrant the construction of a new twin-pad facility. Should this facility be built, the following elements should be incorporated into the design.

#### *A High Quality Refrigeration System*

Poor ice quality was the most common complaint about the existing Memorial Centre and upgrades to the existing refrigeration system also appeared to be of limited effectiveness. User groups value a high quality ice surface; investing in a high quality refrigeration system appears to be worthwhile.

#### *Include 8 Large Dressing Rooms and 4 Smaller Dressing Rooms*

The new facility should be built with enough large dressing rooms to accommodate players' needs over the life of the facility. There should be at least 4 dressing rooms for players per ice surface all of which should be capable of handling co-ed teams. At least four additional small dressing rooms should be built for referees so that they do not take up dressing rooms that could be used by players.

#### *Separate Walkway for Players*

The areas where players walk to and from the ice should be off limits to the general public. This will help keep these areas clean and free from outside debris while reducing congestion between games.

#### *Accessible for Sledge Hockey Players*

At least one ice surface in the new arena complex should be built to be accessible for players with disabilities. The following is a list of recommendations on how to improve the arena's accessibility.

- **The step to get on and off the ice should be removed:** The 1.5-2 inch high step from the ice to the bench makes it difficult for players in sledges to get on and off the ice. It is much easier to get on and off the ice if this transition is flat at ice level and the white Teflon® piece under the boards is slightly larger (2 feet by 2 feet) to allow people to slide easily on and off the ice.
- **Physical benches should be removable:** Removable benches leaves more space for players to move from their sledges to their chairs and allows them to remain in their sledges while they are off the ice.
- **Penalty box should be build the same way as the players' bench.**
- **The boards in front of the bench should redesigned:** These boards should be equipped with removable transparent Lexan® sections so that the sledge hockey players can see the play while not on the ice. The Lexan® sections should only be installed for sledge hockey otherwise they get too marked up.
- **The path to the dressing room should be redesigned:** The arena should have a 2 foot wide Teflon® path to the dressing room which makes it easier for players to slide from the dressing room to the ice in their sledges.
- **A transfer station should be built near the ice:** This will help players transition from their sledges to their chairs when they get off the ice.

### ***Increase User Fees for the New Arena Facility***

In order to help cover the costs of building and operating a new twin-pad arena, the City of Brockville should implement a modest user fee increase for the new facility. User groups are able to accommodate a modest increase in fees but youth, college, and school groups appeared more price sensitive than adults.

### ***Make Limited Summer Ice Time Available on One Pad***

Based on the expected utilization rate of 37% plus training camps and tournaments, year round ice is probably not economically viable in Brockville at this time but a wide variety of user groups expressed at least some degree of interest in using at least some ice over the summer. Brockville should build the new facility with summer ice capabilities so that ice can be added as needed during the summer, when it is economically feasible to do so. Having this capacity will mean that the City will be better able to accommodate the user groups' needs both now and in the long run. Additionally, Brockville's teams currently travel to other communities (some as far as Ottawa) to get summer ice time, Brockville may be able to draw people into the community from the surrounding areas to use the new facility.

### ***Further Investigate the Feasibility of Including an Indoor Turf Facility in the Arena Complex***

The user groups interviewed all expressed interest in including an indoor turf facility in the new arena complex. While user groups indicated that their usage of the facility would be limited, it is too early in the planning process for user groups to be able to estimate with a high degree of certainty how much they expect to use it. As planning progresses, user groups should be consulted to determine exactly what the turf facility should include, how much they are willing to pay per hour to use it, and to refine their estimates of expected usage.

### ***Consult Field User Groups to Prioritize Potential Upgrades***

The City of Brockville should determine what its capital budget is for upgrading existing fields over the next two years and then consult the users to prioritize the upgrades. The users all appeared to have a list of sport specific field upgrades they would like to see completed and prioritizing these upgrades will require further consultation.

### ***Open Dialogue Regarding the Non-Resident User Fee for Fields***

The City of Brockville should work with the user groups and other stakeholders to revise the out-of-town user fee for field users to reduce the burden it places on organizations and families. The City could also explore offering a subsidy for low income families.

## Part 2: Public Consultation

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In the following section, QBC provides an explanation of the public survey design and implementation, presents key findings, and makes recommendations regarding the construction and funding of the proposed twin-pad arena based on the general public's responses to a survey.

### Survey Methodology

#### *Objectives*

The purpose of the survey was to determine the public opinion regarding the construction of a proposed twin-pad arena in the City of Brockville. There were three key objectives for the public consultation:

1. Determine the level of public support for constructing the arena.
2. Determine the appropriateness of four possible methods of funding the construction of the new facility.
3. Determine the level of public support for the twin-pad arena to be built as a multiplex with additional amenities.

#### *Development and Design*

The public opinion survey was prepared by the consultants and reviewed by the client authority and the Arena Advisory Committee. The survey contained four content questions and five demographic questions to categorize the data. Question one through four asked about the usage of existing facilities, whether or not the respondent was in favor of the twin-pad arena proposal, the level of interest for including additional amenities, and assessed the appropriateness of proposed funding methods. Questions five through nine were demographic questions and used only to help with data analysis.

The questions were designed using a four or five point scale to avoid collecting binary responses where possible. The options were designed to be mutually exclusive and exhaustive.

Sequential bias is the tendency for a survey respondent to respond more favorably to the items near the top of a list than those near the bottom. To eliminate the potential for sequential bias in question 3, which had a large list of possible responses, the response options were mixed up and four different versions of the survey were created. A copy of the survey can be found in [Appendix 4](#).

#### *Sample Size and Target Respondents*

The City of Brockville and surrounding area's population is 36,825 (Statistics Canada, 2011). The 395 responses collected exceeded the minimum of 380 necessary to obtain relevant feedback. [Appendix 5](#) shows the formula used to determine the minimum sample size of 380.

The target respondent was any individual 18 years of age or older who lived in Brockville or the immediate surrounding areas and identified Brockville as their hometown.

### ***Sampling Method***

The surveys were conducted by three consultants on Wednesday, February 26, 2014 and Saturday, March 1, 2014 between the hours of 11:00 am and 6:00 pm at Brockville's Walmart, Valu-Mart and Metro.

This survey was conducted using random intercept sampling. Consultants approached shoppers as they entered the stores and intercepted them with the script in Appendix 6. Every person who appeared to be eighteen or older was intercepted and asked to complete the survey using one of eight clipboards available. If all clipboards were being used, interception stopped until the next one became available. A free skating pass was offered to survey respondents upon completion of the public survey.

## Respondent Demographics

Five demographic questions were asked to help categorize the data collected and create relationship patterns between respondents and their answers. The five categories of demographic information collected were: gender, Brockville homeownership status, whether or not the respondent had children living at home, age category, and income bracket.

The gender breakdown of our sample was very similar to the actual gender breakdown of Brockville as shown in Exhibit 9. The variance should not materially affect the relevance of the results.

**Exhibit 9: Gender**

	Actual	Sample	Variance (Sample - Actual)
Male	48%	42%	-6%
Female	52%	58%	6%

The percentage of people with children living at home in the sample was very similar to the actual population as shown in Exhibit 10. The variance should not materially affect the relevance of the results.

**Exhibit 10: Children Living at Home**

	Actual*	Sample	Variance (Actual – Sample)
Children	38%	43%	5%
No Children	62%	57%	-5%

\* The actual percentage of people with children living at home was approximated by the percentage of couple families with children living at home. This is not an ideal comparison but no other data was publically available. Using the percentage of couple families as a proxy should not materially affect the relevance of this data.

The percentage of respondents who owned a home in Brockville is displayed in Exhibit 11. This data for the entire population was not publically available.

**Exhibit 11: Sample Home Ownership**

Brockville Home Owner	Yes	No
	52%	48%

The age distribution of the sample is compared with the age distribution of the general population in Exhibit 12. Retirees are underrepresented by 12% in the sample and this variance may materially impact the relevance of the results.

**Exhibit 12: Comparison of Population Age Demographics with Survey Respondents' Demographics**

Age Bracket	Adult Population	Population %	Sample	% of Survey Responses	Variance (Sample - Actual)
<b>18-24</b>	8,115	7%	43	11%	4%
<b>26-40</b>	5,615	18%	98	25%	7%
<b>41-50</b>	5,580	18%	80	21%	3%
<b>51-65</b>	9,335	30%	101	25%	-5%
<b>65+</b>	8,180	26.5%	57	15%	-11.5%
<b>Prefer not To disclose</b>	N/A	N/A	11	3%	N/A

Source: Statistics Canada. 2012. *Focus on Geography Series, 2011 Census*. Statistics Canada Catalogue no. 98-310-XWE2011004. Ottawa, Ontario. Analytical products, 2011 Census. Last updated October 24, 2012

The percentage of respondents who fall into each income bracket is displayed below in Exhibit 13. This data was not publically available for the entire population of Brockville and the surrounding area.

**Exhibit 13: Sample Annual Household Income**

Income	<\$25,000	\$25,001-\$50,000	\$50,001 - \$75,000	\$75,001 – 100,000	100,001 +	Prefer not to Disclose
	9%	23%	21%	15%	11%	21%

### ***Respondent Demographics vs. Population Demographics***

Responses from individuals aged 18 to 65 closely reflect the population of Brockville, Elizabethtown-Kitley and Augusta. This report will present the raw data and point out any trends that could have been influenced due to differences in scale. QBC is confident this is the best way to present the data collected from the surveys, for a thorough reasoning and analysis behind this decision see [Appendix 7](#).

The demographic comparisons are essential to the analysis of this report because it will map out trends in the responses and relate them back to the respondent's demographic. Recognizing the importance of the aforementioned, a variety of cross comparisons between data points have been conducted to draw attention to trends and alleviate any bias on the data provided.

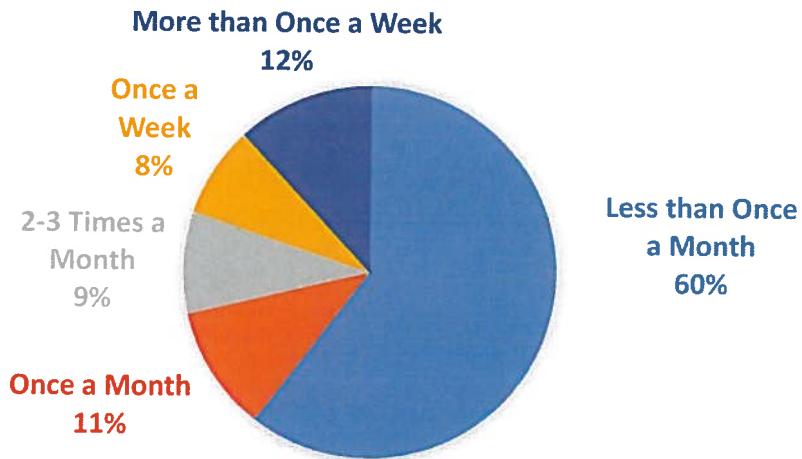
## Survey Results

This section explains the results of the survey question by question. A full report of responses can be found in [Appendix 8](#).

### Average Use

Respondents were asked to approximate their current usage to one of five categories as seen in Exhibit 14. The majority of respondents (60%) identified that they were not active users of Brockville's current arena facilities by answering "less than once a month".

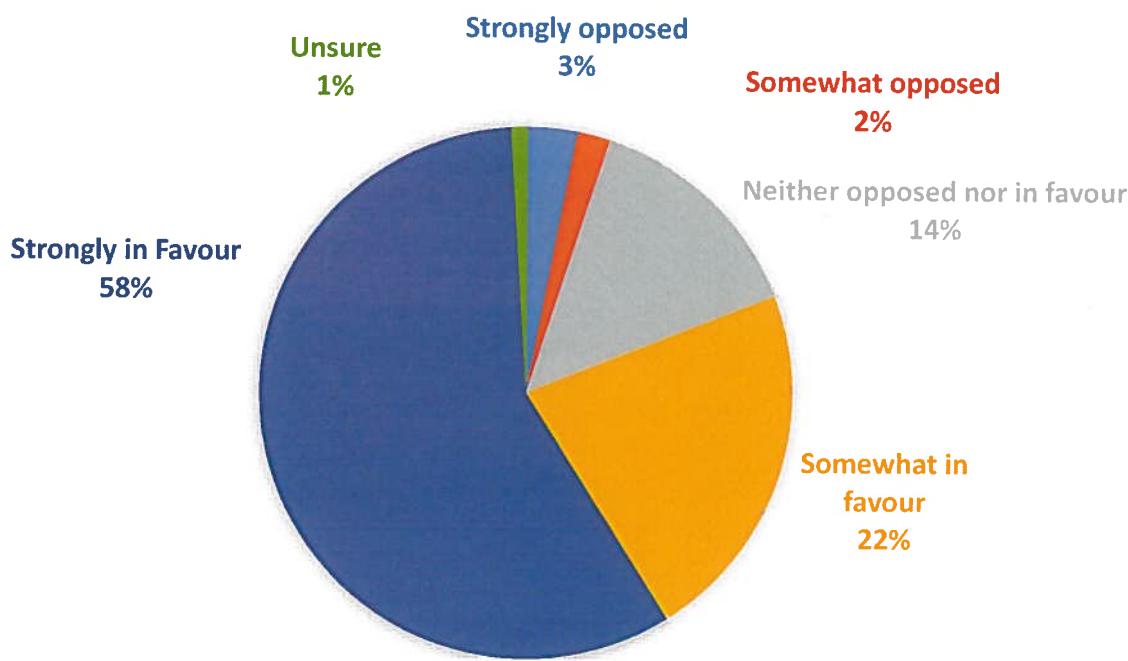
**Exhibit 14:** On average, how often do you of the members of your household use Brockville's existing arena facilities?



### ***Level of Support***

Despite the majority of respondents identifying as “non-users” 80% of respondents were either strongly or somewhat in favor of the proposed twin-pad arena.

**Exhibit 15:** Brockville is considering building a new arena facility with two ice rinks. Are you...

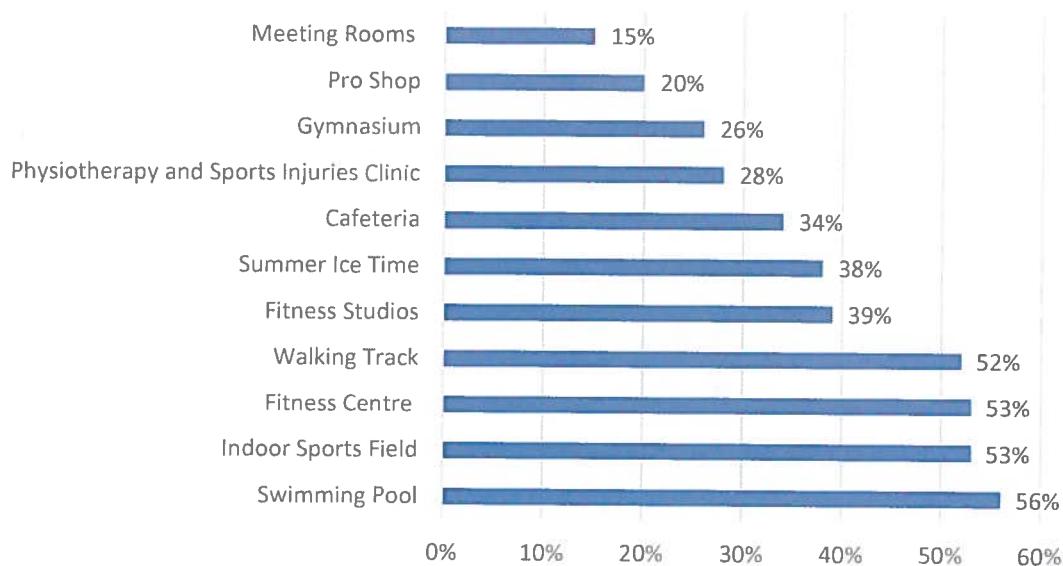


## Multiplex with Additional Facilities

Survey respondents were given eleven different options that could potentially be included in this multiplex facility, and were asked to select any amenity that would encourage them to use the multiplex more often. In addition, survey respondents also had the opportunity to write in their own suggestion.

Exhibit 16 shows the interest for all eleven options. Over 50% of respondents wanted to see a swimming pool, indoor sports field, fitness centre and walking track included if the twin-pad arena if it were built as a multiplex. 18% of respondents said that they did not want to see any additional facilities added into the new arena.

**Exhibit 16:** If the new twin-pad arena were to be built as a multiplex, which additional facilities would encourage you to use it more often? (Check all that apply)



There were 12 respondents who elected to provide another suggestion, this can be seen in Exhibit 17.

**Exhibit 17:** Other suggestions from respondents

- 1. Saltwater Pool
- 2. Therapy pool for seniors
- 3. Indoor driving range/video golf
- 4. Sauna, steam room
- 5. Meditation Classes
- 6. Tennis or Squash Courts
- 7. Indoor soccer/field football/rugby training
- 8. Kid friendly jungle gym
- 9. Lounge
- 10. Conference Room

### ***Level of Support for Proposed Funding Methods***

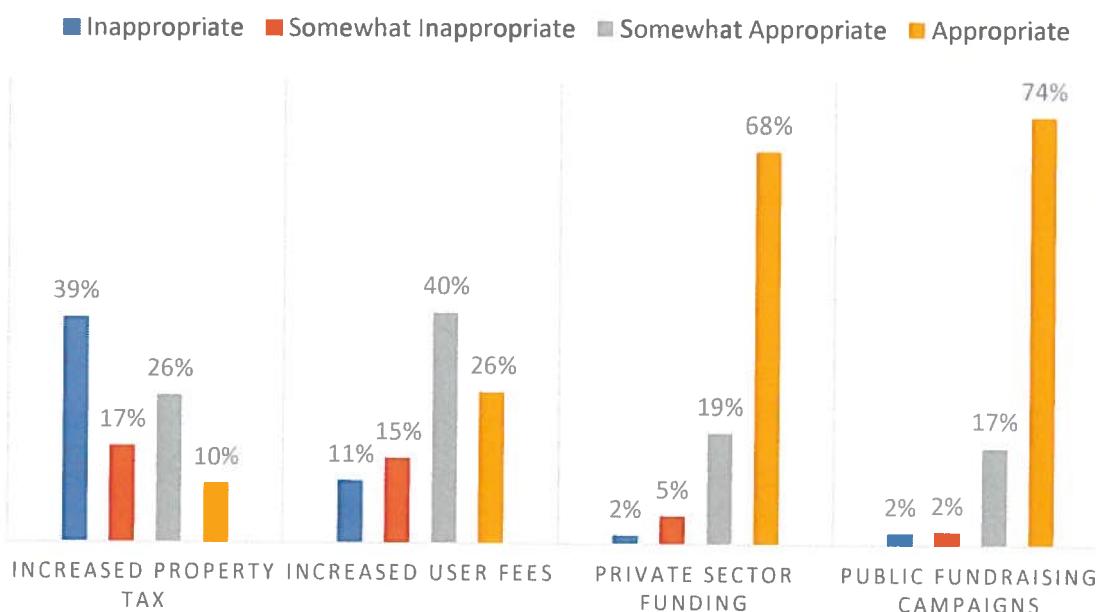
In addition to determining overall public interest, another objective of the survey was to determine the respondent's "willingness to pay", and to determine which methods of funding they thought to be most appropriate. The survey mentioned four different types of funding methods, where each funding method was assessed individually and ranked on a four point scale.

The majority of respondents believed that private sector funding and public fundraising campaigns were the most appropriate method of funding, accounting for 68% and 74% of respondents respectively.

Public fundraising campaigns was the most supported method of funding, and increased property taxes was the least supported method of funding.

**Exhibit 18:** The City of Brockville would consider a combination of ways of paying for the City's share of the cost of a new ice arena or recreational facility (assumed to be 1/3 of the total cost).

How appropriate are each of the following funding methods?



## Relationships between Responses and Demographics

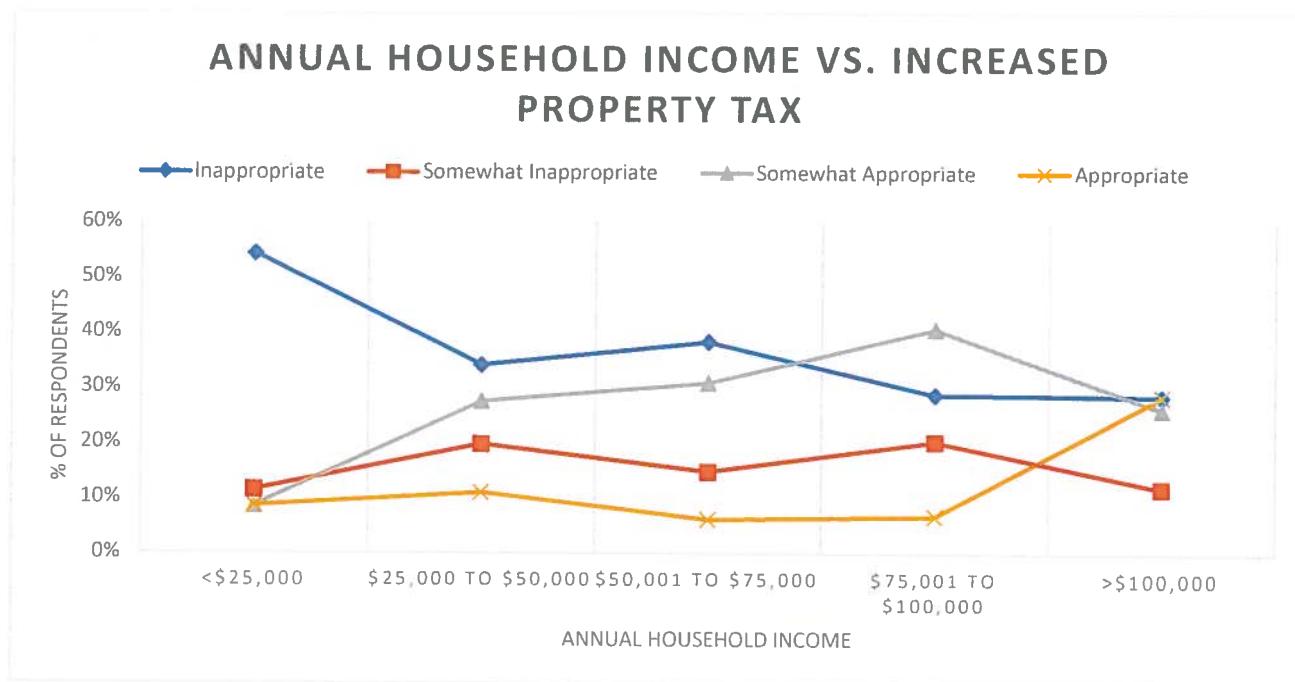
### *Correlation between Level of Income and Willingness to Pay Increased Property Taxes*

QBC compared the responses from increased property taxes as a proposed funding method with the respondent's annual household income.

It was discovered that respondents with a lower annual household income were more inclined to believe that increased property taxes are an inappropriate method of funding compared to individuals of a higher annual household income. Furthermore, respondents with a higher annual household income were more inclined to believe that increased property taxes are an appropriate funding method, compared to respondents with lower annual household income. Exhibit 19 below shows the trends in the responses of individuals from different annual household income brackets.

There were 80 respondents who preferred not to disclose their income, and 33 who had no opinion about an increase in property taxes and are, therefore, not included in these charts. [Appendix 9](#) provides the correlation table to these responses.

**Exhibit 19:** Responses to the question "How appropriate would an increase in property tax be?" categorized by Annual Household Income



## ***Correlation between Homeownership Status in Brockville and Willingness to Pay Increased Property Taxes***

Both groups believed an increase in property taxes would be an inappropriate funding method, but homeowners in Brockville were more likely to assert this opinion. In addition, the spread between the responses of somewhat appropriate and appropriate was only 1% between homeowners and non-homeowners.

The spread between responses for homeowners and non-homeowners may be the result of a bias where homeowners are more aware of the property tax burden and/or from responses from individuals not living in Brockville. An increase in property taxes will affect non-homeowners if they live in Brockville because increased taxes are passed on to tenants in the form of rent increases. This awareness bias indicates that the general population who pay taxes in Brockville as a homeowner or tenant may view raising property taxes even more unfavorably than our results suggest.

Note that 7% of homeowners and 11% of non-homeowners declined to answer. See Exhibit 20 below for percentage breakdowns, and Appendix 10 for a detailed response table.

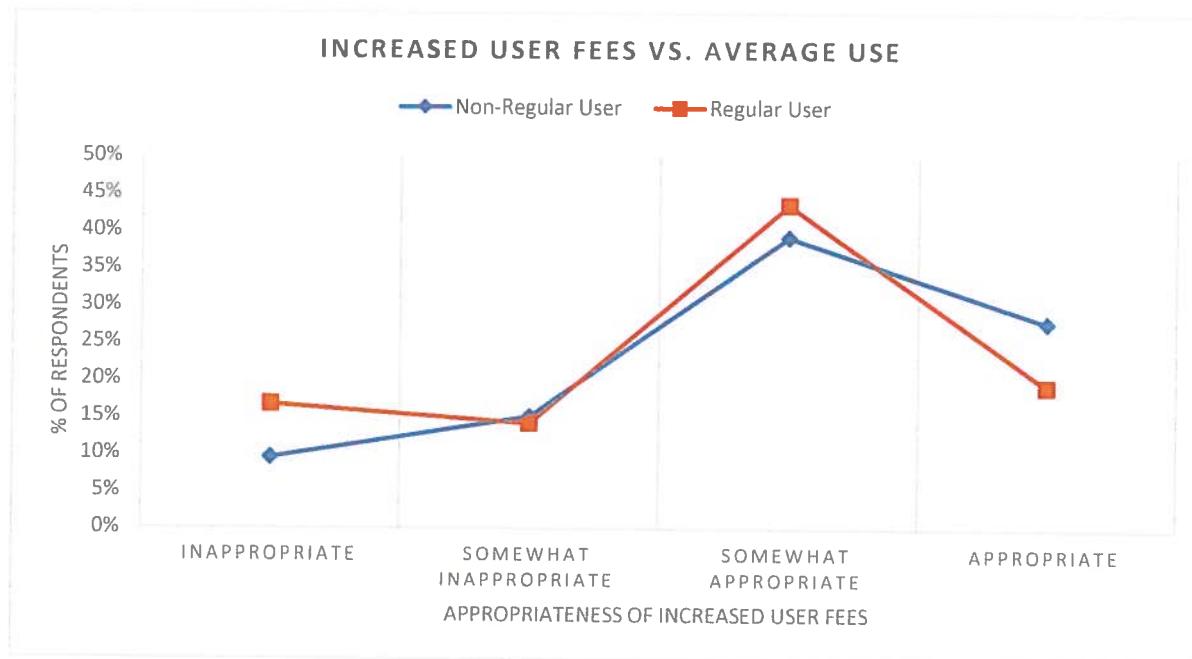
**Exhibit 20:** Appropriateness of an increase in property taxes, categorized by homeownership status in Brockville.

	Inappropriate	Somewhat Inappropriate	Somewhat Appropriate	Appropriate
<b>Homeowner in Brockville</b>	47%	13%	25%	10%
<b>Non-homeowner in Brockville</b>	31%	21%	26%	11%

## ***Correlation between Average Current Facility Usage and Willingness to Pay Increased User Fees***

QBC compared the responses for increased user fees with the average use of the respondent. Prior to conducting the survey, QBC believed that there was a potential bias for non-users to be much more in favour of increased user fees compared to existing users. Although there is still evidence of this trend, the spread between the answers is not very extreme. Exhibit 21 shows how closely related user, and non-user responses were relating to this topic. For this analysis, non-regular users were households who used existing arena facilities 3 times a month or less, and regular users were households who used existing arena facilities once a week or more. A detailed response table is provided in [Appendix 11](#).

**Exhibit 21:** Appropriateness of increased user fees as a proposed funding method, categorized by average level of use (trend analysis)

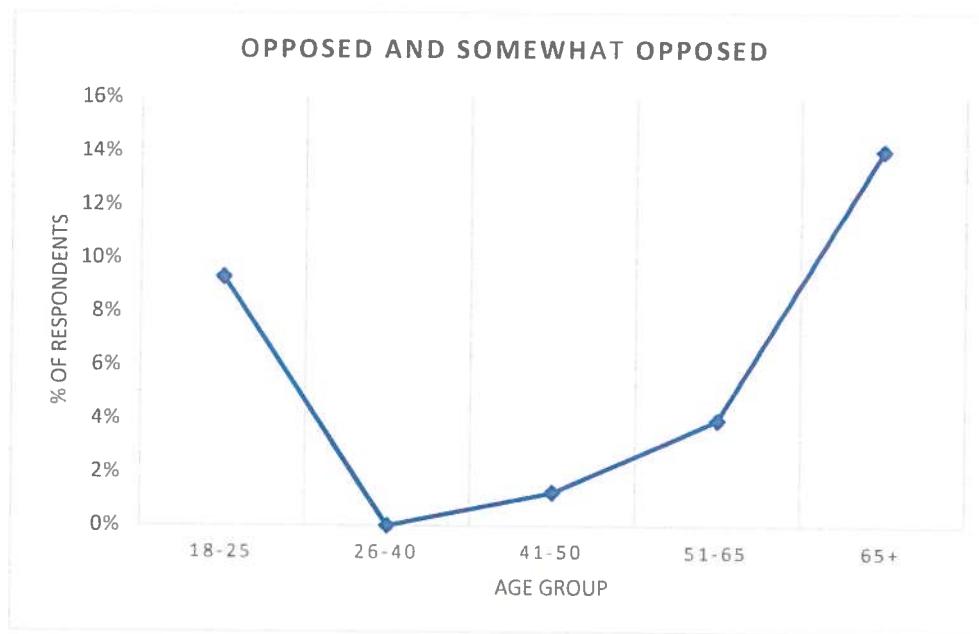


### ***Correlation between Age and Level of Support for a Twin-Pad Ice Arena***

Respondents in the age groups of 18 – 25 and 65+ were more likely to be opposed or somewhat opposed to the construction of a new twin-pad ice arena compared to respondents aged 26 – 65. Although the majority of respondents in each age group were all “strongly in favour” of building the facility. It is important to note that the youngest and oldest age demographic groups are less supportive than mid-aged groups. The bias apparent here was that people in different life stages could have different opinions on a new recreational facility being built in town.

The survey respondents in the 65+ category underrepresented the actual population of Brockville and the surrounding area by 11.5%. In addition, there is a trend of an aging population for the City. The results from this survey may underestimate the percentage of the general population that is opposed to building a twin-pad arena. A detailed response table can be found in [Appendix 12](#).

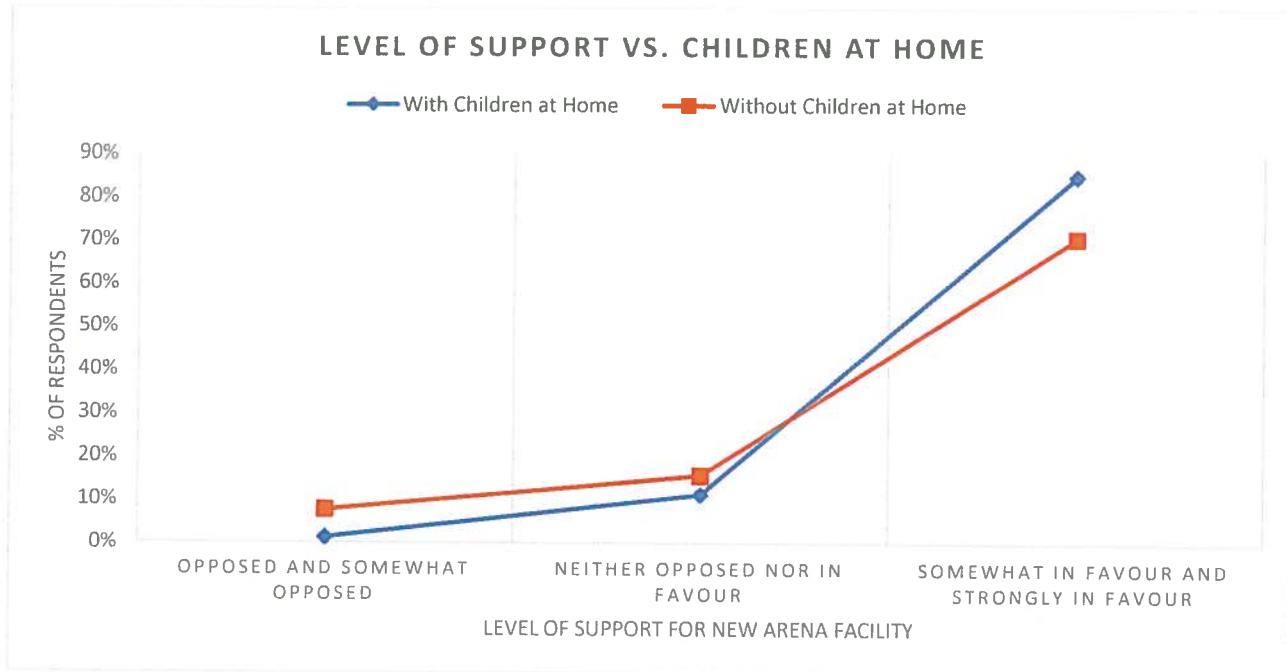
**Exhibit 22:** People who were “opposed” and “somewhat opposed” to the building of a new twin-pad arena, responses broken down by age category



## ***Correlation between Children Living at Home and Level of Support for Twin-Pad Arena***

There was a potential bias for survey respondents with children living at home to be more supportive of the project than those without children at home. Although there is evidence of this trend, the spread is not extreme. Of the respondents without children living at home, 8% were opposed or somewhat opposed to building a new twin-pad arena, this was higher compared to respondents with children living at home who answered the same (1%). Furthermore, respondents with children living at home were also more likely to be in favour or somewhat in favour than those without children living at home (85% with children at home compared to 71% without children living at home). See [Appendix 13](#) for detailed responses.

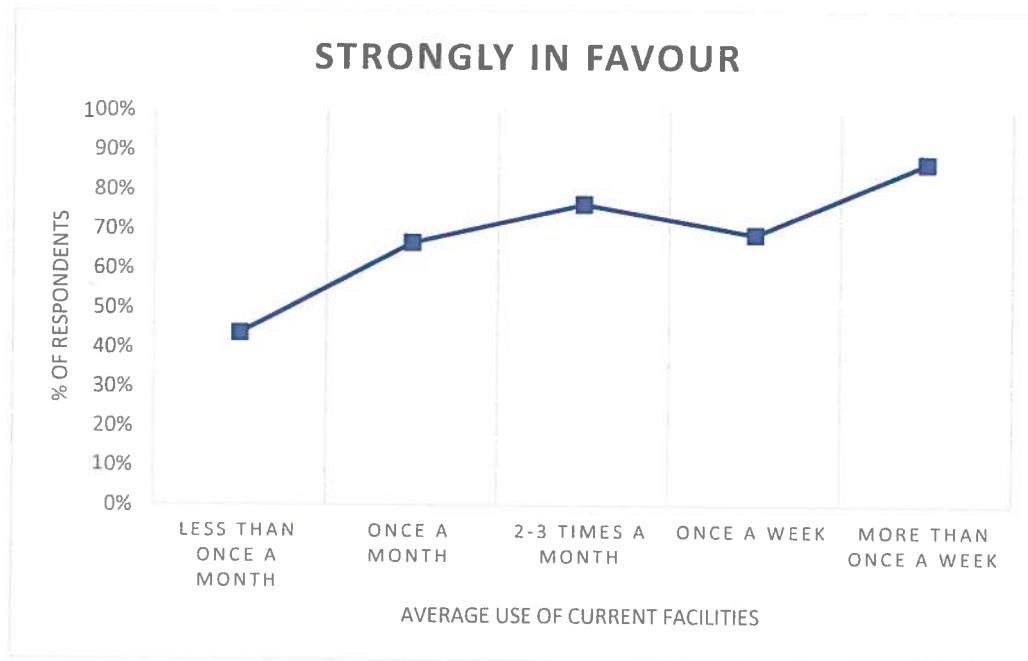
Exhibit 23: level of support for building a new twin-pad arena organized by whether or not respondents had children living at home



### ***Correlation between Average Use and Level of Support for Twin-Pad Ice Arena***

Although there is a 58% majority that is strongly in favour of building a new twin-pad ice arena in Brockville, it is important to discover the level of support based on average use. The potential for bias here was that current users could be more supportive of the initiative for a new arena facility compared to non-users. There were 87% of respondents who use Brockville's current facilities more than once a week who were strongly in favour of building a new arena compared to 44% of respondents who use Brockville's current facilities less than once a month who were strongly in favour. The increasing trend in Exhibit 24 shows that the more people use the current facilities, the more likely they were to be strongly in favour of building the new facility. A detailed response table can be found in [Appendix 14](#).

**Exhibit 24:** Respondents who were strongly in favour of building a twin-pad arena categorized by average use of current facilities



## Key Findings and Recommendations Based on Public Survey

### ***There is public support for building a new twin-pad arena***

It is very positive to see that 58% of survey respondents are strongly in favour with an additional 22% of survey respondents being somewhat in favour of building a new twin-pad arena. This gives a total level of strong support of 80%, in spite of having 60% of respondents identify as using the current ice facilities less than once a month, and 80% using the facilities less than once a week. This suggest that support for the facility does not stem only from current users, but non-users as well.

Although respondents without children living at home and non-regular users of current facilities were overall in favour of building the new facility, it is important to note that they were less supportive compared to their counterparts. Furthermore, the 18-25 and 65+ age groups were more opposed to building a twin-pad arena than their counterparts. The data collected contained an underrepresentation of people aged 65+ by 11.5%, and there is an expectation for an aging population. Therefore, the City of Brockville should take the opinions of these age groups under serious consideration.

### ***There is a high level of interest for building a multiplex facility***

The City of Brockville should also consider building the new facility as a multiplex with amenities such as a swimming pool, indoor sports field, fitness centre and walking track to address the interest of the broader population.

### ***Increased property taxes is the least supported funding method***

Increased property taxes received the least support as an appropriate funding method from both Brockville homeowners and non-homeowners. Higher income households were less opposed to this method of funding compared to their lower income counterparts.

### ***Public fundraising campaigns and private sector funding are the most supported funding methods***

Public believes that public fundraising campaigns and private sector funding were the most supported methods of funding the new arena. These two options also received very few indications of it being least supported.

## Part 3: Financial Analysis

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### Objective

The objective of Part III was to determine whether the proposed twin-pad arena project would be self-financing, expected revenues and operating expenses were estimated to determine the facility's expected profit or loss.

The estimation of construction costs and analysis of possible sources of funding are also relevant a financial analysis but was beyond the scope of this project. The main objective was to determine whether operating revenues were sufficient enough to fund the operating costs of the facility.

### Design and Methodology

The operating budget created for the proposed twin-pad arena was designed in the same format and with the same line items as Brockville's existing arena budgets.

Revenues were estimated based on the actual ice time usage of the Youth Arena and the expected unmet demand for ice time as determined in Part I of this report.

Expenses were estimated using a comparable facilities approach. City of Brockville staff contacted counterparts from Napanee, Kemptville, and Smiths Falls to obtain a copy of the operating budgets for potentially comparable twin-pad arenas. Descriptions of the three comparable facilities are below:

#### **Strathcona Paper Center (Napanee, Ontario)**

The Strathcona Paper Center is a twin-pad arena built in 2004. Both rinks are regulation NHL size pads. The main rink has stadium style seating for 1000 people and the secondary rink has seating for 200. In addition to ice surfaces, the facility offers 7000 sq. ft. of retail space currently occupied by a sporting goods outlet, fitness center, physiotherapy clinic and canteen. A 300 seat banquet hall, a 40 seat meeting room, and a 25 seat meeting room are also available for rent to members of the community.

#### **North Grenville Municipal Center (Kemptville, Ontario)**

The North Grenville Municipal Center, built in 2005, has two NHL sized ice pads. The main rink has stadium style seating for 2000 spectators and the second rink has seating for 300. One of the rinks offers year round ice time. In addition to ice surfaces, the facilities also has a spacious lobby, a canteen, a pro-shop, a multipurpose community hall with capacity for up to 300 people, and an auditorium/theater with 300 seats.

#### **Memorial Centre (Smiths Falls, Ontario)**

The Memorial Centre has two ice surfaces built side by side and connected. The new regulation size rink has stadium style seating for approximately 1500 people. The second ice surface is a smaller youth arena with seating for about 300. The facility also contains a walking track around the larger rink, and a community hall with capacity for up to 300 people.

## Limitations

The comparable facilities approach to estimating expenses has been widely accepted as a good starting point for financial feasibility studies. However, the operating budgets obtained from the comparable facilities did not go into enough detail about each line item to accurately determine the relevant cost drivers. Without understanding the cost drivers at comparable facilities, it was difficult to estimate, with a high degree of certainty, expenses for Brockville's proposed twin-pad arena because it will differ slightly from each of the comparable facilities.

The operating budget includes the following amenities in addition to the two ice pads; a walking track, a concession, and community meeting rooms capable of holding 20 to 50 people. Adding or removing amenities will change the expected operating budget.

## Summary of Results

Based on the analysis of potential revenues and operating costs at the three comparable facilities mentioned above and Brockville's Memorial Centre, the total revenue is \$657,500 and expenses are projected to total \$1,143,700. This results in an operating loss of \$486,200, as shown in Exhibit 26. The analysis presented is considered to be the "base case."

**Exhibit 25: Profit (Loss) Statement for proposed twin-pad arena**

### Proposed Operating Budget

<b>Revenue</b>		
Ice Rentals	\$	609,900
Other Revenue	\$	47,600
Total Revenue	\$	657,500
<b>Expenses</b>		
Arena Expenses	\$	1,143,700
Total Expenses	\$	1,143,700
<b>Operating Profit (Loss)</b>	<b>\$</b>	<b>(486,200)</b>

An analysis of the expected loss as a percentage of operating profits demonstrates that the proposed twin-pad arena will operate at a loss that is comparable to but slightly higher than that of comparable facilities.

**Exhibit 26: Operating Loss as a % of Revenue**

<b>Operating Loss as a % of Revenue</b>				
Strathcona	Smiths Falls	Brockville Memorial	Brockville Youth	Twin-pad
(71%)	(61%)	(57%)	4%	(74%)

\*The North Grenville Municipal Center in Kemptville is not included because no information on their operating revenues were made available.

## Revenues

Expected Revenues for the proposed twin-pad were estimated as described below in Exhibit 27.

Exhibit 27: Revenues (Rounded to the nearest 00)

Revenue Category	Description & Key Assumptions	Amount
<b>Ice Rental</b> <u>Appendix 15</u>	<p>Rental Categories</p> <ul style="list-style-type: none"> <li>• Regular Season weekly rentals</li> <li>• Summer Season weekly rentals</li> <li>• Summer Tournaments and training camps</li> </ul> <p>Revenue Drivers</p> <ul style="list-style-type: none"> <li>• Units of Ice time           <ul style="list-style-type: none"> <li>◦ Existing ice use at Youth Arena</li> <li>◦ Unmet demand for Ice Time from Part I</li> </ul> </li> <li>• Rental Rates           <ul style="list-style-type: none"> <li>◦ Prime time classification remains unchanged from what was defined in Part I</li> <li>◦ Rental rates to increase at 4% per year</li> </ul> </li> </ul> <p>Key Assumptions</p> <ul style="list-style-type: none"> <li>• Youth Arena will be closed or repurposed</li> <li>• 28 week hockey season</li> <li>• Summer season: August only; 1 ice pad</li> <li>• No regular season tournaments because they will replace revenue already accounted for</li> </ul>	\$609,900
<b>Community Meeting Rooms</b> <u>Appendix 16</u>	<ul style="list-style-type: none"> <li>• 5 hours of rental per week</li> <li>• 52 weeks per year</li> <li>• Rental rate of \$50 per hour</li> </ul>	\$13,000
<b>Concession</b> <u>Appendix 16</u>	<ul style="list-style-type: none"> <li>• Estimated to be double the Youth Arena's concession Revenues</li> <li>• Comparable facilities did not provide good estimates because the City of Brockville leases out concession space</li> </ul>	\$5,000
<b>Advertising</b> <u>Appendix 16</u>	<ul style="list-style-type: none"> <li>• New marketing and advertising person would assume responsibility for selling advertisements in the new facility</li> <li>• The Strathcona Paper Center has a similar advertising revenue model and provides the best estimates for expected revenue from advertising</li> <li>• The Strathcona Paper Center has stadium style seating for 1500 people and Junior A hockey games both of which allow Napanee to charge higher advertising rates</li> <li>• A 10% discount has been applied in response to this when estimating revenue for the twin-pad arena</li> </ul>	\$29,600
<b>Total Revenue</b>		<b>\$657,500</b>

## Expenses

Expected expenses for the proposed twin-pad facility were estimated as described below in Exhibit 28. A detailed expense calculation can be found in Appendix 17.

Exhibit 28: Expenses (Rounded to the nearest 00)

Expense Category	Description & Key Assumptions	Amount
Labour Expense <u>Appendix 18 and 19</u>	<p>Positions</p> <ul style="list-style-type: none"> <li>• Administration</li> <li>• Full time facility operators with CIT</li> <li>• Full time facility operators</li> <li>• Part time casual operators</li> </ul> <p>Key Assumptions</p> <ul style="list-style-type: none"> <li>• Benefits = 30% of salary for full time employees</li> <li>• Wages and salaries are expected to increase at 1.5% per year</li> <li>• Staffing levels determined based on estimates the City of Brockville's estimates</li> <li>• Part time casual expense estimated based on Brockville's existing part time casual labour as a % of full time labour</li> </ul>	\$567,500
Human Resource Management (HRM)	<ul style="list-style-type: none"> <li>• Any cost associated with employees excluding compensation, including training, business development, uniforms and business travel</li> <li>• Allocated indirect cost</li> <li>• expected to be the same as the existing expense for the Memorial Centre and the Youth Arena</li> </ul>	\$6,000
Natural Gas	<ul style="list-style-type: none"> <li>• This new sports facility is expected to use natural gas for heating, similar to the existing cost for the Memorial Centre</li> <li>• The 3 comparable arena facilities do not use natural gas for heating</li> </ul>	\$30,000
Hydro	<ul style="list-style-type: none"> <li>• Average of Strathcona, Smiths Falls, and the sum of the Memorial Centre and Youth Arena</li> <li>• North Grenville was not included in the comparable calculations because they have a pool and theatre</li> </ul>	\$190,300
Water	<ul style="list-style-type: none"> <li>• Average of three comparable facilities water costs</li> </ul>	\$26,500
Ice Resurfacing Machine	<ul style="list-style-type: none"> <li>• 2 machines required</li> <li>• Double the Memorial Centre's costs</li> <li>• 20% discount applied because the machines would be new and require less maintenance</li> <li>• This estimate is deemed conservative in the early years because the warranty will reduce service costs</li> </ul>	\$14,400
Office Expenses <u>Appendix 20</u>	<ul style="list-style-type: none"> <li>• Facility administration would move from the Memorial Centre to the new Facility</li> <li>• Includes printing postage &amp; stationary, general advertising, telephone &amp; fax, modem &amp; computer, actuarial costs, auditing, and bank service charges</li> </ul>	\$10,700

Insurance	<ul style="list-style-type: none"> <li>Estimated by the City of Brockville</li> </ul>	\$8,300
Materials and Supplies and Service Contracts	<ul style="list-style-type: none"> <li>Average of the total maintenance costs for the three comparable facilities</li> <li>10% discount for reduced travel time because the other three facilities are in rural communities</li> <li>This estimate is deemed conservative in early years because equipment warranty will reduce service costs</li> </ul>	\$146,200
Snow Removal <a href="#"><u>Appendix 21</u></a>	<ul style="list-style-type: none"> <li>Estimated based on the costs of snow removal at Memorial Centre</li> <li>20% from existing expense to account for the fact that the parking lot may be larger and that snow removal expenses will increase annually between now and 2016</li> </ul>	13,100
Cost of Debt	<ul style="list-style-type: none"> <li>QBC was advised that \$15 million was allocated towards building this proposed multiplex sports facility</li> <li>1/3 of this amount will come from the City of Brockville, amounting to \$5 million</li> <li>Half of this \$5 million (\$2.5 million) is to be paid off through debt, at an annual rate of 4.75%.</li> </ul>	\$118,700
<b>Total Expenses</b>		<b>\$1,143,700</b>

## Operating Profit

The operating loss based on the “base case” financial analysis is expected to be \$486,200.

## Sensitivity Analysis

A sensitivity analysis was conducted to assess the sensitivity of revenue and profits to two key revenue drivers. The first revenue driver is the percentage by which user fees are increased, and the second is the percentage of budgeted revenue actually collected. Most of the arena’s costs are fixed within the relevant range of operations so no sensitivity analysis was applied to the expenses. **Under a realistic scenario the project will be expected to generate \$621,300 in revenue and have an operating loss of \$522,400.** The results of the sensitivity analysis are summarized below in Exhibit 29 and can be found in detail in [Appendix 22](#).

Exhibit 29: Sensitivity Analysis Results (Rounded to the Nearest 00)

	Pessimistic <sup>1</sup>	Realistic <sup>2</sup>	Optimistic <sup>3</sup>
Revenues	\$ 526,000	\$621,300	\$723,300
Operating Profit	\$(617,700)	\$(522,400)	\$(420,500)

<sup>1</sup>The pessimistic scenario assumes no increase in user fees and only 80% of the budgeted area revenues collected.

<sup>2</sup>The Realistic scenario assumes a 5% increase in user fees and 90% of the budgeted revenues collected.

<sup>3</sup>The Optimistic Scenario involves a 10% increase in user fees and 100% of the budgeted revenues collected.

## Increase in Cash Costs

Based on the projected annual operating revenues and expenses, the City of Brockville's expected increase in cash costs, if they build the new facility, is expected to be \$380,500 as shown in Exhibit 30.

**Exhibit 30: Annual Increase in Cash Costs for the City of Brockville**

### **Projected Annual Increase in Cash Costs for the City of Brockville**

<b>Revenue</b>	\$	621,300
Total Revenue <sup>1</sup>	\$	621,300
<b>Expenses</b>		
Arena Expenses	\$	1,143,700
Less Fixed Costs		
Administration <sup>2</sup>	\$	78,200
Administration Benefits <sup>2</sup>	\$	23,500
Office Expenses <sup>3</sup>	\$	10,700
Memorial Center Wage Savings <sup>4</sup>	\$	29,500
Facility Specific Expenses	\$	1,001,800
<b>Increase in Annual Cost for the City of Brockville</b>	<b>\$</b>	<b>(380,500)</b>

<sup>1</sup>Realistic case from sensitivity analysis.

<sup>2</sup>Facility administrators' salaries and benefits will be incurred regardless of whether the new facility is built

<sup>3</sup>Office expenses will continue to be incurred at the Memorial Center if the new facility.

<sup>4</sup> By moving daytime ice to the new facility 1 CIT position can be eliminated at the Memorial Center 8 hours/day, 4 days/week, 35 weeks/season.

## Recommendations

### **Determine if the Financial Operating Loss is Acceptable**

The twin-pad arena is expected to run at a deficit of \$522,400 based on the realistic scenario outlined in the sensitivity analysis. Of this deficit \$380,500 would represent an increase in cash costs to the City of Brockville. The City must determine whether this cost is an appropriate cost for the unquantified benefits this facility will bring to the City.

### **Increase User Fees by an Average 10%**

The sensitivity analysis demonstrated the positive impact increasing ice rental rates can have on reducing the deficit. A 10% increase in ice rental rates will increase total expected revenue from \$657,500 to \$723,300. This is an important step to reduce the City's annual loss on this facility.

## Final Conclusions

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### Summary of Recommendations for Phase II

**The City of Brockville should construct the new multiplex facility if the operating loss is deemed to be acceptable:** The User Group Interviews and Public Survey provided qualitative support for the construction of a brand new twin-pad arena housed in a multiplex facility. The financial analysis demonstrated the estimated operating deficit of \$522,400 which is similar, as a percent of revenue to the operating deficit of comparable facilities. The City of Brockville should evaluate whether the additional \$380,500 annual expenditure to operate the twin-pad facility is worth it for the unquantifiable benefits that the City will receive.

**Invest in a high quality ice refrigeration system:** User groups posed a common concern about the Memorial Centre's ice quality, investing in a high quality ice refrigeration system will add value for these groups and contribute to the quality and safety of the arena's ice.

**Improve existing facility layout, dressing rooms, and accessibility:** The current hallways and dressing rooms for the facilities are not well equipped to handle the needs of current users. The new multiplex should include enough large dressing rooms to accommodate players' needs and a facility layout that is both accessible with areas strictly for players only.

**Re-evaluate the non-resident user fee for fields:** Field users groups expressed concerns about the non-resident user fee being a hindrance towards their growth and expansion. The City should explore subsidy options for low income families or research other options that could break down this barrier.

**Construct a multiplex facility that will benefit both current users and the general public:** The public opinion survey demonstrated a high level of support for building the new arena. The City should construct a multiplex facility to satisfy the needs of the general public and field user groups.

**Increasing property taxes is not advised:** There is generally a negative attitude towards increasing property tax to fund the new facility. It is advised to explore other funding methods before considering an increase in property taxes.

**Increasing user fees is advised as long as corresponding value is delivered:** User groups found it appropriate to increase user fees if new or improved facilities were to become available to them. The aforementioned recommendations regarding improved facilities tie in well with this recommendation. The general public also believed that an increase in user fees would be a somewhat appropriate funding method.

**Public fundraising and private sector funding should be the first two funding methods that are explored:** According to the public survey, the City should explore the options available via these two funding methods prior to increasing property taxes and user fees.

## Considerations for Phase III of the Feasibility Study

The completed Phase I and Phase II reports for the Brockville Feasibility Study will be forwarded to the City Council of Brockville upon completion. They will be the body responsible for setting the scope of Phase III and provide authorisation for the recommendations made.

QBC has established the intended direction for Phase III and note that these objectives are subject to change based on City Council's decisions.

**Field user group consultations:** Further research needs to be done with Field User Groups to determine their level of demand for an indoor field if it were to be included in the multiplex. These interviews should determine what amenities the indoor field should include, how much they are willing to pay per hour to use the field and refine their estimates of expected use.

**Research how to obtain funding options:** Phase II covered which types of funding methods the public believes is most appropriate for this expansion project. Phase III should research methods of obtaining these funds, analyse which options are the most effective at acquiring funds, and which options are most desirable.

**Repurpose the Youth Arena:** Depending on the decisions made by the City of Brockville, Phase III will include an in-depth analysis on repurposing the Youth Arena into an indoor sports field. Financial analysis will have to be done to determine the costs and benefits of this project.

**Identify and Quantify Other Potential Savings:** Building the twin-pad arena may result in further savings for the City by reducing expenses at the Memorial Center. This should be explored in greater detail to identify areas for savings and then estimate the affect these savings will have on the overall arena operating budget.

## Appendix 1 – Initial Proposal



Queen's School of Business  
Goodes Hall - Queen's University  
Kingston, Ontario K7L

**Conal Cosgrove**  
Director of Operations, City of Brockville  
1 King St. West  
Brockville, Ontario K6V 7A5  
P.O. Box 5000

CC: Director, QBC: Rob Woyzbun

**Proposal: Phase II - Feasibility Study of Expansion/Upgrading of Ice Arena in Brockville**

Dear Mr. Cosgrove,

It was a pleasure meeting with you and Earle Moore to discuss the potential for building a new twin-pad arena facility in the City of Brockville ('Brockville Project'). This engagement will be phase II of a three phase project, where the first phase was carried out between September and December 2013. Of the Phase I recommendations, the City of Brockville has accepted that there is a need to build a new twin-pad arena facility to satisfy excess demand from current user groups. Phase II will be carried out from January 2014 to April 2014, and will be broken down into three key parts. Part I will entail consultations with minor user groups, part II will be a population wide survey and part III will consist of a financial analysis to determine whether the city of Brockville will be able to cover the expected operating costs based on expected revenue. Outlined below is the proposed work plan for phase II of this project, including objectives, actionable items, and a breakdown of billable hours and associated fees.

### Summary of Deliverables

1. Refine the demand analysis performed in phase I of this project to incorporate feedback from additional minor user groups not consulted during the first phase.
2. Determine community support for the proposed twin pad arena facility by surveying a sample of the population.
3. Determine expected operating profit (loss) based on projected costs and operating revenues of a new twin-pad arena facility.
4. Providing bi-weekly progress reports either by email or telephone conference to report on progress and verify alignment with objectives

### Part 1: Consultation of Minor User Groups

#### Key Objectives

- Determine the level of interest in the construction of a new twin pad arena facility from additional minor user groups who were not consulted in phase I of the project
- Determine the level of interest in the construction of a new twin pad arena facility from potential ice user groups who do not currently have regularly scheduled ice times.
- Refine the demand analysis to reflect additional demand from these minor user groups
- Determine minor user groups' willingness to pay for additional ice time at the new facility
- Determine the level of interest in the construction of additional recreational facilities from potential user groups

### Methodologies

1. Conduct phone interviews with minor user groups not consulted in phase I using the "User Groups Questionnaire" from Phase I. The following user groups will be consulted: Brockville Tikis, Brockville Girls Minor Hockey Association, Monday Night Hockey Club, St. Lawrence Kings, Friday Morning Hockey, and St. Lawrence College.
2. Conduct phone interviews with potential ice user groups who do not currently have regularly scheduled ice times using the "User Groups Questionnaire" from Phase I. The Following user groups will be consulted: Brockville's three high schools, Upper Canada Cyclones, Rideau St. Lawrence Thunder, Senior Men's Team, Senior Women's Team, and the sledge hockey team.
3. Conduct phone interview with potential user groups for other recreational facilities using a questionnaire similar to the "User Groups Questionnaire" from Phase I. The following user groups will be consulted: two soccer clubs, youth football, lacrosse, and St. Lawrence College.
4. Revise expected demand, and utilization rates from phase I based on the new information

### Part 2: Consultation of the General Public

#### Key Objectives

- Determine the level of support from the general public regarding the proposal to build a new twin-pad facility
- Assess the general public's interest for including additional facilities in the twin-pad arena complex such as a physiotherapy clinic, fitness centre, walking track, pro shop, swimming pool, meeting rooms, canteen, and indoor sports field.
- Determine the general public's willingness to pay for the proposed twin-pad arena facility

### Methodologies

1. Sample Size - the sample size will be 385 people based on a 95% confidence level, a standard deviation of and a 5% margin of error
2. Target Respondent Group - residents of Brockville who self-identify as living in and carrying out their daily activities in the Brockville area
3. Method of Recruitment - random intercept sampling
4. Delivery Method - online using Qualtrics research software
5. Execution Method - consultants will be stationed at three locations in the City: downtown Metro, Walmart and Superstore, over the course of 2 days
6. Survey Questions - include questions regarding: level of interest for the twin pad arena, proposed additional add-ons to the arena facility, and willingness to pay. Survey questions will be submitted to the client for review prior to executing the survey

### Part 3: Financial Analysis

#### Key Objectives

- Forecast expected operating costs and revenues for a twin pad arena
- Determine break-even point for twin pad arena on the basis of average cost per hour of ice time and number of hours of ice time needed to be sold
- Conduct further analysis to include expected operating costs for a multifunctional arena facility
- Conduct further analysis to consider potential leasing revenues from a multifunctional facility and a break-even analysis
- Create a sensitivity analysis for the break-even analysis comparing the effects of different financing levels and demand conditions
- Determine financing levels needed in relation to potential tax increases
- Examine alternate sources of funding for the project

## Methodologies

1. Determine the Operating Costs
  - 1.1. Attain information from Earl Moore about comparable twin-pad arena facilities, including arena facilities in Smith Falls and North Grenville, to obtain an estimate of revenues and operating costs.
  - 1.2. Attain information from Earl Moore about comparable multifunctional arena facilities, specifically the Strathcona Paper Centre, to obtain an estimate of operating costs, operating revenues and potential leasing revenues. Conduct a Break-Even Analysis
  - 1.3. Using the information obtained from part I, conduct a break-even analysis to determine the amount of ice time revenues needed to cover operating costs
  - 1.4. Upon gathering further information from part II, determine if there is demand for a multifunctional facility and conduct a break-even analysis for the multifunctional facility
  - 1.5. Convert the ice time revenue figures from 2.1 and 2.2 into the ice hours required to break-even based on the average rate charged per hour
2. Determine Potential Revenue Streams and Debt Levels if Multifunctional Arena Facility is Preferred
  - 2.1. Research potential revenue figures that can be resulted from leasing out space to third-party businesses
  - 2.2. Utilize data from public surveys regarding willingness to pay, through property taxes, to help subsidize the capital investment involved with building the arena
  - 2.3. Determine an appropriate debt level to account for the cost of financing in the break-even analysis
3. Sensitivity Analysis
  - 3.1. Create a sensitivity analysis that includes measurers for:
    - 3.1.1. Changes in operating costs vs. change in the cost of financing and/or levels of debt
    - 3.1.2. Changes in break-even point vs. changes in hourly ice time rates
    - 3.1.3. Changes in break-even point vs. changes in amount of leased space
  - 3.2. Develop a user-friendly excel model that will allow stakeholders to edit the variables listed above and perform the required break-even analysis
4. Research Alternative Methods of Funding: Corporate Sponsorship
  - 4.1. Determine change in operating costs and revenues if there is increased funding

### Notes on Subsequent Phases of the Project

Objectives and deliverables of future phases (Phase III) of the project are not discussed in this proposal and are not the responsibility of the phase II team. A future team of consultants will be responsible for defining and carrying out subsequent phases of the Brockville project should city council decide to proceed. Possible topics to be addressed after the closing of Phase II of the project include: Further feasibility studies of proposed additions to the facility, analysis potential sources of capital, and developing a timeline for the construction of the new facility.

### Travel

Given that consultants will carry out primary research in person, travel will be required between Kingston and Brockville. We estimate that two trips will be required to and from Brockville in order to survey the general population.

### Preliminary Timeline and Key Dates

Project Timeline	Feb 3rd	Feb 10th	Feb 17th	Feb 24th	Mar 3rd	Mar 10th	Mar 17th	Mar 24th
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
Part 1: Minor User Group Consultation								
Part 2: Population Wide Survey								
Part 3: Financial Analysis								
Final Report and Presentation								

**Key Dates:**

**Jan. 29, 2014 ... Proposal Submitted**

**Feb. 10, 2014 ... General Population Survey Questions to Conal for Review**

**Feb. 24 - March 7, 2014 - General Population Survey**

**Mar. 31, 2014 ... Proposed Project Completion Date**

Fee Estimate
Queen's Business Consulting professional fee rate is \$150 per day per consultant. Each day is considered to be 7.5 hours. Billable hours have been broken down by deliverable in the work breakdown structure (Section B) as a blended sum of estimated hours of both consultants involved.

The fee for the work involved in this proposal and stated above in the work breakdown structure, includes:

Description	Billable		
	Hours	Days	Amount
Part 1: Minor User Group Consultation	30	4	\$ 600.00
Part 2: General Population Survey	90	12	\$ 1,800.00
Part 3: Financial Analysis	75	10	\$ 1,500.00
Final Report and Presentation	52.5	7	\$ 1,050.00
33 Days of Consulting @ 7.5 Hrs / Day	247.5	33	\$ 4,950.00
HST (13%)			\$ 643.50
After Tax Expenses			
Printing <sup>1</sup>			\$ 50.00
Travel Expenses <sup>2</sup>			\$ 300.00
<b>Total Fees and Expenses</b>			<b>\$ 5,943.50</b>

Notes

1. Two color copies of the final report
2. Two round-trip from Kingston to Brockville for 3 people by train

The cost stated above is the total amount of fee agreed upon between the City of Brockville (client) and Queen's Business Consulting. As indicated, we will have an expected date of completion to be March 31, 2014 or earlier.

To confirm your acceptance of this proposal, please sign and return one copy of this proposal with a retainer representing 50% of our engagement, or \$2,971.75 Upon completion of the engagement, we will send you an invoice for the remaining amount, \$2,971.75, which may be adjusted to reflect changes in scope and will include actual and/or approved additional expenditures such as travel or out of-pocket disbursements, as per our original proposal. Please note that your approval in writing will be required prior to any changes in scope or expenses over and above \$50.00

Please make your cheque payable to Queen's Business Consulting and send this cheque and one signed copy of this proposal letter to:

**Queen's Business Consulting**  
**C/O Robert Woyzbun; Director (room 220 Goodes Hall)**  
**Queen's School of Business**  
**Goodes Hall**  
**Queen's University**  
**Kingston, ON K7L 3N6**

Should you require an invoice in order to process our retainer and fee payments, one can be provided upon request.

**Disclaimer: Client Acceptance of the QBC Business Model**

QBC exerts its right to conduct its analysis objectively, and without bias. Findings reported in the final deliverable are based on the analysis agreed upon in this proposal, irrespective of the whether these conclusions support a desired client outcome otherwise.

QBC is committed to ensuring our clients are satisfied with the value of the work done and the quality of our reports. As a client of Queen's Business Consulting you understand the project is entirely managed and executed by Queen's School of Business students. It is your responsibility to accept or reject the findings and recommendations of the work conducted. However, acceptance or rejection does not reduce your financial responsibility for the work conducted unless the consultants failed to complete the work outlined in the proposal above. Please review the proposed steps listed in "Methodology", to ensure the steps match your expectations. Our work is reviewed by the Director for overall quality and consulting practice standards, but it is not supervised for analytical or strategic context. As a client of QBC you understand you are paying nominal per diem fees reflecting the nature of student-based consulting.

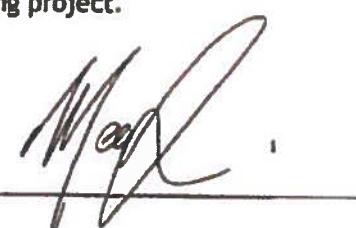
We look forward to working with you on this very interesting project.

Sincerely,



**Jacqueline Soong**  
Consultant  
Queen's Business Consulting

Email: [j.soong@queensu.ca](mailto:j.soong@queensu.ca)  
Phone: 647-984-3660



**Max Ripper**  
Consultant  
Queen's Business Consulting

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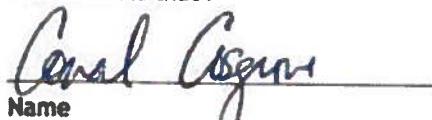


**Mackenzie Lovsin**  
Consultant  
Queen's Business Consulting

Email: [mackenzie.lovsin@queensu.ca](mailto:mackenzie.lovsin@queensu.ca)  
Phone: 613-329-1673

**Client Approval**

This certifies that I



Name

DIRECTOR OF OPERATIONS

Title

have the authority to bind my organization to engage with Queen's Business Consulting for this project.

Approved and accepted this 3<sup>rd</sup> day of February, 2014.

## Appendix 2 – User Group Questionnaire

---

1. What do you currently use the Centennial Youth Arena and/or Memorial Centre facility for?
2. How many members do you have?
3. What age groups does your user group consist of?
4. How often do you use the facilities above in terms of ice time?
5. Is the current number of hours of ice time allocated to your group sufficient?
6. If insufficient, how much more ice time would your group need?
7. Given the current user group fees, how much more would you be willing to pay for improved facilities?
8. What is the average travel time it takes for you and your user group to get to facilities?
9. Are you willing to use the Grenville and Leeds facilities? Have those facilities been able to meet your unmet demand for ice time?
10. What improvements would you like to see at the current facilities?
11. If summer ice were available, would your group purchase ice time during the off season? If so how much?
12. Are there any issues not discussed in the questions above that the city of Brockville should be made aware of to better meet your group's needs?

## Appendix 3 – User Groups of Other Facilities Questionnaire

---

1. How many members does your organization have?
2. How old are your members?
3. What recreational facilities in Brockville does your organization currently use?
  - Do you regularly use any facilities outside of Brockville?
4. What is the average travel time for the members of your user group to reach the existing facilities?
5. How many hours per week does your organization use these facilities?
6. Is the current time allocated to your organization sufficient?
  - If not, how much more time would your group need?
7. If new facilities were built in Brockville would your members be willing to pay increased user fees to cover construction costs?
8. Is the quality of the existing facilities adequate?
  - If not, what improvements would you like to see to existing facilities?
9. Does your organization use any recreation facilities in the off season?
  - If so, is the current time allocated to your user group adequate?
10. Would you be interested in having access to a facility that could accommodate your organization in the off season?
11. Are there any issues not discussed in the questions above that the city of Brockville should be made aware of to better meet your group's needs?

## Appendix 4 – Public Opinion Survey

### City of Brockville Arena Feasibility Study



*Please read questions carefully before answering*

1. How often do you or the members of your household use Brockville's existing arena facilities? (please circle)

Less than Once a Month      Once a Month      2-3 Times a Month      Once a Week      More than Once a Week

2. Brockville is considering building a new arena facility with two ice rinks. Are you... (please circle)

Strongly Opposed   Somewhat Opposed   Neither Opposed   Somewhat In Favour   Strongly In Favour   Unsure  
nor In Favour

3. If the new ice arena were to be built as a multiplex, which additional facilities would encourage you to use it more often? (Check all that apply)

- |  |   |
|--|---|
| <input type="checkbox"/> Gymnasium   | <input type="checkbox"/> Fitness Centre (weight room, fitness machines)                             |
| <input type="checkbox"/> Fitness Studios (available for aerobics, yoga, dances classes etc.) | <input type="checkbox"/> Summer Ice Time  |
| <input type="checkbox"/> Indoor Sports Field   | <input type="checkbox"/> Swimming Pool  |
| <input type="checkbox"/> Walking Track   | <input type="checkbox"/> Cafeteria  |
| <input type="checkbox"/> Physiotherapy and Sports Injuries Clinic                            | <input type="checkbox"/> Meeting Rooms (capable of holding 20-50 people)                            |
| <input type="checkbox"/> Pro Shop (small sporting goods retail outlet, skate sharpening)     | <input type="checkbox"/> I would not like to see any additional facilities added into the new arena |

I have another suggestion: \_\_\_\_\_

4. The City of Brockville would consider a combination of ways of paying for the City's share of the cost of a new ice arena or recreational facility (assumed to be 1/3 of the total cost). How appropriate is each of the following funding methods: (please check one for each option)

	Inappropriate	Somewhat Inappropriate	Somewhat Appropriate	Appropriate
Increased Property Tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased User Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Fundraising Campaigns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private Sector Funding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. What is your gender? (please circle)

Male      Female

6. Do you own a home in Brockville? (please circle)

Yes      No

7. Do you have children living at home? (please circle)

Yes      No

8. What age category do you fall under? (please circle)

18-25	26-40	41-50	51-65	65+	Prefer not to disclose
-------	-------	-------	-------	-----	------------------------

9. What is your annual household income? (please circle)

< \$25,000	\$25,000 - \$50,000	\$50,001 - \$75,000	\$75,001 - \$100,000	> \$100,000	Prefer not to disclose
------------	---------------------	---------------------	----------------------	-------------	------------------------

Thank you for taking the time to complete our survey. Please ask your interviewer for your free skating pass.

## Appendix 5 – Sample Size Calculation

The standard sample size formula seen below was used to determine the sample size for the public opinion survey.

$$S = \frac{N * Z_{\alpha/2}^2 * p * (1 - p)}{E^2(N - 1) + p(1 - p)}$$

Where:

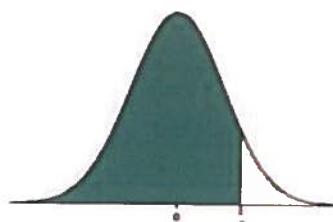
N = size of population = 36,825

Z = z-score for a two-tailed the confidence interval of 95% (+/- 2.5%) = 1.96 (shown in table below)

p = 50%

E = margin of error of 5%

**Table of Standard Normal Probabilities for Positive Z-scores**



z	0.00	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09
0.0	0.5000	0.5040	0.5080	0.5120	0.5160	0.5199	0.5239	0.5279	0.5319	0.5359
0.1	0.5398	0.5438	0.5478	0.5517	0.5557	0.5596	0.5636	0.5675	0.5714	0.5753
0.2	0.5793	0.5832	0.5871	0.5910	0.5948	0.5987	0.6026	0.6064	0.6103	0.6141
0.3	0.6179	0.6217	0.6255	0.6293	0.6331	0.6368	0.6406	0.6443	0.6480	0.6517
0.4	0.6554	0.6591	0.6628	0.6664	0.6700	0.6736	0.6772	0.6808	0.6844	0.6879
0.5	0.6915	0.6950	0.6985	0.7019	0.7054	0.7088	0.7123	0.7157	0.7190	0.7224
0.6	0.7257	0.7291	0.7324	0.7357	0.7389	0.7422	0.7454	0.7486	0.7517	0.7549
0.7	0.7580	0.7611	0.7642	0.7673	0.7704	0.7734	0.7764	0.7794	0.7823	0.7852
0.8	0.7881	0.7910	0.7939	0.7967	0.7995	0.8023	0.8051	0.8078	0.8106	0.8133
0.9	0.8159	0.8186	0.8212	0.8238	0.8264	0.8289	0.8315	0.8340	0.8365	0.8389
1.0	0.8413	0.8438	0.8461	0.8485	0.8508	0.8531	0.8554	0.8577	0.8599	0.8621
1.1	0.8643	0.8665	0.8686	0.8708	0.8729	0.8749	0.8770	0.8790	0.8810	0.8830
1.2	0.8849	0.8869	0.8888	0.8907	0.8925	0.8944	0.8962	0.8980	0.8997	0.9015
1.3	0.9032	0.9049	0.9066	0.9082	0.9099	0.9115	0.9131	0.9147	0.9162	0.9177
1.4	0.9192	0.9207	0.9222	0.9236	0.9251	0.9265	0.9279	0.9292	0.9306	0.9319
1.5	0.9332	0.9345	0.9357	0.9370	0.9382	0.9394	0.9406	0.9418	0.9429	0.9441
1.6	0.9452	0.9463	0.9474	0.9484	0.9495	0.9505	0.9515	0.9525	0.9535	0.9545
1.7	0.9554	0.9564	0.9573	0.9582	0.9591	0.9599	0.9608	0.9616	0.9625	0.9633
1.8	0.9641	0.9649	0.9656	0.9664	0.9671	0.9678	0.9686	0.9693	0.9699	0.9706
1.9	0.9713	0.9719	0.9726	0.9732	0.9738	0.9744	0.9750	0.9756	0.9761	0.9767
2.0	0.9772	0.9778	0.9783	0.9788	0.9793	0.9798	0.9803	0.9808	0.9812	0.9817
2.1	0.9821	0.9826	0.9830	0.9834	0.9838	0.9842	0.9846	0.9850	0.9854	0.9857
2.2	0.9861	0.9864	0.9868	0.9871	0.9875	0.9878	0.9881	0.9884	0.9887	0.9890
2.3	0.9893	0.9896	0.9898	0.9901	0.9904	0.9906	0.9909	0.9911	0.9913	0.9916
2.4	0.9918	0.9920	0.9922	0.9925	0.9927	0.9929	0.9931	0.9932	0.9934	0.9936
2.5	0.9938	0.9940	0.9941	0.9943	0.9945	0.9946	0.9948	0.9949	0.9951	0.9952
2.6	0.9953	0.9955	0.9956	0.9957	0.9959	0.9960	0.9961	0.9962	0.9963	0.9964
2.7	0.9965	0.9966	0.9967	0.9968	0.9969	0.9970	0.9971	0.9972	0.9973	0.9974
2.8	0.9974	0.9975	0.9976	0.9977	0.9977	0.9978	0.9979	0.9979	0.9980	0.9981
2.9	0.9981	0.9982	0.9982	0.9983	0.9984	0.9984	0.9985	0.9985	0.9986	0.9986
3.0	0.9987	0.9987	0.9987	0.9988	0.9988	0.9989	0.9989	0.9989	0.9990	0.9990
3.1	0.9990	0.9991	0.9991	0.9991	0.9992	0.9992	0.9992	0.9992	0.9993	0.9993
3.2	0.9993	0.9993	0.9994	0.9994	0.9994	0.9994	0.9995	0.9995	0.9995	0.9995
3.3	0.9995	0.9995	0.9995	0.9996	0.9996	0.9996	0.9996	0.9996	0.9997	0.9997
3.4	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9998

## Appendix 6 – Intercept Sentence

---

Hi, would you be interested in completing a short survey about recreational facilities for the City of Brockville? It will only take about 2 minutes to complete and we'll give you a free ice skating pass in return.

**Yes:** Great, thank you so much for participating. I'm a consultant from Queen's Business Consulting and we're working on behalf of the City of Brockville to determine public support for new recreational facilities in Brockville. The City will be using this information to develop plans for new facilities that best meet the community's needs. Do you have any questions before you get started? Please fill out this questionnaire to the best of your knowledge, you may stop at any time or skip questions that make you feel uncomfortable.

**No:** Okay thanks for your time have a great day!

## Appendix 7 – Accuracy of Public Survey Representation

---

Queen's Business Consulting is confident in presenting the raw data to the City of Brockville and its affiliates because the report draws attention to important trends and relationships between data points. The alternative to presenting the raw data was to weight and scale the survey results based the adult population of Brockville and the surrounding area. Research from the Pennsylvania State University was used to determine how to approach data scaling; QBC deemed that data weighting would severely undermine the integrity of gathered research. The demographic information relevant to arena feasibility study is not limited to age demographics but also income, children living at home and homeownership in Brockville. Scaling by three characteristics and requires more robust data than QBC did not collect. Any form of data weighting would decrease the confidence interval below 95% and increase the margin of error beyond 5%.

Thus, QBC took into consideration the recommendations made in the research piece by comparing independent variables (demographic information) with model variables (content questions, i.e. Level of support) and stating the conclusions from the data comparison.

Source: David R. Johnson, *Using Weights in the Analysis of Survey Data* (State College: The Pennsylvania State University Popular Research Institute, November 2008)

## Appendix 8 – Public Opinion Survey Results

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1. How often do you or the members of your household use Brockville's existing arena facilities?

#	Answer	Response
1	Less than Once a Month	237
2	Once a Month	42
3	2-3 Times a Month	34
4	Once a Week	32
5	More than Once a Week	46
	Total	391

2. Brockville is  
new arena facility  
you...

considering building a  
with two ice rinks. Are

#	Answer	Response
1	Strongly opposed	12
2	Somewhat opposed	7
3	Neither opposed nor in favour	54
4	Somewhat in favour	83
5	Strongly in Favour	219
6	Unsure	17
	Total	392

3. If the new ice arena were to be built as a multiplex, which additional facilities would encourage you to use it more often?

#	Answer	Response
1	Swimming Pool	219
2	Indoor Sports Field	206
3	Fitness Centre (weight room, fitness machines)	208
4	Walking Track	203
5	Fitness Studios (available for aerobics, yoga, dance classes etc.)	153
6	Summer Ice Time	149
7	Cafeteria	132
8	Physiotherapy and Sports Injuries Clinic	108
9	Gymnasium	100
10	Pro Shop (small sporting goods retail outlet, skate sharpening)	79
11	I would not like to see any additional facilities added into the new arena	71
12	Meeting Rooms (capable of holding 20-50 people)	60
13	I have another suggestion	12

4. The City of Brockville would consider a combination of ways of paying for the City's share of the cost of a new ice arena or recreational facility (assumed to be 1/3 of the total cost). How appropriate is each of the following funding methods:

#		Inappropriate	Somewhat Inappropriate	Somewhat Appropriate	Appropriate	Decline to Answer	Total Responses
1	Increased Property Tax	151	65	99	40	33	388
2	Increased User Fees	42	57	154	101	32	386
4	Private Sector Funding	6	19	74	262	25	386
3	Public Fundraising Campaigns	8	9	65	286	19	387

5. What is your gender?

#	Answer	Response
1	Male	166
2	Female	227
	Total	393

6. Do you own a home in Brockville?

#	Answer	Response
1	Yes	190
2	No	202
	Total	392

7. Do you have children living at home?

#	Answer	Response
1	Yes	169
2	No	224
	Total	393

8. What age category do you fall under?

#	Answer	Response
1	18-25	43
2	26-40	98
3	41-50	80
4	51-65	101
5	65+	57
6	Prefer not to Disclose	11
	Total	390

9. What is your annual household income?

#	Answer	Response
1	<\$25,000	35

2	\$25,000 to \$50,000	92
3	\$50,001 to \$75,000	82
4	\$75,001 to \$100,000	59
5	>\$100,000	43
6	Prefer not to Disclose	82
	Total	393

## Appendix 9 – Annual Household Income vs. Increased Property Tax

The table below displays the response to the question “The City of Brockville would consider a combination of ways of paying for the City's share of the cost of a new ice arena or recreational facility (assumed to be 1/3 of the total cost). How appropriate is an Increase in Property Taxes?” categorized by the respondents' level of annual household income. The second table provides the average responses of each demographic group, where 1 = inappropriate and 4 = appropriate, decline to answer was not included in the average.

**How to read the tables:** by crossing the column labelled “inappropriate” and row labelled “<\$25,000”, the number in the cell is 19 (54%). This can be interpreted as 19 respondents with an annual household income of less than \$25,000 believed that an increase in property taxes are inappropriate for the project. These 19 opinions represent 54% of the total responses by individuals with an annual household income of less than \$25,000. Appendices 8 through 13 all have the same format. In the average table, the average answer for respondents with <\$25,000 in annual household income is between inappropriate and somewhat inappropriate.

The City of Brockville would consider a combination of ways of paying for the City's share of the cost of a new ice arena or recreational facility (assumed to be 1/3 of the total cost). How appropriate is an Increase in Property Taxes?						
	Inappropriate	Somewhat Inappropriate	Somewhat Appropriate	Appropriate	Decline to Answer	Total
What is your annual household income?	<\$25,000	19 (54%)	4 (11%)	3 (9%)	3 (9%)	6 (17%)
	\$25,000 to \$50,000	31 (34%)	18 (20%)	25 (27%)	10 (11%)	7 (8%)
	\$50,001 to \$75,000	31 (38%)	12 (15%)	25 (31%)	5 (6%)	8 (10%)
	\$75,001 to \$100,000	17 (29%)	12 (20%)	24 (41%)	4 (7%)	2 (3%)
	>\$100,000	12 (29%)	5 (12%)	11 (26%)	12 (29%)	2 (5%)
	Prefer not to Disclose	41 (47%)	14 (16%)	11 (13%)	6 (7%)	15 (17%)
	Total	151 (38%)	65 (16%)	99 (25%)	40 (10%)	40 (10%)
395 (100%)						

	Average Response
<\$25,000	1.66
\$25,000 to \$50,000	2.17
\$50,001 to \$75,000	2.05
\$75,001 to \$100,000	2.26
>\$100,000	2.58
Prefer not to Disclose	1.75
Total	2.08

## Appendix 10 – Homeownership Status in Brockville vs. Increased Property Tax

The table below displays the response to the question “The City of Brockville would consider a combination of ways of paying for the City's share of the cost of a new ice arena or recreational facility (assumed to be 1/3 of the total cost). How appropriate is an Increase in Property Taxes?” categorized by whether or not respondents owned a home in Brockville. The second table provides the average responses of each demographic group, where 1 = inappropriate and 4 = appropriate, decline to answer was not included in the average.

The City of Brockville would consider a combination of ways of paying for the City's share of the cost of a new ice arena or recreational facility (assumed to be 1/3 of the total cost). How appropriate is an Increase in Property Taxes?							
		Inappropriate	Somewhat Inappropriate	Somewhat Appropriate	Appropriate	Decline to Answer	Total
Do you own a home in Brockville?	Yes	88 (46%)	24 (13%)	47 (25%)	19 (10%)	13 (7%)	191 (48%)
	No	63 (31%)	42 (21%)	53 (26%)	23 (11%)	23 (11%)	204 (52%)
	Total	150 (38%)	65 (16%)	99 (25%)	40 (10%)	33 (8%)	395 (100%)

	Average Response
Yes	1.98
No	2.20
Total	2.04

## Appendix 11 – Average Level of Use vs. Increased User Fees

The table below displays the response to the question “The City of Brockville would consider a combination of ways of paying for the City's share of the cost of a new ice arena or recreational facility (assumed to be 1/3 of the total cost). How appropriate is an Increase in User Fees?” categorized by how often the respondent and their household used Brockville’s existing arena facilities. The second table provides the average responses of each demographic group, where 1 = inappropriate and 4 = appropriate, decline to answer was not included in the average.

The City of Brockville would consider a combination of ways of paying for the City's share of the cost of a new ice arena or recreational facility (assumed to be 1/3 of the total cost). How appropriate are an Increase in User Fees?							
		Inappropriate	Somewhat Inappropriate	Somewhat Appropriate	Appropriate	Decline to Answer	Total
On average, how often do you or the members of your household use Brockville's existing arena facilities?	Less than Once a Month	24 (10%)	36 (16%)	78 (34%)	73 (31%)	21 (9%)	232 (60%)
	Once a Month	3 (8%)	5 (13%)	24 (60%)	6 (15%)	2 (5%)	40 (10%)
	2-3 Times a Month	2 (6%)	5 (15%)	18 (53%)	6 (18%)	3 (9%)	34 (9%)
	Once a Week	6 (19%)	6 (19%)	13 (41%)	5 (16%)	2 (6%)	32 (8%)
	More than Once a Week	7 (15%)	5 (11%)	21 (46%)	10 (22%)	3 (7%)	46 (12%)
	Total	42 (11%)	57 (15%)	154 (40%)	100 (26%)	31 (8%)	384 (100%)
Non Users (Less than once a week)		29 (9%)	46 (15%)	120 (39%)	85 (28%)	26 (8%)	306 (80%)
Users (Once a week or more)		13 (17%)	11 (14%)	34 (44%)	15 (19%)	5 (6%)	78 (20%)
Total		42 (11%)	57 (15%)	154 (40%)	100 (26%)	31 (8%)	384 (100%)
		Average Response					
Less than Once a Month		2.95					
Once a Month		2.87					
2-3 Times a Month		2.90					
Once a Week		2.57					
More than Once a Week		2.79					
Total		2.88					

## Appendix 12 – Age vs. Support

The table below displays the response to the question “Brockville is considering building a new arena facility with two ice rinks. Are you strongly opposed, somewhat opposed, neither opposed nor in favour, somewhat in favour, strongly in favour, or unsure?” categorized by the respondents’ age category. The second table provides the average responses of each demographic group, where 1 = strongly opposed and 5 = strongly in favour, unsure was not included in the average.

		Brockville is considering building a new arena facility with two ice rinks. Are you...						
		Strongly opposed	Somewhat opposed	Neither opposed nor in favour	Somewhat in favour	Strongly in Favour	Unsure	Total
What age category do you fall under?	18-25	1 (2%)	3 (7%)	1 (2%)	12 (28%)	25 (58%)	1 (2%)	43 (11%)
	26-40	0	0	10 (10%)	22 (23%)	63 (65%)	2 (2%)	97 (25%)
	41-50	0	1 (1%)	21 (26%)	8 (10%)	46 (58%)	4 (5%)	80 (20%)
	51-65	4 (4%)	0	12 (12%)	24 (24%)	57 (56%)	4 (4%)	101 (26%)
	65+	5 (9%)	3 (5%)	6 (11%)	17 (30%)	20 (35%)	6 (11%)	57 (14%)
	Prefer not to Disclose	2 (12%)	0	4 (24%)	0	5 (29%)	6 (35%)	17 (4%)
	Total	12 (3%)	7 (2%)	54 (14%)	83 (21%)	216 (55%)	23 (6%)	395 (100%)

	Average Response
Strongly opposed	4.20
Somewhat opposed	3.00
Neither opposed nor in favour	3.24
Somewhat in favour	3.14
Strongly in Favour	2.92
Unsure	3.71
Total	3.08

## Appendix 13 – Children Living at Home vs. Level of Support

The table below displays the response to the question “Brockville is considering building a new arena facility with two ice rinks. Are you strongly opposed, somewhat opposed, neither opposed nor in favour, somewhat in favour, strongly in favour, or unsure?” categorized by whether or not the respondent had children living at home. The second table provides the average responses of each demographic group, where 1 = strongly opposed and 5 =strongly in favour, unsure was not included in the average.

Brockville is considering building a new arena facility with two ice rinks. Are you...								
		Strongly opposed	Somewhat opposed	Neither opposed nor in favour	Somewhat in favour	Strongly in Favour	Unsure	Total
Do you have children living at home?	Yes	2 (1%)	0	19 (11%)	27 (16%)	117 (69%)	4 (2%)	169 (43%)
	No	10 (4%)	7 (3%)	35 (16%)	56 (25%)	102 (46%)	13 (6%)	223 (57%)
	Total	12 (3%)	7 (2%)	54 (14%)	83 (21%)	219 (56%)	17 (4%)	392(100%)

	Average Response
Yes	4.56
No	4.11
Total	4.31

## Appendix 14 – Average Level of Use vs. Level of Support

The table below displays the response to the question “Brockville is considering building a new arena facility with two ice rinks. Are you strongly opposed, somewhat opposed, neither opposed nor in favour, somewhat in favour, strongly in favour, or unsure?” categorized by how often the respondent and their household used Brockville’s existing arena facilities. The second table provides the average responses of each demographic group, where 1 = strongly opposed and 5 =strongly in favour, unsure was not included in the average.

Brockville is considering building a new arena facility with two ice rinks. Are you...								
		Strongly opposed	Somewhat opposed	Neither opposed nor in favour	Somewhat in favour	Strongly in Favour	Unsure	Total
On average, how often do you or the members of your household use Brockville's existing arena facilities?	Less than Once a Month	10 (4%)	2 (1%)	44 (19%)	63 (27%)	103 (44%)	14 (6%)	236 (61%)
	Once a Month	0	3 (7%)	5 (12%)	5 (12%)	28 (67%)	1 (2%)	42 (11%)
	2-3 Times a Month	0	2 (6%)	1 (3%)	4 (12%)	26 (76%)	1 (3%)	34 (9%)
	Once a Week	1 (3%)	0	2 (6%)	7 (22%)	22 (69%)	0	32 (8%)
	More than Once a Week	1 (2%)	0	2 (4%)	3 (7%)	40 (87%)	0	46 (12%)
	Total	12 (3%)	7 (2%)	54 (14%)	82 (21%)	219 (56%)	16 (4%)	390 (100%)
	Non-user	10 (3%)	7 (2%)	50 (16%)	72 (23%)	157 (50%)	16 (5%)	312 (80%)
	User	2 (3%)	0	4 (5%)	10 (13%)	62 (79%)	0	78 (20%)
	Total	12 (3%)	7 (2%)	54 (14%)	82 (21%)	219 (56%)	16 (4%)	390 (100%)

	Average Response
Less than Once a Month	4.45
Once a Month	4.56
2-3 Times a Month	4.82
Once a Week	4.50
More than Once a Week	4.74
Total	4.53

## Appendix 15 – Expected Revenue

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### Brockville Twin Pad Arena: Expected Revenues (Rounded to the Nearest 00)

<b>Ice Rentals</b>	<b>2016 Hourly Rates</b>	<b>Total Hours<sup>5</sup></b>	<b>Weekly Revenue</b>	<b>Annual Revenue<sup>1</sup></b>
<b>Pad 1<sup>2</sup></b>				
Adult Prime	\$ 198	6.5	\$ 1,287	
Adult Mid	\$ 150	0	\$ -	
Adult Not Prime	\$ 81	1	\$ 81	
Youth Prime Time	\$ 150	62.5	\$ 9,375	
Youth Non Prime Time	\$ 81	0	\$ -	
<b>Subtotal (Pad 1)</b>		<b>70</b>	<b>\$ 10,743</b>	<b>\$ 300,800</b>
<b>Pad 2<sup>3</sup></b>				
<b>Categories</b>				
Adult Prime	\$ 198	18	\$ 3,564	
Adult Mid	\$ 150	2.5	\$ 375	
Adult Not Prime	\$ 81	0	\$ -	
Youth Prime Time	\$ 150	35.5	\$ 5,325	
Youth Non Prime Time	\$ 81	0	\$ -	
<b>Subtotal (Pad 2)</b>		<b>56</b>	<b>\$ 9,264</b>	<b>\$ 259,400</b>
<b>Summer Ice</b>				
Adult Prime	\$ 198	12.5	\$ 2,475	
Youth Prime	\$ 150	15	\$ 2,250	
<b>Subtotal (Summer)</b>		<b>27.5</b>	<b>\$ 4,725</b>	<b>\$ 18,900</b>
<b>Summer Tournaments &amp; Training Camps<sup>4</sup></b>				
Adult Prime	\$ 198	80	\$ 15,840	
Youth Prime	\$ 150	100	\$ 15,000	
<b>Subtotal (Tournaments &amp; Training Camps)</b>		<b>180</b>	<b>\$ 30,840</b>	<b>\$ 30,800</b>
<b>Total Revenue from Ice Rentals</b>			<b>\$ 609,900</b>	
<b>Revenue From Additional Amenities<sup>6</sup></b>			<b>\$ 47,600</b>	
<b>Total Facility Revenue</b>			<b>\$ 657,500</b>	

<sup>1</sup> Assume 28 weeks of regular hockey season and 4 weeks of summer season

<sup>2</sup> Assume Pad 1 will replace the Youth Arena

<sup>3</sup> Assume Pad 2 will satisfy unmet demand

<sup>4</sup> Assume 20 hours of ice rental per tournament or training camp

<sup>5</sup> Estimated based on interviews with user groups (see part 1) and existing utilization of youth arena

<sup>6</sup> See note on revenues from additional amenities

## Appendix 16 – Supplementary Sources of Revenue

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### Supplementary Sources of Revenue (Rounded to the Nearest 00)

Alternate Sources of Revenue	Twin Pad Notes
Walking Track	\$ - No associated revenues. Most walking tracks are free to use.
Community Meeting Rooms	\$ 13,000 \$50 per hour Rental Fee assume 5 hours per week for 52 weeks Brockville's Memorial Center and Strathcona Paper Center have stadium style seating and junior teams. Most concession sales occur during these games. Revenues will be approximately double youth arena due to doubling of traffic.
Concession	\$ 5,000 Strathcona Paper Center revenue less 10% discount due to lack of stadium style seating and Junior games. In house advertising is more desirable due to the hiring of a marketing professional
<b>Total</b>	<b>\$ 47,600</b>

## Appendix 17 – Expected Operating Expenses

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### Brockville Twin Pad Arena: Expected Operating Expenses (Rounded to the Nearest 00)

	Notes
<b>Total Revenue</b>	<b>\$ 657,500</b> See Revenue Note
<b>Arena Expenses</b>	
Wages	\$ 567,500 See Wages Note
HRM	\$ 6,000 Same as allocation to Memorial Center and Youth Arena
Natural Gas	\$ 30,000 Same as natural gas cost for Memorial Center. Estimate provided by Earle Moore
Hydro	\$ 190,300 Average of the hydro cost for Strathcona, Smiths falls and the sum of both Brockville Arenas
Water	\$ 26,500 Average of 3 Comparable Facilities. The twin pad will have 2 ice resurfacing machines. Each of Brockville's existing ice resurfacing machines costs approximately \$9,000 per year to maintain. 10% discount per machine to reflect the fact that the machines will be new and require less maintenance
Ice Resurfacing Machine	\$ 14,400 \$9,000 per year to maintain. 10% discount per machine to reflect the fact that the machines will be new and require less maintenance
Office Expenses	\$ 10,700 See Office Expense Note
Insurance	\$ 8,300 Estimate provided by Lesley White
Janitorial Supplies	\$ 12,000 No economies of scale are predicted since amount appears proportional to the size of the facility. Amount expected to be double the Memorial Center Cost.
Materials and Supplies and Service Contracts	\$ 146,200 Average of the total maintenance cost for the comparable facilities less a 10% discount for reduced travel time.
Snow Removal	\$ 13,100 See Snow Removal Note
Cost of Debt	\$ 118,700 Borrow 1/2 of the city's share (assumed to be 1/3) of the total \$15M cost. Borrow \$2.5 million. Interest rate is expected to be 4.75%
<b>Total Arena Expenses</b>	<b>\$ 1,143,700</b>
<b>Operating Profit (Loss)</b>	<b>\$ (486,200)</b>
Profit (Loss) as a % of Total Revenue	-74%

## Appendix 18 – Labour Expense

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### Labour Expenses (Rounded to the Nearest 00)

Wages for Twin Pad Arena	Number of Staff	2016 Salary <sup>1</sup>	2016 Wage <sup>1</sup>	% of Salary Allocated to Twin Pad <sup>2</sup>	Hours Allocated to Twin Pad <sup>2</sup>	Total Cost	Benefits <sup>3</sup>	Total Labour Cost
<b>Administration</b>								
Facility Sub-Foreman <sup>4</sup>	1	\$ 50,000	\$ 30.66		832	\$ 25,500	\$ 7,700	
Facilities Administration	1	\$ 81,700		40%		\$ 20,000	\$ 6,000	
Arena and Facilities Supervisor	1	\$ 44,000		40%		\$ 32,700	\$ 9,800	
Marketing				40%		\$ 17,600	\$ -	
<b>Total Administration</b>						\$ 95,800	\$ 23,500	
<b>Facility Specific Staff</b>								
Full Time Facility Operators with CIT <sup>5</sup>	3-4		\$ 26.31		6550	\$ 172,300	\$ 51,700	
Full Time Facility Maintenance Operators <sup>6</sup>	3		\$ 17.00		6000	\$ 102,000	\$ 30,600	
Part Time Casual <sup>7</sup>	Unknown					\$ 66,400	\$ -	
Public Skating Ticket Seller	1		\$ 11.93		36	\$ 400	\$ -	
Overtime	Unknown	\$ 15,500		50%		\$ 7,800	\$ -	
Summer Attendant <sup>8</sup>	1-2		\$ 17.00		1000	\$ 17,000	\$ -	
<b>Total Facility Specific Wages</b>						\$ 365,900	\$ 82,300	
<b>Total Wages</b>						\$ 461,700	\$ 105,800	\$ 567,500

<sup>1</sup> Wages and Salaries are estimated assuming the facility will open for the 2015-2016 winter season. Annual wage and salary increase is estimated to be 1.5%

<sup>2</sup> Administration costs are allocated to the various facilities based on expected division of work. Estimates provided by facilities supervisor Earle Moore.

<sup>3</sup> Benefits are expected to average 30% of salary or wage where applicable

<sup>4</sup> Facility Sub Forman is assumed to work 40 hours per week, 52 weeks per year for a total of 2080 hours. 40% of his time will be allocated to the new twin pad facility

<sup>5</sup> One operator with CIT is assumed to be onsite whenever the arena is open from 6 am - midnight 7 days per week

<sup>6</sup> Two additional full time operators are assumed to be onsite during prime time from 2 pm - midnight 5 days per week and from 6 am - midnight on weekends

<sup>7</sup> See Part Time Casual Allocation

<sup>8</sup> 4 months (May-August), 56 hours per week

## Appendix 19 – Part Time Casual Wage Expense

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### Part Time, Casual Wage Expenses (Rounded to the Nearest 00)

#### Existing Facilities

	12 Youth	13 Youth	14 Youth	12 Memorial	13 Memorial	14 Memorial
Actual Full Time Labour Expense	\$ 133,700	\$ 111,400	\$ 95,000	\$ 152,800	\$ 178,900	\$ 212,400
Actual Part Time, Casual Labour Expense	\$ 42,200	\$ 36,400	\$ 31,400	\$ 37,000	\$ 45,800	\$ 54,000
Part Time, Casual as a % of FT Labour	32%	33%	33%	24%	26%	25%
<b>Average</b>				<b>29%</b>		

#### Twin Pad

	2016 Estimated	Notes
Estimated Full Time Labour	\$ 352,500	Allocated administration (excluding marketing) and full time operator wages
Estimated Part Time Casual Labour	\$ 102,200	Estimated full time labour * % average part time casual
<b>Less Discount (35%)</b>	<b>\$ 66,400</b>	

## Appendix 20 – Office Expenses

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### Office Expenses (Rounded to the Nearest 00)

Office Expenses	Memorial Center	Twin Pad	Notes
Printing Postage & Stationary	\$ 3,000	\$ 3,000	
General Advertising	\$ 1,200	\$ 1,200	
Special Event Advertising	\$ 6,300	\$ -	Expected to be same as existing Memorial Center because administration office will be moved from the
Telephone & Fax	\$ 2,400	\$ 2,400	memorial center to the new facility. Please note that in the overall city budget office expenses are
Cellular & Pager	\$ 1,400	\$ 1,400	double counted because they have yet to be subtracted from the memorial center. Despite this technical
Modem & Computer	\$ 500	\$ 500	error this amount is immaterial and should not impact decision making.
Actuarial Costs	\$ 200	\$ 200	
Auditing	\$ 500	\$ 500	
Bank Service Charges	\$ 2,000	\$ 1,500	25% reduction from memorial center due to the absence of ticket sales in the new facility
<b>Total</b>	<b>\$ 17,500</b>	<b>\$ 10,700</b>	

## Appendix 21 – Snow Removal Expense

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### Snow Removal Expense (Rounded to the Nearest 00)

Snow Removal Costs	Memorial	Twin Pad	Notes
Full Time	\$ 2,400	\$ 2,900	Parking lot will be similar in size if not slightly larger than the memorial center. 20% premium added to memorial center
Non Standard Hours	\$ 700	\$ 800	costs to account for increase in parking lot size and plowing costs through 2016
Benefit Burden	\$ 800	\$ 800	Adjusted for annual increase at 1.5% per year + 20% for increased lot size and plowing costs
Purchase of Materials	\$ 200	\$ 200	
General Contracted Services	\$ 4,500	\$ 5,400	Parking lot will be similar in size if not slightly larger than the memorial center. 20% premium added to memorial center
Vehicle Rental Rates	\$ 2,500	\$ 3,000	costs to account for increase in parking lot size and plowing costs through 2016
Total Snow Removal	\$ 11,100	\$ 13,100	

## Appendix 22 – Sensitivity Analysis

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### Brockville Twin Pad Arena: Revenue Sensitivity Analysis

% of Budget Realized	% of User Fee Increase (Decrease)							
	-10%	-5%	0%	5%	10%	15%	20%	
115%	\$ 680,513	\$ 718,319	\$ 756,125	\$ 793,931	\$ 831,738	\$ 869,544	\$ 907,350	
110%	\$ 650,925	\$ 687,088	\$ 723,250	\$ 759,413	\$ 795,575	\$ 831,738	\$ 867,900	
105%	\$ 621,338	\$ 655,856	\$ 690,375	\$ 724,894	\$ 759,413	\$ 793,931	\$ 828,450	
100%	\$ 591,750	\$ 624,625	\$ 657,500	\$ 690,375	\$ 723,250	\$ 756,125	\$ 789,000	
95%	\$ 562,163	\$ 593,394	\$ 624,625	\$ 655,856	\$ 687,088	\$ 718,319	\$ 749,550	
90%	\$ 532,575	\$ 562,163	\$ 591,750	\$ 621,338	\$ 650,925	\$ 680,513	\$ 710,100	
85%	\$ 502,988	\$ 530,931	\$ 558,875	\$ 586,819	\$ 614,763	\$ 642,706	\$ 670,650	
80%	\$ 473,400	\$ 499,700	\$ 526,000	\$ 552,300	\$ 578,600	\$ 604,900	\$ 631,200	
75%	\$ 443,813	\$ 468,469	\$ 493,125	\$ 517,781	\$ 542,438	\$ 567,094	\$ 591,750	
70%	\$ 414,225	\$ 437,238	\$ 460,250	\$ 483,263	\$ 506,275	\$ 529,288	\$ 552,300	

### Brockville Twin Pad Arena: Profit Sensitivity Analysis

% of Budget Realized	% of User Fee Increase (Decrease)							
	-10%	-5%	0%	5%	10%	15%	20%	
115%	\$ (463,188)	\$ (425,381)	\$ (387,575)	\$ (349,769)	\$ (311,963)	\$ (274,156)	\$ (236,350)	
110%	\$ (492,775)	\$ (456,613)	\$ (420,450)	\$ (384,288)	\$ (348,125)	\$ (311,963)	\$ (275,800)	
105%	\$ (522,363)	\$ (487,844)	\$ (453,325)	\$ (418,806)	\$ (384,288)	\$ (349,769)	\$ (315,250)	
100%	\$ (551,950)	\$ (519,075)	\$ (486,200)	\$ (453,325)	\$ (420,450)	\$ (387,575)	\$ (354,700)	
95%	\$ (581,538)	\$ (550,306)	\$ (519,075)	\$ (487,844)	\$ (456,613)	\$ (425,381)	\$ (394,150)	
90%	\$ (611,125)	\$ (581,538)	\$ (551,950)	\$ (522,363)	\$ (492,775)	\$ (463,188)	\$ (433,600)	
85%	\$ (640,713)	\$ (612,769)	\$ (584,825)	\$ (556,881)	\$ (528,938)	\$ (500,994)	\$ (473,050)	
80%	\$ (670,300)	\$ (644,000)	\$ (617,700)	\$ (591,400)	\$ (565,100)	\$ (538,800)	\$ (512,500)	
75%	\$ (699,888)	\$ (675,231)	\$ (650,575)	\$ (625,919)	\$ (601,263)	\$ (576,606)	\$ (551,950)	
70%	\$ (729,475)	\$ (706,463)	\$ (683,450)	\$ (660,438)	\$ (637,425)	\$ (614,413)	\$ (591,400)	

**May 06, 2014**

**REPORT TO FINANCE, ADMINISTRATION AND OPERATIONS COMMITTEE – May  
20, 2014**

**2014-054-05**

**WATER POLLUTION CONTROL CENTRE  
BUILDING USE PROPOSAL**

**P. RAABE, P.ENG.  
DIRECTOR OF  
ENVIRONMENTAL SERVICES**

**RECOMMENDED**

THAT the City of Brockville permit the Brockville & District Chamber of Commerce's Tourism Department to use the former Water Pollution Control Centre Administration building for the remainder of 2014 at no cost and;

THAT the City of Brockville permit the Brockville & District Chamber of Commerce's Tourism Department to place a storage building in the existing asphalt parking at the former Water Pollution Control Centre Administration building.

**PURPOSE**

To request Council's permission to use the former WPCC Administration building and parking lot.

**BACKGROUND/ANALYSIS**

The Eastern Ontario Events Centre (EOEC) was established in 2012 as part of the St. Lawrence War of 1812 Bicentennial Alliance commemoration activities. The Centre provides support to festival organizers in the form of event equipment and training. All events have similar needs (signage, radios, recycling bins, cash boxes, pylons, security vests, etc.) and by sharing or renting for a low fee, festival organizers can stage safer and better organized successful events.

Now that the Bicentennial is over, the EOEC has turned over the Event Centre operation as a legacy to the Brockville & District of Commerce's Tourism Department.

In the fall of 2013, the Event Centre contacted the City in search of a building to store the event equipment over the winter in anticipation of finding a new home for it in 2014. Unfortunately, with the Brockville Tourism Department's own facility possibly to be demolished this has not happened and they would like to continue to use the former WPCC Administration building.

For the most part the former WPCC Administration building is currently vacant with the exception of the main floor which is being used by the EOEC for storage and a portion of the first floor which is being used by the Aquatarium to store some equipment.

2014-054-05  
Water Pollution Control Centre  
Building Use Proposal

Page 2 of 2

The WPCC staff conducts regular inspections of the building to ensure its continued integrity and for security reasons. Minimum heat is maintained through the winter to prevent water lines from freezing.

Brockville Tourism proposes the facility space be rent free. They do not require heat, hydro or water. Should there be an increase in taxes as a result of their usage, they would be willing to pay for the increase. They do not anticipate any snow removal but if required they would be responsible.

The EOEC has content insurance of \$30,000 plus liability insurance of \$2 million. As the City presently covers the costs including insurance of the existing Tourism offices, it is requested that the same arrangement for their share of the WPCC building.

The EOEC would also like to place a recently purchased 14' x 32' storage building in the corner of the existing asphalt parking lot at the WPCC building. The storage building will house the larger pieces of equipment that cannot fit through the WPCC doors and have been stored outside this past winter. All costs incurred for this building including the building permit, installation and removal will be covered by Tourism Brockville.

### POLICY IMPLICATIONS

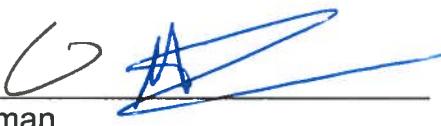
There are no policy implications.

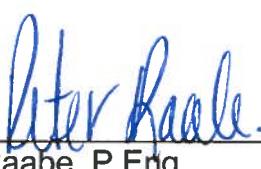
### FINANCIAL CONSIDERATIONS

There are not any perceived additional costs to the City at this time.

### CONCLUSION

It is recommended that Council accept the proposal from Tourism Brockville to continue to use the former WPCC Administration building as requested.

  
B. Casselman  
City Manager

  
P. Raabe, P.Eng.  
Director of Environmental Services

  
D. Dick, CA, CPA  
Director of Corporate Services

**May 12, 2014**

**REPORT TO FINANCE, ADMINISTRATION AND OPERATIONS COMMITTEE – May  
20, 2014**

**2014-060-05  
SEWER USE BY-LAW**

**P. RAABE, P.ENG.  
DIRECTOR OF  
ENVIRONMENTAL SERVICES**

**RECOMMENDED**

THAT Council authorize the enactment of a by-law to regulate the use of sewers in the City of Brockville, as attached to staff report 2014-060-05; and

THAT By-Law 12-91 by repealed.

**PURPOSE**

To update the City's Sewer Use By-law.

**BACKGROUND**

The City's existing sewer use by-law was last updated in 1991. Since that time there have been a number of changes in the wastewater industry and with the recent upgrades to the City's pollution control plant staff felt that the by-law needed to be updated.

**ANALYSIS**

The new by-law is based and structured on the Canadian Council of Ministers of the Environment (CCME) template. Most municipalities across Canada have adopted this template and many of the standards and policies within it. It appears that the City's 1991 by-law was also based on the CCME template of the time.

Although a comprehensive review of the by-law was completed, there were no major revisions to the document. The definitions section was updated so that the terminology and definitions are consistent with today's standards as was the body of the by-law. The biggest change was the inclusion of a penalties section and the associated fine schedule. This change was made to give staff the ability to issue small fines (\$200-500) when minor infractions of the by-law are made. The existing by-law is set up to deal with bigger issues and larger fines in the tens of thousands of dollars.

Local industries are aware of the pending by-law revisions. A copy of the draft by-law has been distributed to a number of them for their review and comment but to date no comments have been received. For the most part, any revisions to the by-law will have very little if any negative impact to the City's larger industries.

## POLICY IMPLICATIONS

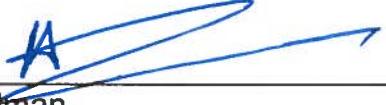
There are no policy implications.

## FINANCIAL CONSIDERATIONS

There are not any perceived costs to the City at this time.

## CONCLUSION

It is recommended that Council authorize the revised Sewer Use By-law and that the existing by-law be repealed.

  
B. Casselman  
City Manager

  
P. Raabe, P.Eng.  
Director of Environmental Services

# **City of Brockville**

## **Ontario, Canada**



**A By-law of the  
Corporation of the City of Brockville  
to Regulate the Use of Sewers  
By-law No. XXX-2014**

**Enacted by Council**

**A By-Law to Regulate the Use of Sewers  
Within the City of Brockville**

**Table of Contents**

1.	Definitions .....	1
2.	Sanitary And Combined Sewer Requirements .....	8
3.	Storm Sewer Requirements .....	9
4.	Prohibition Of Dilution .....	11
5.	Sampling And Analytical Requirements .....	12
6.	Discharger Self-Monitoring.....	12
7.	Waste Survey Reports .....	12
8.	Over Strength Surcharge Agreements .....	13
9.	Grease/Sediment Interceptors .....	14
10.	Pretreatment Facilities .....	16
11.	Hauled Wastewater.....	16
12.	Hauled Waste.....	17
13.	Non-Contact Cooling Water .....	18
14.	Water Originating From A Source Other Than The Municipal Water Supply .....	18
15.	Spills .....	18
16.	Authority Of The Municipality To Investigate.....	20
17.	Disconnection Of Sewer.....	21
18.	Protection From Damage .....	21
19.	Monitoring Access Points.....	22
20.	Compliance Programs.....	22
21.	Access To Information .....	24
22.	Penalties .....	24
23.	Offences.....	24
24.	Interpretation.....	25
25.	Repeal.....	25
	Schedule "A" - Prohibited Wastes.....	26
	Schedule "B" Restricted Waste.....	29
	Sanitary And Combined Sewers Discharge .....	29
	Schedule "C" Restricted Waste – Storm Sewer Discharge .....	31
	Schedule "D" Best Management Practices Plan .....	32
	Schedule "E" Part 1 Provincial Offences Act.....	33

**THE CORPORATION OF THE CITY OF BROCKVILLE**  
**By-Law Number XXX-2014**

*Being a By-law to regulate the use of sewers within the City of Brockville*

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WHEREAS the *Municipal Act*, s.o. 2001, c. 25, Section 9, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under the Act; and

WHEREAS the *Municipal Act*, s.o. 2001, c. 25, Section 9, PROVIDES THAT Sections 8 and 11 shall be interpreted broadly so as to confer broad authority on municipalities to (a) enable municipalities to govern their affairs as they consider appropriate and, (b) enhance their ability to respond to municipal issues; and

WHEREAS Section 10, of the *Municipal Act*, s.o. 2001, c. 25 permits a single tier municipality to pass By-law respecting: public assets of the municipality, the economic social and environmental well-being of the municipality and the health and safety, and well-being of persons; and

WHEREAS pursuant to the *Municipal Act*, s.o. 2001, c. 25, Section 87, the City of Brockville may enter on land, at reasonable times, to inspect the discharge of any matter into the sewage system and may conduct tests and take samples; and

WHEREAS the Council is authorized by Section 78 to 93 of the *Municipal Act*, s.o. 2001, c. 25, to pass By-laws for services that the municipality considers necessary or desirable for the public which includes utility services;

WHEREAS the Council of the Corporation of the City of Brockville deem it desirable to enact a bylaw to:

- a) maintain and protect the integrity of City infrastructure;
- b) control the quality of wastewater entering wastewater works and the resulting treated effluent; and
- c) prevent adverse effects to persons, property and the natural environment from discharges to City infrastructure,

NOW THEREFORE, the Council of the City of Brockville hereby enacts as follows:

**1. DEFINITIONS**

As used in this bylaw, the following terms shall have the meanings indicated:

- 1.1 **ACCREDITED LABORATORY** — Any laboratory accredited by an authorized accreditation body in accordance with a standard based on “*CAN-P-1585: Requirements for the Accreditation of Environmental Testing Laboratories*” established by the Standards Council of Canada, as amended, or “*ISO/IEC/EN 17025: General Requirements for Competence of Calibration and Testing*

*Laboratories*" established by the International Organization for Standardization, as amended.

- 1.2 **BIOCHEMICAL OXYGEN DEMAND (BOD)** — The five-day BOD which is the determination of the molecular oxygen utilized during a five-day incubation period for the biochemical degradation of organic material (carbonaceous demand), and the oxygen used to oxidize inorganic material such as sulphides and ferrous iron, and the amount of oxygen used to oxidize reduced forms of nitrogen (nitrogenous demand) as determined by the appropriate procedure in Standard Methods.
- 1.3 **BIOMEDICAL WASTE** — Biomedical waste as defined in the Ontario Ministry of Energy and the Environment Guideline C-4 entitled "The Management of Biomedical Waste in Ontario" dated April 1994, as amended from time to time.
- 1.4 **BLOWDOWN WATER** — Recirculating water that is discharged from a cooling or heating water system for the purpose of controlling the level of water in the system or for the purpose of discharging from the system materials contained in the system, the further build-up of which would or might impair the operation of the system.
- 1.5 **CHEMICAL OXYGEN DEMAND (COD)** — A measure of the capacity of the water to consume oxygen as a result of oxidation of inorganic chemicals and decomposition of organic matter.
- 1.6 **CLEAR-WATER WASTE** — Includes non-contact cooling water and other water that has not come into contact with wastewater contaminant sources.
- 1.7 **COMBINED SEWER** — A sewer intended to function simultaneously as a storm sewer and a sanitary sewer.
- 1.8 **COMBUSTIBLE LIQUID** — A liquid that has a flash point not less than 37.8 degrees Celsius and not greater than 93.3 degrees Celsius.
- 1.9 **COMPLIANCE PROGRAM** - The necessary steps undertaken by a discharger to bring wastewater discharged into the municipal sewer into compliance with terms and conditions of this bylaw or related permit. Compliance programs are applicable to existing dischargers only; new dischargers must fully comply with the requirements of this bylaw.
- 1.10 **COMPOSITE SAMPLE** — A volume of wastewater, storm water, uncontaminated water, clear-water or effluent made up of three or more grab samples that have been combined automatically or manually and taken at intervals during the sampling periods.
- 1.11 **CONNECTION or DRAIN** — That part or those parts of any pipe or system of pipes leading directly to a wastewater works.

- 1.12 **COOLING WATER** — Water that is used in a process for the purpose of removing heat and that has not, by design, come into contact with any raw material, intermediate product, waste product or finished product, but does not include blowdown water.
- 1.13 **DISCHARGER** — means a person, or an agent or employee thereof, in occupation or having the charge, management or control of a site sewage, storm water, uncontaminated water or any other matter to which this By-law applies;
- 1.14 **DOMESTIC WASTEWATER** - Waste produced on residential premises, or sanitary waste and wastewater from showers and restroom washbasins produced on non-residential property.
- 1.15 **FLOW MONITORING POINT** – An access place to the sewer service for the purpose of:
  - a. measuring the rate or volume of wastewater, storm water, clear water waste or subsurface water released from the premises; and
  - b. collecting representative samples of wastewater, storm water, clear water waste or subsurface water released from the premises.
- 1.16 **FUELS** — Alcohol, gasoline, naphtha, diesel fuel, fuel oil or any other ignitable substance intended for use as a fuel.
- 1.17 **GRAB SAMPLE** — A volume of wastewater, storm water, uncontaminated water or effluent which is collected over a period not exceeding 15 minutes.
- 1.18 **GROUND WATER** — Water beneath the earth's surface accumulating as a result of seepage.
- 1.19 **HAULED WASTE** — Any industrial waste which is transported to and deposited into any location in the wastewater works, excluding hauled wastewater.
- 1.20 **HAULED WASTEWATER** — Waste removed from a wastewater system, including a cesspool, a septic tank system, a privy vault or privy pit, a chemical toilet, a portable toilet or a wastewater holding tank.
- 1.21 **HAZARDOUS INDUSTRIAL WASTE** — Means a material which is a hazardous waste under the Environmental Protection Act, R.S.O. 1990, c. E. 19 (EPA), Ontario Regulation 347, as amended.
- 1.22 **HAZARDOUS WASTE CHEMICALS** – Means a material which is a hazardous waste chemical under the Environmental Protection Act, R.S.O. 1990, c. E. 19 (EPA), Ontario Regulation 347, as amended.
- 1.23 **IGNITABLE WASTE** — A substance that:

- a. is a liquid, other than an aqueous solution containing less than 24 percent alcohol by volume and has a flash point less than 93 degrees Celsius, as determined by the Tag Closed Cup Tester (ASTM D-56-97a), the Setaflash Closed Cup Tester (ASTM D-3828-97 or ASTM D-3278-96e1), the Pensky-Martens Closed Cup Tester (ASTM D-93-97), or as determined by an equivalent test method;
- b. is a solid and is capable, under standard temperature and pressure, of causing fire through friction, absorption of moisture or spontaneous chemical changes and, when ignited, burns so vigorously and persistently that it creates a danger;
- c. is an ignitable compressed gas (Class 2, Division D) as defined in the regulations under the Transportation of Dangerous Goods Act, 1992, S.C. 1992, as amended; or
- d. is an oxidizing substance (Class 5, Divisions 1 and 2) as defined in the regulations under the Transportation of Dangerous Goods Act, 1992, S.C. 1992, as amended.

- 1.24 INDUSTRIAL — Of or pertaining to manufacturing, commerce, trade, business or institutions as distinguished from domestic or residential.
- 1.25 INDUSTRY — Any owner or operator of industrial, commercial or institutional premises from which there is a discharge of any matter directly or indirectly into a sanitary sewer, combined sewer or storm sewer of the Municipality.
- 1.26 INSTITUTIONAL – A facility, usually owned by a government, operated for public purposes, such as schools, universities, medical facilities (hospitals, nursing stations, nursing homes), museums, prisons, government offices, military bases. Some of these facilities produce non-residential discharges to sewers from, for example, laboratories, chemical use, and industrial processes.
- 1.27 LOWER EXPLOSIVE LIMIT (LEL) – means the minimum concentration of the compound as a gas or vapour, measured as a percentage in air, which will explode or burn.
- 1.28 MATTER — Includes any solid, liquid or gas.
- 1.29 MONITORING ACCESS POINT — An access point, such as a chamber, in a private sewer connection to allow for observation, sampling and flow measurement of the wastewater, uncontaminated water or storm water therein.
- 1.30 MUNICIPALITY – Means the Municipality of “The City of Brockville”.
- 1.31 MUNICIPAL SEWER CONNECTION — That part of any drain leading from the private sewer connection and connected to the municipal sewer and located

within the limits of the public road allowance, or other public lands or public land interests held for sewerage purposes.

- 1.32 MULTIPLE MUNICIPAL SEWER CONNECTION – A municipal sewer connection providing service to two or more premises.
- 1.33 NON-CONTACT COOLING WATER — Water which is used to reduce temperature for the purpose of cooling and which does not come into direct contact with any raw material, intermediate or finished product other than heat.
- 1.34 NON-DOMESTIC WASTEWATER — All Wastewater except Domestic Wastewater, Storm Water, Uncontaminated Water, and Septic Tank Waste.
- 1.35 OIL AND GREASE — *n*-Hexane extractable matter as described in Standard Methods.
- 1.36 ONCE-THROUGH COOLING WATER — Non-contact cooling water that has been circulated once through the cooling device.
- 1.37 OVER STRENGTH — Refers to wastewater released to the sewer that is higher in concentration for one or more constituent concentrations set out in Schedule B or containing constituents identified in Schedule B.
- 1.38 OWNER — shall mean any person, including a corporation, who is the registered Owner of the property under consideration including a trustee in whom land is vested, a committee of the estate of a mentally incompetent person, an executor, an administrator or a guardian. The obligations of the Owner under this by-law may not be transferred to a party which is not an Owner.
- 1.39 PATHOLOGICAL WASTE — Pathological waste under the Environmental Protection Act, R.S.O. 1990, c. E. 19 (EPA), Ontario Regulation 347, as amended.
- 1.40 PCBs — Any monochlorinated or polychlorinated biphenyl or any mixture of them or mixture that contains one or more of them.
- 1.41 PERSON — An individual, association, partnership, corporation, municipality or an agent or employee of such a person.
- 1.42 PESTICIDE — A pesticide as defined and regulated under the Pesticides Act, R.S.O. 1990, c.P. (PA), as amended.
- 1.43 PRETREATMENT — The reduction, elimination or alteration of pollutants in wastewater prior to discharge into the sanitary sewer. This reduction or alteration can be obtained by physical, chemical, or biological processes, through pollution prevention, or by other means, except by diluting the concentration of the pollutants.

- 1.44 PRETREATMENT PROCESSES – One or more treatment processes or devices designed to remove sufficient matter from wastewater discharged into the municipal sewer to enable compliance with effluent limits established in this Bylaw. Pretreatment processes prevent or reduce and control the discharge or deposit of matter from the discharger's premises into the municipal sewer connection.
- 1.45 PRIVATE SEWER CONNECTION — That part of any drain or system of drains, including drains or subsurface drainage pipe for surface or subsurface drainage of the land in or adjacent to a building, lying within the limits of the private lands and leading to a municipal sewer connection whose responsibility for maintenance is the property owner's.
- 1.46 PROHIBITED WASTE – Means prohibited waste as defined in Schedule "A" to this bylaw
- 1.47 REACTIVE WASTE — A substance that:
- a. is normally unstable and readily undergoes violent changes without detonating;
  - b. reacts violently with water;
  - c. forms potentially explosive mixtures with water;
  - d. when mixed with water, generates toxic gases, vapours or fumes in a quantity sufficient to present danger to human health or the environment;
  - e. is a cyanide or sulphide bearing waste which, when exposed to pH conditions between 2 and 12.5, can generate toxic gases, vapours or fumes in a quantity sufficient to present danger to human health or the environment;
  - f. is capable of detonation or explosive reaction if it is subjected to a strong initiating source or if heated under confinement;
  - g. is readily capable of detonation or explosive decomposition or reaction at standard temperature and pressure; or
  - h. is an explosive (Class 1) as defined in the regulations under the Transportation of Dangerous Goods Act, 1992, S.C. 1992, as amended.
- 1.48 RESTRICTED WASTE – Means restricted waste as defined in Schedule "B" to this bylaw.
- 1.49 SAMPLING PORT – A valve, tap or similar device on equipment, a drain pipe or at another suitable location, to allow for sampling, consistent with technical guidelines that the Municipality may establish from time to time.
- 1.50 SANITARY SEWER — A sewer for the collection and transmission of domestic or industrial wastewater or any combination thereof.
- 1.51 SEPTIC TANK WASTE — Any waste extracted from a cesspool, septic tank, wastewater holding tank, seepage pit, interceptor or other containment for human excretion and wastes.

- 1.52 SEVERELY TOXIC WASTE – Waste containing any contaminant listed in the Environmental Protection Act, R.S.O. 1990, c. E.19 (EPA), Ontario Regulation 347, Schedule 3, as amended.
- 1.53 SEWER — A pipe, conduit, drain, open channel or ditch for the collection and transmission of wastewater, storm water or uncontaminated water, or any combination thereof.
- 1.54 SPILL — A direct or indirect discharge into the wastewater works, storm sewer or the natural environment which is abnormal in quantity or quality in light of all the circumstances of the discharge.
- 1.55 STANDARD METHODS — A procedure or method set out in *Standard Methods for the Examination of Water and Wastewater* published jointly by the American Public Health Association, American Water Works Association and the Water Environment Federation, recent or latest edition or approved in writing by the Municipality.
- 1.56 STORM SEWER — A sewer for the collection and transmission of uncontaminated water, storm water, drainage from land or from a watercourse or any combination thereof but excluding any portion of a combined sewer works.
- 1.57 STORM WATER – The water running off the surface of a drainage area during and immediately after a period of rain or snow melt.
- 1.58 SUBSURFACE DRAINAGE PIPE — A pipe that is installed underground to intercept and convey subsurface water, and includes foundation drain pipes.
- 1.59 SUBSURFACE WATER – Groundwater including foundation drain water.
- 1.60 TOTAL SUSPENDED SOLIDS (TSS) – Insoluble matter in liquid that is removable by filtration, as determined by the appropriate procedure described in Standard Methods.
- 1.61 UNCONTAMINATED WATER — Water with a level of quality which is typical of potable water normally supplied by the Municipality.
- 1.62 WASTE DISPOSAL SITE LEACHATE — The liquid containing dissolved or suspended contaminants which emanates from waste (solid waste or garbage) and is produced by water percolating through waste or by liquid in waste.
- 1.63 WASTE RADIOACTIVE SUBSTANCES — Substances defined in the federal *Nuclear Safety and Control Act* and the regulations passed thereunder, as amended from time to time.
- 1.64 WASTEWATER - Means the composite of water and water-carried wastes from residential, commercial, industrial or institutional premises or any other source.

- 1.65 WASTEWATER SLUDGE — Solid material recovered from the wastewater treatment process.
- 1.66 WASTEWATER TREATMENT FACILITY - Means any structure or thing used for the physical, chemical, biological or radiological treatment of wastewater, and includes sludge treatment, wastewater sludge storage and disposal facilities;
- 1.67 WASTEWATER WORKS — Any works for the collection, transmission, treatment and disposal of wastewater, storm water or uncontaminated water, including a combined sewer, sanitary sewer or storm sewer, or any part of such works, but does not include plumbing or other works to which the applicable Building Code applies.
- 1.68 WATERCOURSE — An open channel, ditch or depression, either natural or artificial, in which flow of water occurs either continuously or intermittently.

## 2. SANITARY AND COMBINED SEWER REQUIREMENTS

- 2.1 No person shall release, or permit the release of, any matter into the sanitary or combined sewer system wastewater works except:
- a. domestic wastewater;
  - b. non-domestic wastewater or clear-water waste, that complies with the requirements of this bylaw;
  - c. where a Hauled Wastewater Discharge Agreement or Hauled Waste Discharge Agreement has been issued by the Municipality;
  - d. storm water, subsurface water or other matter where a Sanitary Discharge Agreement has been issued by the Municipality;
  - e. Over Strength matter where an Over Strength Surcharge Agreement is in place with the Municipality.
- 2.2 No person shall release, or permit the release of, any prohibited substance listed in Schedule 'A' of this bylaw.
- 2.3 No person shall release, or permit the release of, any restricted substance which exceeds the respective concentrations listed in Schedule 'B' of this bylaw into the wastewater works.
- 2.4 If required by the Municipality, all dischargers of non-domestic wastewater shall complete and submit a "Waste Survey Report – Short Version" to the Municipality. The Waste Survey Report – Short Version shall be generally in the form prescribed by the Municipality.
- 2.5 If required by the Municipality, all dischargers of non-domestic wastewater shall complete and submit a "**Waste Survey Report – Long Version**" to the Municipality. The Waste Survey Report – Long Version shall be generally in the form prescribed by the Municipality.

- 2.6 If required by the Municipality, all dischargers of non-domestic wastewater shall not discharge to the sanitary sewer system until the discharger has obtained a "Waste Discharge Permit" from the Municipality. The Waste Discharge Permit shall be generally in the form prescribed by the Municipality.
- 2.7 The Municipality may issue, and amend, a Waste Discharge Permit to allow the discharge of Non-Domestic Waste into a Sewer upon such terms and conditions as the Municipality considers appropriate and, without limiting the generality of the foregoing, may in the Waste Discharge Permit:
  - a. place limits and restrictions on the quantity, composition, frequency and nature of the waste permitted to be discharged;
  - b. require the holder of a Waste Discharge Permit to repair, alter, remove, or add to works or construct new works; and
  - c. provide that the Waste Discharge Permit will expire on a specified date, or upon the occurrence of a specified event.
- 2.8 The Municipality may issue a Discharge Abatement Order to:
  - a. require a person to alter the quantity, composition, duration and timing of the discharge or cease discharge of Non-Domestic Waste to a sewer or wastewater facility;
  - b. include any terms or conditions that could be included in a Waste Discharge Permit; and
  - c. cease all non-compliant releases.
  - d. the Municipality may amend or cancel a Discharge Abatement Order.

### **3. STORM SEWER REQUIREMENTS**

- 3.1 No person shall discharge or deposit or cause or permit the discharge or deposit of matter of any type into a storm sewer, watercourse, and municipal or private sewer connection to any storm sewer which may or could:
  - a. interfere with proper operation of a storm sewer.
  - b. obstruct or restrict a storm sewer or the flow therein.
  - c. damage a storm sewer.
  - d. result in any hazard or other adverse impact to any person, animal, property or vegetation.
  - e. impair the quality of any waters; or
  - f. result in the contravention of an approval, requirement, direction or other order under the Ontario Water Resources Act or the Environmental Protection Act (Ontario) with respect to the storm sewer or its discharges; and

- 3.2 No person shall release, or permit the release of, any restricted substance which exceeds the respective concentrations listed in Schedule 'C' of this bylaw into the storm sewer;
- 3.3 No person shall release, or permit the release of, without limiting the generality of the foregoing, any of the following to the storm sewer, watercourse, municipal or private sewer connection:
- a. Have one or more of the following characteristics:
    - (1) a temperature greater than 40°Celsius.
    - (2) a pH less than 6.0 or greater than 9.0.
    - (3) solvent extractable matter of animal or vegetable origin or of mineral or synthetic origin which causes a visible film, sheen or discolouration.
    - (4) two or more separate layers.
  - b. Contain one or more of the following in any amount:
    - (1) once-through cooling water
    - (2) wastewater
    - (3) blowdown water
    - (4) ground water remediation
    - (5) automotive or machine oils and grease
    - (6) paints and organic solvents
    - (7) PCB's
    - (8) waste disposal site leachate
    - (9) waste radioactive materials
    - (10) hazardous industrial waste
    - (11) hazardous waste chemicals
    - (12) combustible liquids
    - (13) floating debris
    - (14) fuel
    - (15) hauled wastewater
    - (16) hauled waste
    - (17) ignitable waste
    - (18) pathological waste
    - (19) pesticides
    - (20) reactive waste
    - (21) severely toxic waste
    - (22) a substance from raw materials, intermediate or final product, used or produced in, through or from an industrial process
    - (23) a substance used in the operation or maintenance of an industrial site
  - c. Contains E. coli colonies in excess of 200 per 100 mL
- 3.4 Sub clause 3.3.b. does not apply to prevent the discharge of once-through-cooling water, blowdown or ground water remediation when,

- a. the once-through cooling water, blowdown or ground water remediation is being discharged pursuant to a certificate of approval or order relating to the premises under the *Environmental Protection Act* (Ontario) or the *Ontario Water Resources Act* which expressly allows the discharge; and
  - b. the owner or operator of the premises has written approval from the Municipality which expressly authorizes the discharge from the premises; and
  - c. a copy of the certificate of approval or order referred to in Sub clause (a) has been provided to the Municipality.
- 3.5 The provisions of Schedule "C" Restricted Waste – Storm Sewer Discharge do not apply to prevent the discharge of stormwater runoff from industrial process areas to a storm sewer when,
- a. the owner or operator of the premises has a certificate of approval or order relating to the premises under the *Environmental Protection Act* (Ontario) or the *Ontario Water Resources Act* which expressly allows the discharge and a copy of the certificate of approval or order has been provided to the Municipality; or
  - b. the owner or operator of the premises has written approval from the Municipality for a Best Management Practices Plan (BMP) which has been prepared in accordance with Schedule D.
- 3.6 Property owners must ensure that appropriate and necessary practices are undertaken to prevent prohibited discharges described in 3.1 and to prevent discharge of suspended solids (total) in excess of 15 milligrams per liter (15 mg/L) as a result of activities on their property, including:
- a. construction activities that may result in erosion or sediment runoff from the property
  - b. outside storage activities that may result in mobilization of stored materials as a result of rain or runoff from the property, including sand and granular material storage.
- #### 4. PROHIBITION OF DILUTION
- 4.1 No person shall discharge directly or indirectly, or permit the discharge or deposit of wastewater into a sanitary sewer or combined sewer works where water has been added to the discharge for the purposes of dilution to achieve compliance with Schedule "A" or Schedule "B" of this bylaw.
- 4.2 No person shall discharge directly or indirectly, or permit the discharge or deposit of matter into a storm sewer where water has been added to the discharge for the purposes of dilution to achieve compliance with Section 3 of this bylaw.

## 5. SAMPLING AND ANALYTICAL REQUIREMENTS

- 5.1 Where sampling is required for the purposes of determining the concentration of constituents in the wastewater, storm water or uncontaminated water, the sample may:
  - a. be collected manually or by using an automatic sampling device; and
  - b. contain additives for its preservation.
- 5.2 Any single grab sample may be used to determine compliance with Schedules A and B or Section 3 at the discretion of the Municipality.
- 5.3 All tests, measurements, analyses and examinations of wastewater, its characteristics or contents pursuant to this Bylaw shall be carried out in accordance with "Standard Methods" and be performed by a laboratory accredited for analysis of the particular substance(s) using a method which is within the laboratory's scope of accreditation or to the satisfaction of the Municipality as agreed in writing prior to sample analysis.

## 6. DISCHARGER SELF-MONITORING

- 6.1 The discharger shall complete any monitoring or sampling of any discharge to a wastewater works, as required by the Municipality, and provide the results to the Municipality in the form specified by the Municipality.
- 6.2 The obligations set out in or arising out of 6.1 shall be completed at the expense of the discharger.

## 7. WASTE SURVEY REPORTS

- 7.1 When required, the owner or operator of any non-domestic discharger premises shall not discharge or deposit or cause or permit the discharge or deposit of wastewater into or in land drainage works, private branch drains or connections to any sanitary sewer, combined sewer or storm sewer, after six months from the date on which this by-law takes effect.
- 7.2 Subsection 7.1 does not apply with respect to any non-domestic discharger premises for which a current Waste Survey Report prepared in accordance with Clause 2.4 or 2.5 has been filed at the municipality.
- 7.3 The Waste Survey Report shall be in the form of a "Waste Survey Report – Short Version" or "Waste Survey Report – Long Version" as determined by the Municipality.
- 7.4 Where a change occurs in any information required in Clause 7.3, the owner or operator of the premises shall not discharge or deposit or cause or permit the discharge or deposit of wastewater into or in land drainage works, private branch drains or connections to any sanitary sewer, combined sewer or storm sewer,

after 60 days after the change occurs unless a new Waste Survey Report has been submitted setting out the change.

## 8. OVER STRENGTH SURCHARGE AGREEMENTS

- 8.1 Subject to Subsections 8.2, 8.3 and 8.4 the discharge or deposit of wastewater that would otherwise be prohibited by this By-law may be permitted into or in any connection to any sanitary sewer or combined sewer to an extent fixed by agreement with the Municipality under such conditions with respect to payment of additional wastewater service rates or otherwise as may be necessary to compensate for any additional costs of operation, repair and maintenance of the wastewater works, and on other terms and conditions as may be deemed appropriate by the Municipality.
- 8.2 The Municipality may assess an over strength surcharge for wastewater releases that exceed the limits of treatable parameters. An Over Strength Surcharge Agreement can only be entered into with respect to the discharge of the following treatable parameters: total suspended solids, biochemical oxygen demand, total phosphorus, total kjeldahl nitrogen and phenolic compounds.
- 8.3 The agreement shall be in the form prescribed by the Municipality and shall be countersigned by the Director of Environmental Services and Clerk, both of whom are authorized to execute such agreements under authority of this By-law. The discharger shall pay the assessed amount per the terms established by the Municipality for the duration of the agreement
- 8.4 When testing of the wastewater being discharged into the wastewater collection system is required for the purpose of determining the over strength surcharge rate, discharge measurement, sampling, analysis and reporting shall be undertaken by the owner, at their expense, when required by the Municipality. The Municipality may also undertake audit sampling, at the Municipality's discretion and may include these results when determining the over strength surcharge rate.
- 8.5 When testing of the wastewater being discharged into the wastewater collection system is required for the purpose of determining the over strength surcharge rate, such testing shall be conducted by the owner to the satisfaction of the Municipality, using automated sampling devices or in accordance with the following manual sampling protocol:
  - a. samples from the effluent produced at a location will be collected at a frequency as instructed by the Municipality;
  - b. a minimum of four grab samples of equal volume shall be taken over a 24 hour period, or as otherwise instructed by the Municipality, such samples to be taken at least one hour apart;

- c. the analysis shall be conducted on the composite sample made up of the grab samples;
  - d. the respective results of these composite samples shall be averaged to determine the characteristics and concentration of the effluent being discharged into the City wastewater collection system.
- 8.6 For the purpose of determining the over strength surcharge rate the discharge flow rate from the said premises will need to be determined in m<sup>3</sup>/day. The wastewater discharge flow rates shall be provided by the owner to the satisfaction of the Municipality.
- 8.7 The Over Strength Surcharge rate will be reviewed and adjusted accordingly from time to time as determined by the Municipality.
- 8.8 The agreements contemplated in this Section may be terminated by the Municipality by written notice at any time, including but not limited to an emergency situation of immediate threat or danger to any person, property, plant or animal life, water or wastewater works.
- 8.9 A person who has entered into an over strength sewer surcharge agreement with the Municipality shall not be prosecuted under Section 2 of this By-law for the discharge or deposit of wastewater containing matters specified in the agreement and in compliance with the agreement during the period within which the agreement is applicable and so long as the agreement is being fully complied with.

## **9. GREASE/SEDIMENT INTERCEPTORS**

### **9.1 Interceptors for oil and grease**

Every owner or operator of a restaurant or other industrial, commercial or institutional premises where food is cooked, processed or prepared, which premises is connected directly or indirectly to a sewer, shall take all necessary measures to ensure that oil and grease are prevented from entering the sewer and, without limiting its generality, shall install, operate and properly maintain a grease interceptor in any piping system at its premises that connects directly or indirectly to a sewer.

### **9.2 Interceptors for oil and lubricating grease**

Every owner or operator of a commercial, industrial or institutional premise from which floor drains of a service garage are connected directly or indirectly to a sewer shall install and maintain an oil separator designed to prevent motor oil and lubricating grease from passing into drainage piping which is connected directly or indirectly to a sewer.

### **9.3 Interceptors for sediment**

Every owner or operator of a commercial, industrial or institutional premises from which sediment may directly or indirectly enter a sewer, including, but not limited to premises using ramp drains or area drains, and car and vehicle washing establishments shall take all necessary measures to ensure that such sediment is prevented from entering the sewer.

**9.4 All interceptors shall:**

- a. be of sufficient capacity and appropriate design to intercept natural oil and grease, synthetic or petroleum oil and grease, gasoline, sand or other sediment likely to flow into it under peak flow conditions;
- b. be located to be readily and easily accessible for cleaning and inspection;
- c. be constructed of impervious materials capable of withstanding abrupt or extreme changes in temperature;
- d. be of substantial construction, watertight, and equipped with easily removable covers which, when bolted in place, shall be gastight and watertight, except when the intercepting trap is for sand only the cover need not be gastight and watertight.

## **9.5 Interceptors – maintenance and inspection required**

Every owner or operator of a premises where grease interceptor and sediment interceptor is installed shall operate and maintain the interceptor(s) in accordance with the manufacturer's instructions, and shall be inspected and cleaned frequently to ensure that it is operating effectively so as not to negatively impact the wastewater works.

Emulsifiers shall not be discharged to the sewer system into interceptors. No person shall use enzymes, bacteria, solvents, hot water or other agents to facilitate the passage of oil and grease through an Interceptor.

## **9.6 Interceptors – records required**

Owners or occupants of premises having grease or sediment interceptors shall keep a record of interceptor maintenance including the date(s) on which cleaning/maintenance occurred, the person or contractor responsible, and the method and destination of waste disposal, and upon request these records shall be made available to the Municipality.

# **10. PRETREATMENT FACILITIES**

- 10.1 Where required by the Municipality, the owner or operator shall install on the premises, and prior to the sampling point, a wastewater pretreatment facility.
- 10.2 The owner or operator shall ensure the design, operation and maintenance of the pretreatment facility achieves the treatment objectives and is in accordance with the manufacturer's recommendations.
- 10.3 The owner or operator shall ensure any waste products from the pretreatment facility are disposed of in a safe manner.
- 10.4 The maintenance records and waste disposal records shall be made available to the Municipality upon request.
- 10.5 The owner or operator shall keep documentation pertaining to the pretreatment facility and waste disposal for two years.

# **11. HAULED WASTEWATER**

- 11.1 No person shall discharge hauled wastewater to the wastewater works unless:

- a. the carrier of the hauled wastewater operating as a waste management system has a certificate of approval or provisional certificate of approval issued under the applicable federal and/or provincial environment protection act(s) or is exempt from the requirement to have a certificate or provisional certificate of approval;

- b. a copy of the most recent certificate of approval or provisional certificate and any amendment is provided to the Municipality; and
- c. the carrier of hauled wastewater has a valid Hauled Wastewater Discharge Agreement with the Municipality. The agreement shall be generally in the form prescribed by the Municipality.
- d. the carrier meets all conditions for discharge that are or may be set from time to time with respect to the haulage of wastewater by the Municipality.

11.2 No person shall discharge or permit the discharge of hauled wastewater:

- a. at a location other than a hauled wastewater discharge location approved by the Municipality.
- b. without a manifest, in a form approved by the Municipality, completed and signed by the carrier and deposited in an approved location at the time of discharge.
- c. without the use of a discharge hose placed securely in the discharge portal at the approved location.

## **12. HAULED WASTE**

12.1 No person shall discharge hauled waste to the wastewater works unless:

- a. the carrier of the hauled waste operating as a waste management system has a certificate of approval or provisional certificate of approval issued under the applicable federal and/or provincial environment protection act(s) or is exempt from the requirement to have a certificate or provisional certificate of approval;
- b. a copy of the most recent certificate of approval or provisional certificate and any amendment of approval is provided to the Municipality;
- c. hauled waste meets the conditions set out in applicable federal and/or provincial environment protection act(s), as amended from time to time;
- d. the carrier of hauled waste has a valid Hauled Waste Discharge Agreement with the Municipality. The agreement shall be generally in the form prescribed by the Municipality; and
- e. the carrier meets all conditions for discharge that are or may be set from time to time with respect to the haulage of waste by the Municipality.

12.2 No person shall discharge or permit the discharge of hauled wastewater:

- a. at a location other than a hauled wastewater discharge location approved by the Municipality.
- b. without a manifest, in a form approved by the Municipality, completed and signed by the carrier and deposited in an approved location at the time of discharge.
- c. without the use of a discharge hose placed securely in the discharge portal at the approved location.

**13. NON-CONTACT COOLING WATER**

- 13.1 No person shall discharge non-contact cooling water or uncontaminated water to a sanitary sewer or combined sewer from any residential property.
- 13.2 No person shall discharge non-contact cooling water or uncontaminated water to a sanitary or combined sewer from industrial, commercial or institutional properties, unless directed otherwise by the Municipality.

**14. WATER ORIGINATING FROM A SOURCE OTHER THAN THE MUNICIPAL WATER SUPPLY**

- 14.1 The discharge of water originating from a source other than the Municipal water supply, including storm water, groundwater or ground water remediation, directly or indirectly to a sanitary sewer or combined sewer works is prohibited, unless:
  - a. the discharge is in accordance with a Sanitary Discharge Agreement; and
  - b. the discharge does not exceed the limits set out under Schedule B, with respect to biochemical oxygen demand, total phosphorus or total suspended solids; or
  - c. in the event the discharge does exceed the limits set out under Schedule B, with respect to any biochemical oxygen demand, total phosphorus, total suspended solids, phenolic compounds or Total Kjeldahl Nitrogen the discharge is in accordance with an Over Strength Surcharge Agreement.

**15. SPILLS**

- 15.1 In the event of a spill to a wastewater works and/or storm sewer works, the person responsible or the person having the charge, management and control of the spill shall immediately notify and provide any requested information with regard to the spill:
  - a. if there is any immediate danger to human health and/or safety 9-1-1 emergency  
or
  - b. if there is no immediate danger:
    - i. the Municipality, City of Brockville, by contacting the Operations Department, Environmental Services Department and/or Fire Department; and
    - ii. Ministry of the Environment Spills Action Centre; and
    - iii. the owner of the premises where the release occurred; and
    - iv. any other person whom the person reporting knows or ought to know may be directly affected by the release.

- 15.2 The person shall provide a detailed report on the spill to the Municipality, within five working days after the spill, containing the following information to the best of his or her knowledge:
- a. location where spill occurred; and
  - b. name and telephone number of the person who reported the spill and the location and time where they can be contacted; and
  - c. date and time of spill; and
  - d. material spilled; and
  - e. characteristics and composition of material spilled; and
  - f. volume of material spilled; and
  - g. duration of spill event; and
  - h. work completed and any work still in progress in the mitigation of the spill; and
  - i. preventive actions being taken to ensure a similar spill does not occur again; and
  - j. copies of applicable spill prevention and spill response plans.
- 15.3 The person responsible for the spill and the person having the charge, management and control of the spill shall do everything reasonably possible to contain the spill, protect the health and safety of citizens, minimize damage to property, protect the environment, clean up the spill and contaminated residue and restore the affected area to its condition prior to the spill.
- 15.4 Nothing in this bylaw relieves any persons from complying with any notification or reporting provisions of;
- a. other government agencies, including federal and provincial agencies, as required and appropriate for the material and circumstances of the spill; or,
  - b. any other Bylaw of the Municipality.
- 15.5 The Municipality may invoice the person responsible for the spill to recover costs of time, materials and services arising as a result of the spill. The person responsible for the spill shall pay the costs invoiced.
- 15.6 The Municipality may require the person responsible for the spill to prepare and submit a spill contingency plan to the Municipality to indicate how risk of future incidents will be reduced and how future incidents will be addressed.

## 16. AUTHORITY OF THE MUNICIPALITY TO INVESTIGATE

- 16.1 The Municipality has the authority to carry out any investigation reasonably required to ensure compliance with this bylaw, including the following powers or duties, but not limited to:
- a. inspecting, observing, sampling and measuring the flow in any private
    - i. drainage system,
    - ii. wastewater disposal system,
    - iii. storm water management facility, and
    - iv. flow monitoring point;
  - b. determine water consumption by reading water meters;
  - c. test flow measuring devices;
  - d. take samples of wastewater, storm water, clear-water waste and subsurface water being released from the premises or flowing within a private drainage system;
  - e. perform testing on the wastewater, storm water, clear-water waste and subsurface water within or being released from private drainage systems, pretreatment facilities and storm water management facilities;
  - f. collect and analyze samples of hauled wastewater or hauled waste coming to a discharge location;
  - g. make inspections of the types and quantities of chemicals being handled or used on the premises in relation to possible release to a drainage system or watercourse;
  - h. require information from any person concerning a matter;
  - i. inspect and copy documents or remove documents from premises to make copies;
  - j. inspect chemical storage areas and spill containment facilities and request Material Safety Data Sheets (MSDS) for material stored or used on site;
  - k. inspect the premises where a release of prohibited or restricted wastes or of water containing prohibited or restricted wastes has been made or is suspected of having been made, and to sample any or all matter that in his/her opinion could have been part of the release.
- 16.2 No person shall hinder or prevent the Municipality from carrying out any of his/her powers or duties.

- 16.3 All costs incurred by the Municipality arising out of any failure to properly check and control such discharge, including the cost of investigation, repairing, cleaning or replacing any part of any Municipal wastewater works shall be charged to the Owner of the property where such work is performed and shall be collected according to law, and until paid, such cost shall remain a lien on such property, and may also be collected in the like manner as taxes.

## **17. DISCONNECTION OF SEWER**

- 17.1 Where wastewater which:
- a. is hazardous or creates an immediate danger to any person;
  - b. endangers or interferes with the operation of the wastewater collection system; or
  - c. causes or is capable of causing an adverse effect;
  - d. is discharged to the wastewater collection system, the Municipality may, in addition to any other remedy available, disconnect, plug or seal off the sewer line discharging the unacceptable wastewater into the wastewater collection system or take such other action as is necessary to prevent such wastewater from entering the wastewater collection system.
- 17.2 The wastewater may be prevented from being discharged into the wastewater collection system until evidence satisfactory to the Municipality has been produced to assure that no further discharge of hazardous wastewater will be made to the wastewater collection system.
- 17.3 Where the Director of Environmental Services takes action pursuant to Subsection 17.1, the Municipality may by notice in writing advise the owner or occupier of the premises from which the wastewater was being discharged, of the cost of taking such action and the owner or occupier, as the case may be, shall forthwith reimburse the Municipality for all such costs which were incurred.

## **18. PROTECTION FROM DAMAGE**

- 18.1 No person shall uncover, open into, break, alter, damage, destroy, deface or tamper or cause or permit the breaking, damaging, destroying, defacing or tampering with any permanent or temporary device installed in a wastewater works for the purposes of flow measuring, sampling and testing of matter, wastewater, uncontaminated wastewater or stormwater.

## 19. MONITORING ACCESS POINTS

- 19.1 The owner or operator of commercial, institutional or industrial premises or multi-storey residential buildings with one or more connections to a wastewater works shall install and maintain in good repair in each connection a suitable monitoring access point to allow observation, sampling and flow measurement of the wastewater, uncontaminated water or storm water therein, provided that, where installation of a maintenance access point is not possible, an alternative device or facility may be substituted with the prior written approval of the Municipality.
- 19.2 The monitoring access point or alternative device such as a sampling port shall be located on the property of the owner or operator of the premises, as close to the property line as possible, unless the Municipality has given prior written approval for a different location.
- 19.3 The owner or operator shall construct, install and maintain each monitoring access point, device or facility in accordance with good engineering practice and the requirements of the Municipality at his or her expense.
- 19.4 The owner or operator of an industrial, commercial or institutional premises or a multi-storey residential building shall at all times ensure that every monitoring access point, alternative device or facility installed as required by this bylaw is accessible to the Municipality for the purposes of observing, sampling and flow measurement of the wastewater, uncontaminated water or storm water therein.
- 19.5 The following discharger activities require sampling ports when it is not possible to install a monitoring access point:
  - a. dental offices
  - b. businesses using photographic processing units.

## 20. COMPLIANCE PROGRAMS

- 20.1 An Industry may submit to the Municipality a proposed compliance program setting out activities to be undertaken by the Industry that would result in the prevention or reduction and control of the discharge or deposit of matter from the Industry's premises into municipal or private sewer connections to any sanitary sewer or combined sewer. Compliance program submissions will only be considered for existing industries.
- 20.2 An Industry may submit to the Municipality a proposed compliance program setting out activities to be undertaken by the Industry that would result in the prevention or reduction and control of the discharge or deposit of uncontaminated water, ground water or storm water from the Industry's premises to eliminate the discharge of matter into municipal or private sewer connections to any storm sewer.

- 20.3 Upon receipt of an application pursuant to Subsection 20 (1) or (2) above, the Municipality may issue an approval for a compliance program for an Industry to discharge an effluent that does not comply with Schedule "A" and "B" of this bylaw. The Industry shall be entitled to make non-complying discharges in the amount and only to the extent set out in the Municipality's approval during the planning, design and construction or installation of facilities or works needed to implement the approved compliance program.
- 20.4 Every proposed compliance program agreement shall be for a specified length of time during which pretreatment facilities or other measures are to be installed or implemented and shall be specific as to the remedial actions to be implemented by the Industry, the dates of commencement and completion of the activity and the materials or other characteristics of the matter to which it relates. The final activity completion date shall not be later than the final compliance date in the compliance program agreement.
- 20.5 The compliance program shall be in the form of a Compliance Program Agreement, and upon recommendation of the Wastewater Systems Supervisor, who is authorized to execute such compliance programs under the authority of this By-law. The Compliance Program Agreement shall be in the form generally prescribed by the Municipality.
- 20.6 The Industry to which a compliance program has been approved shall submit a Compliance Program Progress Report to the Municipality within 14 days after the scheduled completion date of each activity listed in the compliance program.
- 20.7 The Compliance Program Progress Report shall be in the form prescribed by the Municipality.
- 20.8 A person to whom a compliance program has been approved shall not be prosecuted under Section 2 and 3 of this By-law for the discharge or deposit of any matter specified in the compliance program agreement, so long as they are in compliance with the compliance program agreement during the applicable period and so long as the compliance program agreement is being fully complied with.
- 20.9 The Municipality may terminate any compliance program agreement by written notice at any time to the Industry in the event that the Industry fails or neglects to carry out or diligently pursue the activities required of it under its approved compliance program.

**21. ACCESS TO INFORMATION**

- 21.1 All information submitted to and collected by the Municipality that is contained in reports, surveys, monitoring and inspection and sampling activities will, except as otherwise provided in this section, be available for disclosure to the public in accordance with the *Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)*.
- 21.2 In the event that any person submitting information to the Municipality, as required under this article, where such information is confidential or proprietary or otherwise, may be exempt from disclosure under MFIPPA, the person submitting the information shall so identify that information upon its submission to the Municipality or the Municipality where such information is confidential or proprietary or otherwise, may be exempt from disclosure.
- 21.3 The Municipality shall have access to information contained in the Certificate of Approval of any wastewater dischargers to the Municipal sewer system.

**22. PENALTIES**

- 22.1 Where the Municipality believes that a person has contravened any provision of this By-law, he or she may commence proceedings by issuing a summons by means of a violation ticket in accordance with the *Provincial Offences Act*.
- 22.2 The specified penalty payable in respect of a conviction for a contravention of a provision of this by-law in the amount shown in Schedule E of this Bylaw in respect of that provision or pursuant to section 61 of the *Provincial Offences Act*, R.S.O. 1990, c. P33.
- 22.3 Notwithstanding subsection 22.2:
  - a. Where any person contravenes the same provisions of this Bylaw twice within one twelve month period, the specified penalty payable in respect of the second contravention is double the amount shown in Schedule E of this Bylaw in respect of that provision, and
  - b. Where any person contravenes the same provision of this Bylaw three or more times within one twelve month period, the specified penalty payable in respect of the third or subsequent contravention is triple the amount shown in Schedule E of this Bylaw in respect of that provision.

**23. OFFENCES**

- 23.1 Every person other than a corporation who contravenes any provision of this bylaw is guilty of an offence and on conviction is liable, for every day or part thereof upon which such offence occurs or continues, to a fine of not more than \$25,000 for a first offence and \$100,000 for a second offence.

- 23.2 Every corporation that contravenes any provision of this bylaw any provision of this bylaw is guilty of an offence and on conviction is liable, for every day or part thereof upon which such offence occurs or continues, to a fine of not more than \$250,000 for a first offence and not more than \$500,000 for a second offence.

#### **24. INTERPRETATION**

- 24.1 Headings are for reference purposes and shall not affect in any way the meaning or interpretation of the provisions of this by-law.
- 24.2 If any section, clause or provision of this by-law, including anything contained in the Schedules attached hereto, is for any reason declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of this by-law as a whole or any part thereof other than the section, clause or provision so declared to be invalid and it is hereby declared to be the intention that all the remaining sections, clauses or provisions of this by-law shall remain in full force and effect until repealed, notwithstanding that one or more provisions thereof shall have been declared to be invalid.
- 24.3 In this by-law, a word interpreted in the singular number has a corresponding meaning when used in the plural.

#### **25. REPEAL**

- 25.1 By-law No. 12-91, A By-law to Regulate Waste Discharges to Municipal Sewers, as amended, is hereby repealed.

Given under the Seal of the  
Corporation of the City of Brockville  
and passed this \_\_\_\_\_ day of \_\_\_\_\_, 2014

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Mayor

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City Clerk

**SCHEDULE “A” - PROHIBITED WASTES**

- A. No person shall discharge directly or indirectly or deposit or cause or permit the discharge or deposit of wastewater into a sanitary sewer, combined sewer, municipal or private sewer connection to any sanitary sewer or combined sewer in circumstances where:
1. To do so may cause or result in:
    - a. a health or safety hazard to a person authorized by the Municipality to inspect, operate, maintain, repair or otherwise work on a wastewater works;
    - b. an offence under the Ontario Water Resources Act or the Environmental Protection Act, as amended from time to time, or any regulation made there under from time to time;
    - c. wastewater sludge from the wastewater treatment facility works to which either wastewater discharges, directly or indirectly, to fail to meet the objectives and criteria as listed in the Ministry of Energy and the Environment publication entitled “Guidelines for the Utilization of Biosolids and Other Wastes on Agricultural Land” dated March 1996, as amended from time to time;
    - d. interference with the operation or maintenance of a wastewater works, or which may impair or interfere with any wastewater treatment process;
    - e. a hazard to any person, animal, property or vegetation;
    - f. an offensive odour to emanate from wastewater works, and without limiting the generality of the foregoing, wastewater containing hydrogen sulphide, carbon disulphide, other reduced sulphur compounds, amines or ammonia in such quantity as may cause an offensive odour;
    - g. damage to wastewater works;
    - h. an obstruction or restriction to the flow in wastewater works;
    - i. the presence of toxic gases, vapours or fumes within the wastewater works such that:
      - i. two successive readings on an explosive hazard meter, at the point of discharge into the wastewater works or at any point in the wastewater works, of more than five percent Lower Explosive Limit (LEL) are obtained;
      - ii. any single reading on an explosive hazard meter, at the point of discharge into the wastewater works or at any point in the wastewater works, of ten percent LEL or higher is obtained; or

- iii. any single reading on an explosive hazard meter, at the point of discharge into the wastewater works or at any point in the wastewater works, of two parts per million atmospheric hydrogen sulphide or higher is obtained.
2. The wastewater has two or more separate liquid layers.
3. The wastewater contains:
- a. hazardous Industrial Waste;
  - b. hazardous Waste Chemicals;
  - c. combustible liquid;
  - d. biomedical waste, including any of the following categories: human anatomical waste, animal waste, untreated microbiological waste, waste sharps and untreated human blood and body fluids known to contain viruses and agents listed in "Risk Group 4" as defined in "Laboratory Biosafety Guidelines" published by Health Canada, dated 2004, as amended;
  - e. specified risk material for bovine spongiform encephalopathy as defined in the federal Fertilizers Regulations (C.R.C.,c. 666), as amended from time to time, including material from the skull, brain, trigeminal ganglia, eyes, tonsils, spinal cord and dorsal root ganglia of cattle aged 30 months or older, or material from the distal ileum of cattle of all ages;
  - f. dyes or colouring materials which may or could pass through a wastewater works and discolour the wastewater works effluent;
  - g. fuel;
  - h. hauled wastewater, except where:
    - i. the carrier of the hauled wastewater complies with the provisions of Section 11 of this by-law.
  - i. hauled waste, except where:
    - i. the carrier of the hauled waste complies with the provisions of Section 12 of this by-law.
  - j. leachate, except where:
    - i. the waste disposal site leachate is being discharged pursuant to a certificate of approval or order relating to the premises under

- the *Environmental Protection Act (Ontario)* or the *Ontario Water Resources Act* which expressly allows the discharge;
  - ii. the owner or operator of the premises has written approval from the Municipality which expressly authorizes the discharge from the premises; and
  - iii. a copy of the certificate of approval or written authorization referred to in Clause i. above has been provided to the Municipality.
- k. ignitable waste;
  - l. pathological waste;
  - m. PCBs;
  - n. pesticides which are not otherwise regulated in this Bylaw;
  - o. reactive waste;
  - p. severely toxic wastes which are not otherwise regulated in this Bylaw;
  - q. waste radioactive substances in excess of concentrations greater than those specified for release to the environment under the *Nuclear Safety and Control Act* and Regulations or amended versions thereof;
  - r. solid or viscous substances in quantities or of such size to be capable of causing obstruction to the flow in a sewer, including but not limited to ashes, bones, cinders, sand, mud, soil, straw, shaving, metal, glass, rags, feathers, tar, plastics, wood, unground garbage, animal parts or tissues, and paunch manure;
  - s. stormwater, water from drainage of roofs or land, water from a watercourse or uncontaminated water, except in the case of discharge into a combined sewer;
  - t. water other than stormwater that has originated from a source separate from the water distribution system of the Municipality.
4. The wastewater contains a concentration, expressed in milligrams per litre, in excess of any one or more of the limits in Schedule "B" of this Bylaw, unless:
- a. the discharge is in accordance with a valid Over Strength Surcharge Agreement or compliance program;

**SCHEDULE "B" RESTRICTED WASTE  
SANITARY AND COMBINED SEWERS DISCHARGE**

<b>Substance</b>	<b>Total Concentration Limit [mg/L, except as noted]</b>
Biochemical Oxygen Demand	300
Chemical Oxygen Demand	600
Oil and grease - animal and vegetable	150
Oil and grease - mineral and synthetic	15
Suspended Solids, Total	300
pH	6.0 – 9.5 (unitless)
Temperature	60 Degrees Celsius
Total Phosphorus	10
Anionic Surfactants	150
Chlorides as Cl	1500
Sulphates as SO <sub>4</sub>	1500
Aluminum, total	50.0
Antimony, total	5.0
Arsenic, total	1.0
Bismuth, total	5.0
Cadmium, total	0.7
Chromium, total	2.8
Cobalt, total	5.0
Copper, total	2.0
Cyanide, total	1.2
Fluoride	10.0
Iron, total	50.0
Lead, total	0.7
Manganese, total	5.0
Mercury	0.01
Molybdenum, total	5.0
Nickel, total	2.0
Nitrogen, Total Kjeldahl	50.0
Selenium, total	0.8
Silver, total	0.4
Sulphide (as H <sub>2</sub> S)	1.0
Tin, total	5.0
Titanium, total	5.0
Vanadium, total	5.0
Zinc, total	2.0
Benzene	0.01
Chloroform	0.04

Substance	Total Concentration Limit [mg/L, except as noted]
Dichlorobenzene (1,2-)	0.05
Dichlorobenzene (1,4-)	0.08
Ethylbenzene	0.06
Hexachlorobenzene	0.0001
Methylene chloride (dichloromethane)	0.09
PCB's (chlorobiphenyls)	0.004
Phenols, Total (or Phenolic compounds)	0.1
Tetrachloroethane (1,1,2,2 -)	0.06
Tetrachloroethylene	0.06
Toluene	0.02
Trichloroethylene	0.05
Xylenes, Total	0.3

**SCHEDULE "C" RESTRICTED WASTE – STORM SEWER DISCHARGE**

Substance	Total Concentration Limit [mg/L, except as noted]
Biochemical Oxygen Demand	15
Suspended Solids, Total	15
Cadmium, total	0.001
Chromium, total	0.2
Copper, total	0.04
Lead, total	0.05
Mercury	0.01
Nickel, total	0.05
Zinc, total	0.05

## SCHEDULE “D” BEST MANAGEMENT PRACTICES PLAN

A Best Management Practice (BMP) Plan is a plan agreed to by the Municipality with guidance from the Ontario Ministry of the Environment and is developed for activities which are associated with or ancillary to industrial manufacturing or treatment processes. The ancillary sources addresses in the BMP Plan are material storage areas, loading and unloading areas, plant site run-off, in-plant transfer, process and material handling areas and sludge and hazardous waste disposal areas. In general, the BMP Plan will include practices used by industry for pollution control from these sources, safety programs, fire protection, protection against loss of valuable raw materials or products, etc. The following elements must be included in a BMP Plan:

1. name and location of facility
2. statement of BMP policy and objectives
3. review by plant manager
4. establishment of BMP committee
5. risk identification and assessment
6. reporting of BMP Incidents
7. materials compatibility
8. good housekeeping
9. preventive maintenance
10. inspection and records
11. security
12. employee training

**THE CORPORATION OF THE CITY OF BROCKVILLE**  
**By-Law Number xxx- 2014**

Being a By-law to regulate the use of sewers within the City of Brockville

**SCHEDULE "E" PART 1 PROVINCIAL OFFENCES ACT**  
**Set Fine Schedule**

ITEM	Column 1 Short form wording	Column 2 Provision creating or defining offence	Column 3 SET FINE
1.	Discharged hauled wastewater to the wastewater works without agreement	s. 2.1(c)	\$500.00
2.	Discharged hauled waste to the sanitary or combined sewer without agreement	s. 2.1(c)	\$500.00
3.	Discharge restricted substance with a pH less than 6.0 or greater than 9.5 to a sanitary or combined sewer	s. 2.3	\$500.00
4.	Discharge restricted substance with a temperature greater than 60 degrees Celsius to the sanitary or combined sewer	s. 2.3	\$500.00
5.	Discharge matter that may damage a storm sewer	s. 3.1(c)	\$500.00
6.	Discharge matter that may interfere with proper operations of a storm sewer	s. 3.1(a)	\$500.00
7.	Discharge matter that may obstruct or restrict the storm sewer	s. 3.1(b)	\$500.00
8.	Discharge matter with a temperature greater than 40 degrees Celsius	s. 3.3(a)(1)	\$500.00
9.	Discharge matter with a pH less than 6.0 or greater than 9.0 to the storm sewer	s. 3.3(a)(2)	\$500.00
10.	Discharge matter with a visible film to the storm sewer	s. 3.3(a)(3)	\$500.00
11.	Discharge matter with a sheen to the storm sewer	s. 3.3(a)(3)	\$500.00
12.	Discharge solvent extractable matter of animal or vegetable origin to the storm sewer	s. 3.3(a)(3)	\$500.00
13.	Discharge matter with two or more separate layers to the storm sewer	s. 3.3(a)(4)	\$500.00
14.	Discharge wastewater to the storm sewer	s. 3.3(b)(2)	\$500.00
15.	Discharge blowdown water to the storm sewer	s. 3.3(b)(3)	\$500.00
16.	Discharge material from a groundwater remediation system to the storm sewer	s. 3.3(b)(4)	\$500.00

Note: Penalty provision for the offences indicated above is Section 22 and 23 of By-law No.XXX-2014, a certified copy of which has been filed.

**THE CORPORATION OF THE CITY OF BROCKVILLE**  
**By-Law Number xxx- 2014**

Being a By-law to regulate the use of sewers within the City of Brockville

**SCHEDULE “E” PART 1 PROVINCIAL OFFENCES ACT**  
**Set Fine Schedule**

Page 34

ITEM	Column 1 Short form wording	Column 2 Provision creating or defining offence	Column 3 SET FINE
17.	Discharge automotive or machine oils and grease to the storm sewer	s. 3.3(b)(5)	\$500.00
18.	Discharge organic solvents to the storm sewer	s. 3.3(b)(6)	\$500.00
19.	Discharge paint to the storm sewer	s. 3.3(b)(6)	\$500.00
20.	Discharge combustible liquids to the storm sewer	s. 3.3(b)(12)	\$500.00
21.	Discharge floating debris to the storm sewer	s. 3.3(b)(13)	\$500.00
22.	Discharge fuel to the storm sewer	s. 3.3(b)(14)	\$500.00
23.	Discharge pesticides to the storm sewer	s. 3.3(b)(19)	\$500.00
24.	Discharge contaminants from an industrial process to the storm sewer	s. 3.3(b)(22)	\$500.00
25.	Add matter to discharge for the purpose of dilution	s. 4.2	\$500.00
26.	Fail to complete monitoring of a discharge to a wastewater works	s. 6.1	\$300.00
27.	Fail to complete sampling of a discharge to a wastewater works	s. 6.1	\$300.00
28.	Fail to install an interceptor for oil and grease	s. 9.1	\$200.00
29.	Fail to install an interceptor for oil and lubricating grease	s. 9.2	\$500.00
30.	Fail to install an interceptor for sediment	s. 9.3	\$500.00
31.	Fail to maintain an interceptor	s. 9.5	\$500.00
32.	Fail to produce maintenance records for the interceptor	s. 9.6	\$300.00

Note: Penalty provision for the offences indicated above is Section 22 and 23 of By-law No.XXX-2014, a certified copy of which has been filed.

**THE CORPORATION OF THE CITY OF BROCKVILLE**  
**By-Law Number xxx- 2014**

Being a By-law to regulate the use of sewers within the City of Brockville

**SCHEDULE “E” PART 1 PROVINCIAL OFFENCES ACT**  
**Set Fine Schedule**

Page 35

ITEM	<b>Column 1</b> Short form wording	<b>Column 2</b> Provision creating or defining offence	<b>Column 3</b> <b>SET FINE</b>
33.	Dispose hauled wastewater to the wastewater works without a valid Hauled Wastewater Discharge Agreement	s. 11.1(c)	\$400.00
34.	Fail to comply with all conditions of Hauled Wastewater Discharge Agreement	s. 11.1(d)	\$200.00
35.	Fail to submit accurately completed manifest at time of discharge of hauled wastewater	s. 11.2(b)	\$500.00
36.	Dispose hauled waste to the wastewater works without a valid Hauled Waste Discharge Agreement	s. 12.1(d)	\$400.00
37.	Fail to comply with all conditions of Hauled Waste Discharge Agreement	s. 12.1(e)	\$200.00
38.	Fail to submit accurately completed manifest at time of discharge of hauled waste	s. 12.2(b)	\$500.00
39.	Unlawfully discharge non-contact cooling water to the sanitary or combined sewer	s. 13.1	\$500.00
40.	Fail to immediately notify the Municipality with regard to a spill to a wastewater works and/or storm sewer works	s. 15.1(b)(i)	\$275.00
41.	Fail to provide a spill report to the Municipality within 5 working days after a spill	s. 15.2	\$275.00
42.	Fail to contain a spill	s. 15.3	\$500.00
43.	Fail to clean up a spill and associated residue	s. 15.3	\$500.00
44.	Hinder or prevent the Municipality from carrying out any of his/her powers or duties	s. 16.2	\$175.00
45.	Damage or permit damage to a device installed in a wastewater works	s. 18	\$500.00
46.	Tamper with a device installed in a wastewater works	s. 18	\$500.00

Note: Penalty provision for the offences indicated above is Section 22 and 23 of By-law No.XXX-2014, a certified copy of which has been filed.

**THE CORPORATION OF THE CITY OF BROCKVILLE**  
**By-Law Number xxx- 2014**

Being a By-law to regulate the use of sewers within the City of Brockville

**SCHEDULE "E" PART 1 PROVINCIAL OFFENCES ACT**  
**Set Fine Schedule**

Page 36

ITEM	<b>Column 1</b> Short form wording	<b>Column 2</b> Provision creating or defining offence	<b>Column 3</b> <b>SET FINE</b>
47.	Fail to install a monitoring access point	s. 19.1	\$300.00
48.	Fail to install an alternative device	s. 19.1	\$300.00
49.	Fail to maintain a monitoring access point	s. 19.3	\$200.00
50.	Fail to ensure a manhole is accessible at all times	s. 19.4	\$200.00
51.	Fail to submit a compliance program progress report within 14 days of scheduled completion date	s. 20.6	\$225.00
52.	Discharge wastewater that may result in a health or safety hazard	Sched. A,1,a	\$500.00
53.	Discharge wastewater that may result in an offensive odour to emanate from wastewater works	Sched. A,1,f	\$500.00
54.	Discharge wastewater that may result in damage to the wastewater works	Sched. A,1,g	\$500.00
55.	Discharge wastewater that may result in an obstruction in the wastewater works	Sched. A,1,h	\$500.00
56.	Discharge wastewater that results in a reading on an explosion hazard meter of two parts per million atmospheric hydrogen sulphide or greater	Sched. A,1,i,iii	\$500.00
57.	Discharge wastewater with two or more separate liquid layers to the sanitary or combined sewer	Sched. A,2	\$500.00
58.	Discharge hazardous industrial waste to the sanitary or combined sewer	Sched. A,3,a	\$500.00

Note: Penalty provision for the offences indicated above is Section 22 and 23 of By-law No.XXX-2014, a certified copy of which has been filed.

**THE CORPORATION OF THE CITY OF BROCKVILLE**  
**By-Law Number xxx- 2014**

Being a By-law to regulate the use of sewers within the City of Brockville

**SCHEDULE “E” PART 1 PROVINCIAL OFFENCES ACT**  
**Set Fine Schedule**

Page 37

ITEM	<b>Column 1</b> Short form wording	<b>Column 2</b> Provision creating or defining offence	<b>Column 3</b> SET FINE
59.	Discharge hazardous waste chemicals to the sanitary or combined sewer	Sched. A,3,b	\$500.00
60.	Discharge wastewater that contained combustible liquid to the sanitary or combined sewer	Sched. A,3,c	\$500.00
61.	Discharge wastewater that contained fuel to the sanitary or combined sewer	Sched. A,3,g	\$500.00
62.	Discharge leachate to the sanitary or combined sewer	Sched. A,3,j	\$500.00
63.	Discharge ignitable waste to the sanitary or combined sewer	Sched. A,3,k	\$500.00
64.	Discharge pesticides to the sanitary or combined sewer	Sched. A,3,n	\$500.00
65.	Unlawfully discharge stormwater to the sanitary or combined sewer	Sched. A,3,s	\$500.00
66.	Unlawfully discharge water from drainage to the sanitary or combined sewer	Sched. A,3,s	\$500.00
67.	Unlawfully discharge water from a watercourse to the sanitary or combined sewer	Sched. A,3,s	\$500.00
68.	Unlawfully discharge uncontaminated water to the sanitary or combined sewer	Sched. A,3,s	\$500.00
69.	Unlawfully discharge sewage containing water from a source other than the City water supply to the sanitary or combined sewer	Sched. A,3,t	\$500.00

*Note: Penalty provision for the offences indicated above is Section 22 and 23 of By-law No.XXX-2014, a certified copy of which has been filed.*

April 4, 2014

**Report to the Finance, Administration and Operations Committee – April 15, 2014**

**2014-047-04**

**Parking By-law 119-1989**

**Parking in Front of Residences**

**Sandra M. Seale**

**City Clerk**

**RECOMMENDED**

THAT City of Brockville Parking By-law 119-1989 be amended by deleting Section 81, Governing Parking In Front of Residences, etc., paragraphs (a) and (d) in their entirety and adding the following:

- (a) No person shall park a vehicle on any part of a street or highway for a period longer than three (3) hours between the hours of 7:00 am and 11:00 pm, and if such vehicle is removed it shall not be parked within three hundred (300) metres from the point at which it was first parked within one (1) hour from the time of its removal.
- (d) Notwithstanding Section (a), when signs are posted to the contrary, parking shall be permitted in accordance with the signs posted.

**PURPOSE**

This report is in response to complaints relating to the Parking By-law 119-89 and the restrictions regarding parking in front of residences.

**BACKGROUND**

Parking By-law 119-89 restricts parking in front of residences for greater than one (1) hour. The Mayor's Office and the Clerk's Office have received complaints from residential property owners regarding the limitation. The Mayor met with staff from the Planning, Clerks and Police departments to discuss the complaints.

**ANALYSIS/OPTIONS**

The current parking by-law prohibits parking in front of residences for greater than one (1) hour. The purpose of this restriction is to ensure that the residential property owners or their inhabitants have additional parking in close proximity to their homes for guests, visitors, contractors, etc. On street parking restrictions are also an important tool to ensure the safe and efficient movement of pedestrians, cyclists, public transit and motorists.

In some areas it helps to improve on-street parking for residents who live in close proximity to multi-residential buildings, hospitals, schools or other institutions where visitors are required to pay for parking or there is insufficient parking. In this case people

will park in front of residences, in some instances all day long, and walk to work, thereby leaving no on-street parking for residential guests and visitors.

I have reviewed parking by-laws for 15 urban municipalities and found that of out the 15, 13 have on-street parking restrictions ranging from a total ban for on-street residential parking to a maximum of 24 hours, and 2 municipalities do not have any restrictions.

This restriction will apply to all areas within the City with notable exemptions for Downtown which has two hour complimentary parking, the metered areas in or near the downtown and the metered area on Charles Street. There are other areas within the City with specific time restrictions included in the by-law.

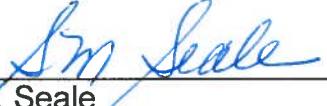
## FINANCIAL CONSIDERATIONS

It is estimated that the cost of replacement and installation of signs relating to this by-law amendment is \$1,800. This amount can be covered by the Parking Operating budget.

## CONCLUSION

The existing by-law is considered too restrictive. To remove the restriction in its entirety would result in continuous complaints, particularly from residential areas around institutions.

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S. M. Seale  
City Clerk

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D. Dick, CPA, CA  
Director of Corporate Services

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B. Casselman  
City Manager

May 7, 2014

**Addendum****2014-047-04****Parking By-law 119-1989****Parking in Front of Residences**

**Sandra M. Seale**  
**City Clerk**

The above noted Staff report was referred to the May meeting of the Finance, Administration and Operations Committee to permit a response to the request from residents of Cuthbertson Avenue for a compromise for on-street parking.

Transportation Service staff have reviewed the area of concern by the residents of Cuthbertson Avenue. The west side of Cuthbertson Avenue from 45.5 metres south of Regency Place south and then west around the corner is currently designated as a No Parking area.



There is a community mailbox within this No Parking area which requires people to stop their vehicles.



Addendum

Staff Report No. 2014-047-05

Parking By-law 119-89

Parking in Front of Residences

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Staff are recommending amending the No Parking area to commence 51.5 metres south of Regency Place in essence adding one parking space on the street. Staff do not support the residents request to have an unrestricted parking area. The creation of an unrestricted parking area would set precedence and could result in other problems including monopoly of the parking space by particular residents.

An alternative solution to the restricted on-street parking could be the implementation of an on-street permit parking system. A system can be developed to permit visitors and/or resident up to a maximum number of days per year of on-street parking. The development of this system is not in the Clerk's workplan for 2014. The administration of this type of system may also result in the need for additional staff.

**REPORT TO FINANCE ADMINISTRATION & OPERATIONS COMMITTEE – MAY 20,  
2014**

**2014-058-05**

**2014 TAX RATES AND TAX RATIOS  
FILE: F22-45**

**D. DICK, CA  
DIRECTOR OF CORPORATE SERVICES  
L. FERGUSON  
MANAGER OF FINANCE  
D. SMITH, TAX COLLECTOR**

**RECOMMENDATION**

THAT Council authorize staff to levy \$32,530,951 and impose municipal and education tax rates for the year 2014; and

THAT Council authorize the levy of \$288,479 on behalf of the Downtown Board Improvement Association (DBIA) to impose special purpose rates for the year 2014; and

THAT Council authorize the tax ratios for all property classes per the attached schedule, for the 2014 year; and

THAT the necessary by-laws be enacted.

**PURPOSE**

As per Section 312 and 342 of the Municipal Act, Council shall approve annually a by-law which specifies the taxes to be levied, municipal, education and DBIA tax rates. The Municipal Act section 308 specifies that Council must authorize a bylaw to establish tax ratios.

**BACKGROUND**

Council, through the budget process approved a net levy of \$32,530,951.

Assessment adjustments and corrections required through assessment review board decisions and MPAC minutes of settlement have now been completed and included in the calculations for the tax rates. This finalization of assessment allows for the calculation of the 2014 tax rates based on the City's approved levy, capping thresholds and ratios.

In 1988 when assessment and taxation reform was introduced, the Province provided

transition ratios. The initial ratio was a reflection of tax burden of each property class prior to tax reform. It kept the taxes expected from each class "status quo".

The municipal portion of the tax rate of each property class is set in relation to the residential class. The residential ratio is always 1. A change in the ratio of any property class will shift the tax burden borne by all property classes.

## **ANALYSIS**

### **Tax Ratios**

At this time the City is below the Provincial average, as defined by the Ministry of Finance, for all the protected classes. For the commercial property class the Provincial average is 1.98, and the City ratio is 1.948. For the industrial property class the Provincial average is 2.63 and the City ratio is 2.613. For the multi-residential property class the Provincial average is 2.74 and the City ratio is 1.77.

As the City is below the Provincial averages, and the fact that any further shifts downward would put an increased burden upon the residential tax class, it is recommended to leave the tax ratios at the current level for 2014.

### **Municipal Rates**

The City's levy increase of 2.66% equates to an actual municipal tax rate decrease of 1.30%. This is the second year of the four year phase-in for reassessment based upon 2012 CVA. Assessment increases are phased in over 4 years; however, assessment decreases were all applied in the first year.

### **Education Rates**

The Province approved Ontario Regulation 2/14 that prescribed the education rates for the residential and business property classes for 2014.

The 2014 Education Tax rate is set at 0.203% reduced from the rate of 0.212%. Farm and managed forest tax class rates are based upon 25% of the residential education tax rate.

The 2014 Business Education Tax (BET) rates for the commercial, industrial and pipeline tax classes have been set based on the Provincial plan to reduce BET.

Attachments 3 to Report 2014-058-05 illustrate a full comparison of municipal and education rates.

### **Changes to Assessment from the Return of the Roll**

Since the tax roll was received for 2014 there has been over \$6,600,000 of assessment reduced through assessment appeals. These values have been included in the tax rate calculation. This will allow for some mitigation in the tax write offs.

### **Downtown Board Improvement Rates**

The DBIA rates are based on the levy \$243,299 and recovery of the cost of complimentary parking of \$45,180 as approved by Brockville City Council in the budget.

### **Schedules and Attachments:**

Attachment 1	By-Law 040-2014
Attachment 2	By-Law 041-2014
Attachment 3	By-Law 042-2014
Schedule A	<u>Municipal Tax Rates</u>  This schedule includes assessment values, tax ratios, and tax rates.
Schedule B	<u>Education Tax Rates</u>  This schedule includes assessment values and tax rates as prescribed by the Provincial government.
Attachment 4	2014 Tax Rate Schedule identified by Property Class
Attachment 5	Comparison of Tax Levies, Tax Rates and Impacts
Attachment 6	DBIA Tax Rates and tiered parking rates package

### **By-Laws**

By-laws are required to establish tax ratios and to enact Municipal, Education and DBIA tax rates for the 2014 tax year.



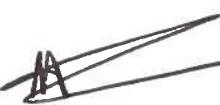
D. Smith, Tax Collector



L. Ferguson CGA, Manager of Finance



D. Dick CPA CA, Director of Corporate Services



B. Casselman, City Manager

**THE CORPORATION OF THE CITY OF BROCKVILLE**  
**By-law Number 040-2014**

*A By-law to Levy \$32,530,951 and Impose Municipal and Education Rates  
for the Year 2014 and to Authorize the Levying Thereof*

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WHEREAS the estimates of all the sums which are required for the lawful purpose of the Corporation of the City of Brockville for the year 2014 have been laid before the Municipal Council of the City of Brockville and have been adopted by the said Council; and

WHEREAS pursuant to the Municipal Act S.O. 2001, c 25 the local municipality shall each year pass a by-law levying a separate tax rate, as specified in the by-law, on the assessment in each property class on rateable property for local municipal purposes; and

WHEREAS the assessments in each property class includes any adjustments made under Section 32, 33, 34, 39.1 or 40 of the Assessment Act to the assessments on the assessment roll as returned for the 2014 taxation year; and

WHEREAS the tax ratios on each property class for the 2014 taxation year have been set out in By-law 042-2014 of the Corporation of The City of Brockville; and

WHEREAS the capping thresholds for protected property classes for the 2014 taxation year have been set out in By-law 043-2014 of the Corporation of The City of Brockville; and

WHEREAS the tax rates for municipal purposes on all property classes and property subclasses have been calculated pursuant to the provisions of the Municipal Act 2001; and

WHEREAS it is necessary for the Corporation of the City of Brockville pursuant to the Education Act to levy rates and raise the sums requisitioned by the Province against the Municipality for 2014 as prescribed in Ontario Regulation 02/14; and

WHEREAS the Municipal Act S.O. 2001, c 25 requires that the Treasurer is responsible for handling all the financial affairs of the municipality on behalf of and in the manner directed by Council including control and protection of all Municipal revenues, expenditures and investments as authorized and in compliance with the regulations made under the following: By-law 092-2000 Purpose of providing fiscal financial management control for perpetual smoothing of tax rate growth, By-law 073-2007 Budgetary Control and By-Law 090-2005 Purchasing By-law and all other Municipal By-laws, Provincial legislation, insurance regulations and policies and in accordance with generally accepted accounting principles; and

WHEREAS the use of all Reserve Funds are controlled by individual municipal by-laws;

NOW THEREFORE the Council of the Corporation of the City of Brockville enacts as follows:

1. THAT for the year 2014 the municipal tax rates for all property classes on rateable property and payment in lieu (PIL) shall be as set out in Schedule A, attached hereto which shall be read with and form part of this by-law.

By-Law 040-2014

A By-law to Levy \$32,530,951 and Impose Municipal and Education Rates  
for the Year 2014 and to Authorize the Levying Thereof

Page 2

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2. THAT for the year 2014 the education tax rates for all property classes on rateable property shall be as set out in Schedule B, attached hereto which shall be read with and form part of this by-law.
3. THAT the rates as set out in Schedule A and Schedule B for the year 2014 shall be applied against all property classes in the assessment roll as returned and amended for the 2014 taxation year.
4. THAT the 2014 taxes are due and payable in two installments, being the Interim tax demand on the 27th of February 2014 and the Final Tax demand due on the 28<sup>th</sup> day of August 2014, provided however that the said due date does not prevent any persons from paying the whole tax levy for the year in one bulk sum.
5. THAT all notices of taxes shall be mailed to the address of the residence or place of business of the person taxed or alternate addresses as requested in writing by the person taxed. Notices will not be mailed to tenants. It is the responsibility of the person taxed to notify and collect taxes from tenants or other persons.
6. THAT partial payment shall be accepted from time to time on account of any taxes due. Acceptance of such part payment does not affect the collection of any penalty or interest charge imposed or collectable under City of Brockville by-laws in respect to non-payment of any taxes or any installment. Where any payment is received on account of taxes, the payment shall first be applied against late payment charges and then payment shall be applied against taxes owing in accordance to the length of time they have been owing, with the taxes imposed earlier being discharged before taxes imposed later.
7. THAT payment of taxes, or any installment thereof, may be made at any financial institution as defined by the Municipal Act to the credit of the municipality.

If any section(s) or clause(s) of this by-law or of Schedule A or B, in their application to any person or circumstance is illegal, invalid or unenforceable, the remainder of this By-law shall be read and interpreted as if such section(s) or clause(s) had never been contained within.

Given under the Seal of the  
Corporation of the City of Brockville  
and passed this 27<sup>th</sup> day of May, 2014

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Mayor

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City Clerk

**THE CORPORATION OF THE CITY OF BROCKVILLE**  
**By-Law Number 041-2014**

*A By-Law to impose Special Purpose Rates for the year 2014 and to authorize the levying thereof for the Downtown Board Improvement Association (DBIA)*

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WHEREAS the estimates of all the sums which are required for the lawful purpose of the Corporation of the City of Brockville laid before the Municipal Council of the City of Brockville and have been adopted by the said Council; and

WHEREAS it is necessary to pass a by-law to authorize the levy of special purpose rates upon the whole of the assessment for real property according to the last revised assessment roll, a sum equal to the aggregate of the sums adopted against each member of the Downtown Board Improvement Association; and

WHEREAS a levy related to the cost of operating the parking system within downtown Brockville be levied against members of the Downtown Board Improvement Association in terms of the direct benefit to the property/business within the complimentary parking zone be levied according to the provisions as set out below;

NOW THEREFORE the Council of the Corporation of the City of Brockville enacts as follows:

1. THAT the levy of rates for the year 2014, being so much in dollars upon certain assessment of real property within the City of Brockville be authorized and directed to be:

.00462393

Special Purpose Tax Rate for  
Downtown Board Improvement  
Association

2. THAT 65% of the parking levy be levied evenly amongst the Downtown Board Improvement Association members whose properties and businesses are on King Street commencing in the west at 246 King Street West and eastwardly to the west side of the intersection with Park Street, who benefit the most from the operation of the Complimentary Parking System; and
3. THAT 35% of the parking levy be levied evenly amongst the Downtown Board Improvement Association members whose properties and businesses are located on side streets one block north and one block south of King Street and include the following Streets; Clarrisa, Perth, John, Halliday, Kincaid, Home, Chase, Buell, Apple, St. Andrew, Market West, Market East, Court House Avenue, Broad Street and Court House Square in its entirety, who benefit from the operation of the Complimentary Parking System; and
4. THAT the members of the Downtown Board Improvement Association whose properties are not within the Complimentary Parking Zone are not required to pay a levy in relation to the operation of the Complimentary Parking System;

By-law Number 041-2014

A By-Law to impose Special Purpose Rates for the year 2014  
and to authorize the levying thereof for the  
Downtown Board Improvement Association (DBIA)

Page 2

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5. THAT the said rates shall be the same, are hereby declared, subject to the provisions hereinafter contained, to be due and payable in one instalment on the due date as directed by the Council of the City of Brockville.
6. THAT charges levied under Section 208 of the Municipal Act, 2001, c25 and amendments shall have a priority lien status and shall be added to the tax roll, as defined by Section 208(7).

Given under the Seal of the  
Corporation of the City of Brockville  
and Passed this 27<sup>th</sup> day of May, 2014

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Mayor

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City Clerk

**THE CORPORATION OF THE CITY OF BROCKVILLE**  
**By-law Number 042-2014**

*By-law to Set Tax Ratios for the City of Brockville for the Year 2014*

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WHEREAS it is necessary for the Council of the City of Brockville, pursuant to the Municipal Act Section 308 to establish the tax ratios for 2014 for the City of Brockville; and

WHEREAS the tax ratios determine the relative amount of taxation to be borne by each property class; and

WHEREAS the property classes have been prescribed by the Minister of Finance under the Assessment Act as amended by Bill 140, the Continued Protection for Property Tax Payers Act, 2000 and Regulations thereto; and

WHEREAS the City of Brockville has deemed it expedient not to adopt optional classes as part of the Province's originally suggested tools; and

WHEREAS the City of Brockville has adopted the mainline classes of Residential/Farm class, Multi-Residential class, Commercial class, Industrial class, Pipelines class, Farmlands class and Managed Forest class and established the New Multi-Residential Property class as part of its Affordable Housing Program;

NOW THEREFORE the Council for the Corporation of the City of Brockville enacts:

1. The ratios for these classes be adopted as follows:
  - a) the residential/farm property class is 1.000000
  - b) the new multi-residential property class is 1.000000
  - c) the multi-residential property class is 1.770000
  - d) the commercial property class is 1.948210
  - e) the industrial property class is 2.613109
  - f) the pipelines property class is 1.813224
  - g) the farmlands property class is 0.250000
  - g) the managed forest property class is 0.250000
2. That the ratios for the sub classes as shown on the assessment roll be adopted at the ratios as follows:
  - a) the commercial office building property class is 1.948210
  - b) the commercial shopping centre property is 1.948210
  - c) the parking lot property class is 1.948210
  - d) the large industrial property class is 2.613109

3. For the purposes of this By-Law the tax ratio for
  - a) vacant land, vacant units and excess land subclasses, which are commercial property, is 70% of the commercial property class tax ratio (1.363747);
  - b) vacant land, vacant units and excess land subclasses which are industrial property, is 65% of the industrial property class tax ratio (1.698521);
  - c) the industrial property class includes all large industrial property.
4. This By-Law shall come into force and take effect immediately following third reading.

Given under the Seal of the  
Corporation of the City of Brockville  
and passed this 27<sup>th</sup> day of May, 2014

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Mayor

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City Clerk

**THE CORPORATION OF THE CITY OF BROCKVILLE**

**SCHEDULE A**

**2014 MUNICIPAL TAX RATES**

<b>Property Class</b>	<b>RTC/RTQ</b>	<b>Assessment</b>	<b>Ratios</b>	<b>Tax Rates</b>
Residential/farm	RT	1,480,918,127	1.000000	0.013057903
Residential Shared PIL	RH	63,000	1.000000	0.013057903
New Multi-Residential	NMT	-	1.000000	0.013057903
Multi-Residential	MT	113,845,400	1.770000	0.023112489
Farmlands	FT	161,800	0.250000	0.003264476
Managed Forests	TT	41,000	0.250000	0.003264476
Commercial Occupied	CT	229,845,799	1.948210	0.025439538
Office Building	DT	50,115	1.948210	0.025439538
Shopping Centre	ST	37,646,865	1.948210	0.025439538
Parking Lot	GT	425,000	1.948210	0.025439538
Commercial Shared PIL	CH	610,500	1.948210	0.025439538
New Construction Commercial	XT	44,118,946	1.948210	0.025439538
New Construction Shopping Centre	ZT	8,314,210	1.948210	0.025439538
Commercial Vacant Land	CX	4,833,843	1.363747	0.017807677
Commercial Excess Land	CU	2,411,062	1.363747	0.017807677
Commercial Vacant PIL	CJ	41,500	1.363747	0.017807677
Shopping Centre Excess Land	SU	155,480	1.363747	0.017807677
New Construction Excess Land	XU	790,725	1.363747	0.017807677
New Construction Shopping Centre Excess Land	ZU	229,455	1.363747	0.017807677
Industrial Occupied	IT	20,906,465	2.613109	0.034121724
Large Industrial	LT	35,661,563	2.613109	0.034121724
Industrial Shared PIL	IH	253,500	2.613109	0.034121724
New Construction Industrial	JT	2,587,950	2.613109	0.034121724
Industrial Vacant Land	IX	1,210,500	1.698521	0.022179121
Industrial Excess Land	IU	414,171	1.698521	0.022179121
Large Industrial Vacant Land	LX	-	1.698521	0.022179121
Large Industrial Excess Land	LU	688,731	1.698521	0.022179121
Industrial Vacant Land PIL	IJ	25,250	1.698521	0.022179121
New Construction Industrial Excess Land	JU	26,104	1.698521	0.022179121
Pipelines	PT	6,920,500	1.813224	0.023676903

**1,993,197,561**

**THE CORPORATION OF THE CITY OF BROCKVILLE**

**SCHEDULE B**

**2014 EDUCATION TAX RATES AS PRESCRIBED**

**Ontario Regulation 2/14**

<b>Property Class</b>	<b>RTC/RTQ</b>	<b>Assessment</b>	<b>Tax Rates</b>
Residential/farm	RT	1,480,918,127	0.002030000
Residential Shared PIL	RH	63,000	0.002030000
Residential/farm school support only	RD	239,500	0.002030000
New Multi-Residential	NMT		0.002030000
Multi-Residential	MT	113,845,400	0.002030000
Farmlands	FT	161,800	0.000507500
Managed Forests	TT	41,000	0.000507500
Commercial Occupied	CT	229,845,799	0.014600000
Office Building	DT	50,115	0.014600000
Shopping Centre	ST	37,646,865	0.014600000
Parking Lot	GT	425,000	0.014600000
Commercial Shared PIL	CH	610,500	0.014600000
New Construction Commercial	XT	44,118,946	0.012200000
New Construction Shopping Centre	ZT	8,314,210	0.012200000
Commercial Vacant Land	CX	4,833,843	0.010220000
Commercial Excess Land	CU	2,411,062	0.010220000
Commercial Vacant Shared PIL	CJ	41,500	0.010220000
Shopping Centre Excess Land	SU	155,480	0.010220000
New Construction Excess Land	XU	790,725	0.008540000
New Construction Shopping Centre Excess Land	ZU	229,455	0.008540000
Industrial Occupied	IT	20,906,465	0.015600000
Large Industrial	LT	35,661,563	0.015600000
Industrial Shared PIL	IH	253,500	0.015600000
New Construction Industrial	JT	2,587,950	0.012200000
Industrial Vacant Land	IX	1,210,500	0.010140000
Large Industrial Vacant Land	LX		0.010140000
Large Industrial Excess Land	LU	688,731	0.010140000
Industrial Excess Land	IU	414,171	0.010140000
Industrial Vacant Land PIL	IJ	25,250	0.010140000
New Construction Industrial Excess Land	JU	26,104	0.007930000
Pipelines	PT	6,920,500	0.013279040

**1,993,437,061**

## 2014 Assessment Class and Tax Rate Legend

ATTACHMENT 4

PROPERTY CLASS	RTC/RTQ ASSESSMENT CODES	MUNICIPAL	SCHOOL	TOTAL
RESIDENTIAL/FARM	RT	0.013057903	0.002030000	0.015087903
RESIDENTIAL/FARM SCHOOL ONLY	RD		0.002030000	0.002030000
RESIDENTIAL/FARM SHARED PIL	RH	0.013057903	0.002030000	0.015087903
NEW MULTI-RESIDENTIAL	NMT	0.013057903	0.002030000	0.015087903
MULTI-RESIDENTIAL	MT	0.023112489	0.002030000	0.025142489
FARMLANDS	FT	0.003264476	0.000508000	0.003772476
MANAGED FORESTS	TT	0.003264476	0.000508000	0.003772476
COMMERCIAL OCCUPIED	CT	0.025439538	0.014600000	0.040039538
COMMERCIAL SHARED PIL	CH	0.025439538	0.014600000	0.040039538
NEW CONSTRUCTION COMMERCIAL	XT	0.025439538	0.012200000	0.037639538
COMMERCIAL EXCESS LAND	CU	0.017807677	0.010220000	0.028027677
NEW CONSTRUCTION COMMERCIAL EXCESS LAND	XU	0.017807677	0.008540000	0.026347677
COMMERCIAL VACANT LAND	CX	0.017807677	0.010220000	0.028027677
COMMERCIAL VACANT PIL	CJ	0.017807677	0.010220000	0.028027677
OFFICE BUILDING	DT	0.025439538	0.014600000	0.040039538
SHOPPING CENTRE	ST	0.025439538	0.014600000	0.040039538
NEW CONSTRUCTION SHOPPING CENTRE	ZT	0.025439538	0.012200000	0.037639538
SHOPPING CENTRE EXCESS LAND	SU	0.017807677	0.010220000	0.028027677
NEW CONSTRUCTION SHOPPING CENTRE EXCESS LAND	ZU	0.017807677	0.008540000	0.026347677
PARKING LOT	GT	0.025439538	0.014600000	0.040039538
INDUSTRIAL OCCUPIED	IT	0.034121724	0.015600000	0.049721724
INDUSTRIAL SHARED PIL	IH	0.034121724	0.015600000	0.049721724
INDUSTRIAL EXCESS LAND	IU	0.022179121	0.010140000	0.032319121
INDUSTRIAL VACANT LAND	IX	0.022179121	0.010140000	0.032319121
INDUSTRIAL VACANT LAND PIL	IJ	0.022179121	0.010140000	0.032319121
LARGE INDUSTRIAL	LT	0.034121724	0.015600000	0.049721724
LARGE INDUSTRIAL VACANT LAND	LX	0.022179121	0.010140000	0.032319121
LARGE INDUSTRIAL EXCESS LAND	LU	0.022179121	0.010140000	0.032319121
PIPELINES	PT	0.023676903	0.013279040	0.036955943
NEW CONSTRUCTION INDUSTRIAL	JT	0.034121724	0.012200000	0.046321724
NEW CONSTRUCTION INDUSTRIAL EXCESS LAND	JU	0.022179121	0.007930000	0.030109121
DBIA Parking Tier 1				0.004623930 \$274.46
Parking Tier 2				\$229.17

## Combined Municipal and Education Rates

## ATTACHMENT 5

	2008	2009	2010	2011	2012	2013	2014
Residential	0.016243564	0.015906319	0.015622337	0.015417424	0.015207754	0.015350272	0.015087903
Levy Per 100,000 Assessment	\$1,624.36	\$1,590.63	\$1,562.23	\$1,541.74	\$1,520.78	\$1,535.03	\$1,508.79
Dollar Change	\$41.84	-\$33.72	-\$28.40	-\$20.49	-\$20.97	\$14.25	-\$26.24
% Change	2.64%	-2.08%	-1.79%	-1.31%	-1.36%	0.94%	-1.71%
Multi-Residential	0.027126414	0.026374421	0.025927961	0.025510141	0.025216024	0.025537581	0.025142489
Levy Per 100,000 Assessment	\$2,712.64	\$2,637.44	\$2,592.80	\$2,551.01	\$2,521.60	\$2,553.76	\$2,514.25
Dollar Change	\$9.39	-\$75.20	-\$44.65	-\$41.78	-\$29.41	\$32.16	-\$39.51
% Change	.35%	-2.77%	-1.69%	-1.61%	-1.15%	1.28%	-1.55%
Commercial	0.049292120	0.047608554	0.046093897	0.042964336	0.040222354	0.040675348	0.040039538
Levy Per 100,000 Assessment	\$4,929.21	\$4,760.86	\$4,609.39	\$4,296.43	\$4,022.24	\$4,067.53	\$4,003.95
Dollar Change	\$69.77	-\$168.36	-\$151.47	-\$312.96	-\$274.20	\$45.30	-\$63.58
% Change	1.44%	-3.42%	-3.18%	-6.79%	-6.38%	1.13%	-1.56%
Industrial	0.058469923	0.05703091	0.055699763	0.053740556	0.049864548	0.050472142	0.049721724
Levy Per 100,000 Assessment	\$5,846.99	\$5,703.09	\$5,569.98	\$5,374.06	\$4,986.45	\$5,047.21	\$4,972.17
Dollar Change	\$96.22	-\$143.90	-\$133.11	-\$195.92	-\$387.60	\$60.76	-\$75.04
% Change	1.67%	-2.46%	-2.33%	-3.52%	-7.21%	1.22%	-1.49%

• Reassessment Years

\* 2nd year of 4 year phase in

## ATTACHMENT 6

## 2014 DOWNTOWN BOARD IMPROVEMENT AREA TAX RATE

<b>Required Levy</b>	<b><u>\$243,299.00</u></b>	
<b>Property Classes</b>		
Commercial, Taxable: vacant unit excess land	463,100	
Commercial, Taxable: full	51,104,347	
Industrial, Taxable: full	0	
Commercial, Taxable: vacant land	574,750	
Office Building, Taxable: full	50,115	
Parking Lot, Taxable: full	425,000	
<b>Assessment Total</b>	<b><u>52,617,312</u></b>	
<b>Required Levy / Assessment = Tax Rate</b>	<b>\$243,299. / 52,617,312</b>	
	0.00462393	
52,617,312 x .00462393	<b><u>\$243,299.00</u></b>	
<b>Parking Recovery</b>		
	<b><u>\$45,180.00</u></b>	
65% OF \$45,180	\$29,367.00	
35% OF \$45,180	\$15,813.00	
NOT IN COMPLIMENTARY ZONE	<b><u>\$0.00</u></b>	
	<b><u>\$45,180.00</u></b>	
\$29,367 / # OF PROPERTIES      107	\$274.46	\$29,367.22
\$15,813 / # OF PROPERTIES      69	\$229.17	\$15,812.73
\$0      / # OF PROPERTIES      45	\$0.00	\$0.00
		<b><u>\$45,179.95</u></b>
Total Levy on Behalf of DBIA		<b><u>\$288,478.95</u></b>

**REPORT TO THE FINANCE ADMINISTRATION AND OPERATIONS COMMITTEE –  
MAY 20, 2014**

**2014-059-05  
2014 CAPPING AND  
THRESHOLD OPTIONS  
FILE: F22-50**

**D. DICK, CPA CA  
DIRECTOR OF CORPORATE SERVICES  
L. FERGUSON, CGA  
MANAGER OF FINANCE  
D. SMITH, TAX COLLECTOR**

**RECOMMENDATION:**

THAT Council adopts the following measures for the 2014 tax year:

1. THAT the cost of mandatory capping for the multi-residential, commercial and industrial classes be revenue-neutral; self-financing within the property class; and
2. THAT the capping percentage for the multi-residential class remain at 5% of the previous years annualized taxes; and
3. THAT the capping percentage for the industrial class remain at 5% of the previous years annualized taxes; and
4. THAT the capping percentage for the commercial class be set at 10% of the previous years annualized taxes; and
5. THAT the threshold change option be continued at \$150 for multi-residential, commercial and industrial classes; and
6. THAT when a property reaches full current value assessment it is removed from the capping/clawback system; and

THAT Council authorizes the passing of a By-law to adopt the 2014 Capping Options for the Protected Property Classes [Attachment #1 to Report].

**PURPOSE**

As per Section 329.1 of *Municipal Act*, 2001, Council must enact a by-law each year to establish the capping percentage and threshold for the protected classes.

**BACKGROUND**

In December 1998, the Provincial government passed Bill 79, The Fairness for Property Taxpayers Act. This Act, commonly known as 10-5-5, retroactively capped 1998 assessment related increases at 10% over 1997 levels in the commercial, industrial and

multi-residential classes. Future increases were also capped at an additional 5% for 1999 and 5% for 2000.

Municipalities can determine how the capping program is to be financed through either;

- (a) self-financing within each property class, that is clawing back assessment related decreases on properties to pay for assessment related increases; or
- (b) to add the expense of the capping program onto the budget.

In the past, Brockville has chosen the self financing option, however in 2009 there was a shortfall in the industrial class. This shortfall of \$296 was added to the municipal levy.

In 2001, the Province passed Bill 140, the Continued Protection for Property Taxpayers Act. This continued the legislation of Bill 79 and limited the property tax increases to 5% per year until full current value assessment (CVA) is attained in each municipality.

As part of the 2004 Provincial budget process, legislation for 2005 tax years and beyond was authorized in Bill 83. This Bill allows municipalities more flexibility in the capping tools they choose to use for the protected classes.

Capping options currently available to municipalities include:

1. To continue with the current 5% increase of the prior year's annualized taxes
2. To increase the capped amount from 5% up to a maximum of 10% of the prior year's annualized taxes.
3. In addition, municipalities can impose a threshold. If the capped taxes are within \$1 to \$250 (as determined by municipality) of CVA taxes the property is taxed at CVA

These tools may be used on their own or in combination. They may also be applied differently to each of the protected tax classes. The options can change annually.

## **ANALYSIS**

### **Capping**

One ratepayer's gain is always at the expense of an offsetting ratepayer in regard to the capping options. A move toward full CVA is the ultimate goal. Full current value assessment allows the true value of the property, which is determined by MPAC, to set the taxes and does not continue the protection (cap) of some at the cost of others (clawback).

In 2009, Brockville determined that once a property reaches CVA it is removed from the capping/clawback process. In 2010, the multi-residential and industrial properties are at

full CVA. For 2014, if the capping and thresholds are not changed from 2013, the capped and clawback properties drop from 53 accounts to 19 accounts.

### Threshold

In addition to capping percentages, the Municipality may pass a by-law to move capped properties whose revised taxes falls within \$250 (or a lower specified amount) of current value assessment to full CVA.

Threshold changes allow some property owners who were previously being clawed back to retain more of their dollars but it lessens the buffer of those facing higher increases. For each person that could benefit by the introduction of thresholds, another will be at a disadvantage.

No change is recommended in the \$150 threshold.

### FINANCIAL CONSIDERATIONS

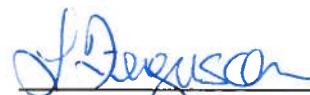
There are no financial implications for the municipality.

### CONCLUSION

Capping and thresholds are another component necessary for setting the annual tax rate. The Province has allowed municipalities flexibility in the use of these tools. With properties coming to full current value assessment it is hoped that in the next few years, barring any massive changes in legislation, that capping will become unnecessary.

  
D. Smith, Revenue Accountant

  
D. Dick, CPA CA  
Director of Corporate Services

  
L. Ferguson, CGA  
Manager of Finance

  
B. Casselman, City Manager

**THE CORPORATION OF THE CITY OF BROCKVILLE**  
**By-Law Number 043-2014**

*By-law to adopt the 2014 Capping option for the Protected Property Classes*

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WHEREAS the Province of Ontario introduced property tax capping options for 2005 and future years in the 2004 Ontario Budget; and

WHEREAS it is necessary for the Council of the City of Brockville pursuant to Section 329.1 of the Municipal Act and accompanying regulations to establish a Capping threshold for the Protected Property Classes of Commercial, Industrial and Multi-Residential property classes; and

NOW THEREFORE the Council for the Corporation of the City of Brockville enacts the following:

1. THAT the 2014 annual cap for industrial and multi-residential classes will be set at 5% (five percent) of the previous year's annualized taxes; and
2. THAT the 2014 annual cap for the commercial class will be set at 10% (ten percent) of the previous year's annualized taxes; and
3. THAT in the commercial, industrial and multi-residential classes that the CVA Threshold for capped properties whose 2014 revised taxes fall within \$150.00 of the current years' CVA tax will be moved to full current value assessment; and
4. THAT in the commercial, industrial and multi-residential classes that the CVA Threshold for clawed back properties whose 2014 revised taxes fall within the \$150.00 of the current years' CVA tax will be moved to full current value assessment; and
5. THAT any insufficiency in the self-financing cap shall be added to the 2014 levy; and
6. THAT when a property in the protected classes of commercial, industrial or multi-residential class reach full current value assessment (CVA) it is removed from the capping and claw back system; and

THAT this by-law shall come into force and take effect upon passing.

Given under the Seal of the  
Corporation of the City of Brockville  
and passed this 27<sup>th</sup> day of May, 2014

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Mayor

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City Clerk

May 20, 2014

**Report To Finance Administration Operations – May 20, 2014**

**2014-057-05**

**2014 Departmental Work Plans  
First Quarter Report**

**Bob Casselman  
City Manager**

**RECOMMENDATION**

THAT Council receive the 2014 Departmental Work Plans First Quarter Report.

**BACKGROUND**

The City of Brockville adopted a Corporate Strategic Plan in April 2009. The Strategic Plan established Goals/Objectives to be achieved during a five (5) year period of 2009-14. To accomplish these goals, a number of strategic initiatives have been developed and are incorporated into the annual budget process through the use of Departmental Work Plans.

Details of the Departmental Work Plans First Quarter Report are outlined in Schedule 1 attached hereto.

The City Manager will report on the status of Departmental Work Plan on a quarterly basis throughout 2014.

**1) Comprehensive Zoning Bylaw**

- First draft of new zoning bylaw received
- Steering Committee, stakeholder consultation and public open house held Feb 16/14
- Coordination of response to draft bylaw

**2) Development Charges Study/Bylaw**

- Draft Development Charges Study completed and presented to Council for feedback
- Coordinated revisions to study presenting findings to Council for further consideration

3) **Economic Development Initiative**

- Significant staff time and resources spent on Aquatarium. Weekly construction coordination meetings
- Finalized Operating Agreement
- Parking – interim plan in place
- Continued monitoring of project management, schedule and financial position of project
- Established a municipal led Tourism Committee to prepare and implement a marketing plan for the Aquatarium
- Work Plan adjustments necessary for various staff including Economic Development Officer, Arts Centre Manager, Manager of Strategic Initiatives and I.T. staff
- Review Project Management/Site Superintendent options with Tall Ships Landing Development Inc. and Aquatarium Board members

4) **2014 Budget**

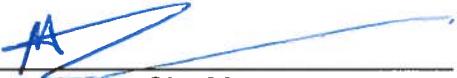
- Significant staff time and resources spent on preparation/presentation to Council of Ten (10) Year Strategic Capital Plan, 2014 Capital and Operating Budgets and update to succession plan.

**FINANCIAL IMPLICATIONS**

None at this time.

**CONCLUSION**

The creation of annual Departmental Work Plans in compliance with our Corporate Strategic Plan ensures that the City of Brockville is moving forward towards the achievement of their stated goals.

  
B. Casselman, City Manager

## 2014 ADMINISTRATION DEPARTMENT GOALS/OBJECTIVES

Administration Department	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Comments/Barriers
<b>1. Liaise with City Council</b>					
a) Define recommendations to Council &/or options					
b) Assist Council in negotiating the Elizabethtown-Kitley boundary restructuring plan	Formal proposal submitted to E-Town Kitley for their review for 4 <sup>th</sup> quarter 2013				
c) Quarterly status reporting to Council of corporate work plans and activity	May 20/14: FAO				
<b>2. Management Leadership (Corporate, Fiscal, Legislative)</b>					
<b>Human Resources</b>					
a) Direct, motivate & work with City staff to ensure that the required municipal services are in place & delivered efficiently to the community	Ongoing				
<b>Finance</b>					
a) Annual Operating Budget preparation & Oversight	2014 Operating Budget approved by Council				
b) Annual Capital Budget preparation & Oversight	2014 Capital Budget approved by Council				
c) Direct development of long-term financial forecasts	Updated 5 year Forecast 2015-19 completed				
d) Direct implementation of Asset Management Plan					
e) Establish Strategic Capital Policies					

Administration Department	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Comments/Barriers
<b>Leadership</b>					
a) Eastern Ontario Mayor's Committee participation	OGRA Conference Guiding Coalition member – Eastern Ontario Economic Development Strategy				
b) Joint Services Budget, cooperation discussions and commentary	2014 JSC Budget review completed				
<b>3. Strategic and Council Initiatives</b>					
a) Fire Operations Model change - Shift from Full time to Hybrid	No action				
b) Facilitate OPP Costing acquisition and disposition	OPP billing reform underway resulting in deferral of OPP costing				
<b>Aquatarium</b>					
a) Docking	Boomerang design withdrawn				
b) Parking	Interim plan in place				
c) Marina Lease	Further modification required				
d) Harbour Ownership	No action				
e) Outstanding Agreements	A/Q Operating Agreement completed				
f) Facilitation - Opening	Attendance at weekly construction coordination meetings				
<b>Official Plan</b>					
a) Zoning By-Law Update – oversight of Director of	Draft Zoning By-Law completed				

Administration Department	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Comments/Barriers
Planning	Statutory public meeting				
b) Facilitation of goals re active transportation / waterfront / downtown / increased density					
<b>4. Strategic Plan</b>					
a) Energy Management Plan	No action				
b) Carbon Baseline & Reduction Plan	No action				
c) Window Replacement Program	Ongoing consultation with the Window Consultant and the Ontario Heritage Trust over the proposed retrofit of the windows. Once the path forward is finalized with the Window Replacement Committee and approved by the Ontario Heritage Trust, a tender will be released with work to commence as soon as possible.				
d) Water Meter Replacement Program	To date, 840 meters have been replaced. One permanent staff member has been reassigned to the project to accelerate the project during the summer months. A temporary employee				

<b>Administration Department</b>	<b>1<sup>st</sup> Qtr</b>	<b>2<sup>nd</sup> Qtr</b>	<b>3<sup>rd</sup> Qtr</b>	<b>4<sup>th</sup> Qtr</b>	<b>Comments/Barriers</b>
	has been hired to read meters.				
e) Blockhouse Development - facilitation	Hydro Easement completed				

## 2014 DEPARTMENT GOALS/OBJECTIVES

Clerk's Department	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Comments/Barriers
<b>1. People</b>					
a. 2014 municipal election	Forms and procedures ready for Jan 1 <sup>st</sup> opening of Nomination period; RFP completed for alternative voting method; report to FAO/Council outlining requirements and timelines.				
b. Improve City Hall website	Social Media Comm met to discuss website changes. Working with Webmaster to create process and timeline.				
<b>2. Economy</b>					
a. Department trial of iCompass Meeting Management	Heritage Brockville and Island Breakfast Committee templates in development. Ready for 2 <sup>nd</sup> Qtr.				
b. AODA Integrated Accessibility Standard – training and implementation	Training program development completed. Rolled out to departments for completion in 2 <sup>nd</sup> Qtr.				
<b>3. Amenities</b>					
a. Complete implementation of parking program initiatives from the departmental Service Delivery Review (online ticket payments; new meters in Court House area)	Participated in webinar for online ticket payment service provider; consulting with Finance.				

Clerk's Department	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Comments/Barriers
<b>4. Sustainability</b>					
a. Assist Governance Committee with procedural by-law review/automation	No update.				
b. 2014 Budget monitoring	Ongoing.				
c. 2015 Budget preparation	No update.				

2014 DEPARTMENT GOALS/OBJECTIVES					
Corporate Services Department	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Comments
<b>1. People</b>					
- Completion of annual staff performance reviews	Ongoing Informal reviews				
- Assist City Manager in implementation of service delivery review recommendations as well as other identified operational changes	Ongoing				
- Assist City Manager with transitional to alternative policing and fire models	Ongoing, waiting for new costing model for Policing				
- Continued involvement with collective bargaining process along with arbitration meetings	Ongoing				
<b>2. Economy</b>					
- Continued promotion and review of the CIP and Brownfield programs	Ongoing				
- Development of BFTIP By-Laws	Meeting with Provincial officials in May				
- Involvement in local MUSH sector purchasing group along with other joint service delivery sharing of services	Ongoing				
<b>3. Amenities</b>					
- Continuing review of GIS option and strategies	Ongoing				
<b>4. Sustainability</b>					
- Full responsibility for annual budget process	Continual monitoring				

### 2014 DEPARTMENT GOALS/OBJECTIVES

<b>Corporate Services Department</b>	<b>1<sup>st</sup> Qtr</b>	<b>2<sup>nd</sup> Qtr</b>	<b>3<sup>rd</sup> Qtr</b>	<b>4<sup>th</sup> Qtr</b>	<b>Comments</b>
- Completion of annual financial statements along with annual reporting requirements	Auditors on site week of April 7, 2014 Year-end expected end of May				
- Presentation of quarterly interim variance reports	Ongoing				
- Updating and monitoring of ten-year capital plan	Ongoing				
- Continue implementation of water meter replacement program	Ongoing Hired temp worker to expedite process				
- Continued development of asset management plan	Inclusion of all assets by December				
- Development of agreements for services provided to Elizabethtown/Kitley	Ongoing Waiting for formal response				
- Introduce options for new rate structure for water and wastewater billing systems	Fall of 2014				
- Continued development of Development charges by-laws	Discussing strategy to complete background study and public meeting				

## 2014 DEPARTMENT GOALS/OBJECTIVES

FIRE DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<b>1. People</b>					
- Home Inspection Program - Continue	Analysis of 2013 Stats, focus on problem areas, crews start field work April/May				
- Vulnerable Occupancy Program, mandated by Province (initial year)	Implementation of program, registration of required "care" occupancies, group homes, long term care, - FSP, annual drills, staffing, training, sprinkler system etc.				
- Switch over from Provincial to NFPA training standards	Grandfathering process to validate staff members current OFM levels of education & experience to NFPA recognized levels				
- Sightline to Safety Program Continue participation & guidance with the Can. Hearing Society re: fire safety, alarm notification systems for deaf & hard of hearing	Promotion of Registration program & residence inspections				
- Public Safety Awareness Campaigns focus on Seniors & Multiple Units Dwellings - Fire Safety Information Sessions	Presentations at some facilities completed & others being booked.				

## 2014 DEPARTMENT GOALS/OBJECTIVES

FIRE DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
- Introduction of CO Alarm Legislation, Promotion of & enforcement of recent mandatory residential installations	Public awareness campaign, information & requirements as developed by the province.				
- Preliminary planning for scheduled T9-1-1 systems upgrade (texting capability) for deaf, hard of hearing & speech impaired.	Research & planning in partnership with M.I.S. & service provider (Bell)				
<b>2. ECONOMY</b>					
- Monitor the 2014 Budget & Variance report concerns as required	Prioritizing depts. equipment & supplies needs for 2014				
- Work with HR on outstanding Contract bargaining & negotiable issues post Arbitration ruling.	Negotiations of transfer/promotional clause in progress				
- Monitoring and mitigation of any transitional issues of post transition to Digital radio & paging communications.	Paging system live 19/02/14 Voice system live 29/01/14				
- Work with Fleet Services developing RFP for acquisition of a new fire apparatus as per 2014 budget.	RFP guidelines process being developed in partnership with Fleet & Support Services plan to release in early April.				
- Development in partnership with other City Depts. 2015 budget.	On going				
<b>3. AMENITIES</b>					
- Continue to support tourism by attending events seeking or requiring F.D. presence.	No requests during this quarter				

## 2014 DEPARTMENT GOALS/OBJECTIVES

FIRE DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
- Maintain the City's annual compliance with the Emergency Management & Civil Protection Act.	Continued contact with EMO Sector Rep and current information as received.				
- Maintain the City's compliance with the Fire prevention & Protection Act, Sections 2(1)(a) 2(1)(b)	Continue to actively promote/conduct public education in prevention & fire safety				
- Promote the renewal of the <u>outdated</u> Fire Dept. Establishing & Regulating By-Law	Discussion of importance held with City Manager.				
- Continue in the preparation with the Public Works & Police Dept's. in the transition of radio communications equipment from the St. Vincents site to the Water Tower site.	Some discussion held with partner departments.				
- Undertake an update of Department Rules & Regulations, and Employee Annual Evaluation Forms.	Preliminary discussions held with H.R. Manager. Reviewing of some other municipalities forms - ongoing				

2014 DEPARTMENT GOALS/OBJECTIVES					
ENVIRONMENTAL SERVICES DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<b><u>Corporate Objectives</u></b>					
1. WPCC Secondary Treatment  → Completion of deficiencies  → Environmental Assessment of Main Pumping Station	A couple of deficiencies are still outstanding. It is anticipated that the project will be completed by the end of the 2 <sup>nd</sup> quarter.  The Notice of Completion was advertised in early February with a public comment deadline of March 6. A local resident has made a Part II Order request to the Minister's office. The Ministry has requested information from the City which has been submitted. A decision as to whether the Ministry will reject the request or support the request and require the City to complete an Individual Environmental Assessment is anticipated by the end of the 2 <sup>nd</sup> quarter.				

2014 DEPARTMENT GOALS/OBJECTIVES					
ENVIRONMENTAL SERVICES DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<b>2. Wastewater System Capacity Analysis</b> <ul style="list-style-type: none"> <li>→ Ongoing completion of corrective Actions as per Report 2007-144-08</li> </ul>	<p>The purpose of report 2007-144-08 was to put a plan in place to reduce the amount of wastewater being treated at the City's WPCC. In 2007 the plant was at its capacity limit. Since 2007 there has steadily been a decline in influent at the plant. This can be mainly attributed to the amount of annual rainfall over the past three or four years. Additionally, through the City's capital plan, shared manholes are being removed; water consumption across the City is declining; watermain breaks are being repaired. All contribute to a reduction of flows at the plant to where, in 2013, it is at 67% of its rated capacity. Staff will continue to work on reducing inflow and infiltration but the urgency is no longer there.</p>				

2014 DEPARTMENT GOALS/OBJECTIVES					
ENVIRONMENTAL SERVICES DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
3. Wastewater System Main Pumping Station Force main Condition Assessment	Staff has recently started researching the feasibility of completing a condition assessment of the force main while it is operational. On-going.				
4. Implementation of new Sewer Use By-law	WPCC staff, with cooperation of the Clerk's office, has over the past 3 years been working on a new Sewer Use By-law. The short wording of the by-law was recently reviewed and approved by the Ministry of Attorney General. It is anticipated that approval of the by-law by Council will be brought forward in the 2 <sup>nd</sup> quarter.				
5. Water Systems Master Plan  → Water Distribution System Hydraulic Modeling Review	Work on the City's Watercad modelling systems has begun. The consultant is in the process of gathering information from City staff to be used in updating the model. It is anticipated that the model will be completed by the end of June 2014.				

<b>2014 DEPARTMENT GOALS/OBJECTIVES</b>					
<b>ENVIRONMENTAL SERVICES DEPARTMENT</b>	<b>1<sup>ST</sup> QTR.</b>	<b>2<sup>ND</sup> QTR.</b>	<b>3<sup>RD</sup> QTR.</b>	<b>4<sup>TH</sup> QTR.</b>	<b>COMMENTS</b>
<b>6. Ongoing Implementation/Improvement of City's Operational Plan (DWQMS)</b>	On-going. An internal audit is scheduled for the end of April and the first of two Management Review Meetings is scheduled for early June.				
<b>7. Completion of a new Water By-law</b>	On-going.				
<b>8. Assist in the review of the City's Water Rate</b>	On-going.				
<b>9. Assist in the implementation of the Source Water Protection Plan policies</b>	The local Source Water Protection committee recently submitted a revised copy of the Plan to the Ministry for their review. It is anticipated that the plan will be approved by the end of the 2 <sup>nd</sup> quarter. Implementation of the policies will occur throughout the remainder of 2014.				

2014 DEPARTMENT GOALS/OBJECTIVES					
ENVIRONMENTAL SERVICES DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<p><b>10. Continued Implementation of Long Term Solid Waste Management Study</b></p> <ul style="list-style-type: none"> <li>→ Work with homeowners and property managers to review current collection policies and determine feasibility of providing the service to those that currently do not receive the service.</li> <li>→ Complete a comprehensive review of solid waste management practices and services and identify program improvements</li> </ul>	<p>On-going. Staff has met with a number of housing managers/representatives regarding collection services. Several pilot projects implemented in 2013 seem to be working well with only a few issues.</p> <p>On-going.</p>				

2014 DEPARTMENT GOALS/OBJECTIVES					
ENVIRONMENTAL SERVICES DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<b>11. Completion of 2014 Environmental Services Department's Capital Projects</b> <ul style="list-style-type: none"> <li>1. Bethune Street Reconstruction</li> <li>2. Brock Street Watermain</li> <li>3. Water Street Watermain</li> <li>4. William Street Watermain</li> <li>5. WTP Capital projects</li> <li>6. WPCC Capital projects</li> </ul>	<p>The contract has been awarded to Miller Construction. Work is scheduled to start in early May and expected to be completed by early August.</p> <p>The tender is scheduled to be advertised in early May with construction to start in mid-June.</p> <p>The tender is scheduled to be advertised in early July with construction to start in early September.</p> <p>The tender is scheduled to be advertised in early July with construction to start in early September.</p> <p>On-going.</p> <p>On-going.</p>				

<b>2014 DEPARTMENT GOALS/OBJECTIVES</b>					
<b>ENVIRONMENTAL SERVICES DEPARTMENT</b>	<b>1<sup>ST</sup> QTR.</b>	<b>2<sup>ND</sup> QTR.</b>	<b>3<sup>RD</sup> QTR.</b>	<b>4<sup>TH</sup> QTR.</b>	<b>COMMENTS</b>
12. Participate in the annual update of the City's Asset Management Plan	On-going.				
13. Participate in the Implementation of a Geographic Information System (GIS)	On-going.				
14. Participate in the review of private subdivisions for their assumption	Expected to start field reviews in 2 <sup>nd</sup> quarter.				
15. Complete Risk Assessment of Reynolds Park in cooperation with Operations Department	On-going.				
16. Continued Monitoring of Brownfields Remediation Projects	On-going.				

2014 DEPARTMENT GOALS/OBJECTIVES					
ENVIRONMENTAL SERVICES DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<b><u>Department Objectives</u></b>					
<b>1. Assist City Manager in completion/implementation of:</b> <ul style="list-style-type: none"> <li>→ Implement Services Delivery Review recommendations</li> <li>→ Performance Reviews on Supervisory Staff</li> <li>→ Implementation/Monitoring of 2014 Budget</li> <li>→ Preparation of 2015 Budget</li> </ul>	On-going.  Scheduled to be completed by the end of the 2 <sup>nd</sup> quarter.  On-going. Supervisory staff responsible for completing capital projects and continually monitoring project budgets.  Preparation of the 2015 budget is anticipated to start in the 3 <sup>rd</sup> quarter.				

2014 DEPARTMENT GOALS/OBJECTIVES					
PLANNING DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<b>1. People</b>					
- Continue implementation of data & application management software (Marmak's MiLISA) for building & by-law enforcement.	Implemented SysAid tracking system for inspection requests. Marmak updates requested and sent.				
- Continue training of CBO and Inspection Officers to ensure full compliance with Ontario Building Code Act.	Ongoing peer training of new Inspection Officer. Legal course exam for new IO scheduled for Q2				
- Ensure Opportunities for Continuous Professional Learning for planners to meet requirements of OPPI (Mandatory commencing 2014).	Limited opportunities in Q1. Some engagement and training through webinars.				
- Continue subdivision file closure and assumption	Some follow-up with developer of Bridlewood Subdivision. Field investigations needed for most files postponed due to snow cover.				
<b>2. Economy</b>					
<i>Community Improvement Plans (Downtown &amp; Brownfields)</i>					
- Continue administration of applications for program assistance under Downtown and Brownfields CIP's.	Ongoing promotion of funded programs and administration of files: <u>CIP-TIERR:</u> 6 files active <u>CIP-BRNFLD:</u> 1 file active 1 file pending <u>CIP-TIERR/BRNFLD:</u> 2 files active 2 files pending <u>CIP-FIG</u>				

## 2014 DEPARTMENT GOALS/OBJECTIVES

PLANNING DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
	5 files active <u>CIP-RCCR</u> 2 files active				
- BFTIP by-laws to be completed as necessary.	No activity in Q1				
<i>Planning &amp; Building Review / Approvals (Ongoing &amp; as needed)</i>					
- TSL/Aquarium	Building inspections completed as needed for occupancy of residential units. Easements and plans required per Site Plan and Condominium approvals under review.				
- Junic	Further investigation of Species at Risk required. Zoning submission under review.				
- Centre St.	Environmental Site Assessment to be completed in Spring prior to submission for subdivision approval				
- Aspen Dr.	Extension on draft approval granted by Council to 04 Feb 2017				
- Deer Trails	Pre-consultation with new owner of lands respecting planning approvals needed to re-open file				
- BGH	Inspections conducted as needed for renovations to 3 <sup>rd</sup> floor for acute mental health care occupancy.				
- Blockhouse Square	No activity in Q1				

2014 DEPARTMENT GOALS/OBJECTIVES					
PLANNING DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
- Other	<u>Site Plan Applications</u> -2 12-unit condos, Millwood at Magedoma -Axens, 4000 Development Dr. expansion				
<i>Employment Lands</i> - Assist with advancement of future employment lands in Brockville, and associated secondary plan and Official Plan and zoning amendments	Preliminary discussions with MMAH; meeting to discuss planning issues scheduled for Q2				
<i>Approval &amp; implementation of 2014 budget, &amp; preparation of 2015 budget</i>	Notice of 2014 user fee changes provided to clients				
<b>3. Amenities</b>					
- Improve response times to Property Standards complaints, continue training of By-law Enforcement Officer/Animal Control Officer to assist	Ongoing peer training of By-law Enforcement and Inspection Officers. SysAid tracking system to be utilized for improved response times				
<b>4. Sustainability</b>					
<i>Official Plan/Downtown &amp; Waterfront Master Plan &amp; Urban Design Strategy</i>					
- Obtain direction from new Council with respect to prioritization of actions to be undertaken within the life of the Official Plan and DWMPUDS as identified therein	To be actioned in Q4				
- Update planning applications & procedures related thereto for consistency with new Official Plan	To be commenced following passage of new Zoning By-law				

<b>2014 DEPARTMENT GOALS/OBJECTIVES</b>					
<b>PLANNING DEPARTMENT</b>	<b>1<sup>ST</sup> QTR.</b>	<b>2<sup>ND</sup> QTR.</b>	<b>3<sup>RD</sup> QTR.</b>	<b>4<sup>TH</sup> QTR.</b>	<b>COMMENTS</b>
<i>New Comprehensive Zoning By-law</i>					
- Team lead on development and approval of new comprehensive zoning by-law	First draft of new Zoning By-law received. Steering Committee, stakeholder consultation and Public Open House held Feb. 26/14. Co-ordination of response to draft by-law.				
<i>Development Charges Study/By-law</i>					
- Co-ordinate completion of Development Charge Study, public and stakeholder consultation, and by-law implementation	Provided input to consultant and follow up to Councillor questions on initial findings.				

## 2014 DEPARTMENT GOALS/OBJECTIVES

OPERATIONS DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<b>1. People</b>					
a. In partnership with community groups, enhance existing & plan for new facilities to draw families & seniors, e.g. Rotary Park, Brock Trail, Railway Tunnel	a. Planning process is active for Rotary Park Phase 3, Brock Trail and Railway Tunnel				
b. Facilitate departmental support for festivals & events which benefit residents & draw visitors, ie. Ribfest, hydroplane regatta (with linkage to Economy objectives)	b. Ongoing				
c. Complete review of Non-resident User Fee	c. Ongoing				
<b>2. Economy</b>					
a. Facilitate/monitor brownfield remediation projects (TSL, Blockhouse Square, Wayfare, Junic, etc.) & linkages with City amenities associated with or adjacent to these developments	a. Ongoing				
b. Provide technical support to industrial park land assembly initiative	b. Ongoing				
<b>3. Amenities</b>					
a. Assist City Manager in negotiation of harbor divestiture	a. Ongoing				
b. Hardy Park shoreline restoration	b. Fall 2014				
c. Completion of TSL/Aquarium related projects – docking	c. Spring/Summer 2014				

2014 DEPARTMENT GOALS/OBJECTIVES					
OPERATIONS DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
d. 2014 Capital Projects – roads, bridges, fleet, parkland, facilities e. Memorial Centre Pad and Boards f. Completion of Reynolds Park Risk Assessment g. Blockhouse Square Public Amenities	d. Projects being initiated  e. Contract awarded f. Update of Phase I and Phase II ESA's completed. g. Ongoing				
<b>4. Sustainability</b> a. Asset Management – expand on base asset management report	a. Summer/fall 2014				
<b><u>Departmental Objectives</u></b>					
1. Assist City Manager in completion of:  <ul style="list-style-type: none"> <li>• Implementation/monitoring of 2014 budget</li> <li>• Preparations for 2015 budget</li> <li>• Implement next steps of Corporate Reorganization and succession planning as necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Summer/fall 2014</li> <li>• Succession for Transportation Supervisor and Parks Foreman underway</li> </ul>				

2014 DEPARTMENT GOALS/OBJECTIVES					
ECONOMIC DEVELOPMENT DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<b>1. People</b>					
<ul style="list-style-type: none"> <li><u>Immigration Initiatives-</u> Secure fourth round federal funding for 2014/15 to continue attraction initiatives for secondary immigration. Alternatively, if funding not provided, broker among existing immigration stakeholders a delivery format with regional resources.</li> </ul>	<p>Secured both fourth and fifth round immigration funding till March 2016. Relocated administration office to EEC. Mobilized people for two working task groups for executing immigration work plan strategies.</p>				
<ul style="list-style-type: none"> <li><u>Lifestyle Attraction Program-</u> Implement phase two being a more focused attraction outreach utilizing both ambassadors and tourism staff to market community at events, trade shows and through real estate brokers. Refresh on web content and introduction of new video.</li> </ul>	<p>Updating the research community data for website edition of lifestyle. Received the new lifestyle and business video and posted and distributed. Commencing updating of other publications for second quarter</p>				

2014 DEPARTMENT GOALS/OBJECTIVES					
ECONOMIC DEVELOPMENT DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<ul style="list-style-type: none"> <li>• <u>Entrepreneurship Development</u>-Execute new youth entrepreneurship program with the additional transfer funds from Province on a two year pilot.</li> <li>• Continue to attain the current benchmark stats/level on small business consulting and related impacts.</li> <li>• Provide facilitation with Launch Labs of Kingston and the area CDC's on potential entrepreneurship residency offering and identify the resources for sustainability pending confirmation of demand in the technology/innovation sector.</li> </ul>	<p>Contract agreement completed and secured funding for two year pilot program for youth entrepreneurship.</p> <p>Completed facilitation of the Launch Lab introduction to Brockville and our CDC assisting with a regional application through the CDC framework for financial assistance.</p>				
<b>2. Economy</b>					
<ul style="list-style-type: none"> <li>• <u>Investment Attraction</u>-Focus lead generation to vacant facilities including Abbott Labs, and former plants sites of Black and Decker, Data Group and Recorder and Times. Target is 100K square feet of space rented.</li> <li>• Angel Network-Continue brokerage of regional investment opportunities to Angel network. Target is 2 confirmed deals.</li> </ul>	<p>Communications with Abbott head office every two weeks. No green light yet.</p> <p>Data Group building has been leased and occupied. Two clients introduced to former Recorder facility for negotiation with owner.</p> <p>Meeting with former B&amp;D site owners for prospect generation.</p>				

2014 DEPARTMENT GOALS/OBJECTIVES					
ECONOMIC DEVELOPMENT DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<ul style="list-style-type: none"> <li><u>Retail Commercial Attraction</u>-Complete retail market research and execute new retail marketing initiative for primary vacant facilities in 1000 Islands Mall and Shopping Centre with secondary plan on downtown. Target is 25k square feet of space rented. Attendance at ICSC events.</li> </ul>	Attended winter ICSC event and participated in the speed dating process with national retail leasing firms Represented both shopping centres at forum including Dodge holdings				
<ul style="list-style-type: none"> <li><u>Business Retention &amp; Expansion</u>-Completion of 10 corporate calls with local industry and key commercial clients.</li> </ul>	Completed 5 corporate calls this quarter with industry and mall and shopping centre owners				
<ul style="list-style-type: none"> <li><u>Employment Lands</u> Continue with zoning process and site preparation for potential acquisition agreement protocol for new 130 acre business park. Complete a readiness plan and future certification process for the park including a EDOF application for execution upon securing qualified prospect.</li> </ul>	Initiated negotiations with both property owners for property assembly of new employment lands Commenced communications on zoning process				

2014 DEPARTMENT GOALS/OBJECTIVES					
ECONOMIC DEVELOPMENT DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<b>Aquatarium</b>  Provide a coordination/facilitation role on both the marketing plan development for the Aquatarium and the execution of various elements of the plan for first year operation only. This at direction/approval of the Aquatarium Board	Completed marketing funding application for \$150K on \$300K marketing plans for 3 year period. Marketing template completed Marketing team mobilized				
<b>3. Amenities</b>					
<ul style="list-style-type: none"> <li>• <u>University Program Attraction</u>- Continue advocacy for Algoma program in downtown pending Provincial approval. Additionally, assist 1000 Island village, former GCC, on University of Ottawa intent for program on site.</li> </ul>	Awaiting Provincial approval				

2014 DEPARTMENT GOALS/OBJECTIVES					
ECONOMIC DEVELOPMENT DEPARTMENT	1 <sup>ST</sup> QTR.	2 <sup>ND</sup> QTR.	3 <sup>RD</sup> QTR.	4 <sup>TH</sup> QTR.	COMMENTS
<b>4. Sustainability</b>					
<ul style="list-style-type: none"> <li><u>Destination Marketing Fund-</u> Through membership on tourism advisory committee, ensure execution of the new proposed supplementary funding program for local accommodation and attraction facilities. Target \$160k by 2015.</li> <li><u>Tourism-</u> Tourism contract, Aquatarium linkage and Riverquest represent two additional advisory committee task with targets under development.</li> </ul>	<p>Accommodation operators now receptive to some form of DMF. Details under negotiation.</p> <p>No action on this item</p>				
<ul style="list-style-type: none"> <li><u>Workforce Development –</u> Continue the regional labour adjustment initiatives as partner with EEC and 1000 Island Labour Board.</li> </ul>	<p>Additional regional membership secured for committee. New Eastern Ontario strategy has noted focus on this item.</p>				

April 25, 2014

**REPORT TO FINANCE, ADMINISTRATION & OPERATIONS COMMITTEE – May 20, 2014**

**2014-051-05**

**AQUARIUM OPERATING AGREEMENT**

**BOB CASSELMAN**  
**CITY MANAGER**

**RECOMMENDATION**

THAT Council authorizes the Mayor and Clerk to execute the Aquarium Operating Agreement as outlined in Schedule 1 attached hereto.

**PURPOSE**

To have City of Brockville Council consider and authorize the execution of an Aquarium Operating Agreement.

**BACKGROUND**

The City of Brockville, Aquarium and Tall Ships Landing Development Inc. have executed a variety of agreements including:

1. The Partnership Agreement – October 9, 2007
2. The January Agreement – January 12, 2010
3. The Purchase Agreement – March 9, 2011

In furtherance of the aforementioned, the Parties wish to enter into this agreement relating to the management, and operation of the Aquarium, the Aquarium Parking Units and the Additional Parking Spaces.

The terms and conditions of the subject agreement are outlined in Schedule 1.

**FINANCIAL IMPLICATIONS**

The City of Brockville's financial commitment to the ongoing operation of the Aquarium has not changed and includes the following:

1. Annual transfer payment of \$150,000
2. Annual in-kind services of accounting, financial management, insurance, property tax exemption, water charges and administrative charges and expenses.

2014-051-05

AQUATARIUM OPERATING AGREEMENT

2

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**CONCLUSION**

The execution of the Aquatarium Operating Agreement provides the partners with clarity relating to the management, and operation of the Aquatarium, the Aquatarium Parking Units and the Additional Parking Spaces.

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B. Casselman  
City Manager

**THIS OPERATING AGREEMENT IS MADE THIS \_\_\_\_\_ DAY OF \_\_\_\_\_;**

**B E T W E E N:**

**THE CORPORATION OF THE CITY OF BROCKVILLE  
(hereinafter referred to as the “City”)**

- and -

**AQUATARIUM  
(hereinafter referred to as the “NFP”)**

- and -

**TALL SHIPS LANDING DEVELOPMENTS INC.  
(hereinafter referred to as “TSL”)**

**WHEREAS:**

- A. On October 9, 2007, the City and TSL entered into a Public Private Partnership Agreement, a copy of which is appended to this Agreement as Exhibit “A”, which provides, among other things, for the construction of a mixed-use building to include a discovery centre (the “Partnership Agreement”);
- B. On January 12, 2010, the City entered into two agreements (one open, one closed) with TSL and the Steering Committee of the Maritime Discovery Centre of the 1000 Islands (now the Aquatarium Steering Committee) (the “January Agreements”) outlining certain terms of agreement in connection with the construction and operation of the discovery centre on the site of Tall Ships Landing at 6 Broad Street, Brockville, Ontario and a copy of the open agreement is appended to this Agreement as Exhibit “B”,
- C. On March 9, 2011, the City entered into a Purchase Agreement with TSL, a copy of which is appended to this Agreement as Exhibit “C” (the “Purchase Agreement”) for the purchase of the MDC, as such term is defined in the Purchase Agreement, as well as the MDC Parking Units, as such term is defined in the Purchase Agreement.
- D. The purchase and sale of the MDC and the MDC Parking Units by the City from TSL closed on the date of this Agreement.
- E. The discovery centre, formerly known as the Maritime Discovery Centre of the 1000 Islands, is now referred to as the “Aquatarium” and the Aquatarium Steering Committee has been succeeded by Aquatarium , a not-for-profit corporation incorporated under the

*Canada Not-For-Profit Corporations Act (Canada)* (the “Act”) and herein referred to as the “NFP”, being a party to this Agreement.

- F. In furtherance of the Partnership Agreement, the January Agreements and in accordance with the provisions of the Purchase Agreement, the City has also agreed to create and make available to the general public the Additional Parking Spaces, as such term is defined in the Purchase Agreement.
- G. The funding for the construction of the Aquatarium was provided, in part, through a grant from the Building Canada Fund, in accordance with an agreement made the 14<sup>th</sup> day of December 2009 between Her Majesty the Queen in Right of Ontario (“OMAFRA”) and the City (the “BCF Agreement”), in accordance with which the City is required to own the Aquatarium for a minimum of ten (10) years and the City is not allowed to lease the Aquatarium to a third party;
- H. But for the requirements of the BCF Agreement, the NFP would have taken title to the Aquatarium directly, on completion of the construction;
- I. The parties, having previously entered into the Partnership Agreement, the January Agreements and the Purchase Agreement, wish to enter into this Agreement in furtherance of the Partnership Agreement, the January Agreements and the Purchase Agreement relating to the management, operation and staffing of the Aquatarium, the Aquatarium Parking Units, and the Additional Parking Spaces.

**NOW THEREFORE** in consideration of the mutual covenants and agreements set out in this Agreement and the sum of ten dollars (\$10) paid by each Party to the others and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties covenant and agree as follows:

### 1.1 Definitions

The terms defined herein shall have, for all purposes of this Agreement, the following meanings, unless the context expressly or by necessary implication otherwise requires:

“Additional Parking Spaces” has the meaning ascribed to it in the Purchase Agreement;

“Agreement” means this Operating Agreement and the Schedules and Exhibits attached hereto, as amended from time to time in writing by the parties hereto;

“Applicable Laws” means, with respect to any Person, property, transaction or event, all laws, by-laws, rules, regulations, orders, judgments, decrees, decisions or other requirements having the force of law relating to or applicable to such Person, property, transaction or event;

“Aquatarium” has the same meaning as “MDC” in the Purchase Agreement.

**“Aquarium Interior Fit-Ups”** has the same meaning as “MDC Interior Fit-ups” in the Purchase Agreement;

**“Aquarium Lands”** has the same meaning as “MDC Lands” in the Purchase Agreement;

**“Aquarium Parking Units”** has the same meaning as “MDC Parking Units” in the Purchase Agreement;

**“Aquarium Steering Committee”** has the same meaning as “MDC Steering Committee” in the Purchase Agreement, it being understood that the Aquarium Steering Committee has been succeeded by the NFP and the NFP has assumed all of the obligations of the Aquarium Steering Committee including the January Agreements;

**“BCF Agreement”** has the meaning ascribed to it in the recitals;

**“Business Day”** means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario;

**“Claims”** means any claim, demand, action, cause of action, damage, loss, cost, liability, obligation or expense, including reasonable professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;

**“January Agreements”** means the agreements (open/closed) dated January 12, 2010 made between TSL, the City and the Aquarium Steering (formerly Maritime Discovery Centre of the 1000 Islands);

**“Partnership Agreement”** also known as the “P3 Agreement” means the Public Private Partnership Agreement between the City and TSL dated October 9, 2007, as amended from time to time;

**“Party”** means a party to this Agreement and “Parties” means more than one of them;

**“Purchase Agreement”** means the Purchase Agreement and the Schedules attached thereto between the City and TSL dated March 9, 2011;

**“Representative”** means a director, officer, employee, agent, solicitor, accountant or other advisor or representative of a party to this Agreement;

**“TSL Agreements”** has the meaning ascribed to it in Section 1.5 of this Agreement.

## 1.2 Schedules

The following Schedules are attached to and form part of this Agreement:

Exhibit A - Partnership Agreement

Exhibit B	-	January Agreement - open
Exhibit C	-	Purchase Agreement

### 1.3 Interpretation

(1) Recitals. The parties hereby acknowledge and declare that the foregoing recitals are true and correct in substance and in fact and form an integral part of this Agreement.

(2) Definitions. Any capitalized defined term not defined in this Agreement has the meaning ascribed to it in the Purchase Agreement.

(3) Headings. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(4) Number and Gender. Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

(5) Currency. All references to dollars shall refer to Canadian dollars.

(6) Severability. If any provision contained in this Agreement or its application to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

(7) Time. Time shall be of the essence of this Agreement. Where anything is required to be done under this Agreement on a day that is not a Business Day, then the time for such thing to be done shall be the next following Business Day. Except as expressly set out in this Agreement, the computation of any period of time referred to in this Agreement shall exclude the first day and include the last day of such period. The time limited for performing or completing any matter under this Agreement may be extended or abridged by an agreement in writing by the parties or by their respective solicitors.

(8) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the applicable laws of Canada.

### 1.4 Term

The term of this Agreement (the "Term") shall be for a period of ten (10) years commencing on the date of this Agreement and continuing until the tenth (10<sup>th</sup>) anniversary thereof.

## **1.5 Covenants of the City**

For the Term, in addition to any other commitments or responsibilities undertaken by the City in the Partnership Agreement, the January Agreements and the Purchase Agreement but without duplication of any commitment or responsibility so undertaken in such agreements or any other agreement entered into between the City and the other Parties involving the development and/or operation of the Aquatarium, the City shall be responsible for and shall provide the following to the NFP:

- a) Exclusive occupancy of the Aquatarium Lands and the Aquatarium is hereby granted to the NFP for the purpose of enabling the NFP to operate a discovery centre with full discretion delegated to the NFP in connection with the management, operation and staffing of the centre;
- b) The City hereby grants to the NFP the use and enjoyment of all Aquatarium Interior Fit-ups and other assets of the Aquatarium belonging to the City in furtherance of such purpose;
- c) Upon completion and opening of the Aquatarium and related facilities, the City hereby covenants to pay to the NFP a transfer payment to the Aquatarium in the annual amount of \$150,000. Payment shall be made in two (2) equal installments annually, on the 1st of January and June in each calendar year of the Term.
- d) The City hereby covenants to provide to the NFP annual in-kind services or benefits of accounting and financial management, insurance, property tax exemption, exemption from water charges, and exemption from administrative charges and expenses.
- e) The City hereby grants to the NFP the use and enjoyment of and operational control over the Aquatarium Parking Spaces and the Additional Parking Spaces.
- f) The City hereby agrees to provide for the initial installation of pay/display machines, parking meters, printing and signage associated with the Aquatarium Parking Units and Additional Parking Spaces.
- g) The City hereby covenants and agrees to enter into and perform its obligations under any agreements or other documents required in the ordinary course in connection with the City's ownership of the Aquatarium and Aquatarium Parking Spaces as part of the Tall Ships Landing condominium complex, including without limitation the Shared Facilities Agreement (collectively, the "TSL Agreements").

## **1.6 Survival**

The City acknowledges that the covenants of the City contained in paragraphs (c), (d), (e) and (f) of Section 1.5, above, are intended to and shall survive the termination of this Agreement and shall continue in favour of the NFP or its successor in accordance with the terms and conditions

contained in the Partnership Agreement, the January Agreements and/or the Purchase Agreement.

### **1.7 Rights of City and TSL**

Notwithstanding any agreement to be entered into with respect to the management, operation and staffing of the Aquatarium, Aquatarium Parking Units and Additional Parking Spaces, the City and TSL shall at all times, reserve unto each of them, the following rights:

- a) The City reserves the right to enter upon the premises owned by the City at any reasonable time and for any reasonable purpose and such right may be exercised by the City, its servants or employees and any designated employee of the City of Brockville. Such persons will carry identification sufficient to prove they are, in fact, representatives of the City.
- b) If the City, as determined by City Council, or TSL is uncomfortable with the financial direction of the Aquatarium then the City, TSL and the NFP (represented by Board members and/or staff) will meet and work cooperatively to seek to resolve the financial issues identified.
- c) The City and TSL have the right to create an Oversight Committee who will apply the necessary financial tests to determine if a Supervisor is required to be appointed to resolve the financial issues identified. Composition of Committee: one appointee of the City, one appointee of TSL and a professional with the necessary credentials for the issue at hand, appointed by agreement of the other two members of the committee.
- d) Upon the recommendation of Oversight Committee, City Council shall pass a resolution to appoint the Supervisor whose function shall be to usurp the function of the Board of Directors of the NFP. The Supervisor shall have full and sufficient authority to make any and all decisions necessary to return the Aquatarium to fiscal health. The City shall become responsible for the operation of the Aquatarium through the Supervisor. This does not *oblige* the City to spend additional money.
- e) At any time, the City, TSL or the NFP may apply to the Oversight Committee to determine if the financial issues have been resolved and if the operation of the Aquatarium can be restored to the NFP Board and Staff. On recommendation from the Oversight Committee, City Council shall retire the Supervisor and return operations to the NFP Board and Staff.

### **1.8 Covenants of the NFP**

For the Term of this Agreement, in addition to any other commitments or responsibilities undertaken by the NFP in the Partnership Agreement, the January Agreements and the Purchase Agreement but without duplication of any commitment or responsibility so undertaken in such

agreements or any other agreement entered into between the Aquatarium Steering Committee and the other Parties involving the development and/or operation of the Aquatarium, the NFP shall be responsible for and shall provide the following to the City and/or TSL, as applicable:

- a) The management and operation of the Aquatarium, Aquatarium Parking Units and Additional Parking Spaces in accordance with the Partnership Agreement, January Agreements and the Purchase Agreement.
- b) Provide financial reporting to the City and TSL on as frequent a basis as required; quarterly to begin and moving to annual, at the discretion of TSL and the City (as determined by City Council), as the operation becomes more mature.
- c) Abide by the “Rules Relating to Use” of the Aquatarium Parking Units and Additional Parking Spaces as set forth in the Purchase Agreement.
- d) Provide financial reporting which includes presenting the Aquatarium financial statements, annual budgets and variance reports to the City as represented by Council.
- e) Annual presentations to the City, as represented by Council, on project expenditures, strategic plan, business plan and results.
- f) Provide tourism indicators including, but not limited to visitation, enquiries, surveys, dollars leveraged, website statistics, POS statistics.
- g) Appoint one member of the NFP Board of Directors to actively promote and assist in promoting tourism in partnership with the Brockville Tourism Advisory Committee.
- h) Keep accurate records as the City may require including but not necessarily limited to: various Key Performance Indicators to be established by the City.
- i) Notify the City and proper authorities of any and all accidents, thefts, damage or other occurrences, including without limitation any occurrence which may be insured under the City’s insurance policies;
- j) Investigate and report on, at the City’s request, the desirability of establishing other activities and services as may be deemed advisable or necessary for, or in conjunction with, the operations of the Aquatarium, Aquatarium Parking Units and/or Additional Parking Spaces.

## 1.9 Parking

- a) The Parties acknowledge that in accordance with Sections 1.5(e) and 1.8(a) of this Agreement, the City has granted to the NFP the benefit of and operational control over,

and the NFP has assumed the management and operation of, the Aquatarium Parking Units and the Additional Parking Spaces.

- b) In reliance on such provisions of this Agreement, the NFP hereby subcontracts with the City to provide to the NFP the services required to operate the Aquatarium Parking Units and the Additional Parking Spaces in accordance with the operating hours, parking fees and other parameters established from time to time by the NFP in its sole discretion, including without limitation the "Rules Relating to Use" as set forth in the Purchase Agreement. The City agrees to operate, and to pay the out-of-pocket operating costs for the operation and management of, the Aquatarium Parking Units and the Additional Parking Spaces under the general direction of the NFP and to transfer to the NFP the net revenues, if any, from the Aquatarium Parking Units and the Additional Parking Spaces over and above the operating costs incurred by the City on the NFP's behalf. If the operation of the Aquatarium Parking Units and Additional Parking Spaces results in a net deficit, it shall be the responsibility of the NFP to reimburse the City for such deficit on a dollar-for-dollar basis. The determination of surplus or deficit in the operation of the Aquatarium Parking Units and Additional Parking Spaces shall be made at the end of the City's fiscal year in each year of the Term.
- c) The parties acknowledge that it is their intention that the City shall neither benefit nor suffer a loss, financially, from the provision of the services contemplated in Section 1.9(b) but that such services are being provided by the City incrementally with providing such services generally to the City of Brockville and with the goal of supporting the sustainability of the Aquatarium without the City incurring added costs. The City shall consult regularly with the NFP regarding the budget for operation of the Aquatarium Parking Units and the Additional Parking Spaces and seek input from the NFP in connection with same. The City shall provide to the NFP all such accounting and other documentation as it shall reasonably request to substantiate the surplus or deficit in any given year.
- d) Each of the City and the NFP shall have the right to terminate this Section 1.9 of this Agreement at any time on the provision to the other party of no less than sixty (60) days' advance written notice without affecting the balance of this Agreement. Any amount outstanding and owing as of the date of termination in accordance with Section 1.9(b), above, by either party to the other, shall be due and payable on the date of termination of this Agreement.

#### **1.10 Assignment / Sublet Rights**

The NFP shall not have the right to assign this Agreement or to sublet the Aquatarium, the Aquatarium Parking Units or Additional Parking Spaces to any party for any purpose.

### **1.11 Insurance - City**

The City shall, throughout the term of this Agreement, at its sole cost and expense take out and keep in full force and effect the following policies of insurance in respect of the Aquatarium:

- a) Broad Form coverage including sewer back up, flood and earthquake covering for an amount equal to the full replacement cost of the property. Such insurance shall be written on a stated amount co-insurance basis and shall include all property owned by the City or for which the City is legally liable including contingent condominium unit owner's supplement coverage, special loss assessments and improvements and betterments.
- b) Municipal general liability insurance issued on an occurrence basis for an amount of not less than \$10,000,000 per occurrence and \$10,000,000 annual aggregate for any negligent act or omission by the City or for those whom the City is legally liable. Such insurance shall include bodily injury and property damage, including loss of use; premises, property and operations; occupant's legal liability; personal and advertising injury; owners' and contractors' protective; products liability; broad form completed operations; employee and volunteers as additional Insureds; incidental medical malpractice; non-owned automobile; employer's liability; blanket contractual liability; liquor liability (if applicable); and cross liability and severability of interests clauses.
- c) Such insurance shall add the NFP as Additional Insured with respect to the operations of the City. This insurance shall be non-contributing with and apply as primary and not as excess of any insurance available to the NFP.

### **1.12 Insurance – NFP**

The NFP shall, throughout the term of this Agreement take out and keep in full force and effect in respect of the Aquatarium:

- a) Broad Form coverage including sewer back up, flood and earthquake covering for an amount equal to the full replacement cost of the property. Such insurance shall be written on a stated amount co-insurance basis and shall include all property owned by the NFP or for which the NFP is legally liable including contents, leasehold improvements, furniture, stock, office equipment, equipment, fixtures, exhibits, artifacts, animals and fish.
- b) Business interruption insurance in an amount sufficient to cover financial obligations including but not limited to loss of revenue, operating costs and any other cost to third parties for a period of not less than twelve (12) months.
- c) Comprehensive Equipment Breakdown coverage on all objects including animal life support systems which are under the NFP's care, custody and control. Basis of loss settlement shall be repair and replacement cost. Coverage shall follow from direct damage and business interruption and include water damage; hazardous substances; ammonia contamination; and professional fees;

- d) Employee Dishonesty in the amount of \$10,000 and shall contain a Third Party Extension to reimburse for any loss of money as a result of an employee dishonesty incident.
- e) Broad Form Money & Securities including overnight coverage and custodian home while inside and outside to cover loss of money by mysterious disappearance, robbery or theft. The limit of liability shall equal the amount of money in the NFP's possession at any one time.
- f) Commercial general liability insurance issued on an occurrence basis for an amount of not less than \$10,000,000 per occurrence and \$10,000,000 annual aggregate for any negligent act or omission by the NFP or for those whom the NFP is legally liable. Such insurance shall include bodily injury and property damage, including loss of use; premises, property and operations; occupant's legal liability; personal and advertising injury; owners' and contractors' protective; products liability; broad form completed operations; incidental medical malpractice; non-owned automobile; employees, volunteers and committees as additional Insureds; employer's liability; blanket contractual liability; liquor liability; and cross liability and severability of interests clauses.
- g) The Limit on the Occupant's Legal Liability shall represent the replacement value of the portion of the Building in the NFP's care, custody and control.
- h) Such insurance shall add the City of Brockville as Additional Insured with respect to the operations of the NFP. This insurance shall be non-contributing with and apply as primary and not as excess of any insurance available to the City.
- i) Non-Profit Directors & Officers Liability in the amount of not less than \$2,000,000. to cover the wrongful act of the entity, their directors, officers, employees and volunteers. Coverage shall be maintained for 2 years subsequent to the conclusion of this Agreement or contain a 24-month extended reporting period.
- j) If applicable, automobile liability insurance with respect to owned or leased vehicles used directly or indirectly by the NFP covering third party liability for bodily injury, death and damage to property with a limit of not less than \$5,000,000 inclusive for each and every loss.

### **1.13 Insurance - Other**

In accordance with the City's covenant in Section 1.5(d) of this Agreement, it is further understood and agreed that the City shall be responsible for payment of all premiums and any deductibles applicable to the insurance policies, whether issued to the City or the NFP.

### **1.14 Indemnities**

In respect of the ownership, occupancy and operation of the Aquatarium, the City shall indemnify and save harmless the NFP from and against any claims, liability, loss, demands,

costs and expenses, including reasonable legal fees, based upon, attributable to, occasioned wholly or in part by any negligence, acts or omissions whether willful or otherwise by the City, its agents, officers, employees and/or other persons for whom the City is legally responsible.

In respect of the ownership, occupancy and operation of the Aquatarium, the NFP shall indemnify and save harmless the City from and against any claims, liability, loss, demands, costs and expenses, including reasonable legal fees, based upon, attributable to, occasioned wholly or in part by any negligence, acts or omissions whether willful or otherwise by the NFP, its agents, officers, employees, volunteers or other persons for whom the NFP is legally responsible.

#### **1.14 Employment Standards**

The NFP shall comply with the requirements of the *Ontario Health and Safety Act*, as amended, the *Employment Standards Act*, as amended, and any other Applicable Laws with respect to any and all workers employed by the NFP.

#### **1.15 BCF Agreement**

The Parties acknowledge and agree that nothing in this Agreement is intended to cause the City to be in breach the BCF Agreement. In particular, by entering into this Agreement, the City has not sold, leased, encumbered or otherwise disposed of, directly or indirectly, any of the Infrastructure (as such term is defined in the BCF Agreement) constructed using funds disbursed under the BCF Agreement. In the event that, by virtue of having entered into or performed any of the provisions of this Agreement, the City is found by OMAFRA (being the other party to the BCF Agreement) to have breached the BCF Agreement, resulting in the requirement to repay any or all of the Financial Assistance (as such term is defined in the BCF Agreement) provided by OMAFRA, then the Parties shall immediately meet to renegotiate this Agreement in good faith to reflect the parties' mutual intention that the NFP shall manage, operate and staff the Aquatarium, the Aquatarium Parking Units and the Additional Parking Spaces but in compliance with the BCF Agreement.

### **2. Good Faith Negotiations**

The parties agree to use their best efforts to resolve any disputes or matters which may arise between them in respect to this Agreement through good faith negotiations and the parties further agree that if a dispute arises relating to the management, operation and/or staffing of the Aquatarium, Aquatarium Parking Units and the Additional Parking Spaces, the parties shall undertake the following steps in the order set out herein in order to achieve resolution:

- (a) written notice of dispute (the "Dispute Notice") setting out in detail the subject matter of the dispute shall be delivered to the other party;
- (b) within two (2) business days of receipt of the Dispute Notice the City Manager and Executive Director of the NFP shall meet and shall attempt to resolve the dispute within the next five (5) day period (the "Initial Dispute Resolution Period");

- (c) if the City Manager and the Executive Director of the NFP are unable to resolve the dispute during the Initial Dispute Resolution Period, the Chair of the Board of the NFP or his designate and the Mayor shall meet and shall attempt to resolve the dispute within the next five (5) day period (the “Second Dispute Resolution Period”);
- (d) if the Chair of the Board of Directors of the NFP or his designate and the Mayor of the City of Brockville are unable to resolve the dispute during the Second Dispute Resolution Period and Parties shall as quickly as possible and in any event, no later than thirty (30) days next following the expiry of the Second Dispute Resolution Period, appoint a third party experienced in similar operations whose determination shall be binding on the parties.

### **3. Amendment of Agreement**

No modification or amendment of this Agreement shall be binding unless executed in writing by the parties in the same manner as the execution of this Agreement.

### **4. Waiver**

No waiver of any default, breach or non-compliance under this Agreement shall be effective unless in writing and signed by the Party to be bound by the waiver or its solicitor. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that Party’s rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

### **5. Successors and Assigns**

All of the covenants and agreements contained in this Agreement shall be binding upon the Parties and their respective successors and permitted assigns and shall enure to the benefit of and be enforceable by the Parties and their respective successors and assigns pursuant to the terms and conditions of this Agreement.

### **6. Notices**

(1) Address for Notice. Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement (a “Notice”) shall be in writing and shall be effectively given and made if: (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent by fax, in each case to the applicable address set out below:

in the case of the NFP addressed to it at:

Aquatarium

c/o City of Brockville  
One King Street  
P.O. Box 5000  
Brockville, ON K6V 7A5

Attention: Chair  
Fax: 613-342-8780 (c/o Executive Director)

and in the case of the City addressed to it at:

City of Brockville  
One King Street  
P.O. Box 5000  
Brockville, ON K6V 7A5

Attention City Clerk  
Fax: 613-498-2793

and in the case of Tall Ships Landing Developments Inc.

Tall Ships Landing Development Inc.  
2700 Queensview Drive  
Ottawa, ON K2B 8H6

Attention: Simon Fuller  
Fax:

(2) Receipt of Notice. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing, provided that such day in either event is a "Business Day" and the communication is so delivered, faxed or sent prior to 2:00 p.m. (Ontario time) on such day. Otherwise, such communication shall be deemed to have been given and to have been received on the next following Business Day.

(3) Change of Address. Any party may from time to time change its address under this Section by notice to the other party given in the manner provided in this Section.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the date first above written.

Signed, Sealed and Delivered  
In the Presence of

THE CORPORATION OF THE CITY OF BROCKVILLE

Per: \_\_\_\_\_

Name: David Henderson  
Title: Mayor

Per: \_\_\_\_\_

Name: Sandra Seale  
Title: City Clerk

We have the authority to bind the Corporation

AQUATARIUM

Per: \_\_\_\_\_

Name: Tony Barnes  
Title: Chair

TALL SHIPS LANDING DEVELOPMENTS INC.

Per: \_\_\_\_\_

Name: Simon Fuller  
Title: President

**EXHIBIT A**  
**PARTNERSHIP AGREEMENT**

See Attached.

*Agreement 2007-10-02*

*Report # 2007-184-10  
MISC. 2007*

This Public Private Partnership Agreement made this 9<sup>th</sup> day of October, 2007

Between:

THE CORPORATION OF THE CITY OF BROCKVILLE

(herein referred to as the "City")

And:

TALL SHIPS LANDING DEVELOPMENTS INC.

(herein referred to as the "Developer")

WHEREAS:

- A. The Developer has entered into an agreement of purchase and sale for the purchase of those lands and premises known legally as firstly, Lots 27 to 30, Block 29, Plan 67; Water Lots in the St. Lawrence River opposite Lots 27, 28, 29, 44, 45 Block 29, Plan 67; Part St. Andrew Street, Plan 67, Closed by BR21477, as in LR203700, S/T interest in LR203700; Brockville [PIN 44163-0094]; secondly, Part of the Bed of the St. Lawrence River in Leeds County, being Part 1, Plan 29R-5555, Brockville [PIN44163-0124]; and thirdly, Part of the Bed of the St. Lawrence River in Leeds County, being Part 1, Plan 28R-12709, Brockville [PIN 44163-0136] (collectively the "Lands")
- B. The Developer intends to develop the Lands in three phases known as the Tall Ships Landing, with Phase I to be developed with the construction thereon of a 16 storey residential building on top of 2 levels of parking together with mixed use commercial, institutional and recreational use including a Maritime Discovery Centre, Captain's Walk and Pilot House (as more particularly detailed below) to be named as the "Maritime Discovery Centre, Tall Ships Landing" Brockville, Ontario (the Maritime Discovery Centre, the Captain's Walk and Pilot House and associated facilities as more particularly detailed herein are collectively called the "Maritime Discovery Centre"), Phase II to be developed with the construction thereon of a 4 storey residential building above one level of parking and Phase III to be developed with the construction thereon of an 11 storey residential building above one level of parking;
- C. The mission of the Maritime Discovery Centre shall be to educate and inspire visitors and participants of all generations to be responsible stewards of the maritime environment; to teach through experiential learning the ecological, geological, and social heritage of the St. Lawrence River at Brockville and the Frontenac Arch Biosphere. The mission of the Maritime Discovery Centre shall be to provide once-in-a-lifetime learning experiences that are not available in a traditional classroom setting (within an integrated partnership with area-educational institutes), through standards-based field trip programs designated to maximize immersion, inspire deep commitment to learning and spark curiosity, questions and future discoveries and to provide the City with a destination waterfront anchor attraction designed to give

individuals and families a unique experience that will make a lasting impression through public programs designated to captivate, educate and inspire.

- D. In furtherance of the Maritime Discovery Centre's mission, it is currently contemplated by the City and the Developer (collectively referred to herein as the "Partners") that the Maritime Discovery Centre would be designated for the delivery of programming derived from the following themes, namely: (i) the Maritime Environment – within the Frontenac Arch Biosphere Reserve, (ii) Commerce – and the role that the St. Lawrence River has and is playing, (iii) Maritime History – and its strategic importance to the area and its impact on our present lives, (iv) Nautical and Marine Sciences - through the medium of Tall Ship Sail Training and traditional maritime experiences. The Maritime Discovery Centre is designed to be the cornerstone of an anchor attraction campus of venues as outlined by the Economic Planning Group of Canada. To this end the Maritime Discovery Centre shall cooperate in every feasible way within its mission and means with other area attractions to be complementary thereto as distinct from duplication. It is to provide leadership and expertise and to share information and resources with the rest of the waterfront campus to the extent feasible commensurate with its resources and mission;
- E. The Maritime Discovery Centre, as fully constructed, will contain a gross area of approximately 16,500 square feet which will include the Elevated Captains Walk, Pilot House, a three storey "Kelpie Atrium" and a Discovery Hall on the third level with a capital budget of \$12,000,000.00 and anticipated annual operating budget of \$1,000,000.00. The concept of the Maritime Discovery Centre, has been further described in: (i) a 40 page Power Point presentation made by the Developer dated September 5, 2007, (ii) an associated White Paper and (iii) the report prepared by The Economic Planning Group of Canada entitled "An Anchor Attraction for Brockville: The Maritime Discovery Centre and other Waterfront Enhancements", dated August 2007, copies of which are attached hereto;
- F. The Developer and the City, as partners, intend to contribute financially to partially satisfy the cost of construction of the Maritime Discovery Centre as well as assist in the coordination of fund raising for the sums required as more particularly set out in this Partnership Agreement to complete the project which are not contributed by the Developer and the City;
- G. In conjunction with the development of the Lands, the City has passed By-Law No. 079-2006 (the "By-Law") which, inter alia, permits the Developer to maximize the height of the Phase I and Phase III residential buildings to be constructed upon the Lands, subject to the cash payments made by the Developer pursuant to the terms of this Agreement;
- H. In addition to the cash payments made by the Developer pursuant to this Agreement, the Developer has agreed to contribute an additional sum of \$420,000.00 in kind towards the establishment of the Maritime Discovery Centre, as more particularly detailed in this Agreement;

- I. The City acknowledges that the Developer intends and shall have the right to transfer and assign its membership interest in the Maritime Discovery Centre to Bytown Brigantine Inc. (a not for profit charitable foundation with complimentary objectives to the Maritime Discovery Centre) and/or to nominate Bytown Brigantine Inc. as its representative to the Committee and/or to the Not-For-Profit corporation as more particularly detailed herein;
- J. The City further acknowledges that Bytown Brigantine Inc., has developed expertise which may be useful in the operation and/or delivery of any on water programming undertaken in conjunction with the operation of the Maritime Discovery Centre;
- K. To facilitate access to Bytown Brigantine Inc.'s expertise as aforesaid, the City through its representative on the Board of the NFP shall take such action following the establishment of the NFP to provide for the execution and delivery of an agreement with Bytown Brigantine Inc. whereby Bytown Brigantine Inc. shall, at its option, be entitled to undertake all "on-water" programming offered by, through or in conjunction with the operations and facilities of the Maritime Discovery Centre which agreement will be for an initial period of ten (10) years and shall contain a first right of refusal in favour of Bytown Brigantine Inc. in respect to future or ongoing programs to be carried on thereafter;
- L. The parties are entering into this Partnership Agreement in order to set out the framework of their relationship in respect to the funding, construction, operation and ownership of the Maritime Discovery Centre.

**NOW THEREFORE** in consideration of the covenants herein contained together with other good and valuable consideration, the parties agree as follows:

1. **RECITALS** - The recitals set out above are true and correct and form part of this Partnership Agreement.
2. **DEVELOPMENT OF LANDS** - The Developer has proposed to incorporate the Maritime Discovery Centre or the first phase thereof (as more particularly detailed herein) as part of Phase I of the Tall Ships Landing development. The Partners acknowledge that, subject to timing of funding, the construction of the Maritime Discovery Centre may proceed in phases with the first phase to include, at a minimum, the common area elements within the mixed use residential and commercial development of Phase I of the Tall Ships Landing development, the proportionate share of the infrastructure and servicing costs, associated parking, the Elevated Captains Walk and Pilot House, the three storey "Kelpie" Atrium and a portion of the Discovery Hall or such elements thereof as are affordable from the Partners' initial cash contribution as herein provided and such additional funds as may have been obtained. Should construction of the Maritime Discovery Centre proceed in phases, the Partners agree that irrespective of external contribution of funds through grants, donations, fundraising and similar activities, the first phase of the Maritime Discovery Centre as described in this paragraph 2 will be constructed with every effort being made to build out the entire exterior envelope of the Maritime Discovery Centre prior to fitting up the interior of the Maritime Discovery Centre.

### 3. DEVELOPER'S CONTRIBUTION

- (a) The Developer covenants and agrees to contribute the sum of \$1,080,000.00, pursuant to By-Law No. 079-2006 towards the construction of the Maritime Discovery Centre.
- (b) Over and above the cash contribution of \$1,080,000.00 as aforesaid, the Developer has voluntarily agreed to contribute an additional sum of \$420,000 in-kind contribution. The in-kind contribution will consist of the agreed upon fair market value of \$150,000.00 of that portion of the Lands upon which the Maritime Discovery Centre will be constructed with the balance attributable to the project and construction management fee for project and management services (in line with a CCDC Construction Management Agreement without risk contract) to be provided by the Developer equivalent to 6% (being 2% for project management during the design development stage and 4% for project management during the construction stage) based on an estimated building construction budget of \$4,500,000.00 relating to the construction of phase one structure of the Maritime Discovery Centre (excluding any interior fixtures, chattels and improvements), undertaken concurrently with the construction of Phase I of the Tall Ships Landing development (which project and construction management fee shall not include third party consultants costs incurred relating to the design and construction of the Maritime Discovery Centre). For greater certainty, there will be no increase in the project management fee should the construction budget for the Maritime Discovery Centre exceed \$4,500,000.00 provided the construction thereof occurs during Phase I of the Tall Ship Landing development as herein provided. The Developer's in kind contribution of project and construction management will be co-terminus with substantial performance (as the term is defined in the Construction Lien Act of Ontario) of Phase I of the Tall Ships Landing development. For the purpose hereof, substantial performance of Phase I of the Tall Ships Landing development shall be the date of publication of a Certificate of Substantial Performance pursuant to the Construction Lien Act in respect to work relating to said Phase I of the Tall Ships Landing development including the Maritime Discovery Centre to the extent of its phase one construction. Without limiting the generality of the foregoing, any project and construction management services provided by the Developer in respect to the Maritime Discovery Centre beyond the date of publication of a Certificate of Substantial Performance for Phase I of the Tall Ships Landing development including fee payable to the Developer for same must be the subject of a further agreement made between the City and the Developer.
- (c) To the extent the Developer proceeds with Phase III of the Tall Ships Landing development, the Developer agrees to contribute an additional sum of \$45,000.00 to the NFP, which sum is calculated pursuant to By-Law No. 079-2006. In consideration of such contribution and subject to satisfaction of all other applicable conditions for the obtaining of a building permit, the City covenants and agrees to issue a building permit to the Developer relating to

Phase III of the Tall Ships Landing development upon submission of an application for same and evidence that the Developer has made payment of the said sum of \$45,000.00 to the NFP at a time prior to the receipt of the building permit.

4. **CITY'S CONTRIBUTION** – The City covenants and agrees to contribute the sum of One Million, Five Hundred Thousand (\$1,500,000.00) Dollars towards the construction and establishment of the Maritime Discovery Centre (the "City's Contribution"). The aforesaid cash contribution by the City shall be in addition to and not inclusive of the payments to be made by the City pursuant to the provisions of subparagraph 7(h) and paragraph 8 of this Agreement.

5. **FUNDING OF CONSTRUCTION COSTS OF THE MARITIME DISCOVERY CENTRE -**

- (a) The advance of funds by the Developer and the City to be made towards the establishment and construction of phase one of the Maritime Discovery Centre will be made by mutual agreement of the Partners or alternatively, upon the issuance of an architect's certificate relating to progress payments relating to the construction of the Maritime Discovery Centre. The required funds will be contributed equally by the Partners up to the Developer's maximum cash contribution of \$1,080,000.00 and thereafter solely by the City, subject to its maximum cash contribution of \$1,500,000.00 as set out in paragraph 4 of this Agreement.
  - (b) Without limiting the generality of the foregoing, the Partners acknowledge and agree that initial funds shall be required in order to initiate processes to raise funds from third party contributors and each of the Partners agree to advance said funds which advances shall form part of their respective cash obligations hereunder.
  - (c) Save and except for the Developer's contribution as set out in paragraph 3 hereof and the City's contributions as set out in paragraphs 4, 7(h) and 8 of this Agreement, neither party shall have any further obligation to contribute any additional funds towards the construction, establishment or operation of the Maritime Discovery Centre.
6. **FUNDRAISING** - The Partners will use their best efforts to pursue and obtain third party funding, including the issuance by the City of income tax receipts as may be permitted.
  7. **DEVELOPMENT, OWNERSHIP AND OPERATION OF THE MARITIME DISCOVERY CENTRE** – The Partners recognize that the creation of the Maritime Discovery Centre will evolve from the development stage which will include the construction of the first phase of the Maritime Discovery Centre, to a "pre-launch" phase which will occur upon the Developer conveying title to the Maritime Discovery Centre to the City to a "launch" phase when title to the Maritime Discovery Centre

has been conveyed to a Not-For-Profit corporation (the "NFP"). In furtherance of the aforesaid, the Partners agree as follows:

- (a) Following the execution of this agreement, the Partners shall establish a committee (the "Committee") with equal representation from the City and the Developer thereon. Until the establishment of the NFP and its Board and transfer of the decision making power to the NFP pursuant to subparagraph 7(c) hereof, the Committee shall make all decisions relating to the Maritime Discovery Centre including those matters relating to its construction (including design and budget matters). All decisions of the Committee shall require the vote of the majority of its members to govern. Should there be an irresolvable dispute between the members of the Committee, the Executive Director of The Thousand Islands Community Development Corporation shall determine the issue, whose determination shall be binding upon the Committee.
- (b) The Partners shall establish an NFP as soon as reasonably practical following the execution of this Agreement. The NFP will be created with its objects agreed upon by the Partners, acting reasonably, which objects are to be consistent with the Maritime Discovery Centre mission. Without limitation, the objects will provide at a minimum, for the establishment of a voting class of members, the ability to accept and receive donations in cash and kind including without limitation, real property and the provision for distribution of its assets to not for profit corporations.
- (c) Upon the transfer from the Developer to the City of title to the condominium unit or units comprising the Maritime Discovery Centre or such earlier date as the parties may agree upon, the NFP shall assume the responsibilities of the Committee relating to matters involving the Maritime Discovery Centre whose decision shall be binding upon the parties thereto including without limitation, the period during which the City holds title to the Maritime Discovery Centre. Notwithstanding the aforesaid, but subject to the provisions of subparagraph 7(i) hereof, the decision to dispose of the Maritime Discovery Centre during the pre-launch stage shall be determined by the City, whose decision shall be binding upon the parties hereto and the NFP.
- (d) Each of the City and the Developer or the Developer's nominee will be the initial voting members of the NFP (with one vote each). The City and the Developer shall have the right to increase the number of voting members of the NFP. Save for the right of the City and the Developer to appoint and nominate its designees to the Board as set out in subparagraph (e) below, all other decisions of the members of the NFP shall be decided by the majority vote of the voting members. .
- (e) The board of directors of the NFP (the "Board") will be composed of an equal number of directors, with each member (being the City and Developer) being entitled to nominate and appoint fifty (50%) percent of the Board as well as nominating and appointing a replacement director in the event of retirement of

a director appointed by the City or the Developer, as the case may be. All decisions of the Board shall be governed by a majority vote. The Board shall elect from its members a Chairperson who will have a second or casting vote in the event of a tie vote at the Board level.

- (f) Prior to the NFP taking title to the Maritime Discovery Centre, any deadlock in respect to a matter brought before the Board shall be referred to the Executive Director of The Thousand Islands Community Development Corporation whose determination shall be binding upon the NFP. Subsequent to transfer of title of the Maritime Discovery Centre to the NFP, the Chair of the Board shall have a second and casting vote in respect to all matters brought before the Board.
- (g) The City, following the declaration of Phase I of the Tall Ships Landing development as a condominium corporation (or upon the declaration of the Maritime Discovery Centre as a separate condominium corporation), shall acquire title to a unit or units in the aforesaid condominium corporation which will house the Maritime Discovery Centre (as then constructed) and subject to the provisions of subparagraph 5(l) hereof shall hold title to the Maritime Discovery Centre for a minimum period of five (5) years and subject to the limitations set out in subparagraph 7(h) hereof, shall assume all obligations as owner thereof. Upon taking title to the Maritime Discovery Centre or upon declaration of Phase I of the Tall Ships Landing development as a condominium corporation, the City will take such measures as are necessary in order to create and provide for the granting of an easement or easements on Broad Street to facilitate the provision of access (via stairs) to the Elevated Captain's Walk.
- (h) The City covenants to contribute an annual maximum sum of \$50,000.00 during the pre-launch stage when the City holds title to the Maritime Discovery Centre in order to satisfy costs associated with the ownership and/or operation of the Maritime Discovery Centre. The cash contribution of \$50,000.00 shall not include any in-kind contribution by the City such as property tax exemption and administrative charges and expenses but shall include water and sewer charges, condominium fees and insurance costs. The City anticipates that any sum in excess of its annual contribution of \$50,000.00 will be funded by the NFP.
- (i) In the event the City is the registered owner of the Maritime Discovery Centre on the 5<sup>th</sup> anniversary following the date of its acquisition, the City at any time thereafter shall have the right to sell the Maritime Discovery Centre, or such portion thereof as it deems appropriate. The City shall give notice of its desire to sell the Maritime Discovery Centre (the "Sales Notice") to the NFP and to the Developer. The NFP shall have a period of ninety (90) days following the receipt of the Sales Notices to give written notice to the City of its intention to acquire title to the Maritime Discovery Centre in which event title thereto shall be conveyed by the City to the NFP for NIL consideration no

later than the thirtieth (30<sup>th</sup>) day next following receipt of the written notice from the NFP.

- (j) In the event the NFP fails or refuses to give notice as aforesaid within 90 days following receipt of the Sales Notices or in the event the NFP gives written notice to the City that it will not request the transfer of title to the Maritime Discovery Centre, the City shall be at liberty to sell the Maritime Discovery Centre, or such portion thereof as it may determine; provided however that the sale of the Maritime Discovery Centre to a third party shall be subject to a right of first refusal in favour of the Developer. Accordingly if the City receives a *bona fide* written offer (the "Third Party Offer") from any party dealing at arm's length with the City to purchase the Maritime Discovery Centre or such portion thereof as is offered for sale, which is acceptable to the City, the City shall give written notice of such offer along with a copy of the third party offer to the Developer (the "Third Party Notice"). The Developer shall have a period of thirty (30) days following receipt of the Third Party Notice to deliver written notice to the City (the "Acceptance Notice") of its agreement to purchase the Maritime Discovery Centre on the same terms and conditions set out in the Third Party Offer in which event the transfer of the Maritime Discovery Centre to the Developer or its assignee shall be completed on the 60<sup>th</sup> day next following delivery of the Acceptance Notice by the Developer. In the event the Developer fails or refuses to deliver the Acceptance Notice, the City shall be at liberty to sell the Maritime Discovery Centre to the third party pursuant to the terms of the Third Party Offer; provided that should the terms of the Third Party Offer be amended or the sale to the third party pursuant to the Third Party Offer not proceed, the City shall be required to deliver a fresh Third Party Notice to the Developer in respect to the amended offer to purchaser or further offers received from any bona fide third party purchaser.
- (k) Upon completion of the sale by the City of the Maritime Discovery Centre to the Developer or a third party, the net proceeds of sale (net of sales commission and legal fees and disbursements associated with said sale) to a maximum of \$840,000.00 will be distributed equally between the City and Bytown Brigantine Inc. with the excess to be distributed as follows, namely: (i) the City shall be entitled to retain an amount equal to the cash payments disbursed by the City pursuant to subparagraph 7(h) hereof on account of carrying costs associated with the ownership of the Maritime Discovery Centre to a maximum of \$250,000.00 and (ii) the balance paid to the NFP to be employed in the furtherance of the NFP's objectives or to be distributed by the NFP to charities as directed by the Board of the NFP.
- (l) Upon the written request and direction delivered by the NFP, the City shall, during the City's ownership of the Maritime Discovery Centre, convey title thereto to the NFP for NIL consideration.
- (m) The acquisition of the Maritime Discovery Centre by the NFP shall be subject to the NFP entering into an agreement with the City and the Developer such

that (i) the City shall have the right to acquire the Captain's Walk for NIL consideration should the NFP resolve to sell the Maritime Discovery Centre and to a right and (ii) the City shall have a right of first refusal and the Developer or its assignee shall have a second right of first refusal in the event the NFP resolves to sell the Maritime Discovery Centre. Without limiting the generality of the foregoing, in the event the NFP resolves to sell the Maritime Discovery Centre, or any portion thereof, it shall convey the Captain's Walk to the City for NIL consideration and in respect to the balance of the Maritime Discovery Centre the NFP shall agree that upon receipt of a *bona fide* written offer (the "Third Party Offer") from any party dealing at arm's length with the NFP, which is acceptable to the NFP, the NFP shall give written notice of such offer along with a copy of the third party offer (the "Third Party Notice") to the City and the Developer. The City shall have a period of thirty (30) days following receipt of the Third Party Notice to deliver written notice to the NFP with copy to the Developer (the "City's Acceptance Notice") of its agreement to purchase the Maritime Discovery Centre on the same terms and conditions set out in the Third Party Offer in which event the transfer of the Maritime Discovery Centre to the City shall be completed on the 60<sup>th</sup> day next following delivery of the City's Acceptance Notice. In the event the City fails or refuses to deliver the City's Acceptance Notice, the Developer shall then have the next thirty (30) days to deliver to the NFP written notice (the "Developer's Acceptance Notice") of its agreement to purchase the Maritime Discovery Centre on the same terms and conditions set out in the Third Party Offer in which event the transfer of the Maritime Discovery Centre to the Developer or its assignee shall be completed on the 60<sup>th</sup> day next following delivery of the Developer's Acceptance Notice. In the event the City and the Developer fail or refuse to deliver the City's Acceptance Notice and the Developer's Acceptance Notice respectively, the NFP shall be at liberty to sell the Maritime Discovery Centre to the third party pursuant to the terms of the Third Party Offer. In the further event however that the terms of the Third Party Offer are amended or the sale to the third party pursuant to the Third Party Offer does not proceed, the NFP shall be required to deliver a fresh Third Party Notice to the City and the Developer in respect to the amended offer to purchase or further offers received from any bona fide third party purchaser.

- (n) The City covenants and agrees that its acquisition of the Maritime Discovery Centre (excluding the Captain's Walk) from the NFP shall be subject to a new right of first refusal in favour of the Developer and the provisions of subparagraph (j) above shall apply, *mutatis mutandis*.
- (o) In the event of a sale by the NFP of the Maritime Discovery Centre on or before the 10<sup>th</sup> anniversary of the date of transfer of title thereto to the NFP, the net proceeds of sale (net of sales commission and legal fees and disbursements associated with said sale) to a maximum of \$840,000.00 will be distributed equally between the City and Bytown Brigantine Inc with the balance, if any being utilized in the furtherance of NFP's objectives or in the event the NFP resolves to dissolve its charter, to be distributed to charities as

may be directed by its Board. For greater certainty, should the sale of the Maritime Discovery Centre by the NFP occur at any time following the 10<sup>th</sup> anniversary of the date of transfer of title thereto to the NFP, no proceeds of sale shall be payable to Bytown Brigantine and the City as aforesaid.

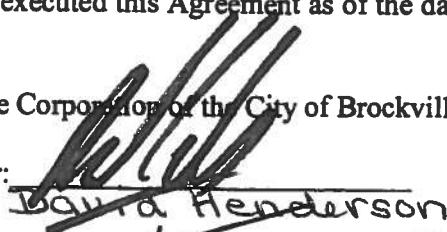
- (p) In recognition of the need for the NFP to enter into the various agreements contemplated by the provisions of this agreement, the City and the Developer, through their representatives on the Board of the NFP shall take such action following the establishment of the NFP to provide for the execution and delivery of said agreements.
8. **ONGOING OPERATING COSTS** – The City acknowledge that upon completion of the Maritime Discovery Centre and related facilities, the operating costs thereof will be assumed by the NFP. The City is a key stakeholder in the Maritime Discovery Centre and will benefit from the successful operation of the Maritime Discovery Centre. Accordingly, the City is prepared to provide in kind contributions and ongoing monetary contributions to the operation of the Maritime Discovery Centre in the amount of \$150,000.00 annually (which sum shall not include any in-kind contribution such as such as property tax exemption, insurance, water charges and City's administrative charges and expenses).
9. **BY-LAW 079-2006** - The City acknowledges and confirms that upon the Developer signing this Partnership Agreement, the Developer shall have satisfied the requirements contained in City's By-law 079-2006 which require that "The Owner/Developer has agreed to financially contribute, subject to the terms of a Public Private Partnership with The City for The Maritime Discovery Centre".
10. **RELEASE** - Notwithstanding anything contained in the agreement there is no requirement for the Developer to proceed with the development of the Tall Ship Landing project or any part thereof. If the Developer chooses not to proceed with the development, both Partners are relieved from the financial commitments and their obligations contained in this Partnership Agreement.

**IN WITNESS WHEREOF**, the Partners have executed this Agreement as of the date first above written.

Signed, Sealed and Delivered )  
In the Presence of )

) The Corporation of the City of Brockville

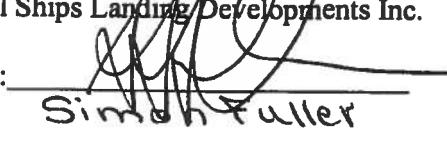
) Per:

  
Sandra Henderson

) Per:

  
Bob Casselman  
Tall Ships Landing Developments Inc.

) Per:

  
Simon Fuller

**EXHIBIT B**  
**JANUARY AGREEMENT – OPEN**

See Attached.

ORIGINAL

**TERMS OF AGREEMENT -REVISED**

January 12, 2010

**Parties:**

THE CORPORATION OF THE CITY OF BROCKVILLE

(herein referred to as the "City")

TALL SHIPS LANDING DEVELOPMENTS INC.

(herein referred to as the "Developer" or "TSL")

STEERING COMMITTEE OF THE MARITIME DISCOVERY CENTRE OF THE 1000 ISLANDS

(herein referred to as the "MDC")

The following are the recommended terms of agreement between the City, the Developer and the MDC that have come out of negotiations facilitated by the Steering Committee of the Maritime Discovery Centre of the 1000 Islands. Facilitation sessions were held on: November 19, November 23, November 30, December 6 and December 9, 2009.

For clarity, the following terms are a statement of the spirit of amendments to existing agreements or new agreements to be made between the parties. The formal agreements, as created or amended, will contain wording that captures the spirit of the statements made in this term sheet. There is likely to be wording revision but the spirit will remain constant. The formal agreements / amendments to existing agreements, as applicable, will be prepared and entered into following approval of these terms of agreement by TSL, the MDC and, for the City, Brockville City Council.

**Concurrent Build – Agreement of Purchase and Sale**

1. The City shall enter into an agreement of purchase and sale with TSL for the construction and purchase of the MDC which shall be conditional in the City's favour on TSL constructing no less than twelve (12) storeys of condominium residences in addition to the three (3) podium floors; and conditional in TSL's favour on project financing. Condition date to be December 31, 2010.

**The Agreement will contain a statement that TSL will re-state its intention, on a non-binding basis, to construct the full multi-use facility as per the site plan application previously submitted by the Developer and approved by Council.**

**Agreement to include provision for the City to authorize expenditure of the money required to do the construction necessary for the blasting, the foundation (to 4 feet below grade) and the footings for the MDC, between now and June 2010, estimated at \$75,000 which is included in the MDC's \$1.15 million expenditure between now and June 2010. See Appendix "A" attached.**

**Agreement to include the estimated costs of the freehold and an appendix to outline how costs will be determined for the share of common elements such as mechanical and concrete.**

**The Agreement will provide that the land cost will be donated by the developer; the MDC will be approximately 27,000 square feet and the City shall have satisfied itself that the Agreement reflects those other fundamental aspects of the Building Canada application, as they relate to the base building that formed the basis for the grant.**

#### **Operating Agreement and Oversight**

2. **The P3 Agreement will be amended to provide for an Operating Agreement between the MDC and the City (as owner of the Real Property) during the period when the City shall hold title to the MDC.**

**The Operating Agreement will provide, in part, for:**

- a. **The City is responsible for the accounting and financial statements of the MDC.**
- b. **The MDC will be responsible to provide financial reporting to City Council and TSL on as frequent a basis as required – quarterly, perhaps, moving to annual as the operation becomes more mature.**
- c. **Financial reporting will include presenting the MDC's financial statements, annual budgets and variance reports.**
- d. **If City Council or TSL is uncomfortable with the financial direction of the MDC then the City/TSL and the Board / Staff of MDC will meet and work cooperatively to seek to resolve the financial issues identified.**
- e. **The City and TSL have the right to create an Oversight Committee who will apply the necessary financial tests to determine if a Supervisor is required to be appointed to resolve the financial issues identified.**

**Composition of the Committee: one appointee of the City (one appointee of TSL and a professional with the necessary credentials for the issue at hand, appointed by agreement of the other two members of the committee.**

- f. Upon the recommendation of the Oversight Committee, City Council shall pass a resolution to appoint the Supervisor whose function shall be to usurp the function of the Board of Directors of the not-for-profit, being the MDC. The Supervisor shall have full and sufficient authority to make any and all decisions necessary to return the MDC to fiscal health. The City shall become responsible for the operation of the MDC through the Supervisor. This does not *oblige* the City to spend additional money.**
- g. At any time, the City, TSL or the Board of the MDC can apply to the Oversight Committee to determine if the financial issues have been resolved and if the operation of the MDC can be restored to MDC Board and Staff. On recommendation from the Oversight Committee, City Council shall retire the Supervisor and return operations to the MDC Board and Staff.**

#### **Governance**

- 3. The letters patent of the NFP will provide that the Board of Directors will be comprised of 12 members. The City has the right to appoint 4 members, TSL has the right to appoint 4 members and those 8 members shall have the right to appoint 4 members. The Chair of the Board will have a casting vote in the event of a tie.**

#### **Scope of the Project**

- 4. The parties agree that the first sentence of paragraph E of the current partnership agreement will be modified to read as follows**

**"The Maritime Discovery Centre, as fully constructed, will contain a gross area of approximately 27,000 square feet which will include the Elevated Captain's Walk, Pilot House, a three storey "Kelpie Atrium" and a Discovery Hall on the third level with a capital budget of \$18,000.000.00 and anticipated annual operating budget of \$1,500,000.00. The concept of the Maritime Discovery Centre, has been further described in: (i) a 40 page Power Point presentation made by the Developer dated September 5, 2007, (ii) an associated White Paper and (iii) the report prepared by The Economic Planning Group of Canada entitled "An Anchor Attraction for Brockville: The Maritime Discovery Centre and other Waterfront Enhancements", dated August 2007, copies of which are attached hereto;"**

### **Developer's Contribution**

5. TSL agrees to contribute the bonus of \$1,080,000 that it had previously offered to pay concurrent on the construction of the MDC without consideration as to the final height of the building. The Developer's contribution shall be provided in installments that are equal to the City's capital investment. If the MDC is not built on these premises due to agreed upon conditions not being met, these amounts constitute sunk costs to both sides and are not recoverable by either from the other and neither party shall be required to make further contributions.
6. The City agrees that Clause 44 of the current Brownfield's Redevelopment/CIP Funding Agreement between the parties will be modified by the removal of that part in which the owner covenants that Phase 1 of the project "shall commence no later than June 30, 2009 (later amended 2010)" and that Phase 1 "shall be substantially completed within 24 months of the commencement date, excepting delays..... (135) days in aggregate". The balance of the clause will be modified to ensure that the Owner's rights to receive Program Assistance under this agreement shall cease following the completion of the last unit of the last phase of the project but in no case shall such rights continue later than June 30, 2022 plus 135 days for delay which does not represent a material change to the current agreement. The balance of the Brownfield's Agreement shall continue in full force and effect without further amendment unless mutually agreed by the parties to it.
7. The parties agree that Section 3 paragraph (b) of the current partnership agreement will be modified to read as follows:

The Developer shall issue an invoice to the City for the development of the Maritime Discovery Centre the Developer's construction management fee for project and management services (in line with a CCDC Construction Management Agreement without risk contract) to be provided by the Developer equivalent to 6% (being 2% for project management during the design development stage and 4% for project management during the construction stage) based on an estimated building construction budget of \$7,400,000.00 relating to the construction of phase one structure of the Maritime Discovery Centre (excluding any interior fixtures, chattels and improvements), undertaken concurrently with the construction of Phase I of the Tall Ships Landing development (which project and construction management fee shall not

include third party consultants costs incurred relating to the design and construction of the Maritime Discovery Centre) (in this Agreement, such construction management fee is hereinafter referred to as the "Construction Management Fee"). For greater certainty, there will be no increase in the Construction Management Fee should the construction budget for the Maritime Discovery Centre exceed \$7,400,000.00 provided the construction thereof occurs during Phase I of the Tall Ship Landing development as herein provided.

The Developer will enter into a Donor's Agreement with the City confirming, among other things, its donation of a sum equal to the Construction Management Fee invoiced to the Maritime Discovery Centre to offset such amount.

The Donor's Agreement will provide that the donation of the Construction Management Fee will be co-terminus with substantial performance (as the term is defined in the Construction Lien Act of Ontario) of Phase I of the Tall Ships Landing development. For the purpose hereof, substantial performance of Phase I of the Tall Ships Landing development shall be the date of publication of a Certificate of Substantial Performance pursuant to the Construction Lien Act in respect to work relating to said Phase I of the Tall Ships Landing development including the Maritime Discovery Centre to the extent of its phase one construction. Without limiting the generality of the foregoing, any project and construction management services provided by the Developer in respect to the Maritime Discovery Centre beyond the date of publication of a Certificate of Substantial Performance for Phase I of the Tall Ships Landing development including fee payable to the Developer for same must be the subject of a further agreement made between the City and the Developer.

The Developer shall make an in-kind contribution to the Maritime Discovery Centre which will consist of the agreed upon fair market value of \$150,000.00 of that portion of the Lands upon which the Maritime Discovery Centre will be constructed.

The Partnership Agreement shall provide for the Developer to issue an invoice to the City for the development of the Maritime Discovery Centre to reflect the Developer's fee on Floor Space Index (FSI) of 27,000 sq. ft. at \$50 per sq. ft. for a total of \$1,350,000. The Developer will enter into a Donor's Agreement with the City confirming, among other things, its donation of \$1,350,000 to the Maritime Discovery Centre to offset such amount.

**Design and Other Decisions**

8. Both parties will agree that the MDC committee will be free to continue its work to design and undertake any construction activity and decisions necessary to enable a building permit for the MDC and its associated components to be applied for concurrently with the building permit application by the developer for Tower 1 including, but not limited to, all remediation and foundation construction. See Appendix "A".

**Critical Path**

9. The parties agree that the MDC together with the Developer will establish the strategic dates and benchmarks (critical path) for the project and the City, the MDC and the Developer will undertake their best effort to comply with their respective obligations to complete any tasks within the agreed to dates. To facilitate meeting these deadlines and to comply with the Building Canada Contribution Agreement, the City agrees to waive compliance with its purchasing by-law with reference to the construction phase of the MDC.

**Removal of "Holding Symbol"**

10. The City agrees that it will give the Developer a letter as of the date that these Terms of Agreement are approved by City Council to verify that the "H2 Holding Symbol" on the zoning for the property has been complied with.

**Percentage Allocation of Capital Costs and Operating Expenses to MDC**

11. The parties agree that within 30 days of the execution of the terms of agreement, the Executive Director of the MDC together with the MDC committee shall negotiate with TSL a formula to determine the percentage allocations to the MDC for:
  - a. all shared capital construction costs for the project;
  - b. all shared operating expenses for the MDC going forward, including agreeing upon what operating expenses will be metered.

**The Developer will receive recognition by the MDC on this percentage allocation basis for contributions it has made towards its shared capital costs as payment on account of the zoning bonus.**

**The percentage allocation of the shared operating expenses and metered expenses shall be confirmed in the Operating Agreement to be made between the City and MDC as well as the Shared Operating Costs Agreement between the MDC, the City and TSL.**

**The City's costs to date on this project shall also be submitted and reviewed by MDC Committee for purposes of submitting for reimbursement under Building Canada grant or for credit towards the City's contribution.**

#### **Relationship of MDC with Hotel and Restaurant**

12. **The parties agree that as soon as possible following the execution of these terms of agreement, the Executive Director of the MDC together with the MDC committee shall negotiate with TSL to establish the parameters for the commercial relationship between the hotel, restaurant and the MDC. Bearing in mind the Developer's restatement in Paragraph 1 of this Proposal as to his non-binding intention to build the full multi-use facility per the site plan agreement, nothing in this Paragraph 12 obligates the Developer to build the hotel.**

**It is understood that TSL's commitment to build the restaurant is conditional on the City, as landlord, entering into a non-disturbance agreement with TSL in form and content satisfactory to the City and TSL. The agreement, which may be assigned by TSL to the tenant/operator of the restaurant, shall provide that in the event that the MDC terminates business, the City will not disturb the relationship that the MDC (previously) had with the restaurant to provide convention space, provided that the City will receive the revenue that the MDC previously had received for providing access to the convention space. Nothing in the non-disturbance agreement will restrict the City's right to sell the MDC premises in its discretion.**

**Burying Hydro Lines along Flint Street**

13. The parties confirm that the decision on the burying of the hydro line on Flint Street and similar decisions shall continue to be the responsibility of the MDC upon execution of the new Partnership agreement.

**Marina Re-Design and Docking**

14. In May 2008, the City and the Developer entered into a Memorandum of Agreement for the re-design of the marina and docking. This Memorandum of Agreement included a new design for the marina and docking but also contemplated the possibility of improving the design following public and stakeholder consultation and conditional on the further agreement of the parties. The stakeholder consultation resulted in a re-design of the marina that was accepted by the Developer and the majority of the stakeholders and is being recommended to City Council as the preferred design by City staff. This recommended design is commonly referred to as design "Option A" and will be attached hereto. This Recommended Terms of Agreement document contemplates the possibility of a further re-design of the marina and docking facilities, other than Option A, in form and content satisfactory to the Developer and the City, both acting reasonably and in the context of prior consultations and the public consultation to be undertaken by the City. If this additional consultation results in a new design, for the marina, other than Option A, that is acceptable to the Developer and the City then this new design will be built based on terms agreeable to both parties. Should a new design not be agreed to by the Developer and the City on or before February 26, 2010 then the City and the Developer agree that the Memorandum of Agreement of May 2008 will be amended to stipulate Option A as the agreed to design for the marina.

**Parking**

15. The City will agree to commit an additional amount of cash of \$1,070,000 to create approximately 100 public parking spaces to compensate for the loss of spaces on Broad St. and to accommodate some of the increased needs that will result from the entire development. It is estimated that

these space will have a value of \$2,200,000. The MDC budget and TSL will make up the difference. The City will own these parking spaces but they will be operated by the MDC. The City's cash contribution to the MDC will remain unchanged at \$1,500,000 for capital and \$150,000 per year in operations. The City's in-kind contributions also remain unchanged.

Signed at Brockville this 26 day of January, 2010

For the City of Brockville

David Henderson, Mayor

Bob Casselman

For Tall Ships Landing Developments Inc.

Simon Fuller

For the Steering Committee of the Maritime Discovery Centre

Gino Giannandrea

Mary Jean McFall

Paul Fournier

## APPENDIX "A"

### Requirements and Sources of Funds - MDC - Jan - June 2010

\$ 600,000.00	Funds spent to date by both parties		
Funds required to be Spent		Source of Funds	
\$ 100,000.00	Executive Director	\$ 200,000.00	Building Canada leverage from \$50,000 from each partner
200,000.00	Hydro lines on Flint Street	50,000.00	City - Commitment re Exec Director
15,000.00	Blasting	50,000.00	TSL - Commitment re Exec Director
100,000.00	Civil Engineering	400,000.00	Back from Building Canada
200,000.00	20% of Design (% subject to conf'n by MDC)	75,000.00	City - Jan - June
500,000.00	Captain's Walk (requires commitment to get started)	75,000.00	TSL - Jan - June
		300,000.00	Building Canada - Jan - June
<hr/> <b>\$1,115,000.00</b>		<hr/> <b>\$ 1,150,000.00</b>	
\$1,715,000.00	includes \$ spent to date		

**EXHIBIT C**  
**PURCHASE AGREEMENT**

See Attached.

**PURCHASE AGREEMENT**

**MARITIME DISCOVERY CENTRE - BROCKVILLE, ONTARIO**

**THIS AGREEMENT dated as of the 9<sup>th</sup> day of March, 2011,**

**B E T W E E N:**

**THE CORPORATION OF THE CITY OF BROCKVILLE**

(the "Purchaser")

- and -

**TALL SHIPS LANDING DEVELOPMENTS INC.**

(the "Vendor")

**WHEREAS:**

(A) The Vendor is the registered owner of those Lands situate in the City of Brockville as more particularly identified in Schedule A attached which it proposes to develop in three phases known as the Tall Ships Landing development (the "Project");

(B) The Vendor's current intention, subject to satisfaction of the Vendor's development conditions, is to develop the first phase of the Project ("Phase I") by the construction of a mixed use building which is to include, at a minimum, a residential condominium of not less than twelve (12) storeys (the "Residential Condominium"), a parking condominium containing 2 levels of interior parking and approximately five exterior parking spaces (the "Parking Condominium") and a maritime discovery centre to contain a gross area of approximately 27,000 square feet which will include a pilot house, a three storey "Kelpie Atrium" and a discovery hall (as more particularly defined in Section 1.1 of this Agreement and herein referred to as the "MDC");

(C) At the Vendor's option, the Project may also include a hotel facility providing an amenity floor and hotel rooms (the "Hotel"), a commercial component which may include a restaurant and retail facility (the "Retail");

(d) In conjunction with the construction of Phase I, the Vendor also intends to construct a marine area on abutting lands (the "Marina");

(E) The Purchaser has agreed to take title to the MDC together with that portion of the Lands upon which the MDC shall be constructed upon the MDC Closing Date in accordance with and subject to the terms and provisions set out herein;

- 2 -

(F) The Purchaser has also agreed to purchase from the Vendor 5 exterior parking spaces and 50 interior parking spaces upon the MDC Parking Unit Closing Date in accordance with and subject to the terms and provisions set out herein, all or the majority of which shall form part of the Parking Condominium, said MDC Parking Units to be utilized by the Purchaser in conjunction with the MDC (the "MDC Parking Units");

(G) The parties, having previously entered into the Partnership Agreement and the January Agreements (as the same are hereinafter defined) where the parties acknowledged that they would stand to benefit and receive "best value for money", wish to enter into this Agreement in furtherance of the Partnership Agreement and the January Agreements relating to the construction of the MDC and the MDC Parking Units by the Vendor as part of Phase I of the Project and the acquisition of title by the Purchaser of the MDC and the MDC Parking Units upon the MDC Closing Date and MDC Parking Unit Closing Date, as applicable.

**NOW THEREFORE** in consideration of the mutual covenants and agreements set out in this Agreement and the sum of \$10 paid by each of the Vendor and the Purchaser to the other and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties covenant and agree as follows:

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

The terms defined herein shall have, for all purposes of this Agreement, the following meanings, unless the context expressly or by necessary implication otherwise requires:

"Additional Parking Spaces" has the meaning ascribed to it in Section 7.4(d).

"Adjustments" means the adjustments to the Purchase Price provided for and determined pursuant to Sections 4.3.

"Agreement" means this Purchase Agreement and the Schedules attached hereto, as amended from time to time in writing by the parties hereto.

"Applicable Laws" means, with respect to any Person, property, transaction or event, all laws, by-laws, rules, regulations, orders, judgments, decrees, decisions or other requirements having the force of law relating to or applicable to such Person, property, transaction or event.

"Applicable Taxes" means the harmonized sales tax ("HST") as the same may be applicable.

"building" means the mixed use building to be erected upon the Lands as part of the Phase 1 development of the Lands which shall include, at a minimum, the Residential Condominium, the Parking Condominium, the MDC and may include the Hotel and Retail facilities.

- 3 -

**"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario.

**"Capital Cost"** means the total of the Exclusive Capital Costs and the Shared Capital Costs;

**"Claim"** means any claim, demand, action, cause of action, damage, loss, cost, liability, obligation or expense, including reasonable professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

**"Closing"** means the transfer of title to the Purchaser of the MDC and the MDC Parking Units upon the applicable closing of the transaction of purchase and sale, including the satisfaction of the unpaid portion of the Purchase Price and the delivery of the Closing Documents in respect to the MDC and or the MDC Parking Units, as applicable.

**"Closing Documents"** means the agreements, instruments and other documents to be delivered by the Vendor to the Purchaser or the Purchaser's Solicitors pursuant to Section 7.2 and the agreements, instruments and other documents to be delivered by the Purchaser to the Vendor or the Vendor's Solicitors pursuant to Section 7.3.

**"Construction Budget"** means a budget of \$7,400,000.00 relating to the design and construction of the approximate 27,000 square foot MDC base building and MDC Interior Fit-Ups which shall include the total soft costs and construction costs associated with the construction of the MDC base building and MDC Interior Fit-Ups, said costs to include, without limitation, the MDC's share of architectural, engineering, design, survey and legal fees, builder's risk and liability insurance, the cost of obtaining and posting of securities and or bonds, pre and post construction expenses, 100% of the Exclusive Capital Cost and the Shared Capital Costs.

**"Construction Management Fee"** has the meaning ascribed thereto in Section 2.2.

**"Construction Schedule"** means the Vendor's tentative construction schedule for Phase 1 of the Project, copy of which is attached as Schedule J;

**"Direct Costs"** means construction costs incurred by the Vendor for which the Vendor is not entitled to take a holdback pursuant to the *Construction Lien Act* of Ontario.

**"Document Registration Agreement"** or **"DRA"** has the meaning given to it in Section 7.6(1)(a).

**"Donor's Agreement"** means the agreement entered into between the Vendor and Purchaser and to be executed contemporaneously with this Agreement, a draft copy of which is attached as Schedule "I", pursuant to which the Vendor shall donate certain sums received by the Vendor from the Purchaser in respect to the Project including a portion of the Purchase Price payable hereunder.

**"Encumbrance"** means any lien, charge, security agreement, security interest, lease, sublease, title retention agreement, mortgage, encumbrance, easement, right-of-way, restrictive covenant, encroachment, option or adverse Claim of any kind or character whatsoever other than Permitted Encumbrances.

- 4 -

**"Exclusive Capital Cost"** means those costs that relate 100% to the MDC including MDC Interior Fit-Ups which shall be payable exclusively by the Purchaser as more particularly defined by the provisions of Schedule B/C attached including the general principles applicable to the determination of the Exclusive Capital Cost as set out in Schedule B/C;

**"Governmental Authority"** means any government, regulatory authority, governmental department, agency, commission, board, tribunal or court or other law, rule or regulation-making entity having jurisdiction on behalf of any nation, province or state or other subdivision thereof or any municipality, district or other subdivision thereof.

**"including"** means including without limitation and **"includes"** means includes without limitation.

**"January Agreements"** means the agreements dated January 12, 2010 made between the Vendor, the Purchaser and the Steering Committee of the Maritime Discovery Centre of the 1000 Islands.

**"Lands"** means the lands and premises described in Schedule A.

**"MDC"** means, collectively, the portion of the building, structures, erections, appurtenances and fixtures located on, in or under the MDC Lands to be constructed by the Vendor in accordance with the MDC Base Building Requirements and as more particularly detailed in this Agreement and the Schedules attached, as applicable, which will contain a gross area of approximately 27,000 square feet and which will include the pilot house, a three storey "Kelpie Atrium" and a discovery hall on the third level. For greater certainty, the MDC to be constructed by the Vendor hereunder and conveyed to the Purchaser shall be limited to the base building structure. The base building structure shall include the MDC Interior Fit-Ups but shall not include any MDC Exclusions.

**"MDC Base Building Requirements"** means those requirements, terms and provisions including the plans and specifications as the same shall be developed and approved by the Vendor and the MDC Steering Committee within the parameters of the Construction Budget which shall govern the construction of the MDC.

**"MDC Closing"** means the transfer of title to the Purchaser upon the MDC Closing Date, including the payment of the unpaid portion of the Purchase Price attributable to the MDC and the delivery of the Closing Documents.

**"MDC Closing Date"** means the 46<sup>th</sup> day next following substantial completion of the MDC including the MDC Interior Fit-Ups, as certified by the Vendor's architect or such other date as the Purchaser and the Vendor may agree in writing [NTD: title to the MDC Lands may be conveyed to the Purchaser prior to substantial completion of the MDC].

**"MDC Exclusions"** means any speciality work not forming part of the MDC base building and or the MDC Fit-Ups, to be constructed and or installed within the MDC facility such as fixed or mobile exhibits/aquaria/theatre or displays, chattels, furniture (and any and all other items covered by the Purchaser's MDC exhibit budget) and or work not shown on the approved plans and specifications

- 5 -

relating to the construction of the MDC base building and MDC Fit-Ups and any work beyond that level of work required to obtain an occupancy permit as defined by the approved plans and specifications.

**"MDC Interior Fit-Ups"** means those additions, modifications, elements, materials and services outside of the base building requirements and which are similar in nature to the class of alterations referred to as leasehold improvements in leased premises but not include the MDC Exclusions;

**"MDC Lands"** means that portion of the Lands upon which the MDC will be constructed but excluding the MDC Parking Units, said MDC Lands to be identified prior to the MDC Closing Date by means of a stratified reference plan to be registered before the MDC Closing. For information purposes only, the sketches attached as Schedule E delineate the area within which the MDC Lands shall be situate with the actual property line for the MDC Lands to be determined by the Vendor. Title to the MDC Lands shall include and be subject to various easements for support, passage, repair, etc., as shall be reflected on title to the MDC Lands and or incorporated in the transfer to be delivered to the Purchaser on the MDC Closing. Without limitation, title to the MDC Lands shall be subject to the Permitted Encumbrances referenced in Schedule G attached and the negative restrictions as set out in this Agreement or arising from the provisions of the Partnership Agreement and or the January Agreements, as amended and or those agreement referenced in section 7.3(g) of this Agreement.

**"MDC Parking Units"** means the 5 exterior parking spaces and the 50 interior parking units (or such lesser number as herein provided) forming part of Parking Condominium to be conveyed by the Vendor to the Purchaser on the MDC Parking Unit Closing, the approximate location of which is identified on Schedule F attached.

**"MDC Parking Unit Closing"** means the transfer of title to the MDC Parking Units upon the MDC Parking Unit Closing Date, including the payment of the unpaid portion of the Purchase Price attributable to the MDC Parking Unit and the delivery of the Closing Documents.

**"MDC Parking Unit Closing Date"** means the date established by the Vendor's solicitor by delivery of written notice to the Purchaser's solicitor said date to be no sooner than 10 days next following the date of written notice as aforesaid.

**"MDC Steering Committee"** means the committee created pursuant to the Partnership Agreement which shall act as the Purchaser's representative for the purposes as more particularly detailed in section 3.9 of this Agreement and MDC Steering Committee shall include the not-for-profit corporation as contemplated by the provisions of the Partnership Agreement as its successor.

**"Notice"** has the meaning given to it in Section 10.12.

**"Notice of Loss"** has the meaning given to it in Section 8.1.

**"Partnership Agreement"** also known as the "3P Agreement" means the Public Private Partnership Agreement between The Corporation of the City of Brockville and Tall Ships Landing Development Inc. dated October 9, 2007, as amended from time to time.

**"Permitted Encumbrances"** means the matters set out in Schedule G.

**"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

**"Preparation Costs"** has the meaning ascribed to it in Section 4.1.

**"Preparation Costs Schedule"** means Schedule H which sets out the Preparation Costs.

**"Project"** means the Vendor's intended phased development of the Lands known as the Tall Ships development;

**"Property"** means the Lands and the building.

**"Purchase Assets"** means:

- (a) the MDC Lands;
- (b) the MDC which includes the MDC Interior Fit-Ups; and
- (c) the MDC Parking Units.

**"Purchase Price"** means the aggregate of those amounts as set out in Section 3.2.

**"Purchaser's Solicitors"** means Stewart, Corbett or such other person or law firm as the Purchaser may designate from time to time by notice in writing to the Vendor.

**"Receiving Party"** has the meaning given to it in Section 7.6(1)(d).

**"Representative"** means a director, officer, employee, agent, solicitor, accountant or other advisor or representative of a party to this Agreement and in respect to the Purchaser includes a director, officer, employee, agent, solicitor, accountant or other advisor or representative of the MDC Steering Committee.

**"Shared Capital Cost"** means those costs associated with the construction of elements of Phase I of the Project (the ownership of which elements are to be governed by the Shared Facilities Agreement) which are of benefit to the MDC as well as other elements of Phase 1 of the Project, a portion of which Shared Capital Costs are payable by the Purchaser as more particularly defined by the provisions of Schedule B/C including the principles applicable to the determination of the Shared Capital Costs as set out in Schedule B/C;

**"Shared Facilities Agreement"** means that agreement to be entered into between the owners of the Residential Condominium, the owners of the parking units in the Parking Condominium, the owner of the MDC, the owner of the Hotel facility (if constructed), the owner of the Retail facility (if constructed), the owner of the Marina (if constructed) and the owner of the second and third phases of the Project as more particularly outlined in section 3.8 of this Agreement, nothing herein to be construed as creating an obligation or commitment by the Vendor to anything other than, and subject to

- 7 -

any conditions precedent set out herein, the construction of the Residential Condominium, the Parking Condominium, the MDC, the MDC Parking Units.

**"Tendering Party"** has the meaning given to it in Section 7.6(1)(d).

**"Teraview Electronic Registration System"** or **"TERS"** has the meaning given to it in Section 7.6(1).

**"Vendor's Solicitors"** means Rasmussen Starr Ruddy, LLP or such other person or law firm as the Vendor may designate from time to time by notice in writing to the Purchaser.

**"Warranties"** means warranties and guarantees, if any, obtained from unrelated arm's length third parties and provided to the Vendor for the construction of the MDC which the Vendor shall assign to the Purchaser on the MDC Closing to the extent that same are assignable.

## 1.2 Schedules

The following Schedules are attached to and form part of this Agreement.

- Schedule A - Lands
- Schedule B/C - Exclusive Capital Cost/Shared Capital Cost Schedule
- Schedule D - Unit Price Schedule
- Schedule E - Sketch of MDC Lands
- Schedule F - MDC Parking Units
- Schedule G - Permitted Encumbrances
- Schedule H - Preparation Costs Schedule
- Schedule I - Donor's Agreement
- Schedule J - Construction Schedule
- Schedule K - Principles to govern the non-disturbance agreement as referenced in Section 7.3(g) of this Agreement

## 1.3 Interpretation

(1) **Recitals.** The parties hereby acknowledge and declare that the foregoing recitals are true and correct in substance and in fact and form an integral part of this Agreement.

(2) **Headings and Table of Contents.** The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(3) **Number and Gender.** Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

(4) **Currency.** All references to money shall refer to Canadian funds.

(5) **Severability.** If any provision contained in this Agreement or its application to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this

- 8 -

Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

(6) **Statute References.** Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section (i) in effect as of the date of this Agreement, in the case of representations and warranties made as of the date of this Agreement, and (ii) in effect as of the MDC Closing Date or the MDC Parking Unit Closing Date, in the case of representations and warranties that are stated to be true and accurate in all material respects as of the MDC Closing Date or the MDC Parking Unit Closing Date pursuant to the certificates contemplated by Sections 7.2(f) and 7.3(d).

(7) **Time.** Time shall be of the essence of this Agreement. Where anything is required to be done under this Agreement on a day that is not a Business Day, then the time for such thing to be done shall be the next following Business Day. Except as expressly set out in this Agreement, the computation of any period of time referred to in this Agreement shall exclude the first day and include the last day of such period. The time limited for performing or completing any matter under this Agreement may be extended or abridged by an agreement in writing by the parties or by their respective solicitors.

(8) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the applicable laws of Canada.

## ARTICLE 2 CONSTRUCTION OF MARITIME DISCOVERY CENTRE

### 2.1 Construction of Maritime Discovery Centre

- (a) Subject to the provisions hereof, the Vendor covenants and agrees to undertake and complete the construction of the MDC. Construction of the MDC shall be undertaken in conjunction with the construction of the improvements for Phase I of the development of the Project and in accordance with the plans and specifications as approved by the Vendor and the MDC Steering Committee, prepared within the parameters of the Construction Budget. The plans and specifications once approved by the Vendor and the MDC Steering Committee shall be deemed to be included by reference into this Agreement.
- (b) The preparation and delivery of the Construction Schedule is not to be interpreted as a guarantee relating to the commencement and or completion date for the construction of the MDC and the Vendor shall not be liable to the Purchaser for any direct, indirect, foreseen or unforeseen damages which the Purchaser may sustain or incur by reason of any delay in the commencement and or completion of the MDC base building or any delay in the completion of the MDC Parking Units. Furthermore, the Vendor shall not be liable to the Purchaser for any direct, indirect, foreseen or unforeseen damages which the Purchaser may sustain or incur if the MDC and or the MDC Parking Units are not constructed and or completed through no fault of the Vendor (market conditions negatively impacting on the sales of residential condominium units and the Vendor's

- 9 -

ability to finance the development of Phase I of the Project shall not be categorized as the Vendor's fault).

## **2.2 Construction Management**

The Vendor shall operate as construction manager in respect to the construction of the MDC as herein provided and for such services the Vendor shall be paid a construction management fee (without risk) equivalent to 6% (being 2% for project management during the design development stage and 4% for project management during the construction stage of the MDC) based on an estimated Construction Budget of \$7,400,000.00 relating to the construction of the MDC as herein provided (and which for greater certainty shall not include the MDC Exclusions) which is undertaken concurrently with the construction of Phase I of the Project (the "Construction Management Fee"). The Construction Management Fee shall not include third party consultant costs incurred relating to the design and construction of the MDC. The Vendor agrees that there shall be no increase in the Construction Management Fee payable by the Purchaser to the Vendor should the Construction Budget for the MDC exceed \$7,400,000.00 provided the construction of the MDC occurs during the construction of Phase I of the Project. For greater certainty, if the construction of the MDC or any portion thereof is delayed for any reason whatsoever, Vendor's gross negligence excepted, beyond the Vendor's Construction Schedule, the Construction Management Fee to be charged by the Vendor to the Purchaser shall be equal to the construction management fee generally applicable at that time in the construction industry which shall be charged to the Purchaser in respect of and applicable to that portion of the construction of the MDC to occur subsequent to the completion of the construction of Phase I of the Project (excluding the MDC) as being undertaken by the Vendor. It is understood and agreed that the assumption of the construction management of the MDC shall not give rise to any obligation upon the Vendor or a related party or a party designated by the Vendor to assume the obligations for or make payment of the cost of construction of the MDC and or the MDC Parking Units nor give rise to any claim for delay or failure to complete.

## **ARTICLE 3 PURCHASE AND SALE**

### **3.1 Agreement of Purchase and Sale**

The Vendor hereby agrees to sell, transfer, assign, set over and convey the Purchase Assets to the Purchaser and the Purchaser hereby agrees to purchase, acquire and assume the Purchase Assets from the Vendor for the Purchase Price, on and subject to the terms and conditions of this Agreement.

### **3.2 Purchase Price**

The Purchase Price payable by the Purchaser to the Vendor for the Purchase Assets shall be the aggregate of the following sums:

- (a) \$150,000.00 attributed to the value of the MDC Lands upon which the MDC will be constructed;

- 10 -

- (b) \$1,350,000.00 being the value of the Vendor's fee on the floor space index of 27,000 square feet attributed to the MDC, computed at \$50.00 per square foot;
- (c) a sum equal to the Construction Management Fee payable by the Purchaser to the Vendor hereunder;
- (d) \$1,350,000.00 being the agreed upon value of the MDC Parking Units (\$25,000.00 per parking unit allocated to the interior parking units and \$20,000.00 per parking space allocated to the exterior parking spaces);
- (e) the cost of those elements of the construction of the MDC which are payable exclusively by the Purchaser as more particularly identified, detailed and referenced in the Exclusive Capital Cost/Shared Capital Cost Schedule; and
- (f) the cost of those elements of the construction of Phase I of the Project, a share of which are payable by the Purchaser as more particularly identified, detailed and referenced in the Exclusive Capital Cost/Shared Capital Cost Schedule,

it being the intention of the parties that the elements of the Purchase Price set out in section 3.2(e) and (f) shall be equal to the Construction Budget of \$7,400,000.00, as the said Construction Budget in the aggregate sum of \$7,400,000.00 may be amended from time to time with the consent of the Purchaser.

All sums set out above are exclusive of all Applicable Taxes which Applicable Taxes shall be paid by the Purchaser to the Vendor in addition to the Purchase Price.

### **3.3 MDC Parking Units**

In respect to the MDC Parking Units, the Purchaser acknowledges and agrees as follows:

- (a) the exterior parking spaces, at the option of the Vendor, may be conveyed to the Purchaser as freehold lands without including the same as part of the Parking Condominium;
- (b) subject to 3.3(a), the MDC Parking Units will be a portion of the total number of parking units in the Parking Condominium and as such, title thereto shall be subject to the condominium declaration, by-laws, rules and regulations associated with their creation, ownership and use and shall require the payment of condominium fees as provided for by the condominium declaration and condominium budget relating thereto;
- (c) the allocation of the Purchase Price in respect of MDC Parking Units does not include any of the shared facilities as may be constructed therein or thereon which are shared costs and subject to the principles set out in the Exclusive Capital Cost/Shared Capital Cost Schedule and the subject of the Share Facilities Agreement, the allocation of the Purchase Price in respect of MDC Parking Units being limited solely to the ownership of the MDC Parking Units;

- (d) the Purchase Price payable in respect to the MDC Parking Units does not include any pay/display machines, parking meters, parking control signs or equipment, painting, signage, equipment or any other improvements which the Purchaser may require in respect to the MDC Parking Units or any of them;
- (e) the Vendor shall be entitled to construct in and upon the MDC Parking Units, elements forming part of the Shared Facilities Agreement including without limitation, the installation of sprinkler systems and or conduits, mechanical, electrical, HVAC and plumbing systems and fixtures, whether relating to the MDC Parking Units, the MDC or other parts of the Project;
- (f) the size of each MDC Parking Unit shall be the minimum area as permitted by Applicable Laws and for greater certainty, the number of MDC Parking Units being acquired and paid for by the Purchaser shall not be reduced in the event the Purchaser wishes to establish one or more handicap parking spaces out of the MDC Parking Units or convert one or more parking spaces to a loading/shipping/receiving area;
- (g) the Purchaser acknowledges the following matters in respect to the interior MDC Parking Units: (i) bulkheads may be required where not shown on plans as needed for HVAC, electrical, plumbing runs or sprinkler systems (ii) the height of the upper horizontal level of the parking units may be lower in some parking units than others and (iii) some parking units may abut columns;
- (h) the Vendor, in order to support the sale of condominium units in Phase I of the Project, shall be entitled to reduce the number of interior MDC Parking Units to be conveyed to the Purchaser provided that the reduction thereof shall not be greater than 10% of the original number of MDC Parking Units as described in this Agreement. Any reduction in number of MDC Parking Units shall result in a reduction in the Purchase Price attributable to the MDC Parking Unit(s) not being provided (on the basis of \$25,000.00 allocated to an interior parking unit and \$20,000.00 for an exterior parking unit);
- (i) general public pedestrian ingress and egress to and from the parking facilities within which the interior MDC Parking Units are to be located shall be limited to two designated stairwells and for greater certainty, there shall be no general public pedestrian ingress and egress through the building lobby unless otherwise permitted by any registered easement or unless otherwise provided for in the Shared Facilities Agreement;
- (j) title to the MDC Parking Units shall be subject to the restrictive covenants described in sections 3.7 of this Agreement.

#### **3.4 MDC Base Building Requirements-Vendor's Authority re construction**

- (a) The Purchaser agrees that the MDC Steering Committee shall, in a timely manner and in any event no later than fifteen (15) days following a written request for same from the Vendor, and in the context of and within the parameters of the Construction Budget,

review and approve submissions of the plans and specifications delivered by the Vendor from time to time in respect to the construction of the MDC, including any amendments to any approved plans and specifications, thereby avoiding any delays in the construction of Phase I of the Project, including the MDC. The MDC Steering Committee's approval as aforesaid is limited to all above grade work relating to the MDC, it being acknowledged that all below grade work involving the MDC or any work relating to the construction of the Parking Condominium of which the MDC Parking Units shall form a part thereof or any work relating to the construction of improvements upon the balance of the Project Lands is not subject to the MDC Steering Committee's review and or approval.

- (b) Following approval of the plans and specifications as aforesaid, the Vendor shall have full right and authority to proceed with the construction of the MDC in accordance with the approved plans and specifications and within the parameters of the Construction Budget including the entering into contracts for the supply or labour and or material relating to the construction of the MDC without requirement for further approval by the MDC Steering Committee.
- (c) Should the Vendor, during the course of construction, require the approval of the MDC Steering Committee in relation to any material amendment to the approved plans and specifications, which approval is not forthcoming or is delayed beyond a period of ten (10) days or should the MDC Steering Committee fail or refuse to tender for construction any element of the MDC Exclusions and in the opinion of the Vendor, acting reasonably, the MDC Steering Committee's delay or refusal as aforesaid will negatively impact on the Vendor's Construction Schedule for the balance of the Project, the Vendor shall have the right to proceed with the construction of the MDC based on the amendments to the plans and specifications as requested by the Vendor and shall have the further right to tender any aspect of the MDC Exclusions and carry out elements of the MDC Exclusions to the extent, in the reasonable opinion of the Vendor, is necessary so as to avoid the negative impact upon the balance of the Project. Any additional costs incurred by the Vendor in the performance of the aforesaid work beyond the scope of the approved plans and specifications including any costs incurred relating to the performance of elements of the MDC Exclusions shall be payable by the Purchaser forthwith upon demand. The Vendor shall also have the option to suspend the construction of the MDC until the subject matter of the amendment to the plans and specifications is resolved by agreement of the parties or through mediation or until the elements of the MDC Exclusions requiring the Purchaser's attendance have been completed. In the event of the MDC's failure to tender MDC Exclusions, the Vendor shall also have the option of proceeding with the construction of the MDC without the construction of the MDC Exclusions; provided that in either instance the Vendor shall not be responsible for any direct, indirect, foreseen or unforeseen costs or damages which the Purchaser may sustain or incur by reason of any such delay or by reason of the MDC Exclusion(s) not being incorporated at any particular stage of construction of the MDC.

- 13 -

- (d) As the MDC and the MDC Parking Units are to be constructed concurrently with the construction of Phase I of the Project, the Purchaser acknowledges and agrees that the Vendor shall be entitled to delay the start and or completion of construction of the MDC and or the MDC Parking Units to the same extent the Vendor has the right to delay the start or completion of construction of the residential units in the Residential Condominium.

### **3.5 Exclusive Capital Cost Schedule**

The Vendor and Purchaser agree that the provisions of the Exclusive Capital Cost/Shared Capital Cost Schedule relating to Exclusive Costs and the Unit Price Schedule, as applicable, shall govern the determination of those elements of the construction of the MDC which will be funded by and paid exclusively by the Purchaser as part of the Purchase Price.

### **3.6 Shared Capital Cost Schedule**

The Vendor and Purchaser further agree that the provisions of the Exclusive Capital Cost/Shared Capital Cost Schedule relating to Shared Capital Costs and the Unit Price Schedule, as applicable, shall establish the agreement by which the type of expenses itemized and percentage of cost sharing are to be applied to those elements of the construction of Phase I of the Project inclusive of the MDC which are shared and as such payable in part by the Purchaser as part of the Purchase Price, with any dollar value in the Exclusive Capital Cost/Shared Capital Cost Schedule being set out for illustration purposes only and being non binding. Without limiting the aforesaid, the Exclusive Capital Cost/Shared Capital Cost Schedule may also include negotiated and agreed upon costs and or values for items forming part of the shared facilities of the Project.

### **3.7 Maritime Discovery Centre Parking Units – Rules Relating To Use**

The Purchaser hereby covenants and agrees with the Vendor as follows in respect to its ownership and use of the MDC Parking Units:

- (a) to retain ownership of MDC Parking Units so long as the Purchaser (or any not for profit corporation established pursuant to the Partnership Agreement) is the owner of the MDC and the Purchaser agrees that title to the MDC Parking Units shall evidence the aforesaid restrictive covenant (provided that the Purchaser shall be permitted to convey the MDC Parking Units to a not for profit corporation (the "NFP") provided that the Vendor is a member of or actively involved in the NFP with voting rights equal to those of the Purchaser on the board of directors of the NFP);
- (b) not permit the MDC Parking Units to be used for any purpose other than for daily use by the general public on a first come first serve basis (which covenant shall apply notwithstanding any change in use and or ownership of the MDC);
- (c) unless otherwise agreed to between the Vendor and the Purchaser, not permit any reserved, dedicated, guaranteed, continuous and or long term rentals of the MDC Parking Units;

- 14 -

- (d) to restrict the access to the MDC Parking Units by the general public from the exterior of the building between the hours of 11:00 p.m. and 7:00 a.m.;
- (e) in recognition that the MDC Parking Units shall form an integral part of the parking garage structure constructed as part of Phase I of the Project providing parking for the Residential Condominium residents, the Hotel guests and the Retail guests, the Purchaser covenants and agrees to abide by the rules and regulations passed from time to time relating to the use and safety measures associated with the parking garage facility including rules limiting access to the parking garage by the general public between the hours of 11:00 p.m. and 7:00 a.m.; and
- (f) to permit or cause title to the MDC Parking Units (and to the MDC Lands as deemed appropriate) to be subject to the aforesaid restrictive covenants and to execute such further and other agreement to evidence the Purchaser's covenants as herein set out as the Vendor shall reasonably request.

### **3.8 Shared Facilities Agreement**

The Purchaser acknowledges that the MDC and the MDC Parking Units shall form part of a structure and development which shall house and include the MDC, the Residential Condominium, the Parking Condominium and may include the Hotel facility, the Retail facility and a Marina facility which will have various services and utilities which are, of necessity, shared between the owners of the aforesaid facilities. The Shared Facilities Agreement shall be entered into between the owners of the aforesaid facilities together with the owner of the second and third phases of the Project in order to provide for the mutual use, maintenance, repair, replacement, governance and cost-sharing of the Shared Building Facilities, the Easements and the Shared Building Services as therein described. The Purchaser further acknowledges and agrees that title to the MDC Lands and MDC Parking Units shall be subject to said Shared Facilities Agreement and the Purchaser, as owner of the MDC, shall execute the Shared Facilities Agreement, if required, and covenants to comply with the provisions thereof.

### **3.9 Delegation of Authority**

The Purchaser hereby confirms that it has appointed the MDC Steering Committee to act for and on its behalf in all matters relating to the MDC and the MDC Parking Units including those matters relating to the design, the allocation of funds within the aggregate total Construction Budget and the construction of the MDC and the MDC Parking Units and further confirms and agrees that the Vendor is authorized to deal exclusively with the MDC Steering Committee following the execution of this Agreement by the Purchaser for all purposes relating to the design, the allocation of funds within the aggregate total Construction Budget and the construction of the MDC and the MDC Parking Units including, without limitation for the purpose of (i) review and approval of the plans and specifications relating to the construction of the MDC, (ii) review and approval of the allocation of funds within the aggregate total of the Construction Budget (iii) any material amendment to the plans and specifications relating to the construction of the MDC, and (iv) the receipt of a Dispute Notice under section 9.1 of this Agreement and the participation in any and all dispute resolutions pursuant to section 9.1 and or 9.2 of this Agreement. The Purchaser covenants and agrees that all decisions of the MDC Steering Committee shall be binding upon the Purchaser. For further clarification, the delegation of authority from the

- 15 -

Purchaser to the MDC Steering Committee does not include the authority of the MDC Steering Committee to increase the aggregate Construction Budget of \$7,400,000.00.

**ARTICLE 4**  
**PURCHASE PRICE PAYMENT**

**4.1 Payment of Purchase Price**

The Purchase Price for the Purchase Assets shall be paid and satisfied by the Purchaser as follows:

- (a) as contemplated by the provisions of the January Agreements and as amended by the MDC Steering Committee, an amount equal to the preparation costs incurred or commitments made by the Vendor and associated with the development of the Project to the date of execution of this Agreement (the "Preparation Costs") as more particularly detailed as to type in the Schedule H attached hereto (the "Preparation Cost Schedule"), to be paid by the Purchaser within thirty (30) days of receipt of an invoice for same from the Vendor;
- (b) as to the following elements of the Purchase Price, said sums owing to be paid to the Vendor within thirty (30) days of receipt of invoices for same by the Purchaser from the Vendor, said invoices not to be issued prior to the commencement of construction of the MDC:
  - (i) \$1,350,000.00 being the value of the Vendor's fee on the floor space index of 27,000 square feet attributable to the MDC;
  - (ii) \$150,000 being the sum attributed to the value of the MDC Lands upon which the MDC will be constructed; and
  - (iii) the Construction Management Fee;

it being acknowledged that the sums payable pursuant to section 4.1(b)(i), (ii) and (iii) are subject to the Donor's Agreement;

- (c) as to the sum \$1,350,000.00 being the agreed upon value of the MDC Parking Units, said sum, less that portion of the Preparation Costs paid by the Purchaser and associated with the Parking Condominium shall be progressed billed against the percentage of completion measured against said sum \$1,350,000.00, with each progress billing to be paid by the Purchaser in the same manner as those progress billings for the MDC as set out in subsection 4.1(d), payable by the Purchaser to the Vendor by means of progress payments paid during the course of construction of the MDC and the MDC Parking Units. Without limiting the generality of the foregoing, the Purchaser shall, within thirty (30) days of receipt of a copy of the Payment Certificate issued by the Payment Certifier

- 16 -

engaged by the Vendor for the construction to be carried on at the Project, pay to the Vendor that sum described as being owing in the said Payment Certificates;

(d) as to the Capital Costs incurred relating to the construction of the MDC, the Vendor shall invoice the Purchaser (progress bill the Purchaser) for:

- (i) all Direct Costs incurred by the Vendor or Vendor's related party for labour and or materials; and
- (ii) all third party subcontract work including the supply of materials by third parties which require certification by the Project architect against the cost to complete the MDC.

As to the Direct Costs, which the Purchaser agrees shall not be subject to any construction lien holdback, the Vendor shall be entitled to progress bill the Purchaser bi-weekly which invoices are to be paid by the Purchaser within ten (10) days of receipt of each such invoice. As to the third party costs, the Vendor shall invoice the Purchaser monthly which invoices are to be paid by the Purchaser within ten (10) days of receipt of each such invoice;

(e) as to the construction lien holdback maintained upon substantial completion of the construction of the MDC base building, the same shall be payable by the Purchaser on the 46<sup>th</sup> day next following publication of a Certificate of Substantial Performance by the Vendor's architect following substantial completion of the MDC base building, provided no claims for lien under the *Construction Lien Act* of Ontario have been registered against the MDC Lands prior to the 46<sup>th</sup> day next following publication of a Certificate of Substantial Performance as aforesaid (and to the extent a construction lien has been registered, then payable by the Purchaser within ten (10) days following receipt of evidence that the construction lien has been vacated and or discharged);

(f) as to the construction lien holdback maintained upon substantial completion of the construction of the MDC Interior Fit-Ups, the same shall be payable by the Purchaser on the 46<sup>th</sup> day next following publication of a Certificate of Substantial Performance by the Vendor's architect following substantial completion of the MDC Interior Fit-Ups, provided no claims for lien under the *Construction Lien Act* of Ontario have been registered against the MDC Lands prior to the 46<sup>th</sup> day next following publication of a Certificate of Substantial Performance as aforesaid (and to the extent a construction lien has been registered, then payable by the Purchaser within ten (10) days following receipt of evidence that the construction lien has been vacated and or discharged);

(g) as to the balance of the Purchase Price, subject to the Adjustments, by certified cheque or bank draft payable to the Vendor or as it may direct on the Closing Date.

The Vendor and Purchaser acknowledge, confirm and agree that the Direct Costs shall not be subject to a construction lien holdback and the work performed by the Vendor or the Vendor's related party or party designated by the Vendor resulting in Direct Cost billings shall not include any warranty in respect

thereof. The third party costs as invoiced to the Purchaser shall be net of the construction lien holdback, which construction lien holdback shall be invoiced to the Purchaser following substantial performance of the construction work associated with the MDC or on such earlier date in the event of an interim release of a construction lien holdback and payable as aforesaid. The Purchaser shall not withhold any construction lien holdback from any payment due to the Vendor hereunder.

The Vendor shall be entitled to charge the Purchaser an amount equal to 5% above the Toronto-Dominion Bank prime rate of interest for all payments which are not made on the date the same are to be paid, the charge to be computed from the date of payment until receipt of payment.

#### 4.2 Construction Liens

(1) Non Payment by Purchaser. In the event a construction lien is registered against the Project by reason of the Purchaser's failure to make payment on account of the Purchase Price as required by the provisions of this Agreement, the Vendor shall deliver written notice thereof to the Purchaser, providing the Purchaser with a copy of the registered lien. The Purchaser shall take such action as required, including the obtaining and posting of security, in order to have the claim for lien removed from title within 10 days of receipt of the Vendor's written notice. Should the Purchaser fail or refuse to remove the lien, the Vendor shall have the right, but not the obligation to post security in order to remove the lien from title to the Project Lands. The Purchaser shall indemnify the Vendor for the full amount of the security posted to vacate the lien together with all associated borrowing costs and all legal fees and disbursements on a full indemnity basis.

(2) Non Payment by Vendor. In the event a construction lien is registered against the Project through no fault of the Purchaser, the Vendor shall take such action as required, including the obtaining and posting of security in order to have the claim for lien removed from title within 10 days of its registration.

#### 4.3 Adjustments

(1) Adjustment – MDC and MDC Lands. The Purchaser shall be responsible for ten percent (10%) of the realty taxes exigible against the Lands (excluding that portion of the Lands under water) computed from the date of execution of this Agreement until the MDC Closing Date, which sum shall be adjusted in favour of the Vendor on the MDC Closing Date. Furthermore, and in addition to the aforesaid, in the event the MDC Lands are separately assessed prior to the MDC Closing Date, the Purchaser shall be responsible for twenty percent (20%) of the realty taxes exigible against the MDC Lands computed from the date of such separate assessment until the MDC Closing Date. The Purchaser shall also be responsible for the cost of its own liability insurance which it shall maintain during the term of this Agreement, and the pro rata share of all costs and expenses incurred to create the MDC Lands such as survey costs, preparation and registration costs of the reference plan, any application for severance under the Planning Act and any and all other professional fees all of which to the extent paid by the Vendor, shall be adjusted for on the MDC Closing Date. All other adjustments shall be made as of the MDC Closing Date.

- 18 -

(2) MDC Parking Units. The Purchaser shall be responsible for any unpaid occupancy costs associated with the use of the MDC Parking Units, if applicable, before the declaration of the Parking Condominium.

(3) Additional Adjustment Items. The Adjustments shall also include any unpaid portion of the Purchase Price including any adjustments to the Construction Budget which have not been paid prior to the MDC Closing Date or MDC Parking Unit Closing Date, as applicable, local improvement rates and charges, utilities, fuel, if obtained by the Vendor (and not included in the Construction Budget) and all other items normally adjusted between a vendor and purchaser in respect of the sale of property. In addition, the Adjustments shall include the other matters referred to in this Agreement stated to be the subject of adjustment including any additional construction management costs incurred by the Vendor or the Vendor's related party or a party designated by the Vendor to carry out the construction management reference in and payable pursuant to section 2.2 of this Agreement or changes to the plans and specifications requested by the Purchaser giving rise to additional costs which remain unpaid as of the Closing date.

(4) Statement of Adjustments. A statement of adjustments shall be delivered to the Purchaser by the Vendor at least five Business Days prior to the MDC Closing Date and the MDC Parking Unit Closing Date, as applicable, and shall have annexed to it complete details of the calculations used by the Vendor to arrive at all debits and credits on the statement of adjustments.

(5) Readjustment. If the final cost or amount of an item which is to be adjusted cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the parties acting reasonably as of the MDC Closing Date or the MDC Parking Unit Closing Date, as applicable, on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. In each case, when such cost or amount is determined, the Vendor or Purchaser, as the case may be, shall, within 30 days of determination, provide a complete statement thereof to the other and within 30 days thereafter the parties shall make a final adjustment as of the MDC Closing Date or the MDC Parking Unit Closing Date, as applicable, for the item in question. In the absence of agreement by the parties, the final cost or amount of an item shall be determined by auditors appointed jointly by the Vendor and the Purchaser, with the cost of such auditor's determination being shared equally between the parties.

## ARTICLE 5 REPRESENTATIONS AND WARRANTIES

### **5.1 Representations and Warranties of the Vendor**

The Vendor represents and warrants to the Purchaser that, as of the date of this Agreement (unless otherwise herein stated) and as of the MDC Closing Date or the MDC Parking Unit Closing Date, as applicable:

(a) Status. The Vendor is a corporation duly subsisting under the laws of the Province of Ontario and has the corporate power and capacity to own its property and assets, to

- 19 -

conduct its business and to enter into and perform its obligations under this Agreement and all other agreements contemplated herein;

- (b) **Authorization.** The Vendor has taken all necessary corporate action, and all necessary action has been taken in accordance with the provisions of its charter, to authorize the execution and delivery of this Agreement and all other agreements contemplated by this Agreement by the Vendor and the consummation of the transaction contemplated by this Agreement by the Vendor;
- (c) **Enforceability of Obligations.** This Agreement has been validly executed and delivered by the Vendor and is a valid and legally binding obligation of the Vendor enforceable against the Vendor in accordance with its terms;
- (d) **Residence.** The Vendor is a "Canadian corporation" as defined in the *Income Tax Act* (Canada);
- (e) **No Expropriation.** The Vendor has not received any written notice and has no other information or knowledge of any proceedings by any Governmental Authority with respect to or in connection with the expropriation or rezoning of the MDC Lands or the MDC Parking Units or any part thereof;
- (f) **Title.** On the Closing Date, subject to Section 6.3, title to the Property shall be free and clear of all Encumbrances except for the Permitted Encumbrances.

### **5.2 Representations and Warranties of the Purchaser**

The Purchaser hereby represents and warrants to and in favour of the Vendor that, as of the date of this Agreement (unless otherwise specified) and as of the MDC Closing Date or the MDC Parking Unit Closing Date, as applicable:

- (a) **Investment Canada.** The Purchaser is not a non-Canadian within the meaning of the *Investment Canada Act* (Canada); and
- (b) **GST Registration.** The Purchaser is or will be a GST registrant under the *Excise Tax Act* (Canada).

### **5.3 Survival of Representations**

The representations and warranties contained in this Agreement shall not merge on the MDC Closing or the MDC Parking Unit Closing Date, as applicable, but shall continue in full force and effect for the benefit of the party entitled thereto for a period of 12 months following the MDC Closing Date or the MDC Parking Unit Closing Date, as applicable. The representations and warranties contained in this Agreement will cease to have effect 12 months following the MDC Closing Date or the MDC Parking Unit Closing Date, as applicable, except to the extent that a Claim has been made thereunder prior to that date. The covenants being provided by the parties hereto shall not merge on Closing nor cease to be

- 20 -

effective at any time subsequent to the MDC Closing or the MDC Parking Unit Closing Date, as applicable, unless released by the party that enjoys the benefit of said covenant(s).

#### **5.4 Non-Waiver**

No waiver of any condition or other provision contained in this Agreement, in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

### **ARTICLE 6** **CONDITIONS**

#### **6.1 Conditions of the Vendor**

The obligation of the Vendor to proceed with the construction of the MDC and the MDC Parking Units and otherwise complete the transactions contemplated by this Agreement shall be subject to the following conditions:

- (a) **Sales Targets - Phase I:** The Vendor having achieved a minimum sales target of 66% of residential units sold in the Residential Condominium on or before 4:59 p.m. on March 8, 2011.
- (b) **Construction Financing:** The Vendor having arranged construction financing for Phase I of the Project on or before 4:59 p.m. on March 8, 2011 on terms and conditions satisfactory to the Vendor.

The conditions set out in this Section 6.1 are for the sole benefit of the Vendor and may be waived in whole or in part by the Vendor, in its sole discretion, by written notice to the Purchaser. Should the Vendor fail or refuse to deliver written notice of waiver and or satisfaction in respect to all of the Vendor's conditions on or before the time and date set for same, the Vendor's condition shall be deemed to not have been satisfied and this Agreement shall become null and void and neither party shall have any further obligation to the other hereunder.

#### **6.2 Conditions of the Purchaser**

The requirement and covenant of the Purchaser to satisfy its obligations and complete the transactions contemplated by this Agreement shall be subject to the following condition:

- (a) **Construction of Residential Structure.** Prior to 11:59 a.m. on March 8, 2011, the Vendor shall have delivered written notice to the Purchaser that it will develop the first phase of the Project (Phase I) by the construction of a mixed use building which is to include at a minimum, a residential condominium of not less than twelve (12) stories, two (2) levels of interior parking and approximately five (5) exterior parking spaces and a Maritime Discovery Centre to contain a gross area of approximately 27,000 square feet which will be built concurrently.

- 21 -

The condition set out in this Section 6.2 is for the sole benefit of the Purchaser and may be waived by the Purchaser, in its sole discretion, by written notice to the Vendor. Should the Vendor have failed or refused to deliver the aforesaid written notice to the Purchaser on or before 11:59 a.m. on March 8, 2011, the Purchaser's condition, unless waived by delivery of written notice of waiver to the Vendor on or before 4:59 p.m. on March 8, 2011, shall be deemed to not have been satisfied and this Agreement shall become null and void and deemed to have been terminated and neither party shall have any further obligation to the other hereunder.

#### **6.3 Title**

The Vendor covenants that title to the MDC Lands and the MDC Parking Units shall, upon the MDC Closing Date and the MDC Parking Unit Closing Date, as applicable, be free and clear of all Encumbrances except for the Permitted Encumbrances and except for any construction financing mortgage, provided that in such instance, the Vendor shall on the applicable Closing date deliver a statement from the holder of such mortgage, confirming that it will partially discharge its mortgage against the MDC Lands and MDC Parking Units, as applicable, without further payment being required in consideration for the delivery of such discharge together with the Vendor's Solicitor's undertaking to obtain and register and discharge of said mortgage within a reasonable time after closing.

#### **6.4 Non-Waiver**

No waiver of any condition or other provision contained in this Agreement, in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

### **ARTICLE 7 CLOSING**

#### **7.1 Closing of MDC and MDC Parking Units**

The Purchaser acknowledges that the Vendor may achieve substantial completion of the construction of the MDC prior to the declaration of the Parking Condominium or in the alternative, may achieve declaration of the Parking Condominium prior to achieving substantial completion of the construction of the MDC. The Purchaser covenants and agrees to complete the Closing of the MDC and subject to the provisions of Section 7.4(d), complete the Closing of the MDC Parking Units on the applicable Closing date notwithstanding that closing of the MDC and MDC Parking Units is not completed simultaneously. The Purchaser further acknowledges that at the Vendor's option, the Vendor may convey a freehold interest to the Purchaser for the exterior parking spaces forming part of the MDC Parking Units. As well, at the Vendor's option, the interior parking spaces forming part of the MDC Parking Units may be included in and form part of the Residential Condominium in lieu of forming part of a separately declared Parking Condominium in which event, the MDC Parking Units Closing shall occur following the registration of the description and Declaration for the Residential Condominium and upon the MDC Parking Unit Closing Date, the Purchaser shall be bound by the provisions of the Declaration, by-laws and rules and regulations of the Residential Condominium.

## **7.2 Vendor's Closing Documents**

On or before Closing of the MDC or the MDC Parking Units, as applicable and subject to the provisions of this Agreement, the Vendor shall prepare or cause to be prepared (where applicable) and the Vendor shall, provided that such items are in a form acceptable to the Purchaser's Solicitors, acting reasonably, execute and deliver or cause to be executed and delivered to the Purchaser's Solicitors the following items, to the extent the same are applicable, duly executed by the Vendor and in registrable form wherever appropriate:

- (a) a reference plan identifying the MDC Lands as part numbers thereon including those parts of the MDC Lands which are subject to or together with any specific easement and or right of way;
- (b) a registrable transfer, in fee simple, for the MDC Lands which transfer may include the covenants of the Purchaser intended to run with the MDC Lands;
- (c) to the extent the Vendor elects to transfer a freehold interest in the exterior parking spaces forming part of the MDC Parking Units, a reference plan identifying the exterior parking spaces as a part number or part numbers thereon including those parts of the exterior parking spaces which are subject to and together with any specific easement and or right of way;
- (d) a registrable transfer or transfers, in fee simple, for the MDC Parking Units;
- (e) an assignment of the Warranties, to the extent assignable and for greater certainty, the Purchaser acknowledges, confirms and agrees that no warranties are provided or are to be provided by the Vendor or the related party to the Vendor in respect to any aspect of the improvements made upon the Lands which form part of the MDC or the MDC Parking Units;
- (f) the Vendor's Certificate, executed by a senior officer of the Vendor (solely in such officer's capacity as an officer of the Vendor and without personal liability) certifying that:
  - (i) the Vendor is a "Canadian corporation" as defined in the *Income Tax Act* (Canada); and
  - (ii) the representations and warranties of the Vendor contained in Section 5.1 are true and accurate in all material respects as of the applicable Closing date;
- (g) confirmation letters of discharges or partial discharges, as the case may be, from all secured parties having outstanding registered mortgages against the MDC Lands and or the MDC Parking Units together with the Vendor's Solicitor's undertaking to discharge the same within a reasonable time after Closing;
- (h) a statement of adjustments, as contemplated by Section 4.3;

- 23 -

- (i) an irrevocable direction as to the payment of the balance of the Purchase Price;
- (j) an undertaking by the Vendor to readjust the Adjustments; and
- (k) such other bills of sale, transfers, assignments and documents relating to the completion of the transaction contemplated by this Agreement as the Purchaser may reasonably require to transfer ownership of the Purchase Assets from the Vendor to the Purchaser.

### **7.3 Purchaser's Closing Documents**

On or before Closing of the MDC or the MDC Parking Units, as applicable and subject to the provisions of this Agreement, the Purchaser shall, provided that such items are in a form acceptable to the Vendor's Solicitors, acting reasonably, execute and deliver or cause to be executed and delivered to the Vendor's Solicitors the following items, duly executed by the Purchaser:

- (a) a certified cheque or bank draft or wire transfer payable to the Vendor or as the Vendor may in writing direct in the amount of the balance of the Purchase Price in accordance with Section 4.1(e);
- (b) an undertaking by the Purchaser to readjust the Adjustments;
- (c) an assumption agreement in respect to the Shared Facilities Agreement to the extent same shall be required by the Vendor or Vendor's Solicitor including the assumption of the obligation to make any funding payments thereunder;
- (d) the Purchaser's Certificate, executed by a senior officer of the Purchaser (solely in such officer's capacity as an officer of the Purchaser and without personal liability), certifying that the representations and warranties of the Purchaser contained in Section 5.2 are true and accurate in all material respects as of the applicable Closing date;
- (e) an agreement of the Purchaser containing the covenants of the Purchaser intended to run with the MDC Lands and or the MDC Parking Units which covenants may be incorporated in the Transfer of the MDC Lands and or the MDC Parking Units or registered separately against the MDC Lands and or the MDC Parking Units which covenants shall include, without limitation, the covenant to not use the MDC facility as a restaurant or food preparation and distribution facility so long as there is a restaurant facility forming part of Phase 1 of the Project;
- (f) in respect to the MDC Parking Units forming part of the Parking Condominium, payment of any amount equal to two months' of condominium fees for the purposes of funding the Parking Condominium reserve fund;
- (g) such agreements which are intended to be entered into between the Vendor and Purchaser effective as of the applicable Closing date including (i) the rights of first

refusal in favour of the Vendor and (ii) a non disturbance agreement made between the Vendor and Purchaser the principles of which are set out in Schedule K attached;

- (h) a covenant of the Purchaser to grant such easements, rights of way and right in the nature of an easement over the MDC Lands and or the MDC Parking Units, in favour of the owners from time to time of all or part of the balance of the Project and their successors and assigns as the Vendor shall reasonably require for the purposes of developing the Project; and
- (i) such further documentation relating to the completion of the transaction contemplated by this Agreement as the Vendor may reasonably require.

#### **7.4 Purchaser's Covenants**

In consideration of the MDC Closing , the Purchaser covenants with the Vendor as follows which covenants shall run with the MDC Lands:

- (a) not to alter the exterior of the MDC building including making any changes to the design, colour or the scheme thereof or install fixtures or exterior signage without the prior written consent of the Vendor, which consent can be unreasonably withheld should the proposed change not be in keeping with the design scheme for the Project;
- (b) not to install any interior window coverings or install or erect any signs, obstructions at, on or near any window as viewed from the outside which, in the opinion of the Vendor, would detract from the design, colour and scheme of the Project
- (c) not to use the MDC Lands or any part thereof as a restaurant and or catering facility and or as a food preparation and distribution facility so long as there is restaurant operation forming part of Phase 1 of the Project Lands;

and for the aforesaid consideration and in furtherance of the January Agreements and the consideration paid and or payable by the Vendor under a cash-in-lieu agreement made between the Vendor and Purchaser relating to the Project:

- (d) to create and make available to the general public on or before the earlier of the MDC Closing Date or the MDC Parking Unit Closing Date and at the Purchaser's cost and expense, an additional 45 parking spaces (in addition to the 55 parking spaces being purchased herein) in accordance with the January Agreements (the "Additional Parking Spaces") title to said Additional Parking Spaces having a covenant running with the lands that the same shall, unless otherwise agreed to between the Purchaser and the Vendor (or at the Vendor's option, owner of the Restaurant facility forming part of Phase I of the Project), always be used as parking for daily use by the general public and shall always be available to the general public on a first come, first serve basis without right to use and or lease any such parking space on a reserved, dedicated, guaranteed, continuous and or long term basis (weekly, monthly or longer term continuous use and rentals or similar use not being permitted). For greater certainty, any purchaser of the

facilities providing for the Additional Parking Spaces shall be bound by the aforesaid restrictive covenants.

#### **7.5 Registration and Other Costs**

(1) **General.** The Purchaser shall be responsible for the land transfer tax and registration fees payable in connection with the registration of the transfers for the MDC Lands and the MDC Parking Units together with the registration costs of any restrictive covenants running with the MDC Lands and or the MDC Parking Units. The Vendor shall be responsible for registration fees payable in connection with the registration of discharges of any Encumbrances that are not Permitted Encumbrances and the registration of those agreements referenced in section 7.3(g) hereof.

(2) **GST/HST.** In addition to the Purchase Price, the Purchaser shall pay to the Vendor all Applicable Taxes.

#### **7.6 Single Transaction**

(1) **Electronic Registration.** The Vendor and the Purchaser acknowledge that the electronic registration system (the "Teraview Electronic Registration System" or "TERS") is operative in the land registry office where the Lands are located and, accordingly, the following provisions shall prevail, namely:

- (a) the Vendor's Solicitors and the Purchaser's Solicitors shall each be obliged to be authorized TERS users and in good standing with the Law Society of Upper Canada, and they are hereby authorized by the parties hereto to enter into a document registration agreement in the form adopted by the Joint LSUC-CBAO Committee on Electronic Registration of Title Documents on March 29, 2004 or any successor version thereto (the "Document Registration Agreement" or "DRA"), together with the additional requirement that the registering solicitor shall also be obliged to provide the non-registering solicitor with a copy of the registration report printed by TERS upon the registration of the electronic documents, as evidence of the registration thereof, within one Business Day following the applicable Closing date. It is understood and agreed that the DRA shall outline or establish the procedures and timing for completing the transaction contemplated by this Agreement electronically, and shall be executed by both the Vendor's Solicitors and the Purchaser's Solicitors and exchanged by courier or facsimile transmission or e-mail between such solicitors (such that each solicitor has a photocopy or faxed copy of the DRA duly executed by both solicitors) by no later than one Business Day before the applicable Closing date;
- (b) the delivery and exchange of the Closing Documents and the balance of the Purchase Price, and the release thereof to the Vendor and the Purchaser, as the case may be:
  - (i) shall not occur contemporaneously with the registration of the transfer for the Vendor's interest in the MDC Lands and or the MDC Parking Units, as applicable, and other Closing Documents, if any, to be registered electronically; and

- 26 -

- (ii) shall be governed by the DRA, pursuant to which the solicitor receiving any Closing Documents, or the balance of the Purchase Price, will be required to hold the same in escrow, and will not be entitled to release the same except in strict accordance with the provisions of the DRA;
- (c) each of the parties agrees that the delivery of any of the Closing Documents not intended or required to be registered against title to the MDC Lands and or the MDC Parking Units shall, unless the parties otherwise agree, be by way of delivery of originally signed copies thereof on the applicable Closing date to the other party or its solicitor;
- (d) notwithstanding anything contained in this Agreement or in the DRA to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by either party (in this Section called the "Tendering Party") upon the other party (in this Section called the "Receiving Party") when the solicitor for the Tendering Party has:
  - (i) delivered all applicable Closing Documents and/or the balance of the Purchase Price to the Receiving Party's solicitor in accordance with the provisions of this Agreement and the DRA;
  - (ii) advised the solicitor for the Receiving Party in writing that the Tendering Party is ready, willing and able to complete the transaction contemplated by this Agreement in accordance with the terms and provisions of this Agreement; and
  - (iii) completed all steps required by TERS in order to complete the transaction contemplated by this Agreement that can be performed or undertaken by the Tendering Party's solicitor without the co-operation or participation of the Receiving Party's solicitor, and specifically when the Tendering Party's solicitor has electronically "signed" the transfer and any other Closing Document, if any, to be registered electronically for completeness and granted "access" to the Receiving Party's solicitor (but without the Tendering Party's solicitor releasing the same for registration by the Receiving Party's solicitor).

(2) Single Transaction. Subject to Section 7.5(1), all documents and cheques shall be delivered in escrow as specified in Section 7.5(1) on the MDC Closing Date and or the MDC Parking Unit Closing Date, as applicable pending registration of the Closing Documents as reasonably required by the solicitors for the parties and receipt of such evidence as they shall reasonably request that all conditions of this Agreement have been satisfied. It is a condition of MDC Closing and or the MDC Parking Unit Closing, as applicable, that all matters of payment, satisfaction of covenants and obligations, execution and delivery of documents by each party to the other and the acceptance for registration of the appropriate documents in the appropriate offices of public record shall be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the MDC Closing and or the MDC Parking Unit Closing, as applicable, until everything required at the MDC Closing and or the MDC Parking Unit Closing, as applicable, has been paid, satisfied, executed and delivered and until all documents have been registered.

- 27 -

**ARTICLE 8**  
**OPERATION UNTIL CLOSING**

**8.1 Risk**

The MDC Lands and the MDC Parking Units shall be at the risk of the Vendor until the transfer of title to the MDC Lands and the MDC Parking Units, as applicable. Until the transfer of title to the MDC Lands and the MDC Parking Units, as applicable, the Vendor shall maintain the existing insurance on the MDC Lands and the MDC Parking Units, as applicable. All such insurance shall be held for the benefit of the parties as their interests may appear. If any loss or damage to the Purchase Assets occurs on or before the MDC Closing Date and or the MDC Parking Unit Closing Date, as applicable, the Vendor shall promptly deliver a notice (the "Notice of Loss") to the Purchaser specifying the nature and extent of the loss or damage. In the event of a loss before the MDC Closing Date and or the MDC Parking Unit Closing Date, as applicable, at the Vendor's option, the Vendor shall be entitled to rebuild the MDC and or the MDC Parking Units, as applicable, or to refund the sums paid to the Purchaser on account of the Purchase Price attributable to the MDC and or the MDC Parking Units to the date of the loss, excluding any refund of the Preparation Costs.

**8.2 Construction of Purchaser's Improvements**

Save as herein provided, the Purchaser shall not be entitled to carry out any work within the MDC prior to substantial completion of the MDC. To the extent the Purchaser wishes to undertake improvements to the base building of the MDC prior to substantial completion of the MDC, it shall be required to engage the services of the Vendor or a related party to the Vendor on a construction management basis with a management fee being the aggregate of 5% of the cost of the improvements to be made to the base building of the MDC for administration and 10% of the cost of the improvements to be made to the base building of the MDC plus all site costs incurred. The relationship of the Vendor and Purchaser in respect to the construction of the improvements to the MDC base building must be documented by means of a separate agreement before any work is commence. Provided however that no improvements shall be made to the MDC base building which, in the sole opinion of the Vendor, may interfere with the construction of the MDC base building.

**ARTICLE 9**  
**DISPUTE RESOLUTION**

**9.1 Good Faith Negotiations**

The parties agree to use their best efforts to resolve any disputes or matters which may arise between them in respect of this Agreement including the determination and allocation of cost pursuant to the Exclusive Capital Cost/Shared Capital Cost Schedule through good faith negotiations and the parties further agree that to the extent a dispute arises relating to the determination and allocation of cost pursuant to the Exclusive Capital Cost/Shared Capital Cost Schedule, the parties shall undertake the following steps in the order set out herein in order to achieve resolution:

- (a) written notice of dispute (the "Dispute Notice") setting out in detail the subject matter of the dispute shall be delivered to the other party;
- (b) within two (2) business days of receipt of the Dispute Notice the constructor's project manager and a representative of the MDC Steering Committee that has experience in construction and who is not an employee of the Purchaser shall meet and shall attempt to resolve the dispute within the next five (5) day period (the "Initial Dispute Resolution Period");
- (c) if the constructor's project manager and the representative of the MDC Steering Committee are unable to resolve the dispute during the Initial Dispute Resolution Period, the chair of the MDC Steering Committee or his designate and the principal of the Vendor shall meet and shall attempt to resolve the dispute within the next five (5) day period (the "Second Dispute Resolution Period");
- (d) if the chair of the MDC Steering Committee or his designate and the principal of the Vendor are unable to resolve the dispute during the Second Dispute Resolution Period, the parties shall as quickly as possible and in any event, no later than thirty (30) days next following the expiration of the Second Dispute Resolution Period, appoint a cost consultant experienced in similar construction whose determination shall be binding upon the parties.
- (e) the parties shall initially share equally in the costs of a cost consultant, however, the settlement shall specify the share of the cost consultant's fees and expenses that each party is required to pay.

## **9.2 Non Capital Cost Related Disputes**

The parties also agree to use their best efforts to resolve any disputes or matters which may arise between them in respect of this Agreement which do not relate to the determination and allocation of cost pursuant to the Exclusive Capital Cost/Shared Capital Cost Schedule through good faith negotiations, and the parties further agree that they shall resort to legal proceedings or mediation and ADR against one another only as a last resort. If the parties are unable to resolve a dispute, ADR proceedings may be commenced by the parties in accordance with the following principles and procedures:

- (a) If the parties, with or without the assistance of legal counsel, are unable to resolve the questions or matter in dispute through good faith negotiations, the parties shall, within thirty (30) days thereafter, select a mediator qualified by education and training to assist the parties in dealing with the particular questions or matter in dispute, and the parties shall attempt to mediate their differences, and the mediator shall confer with the parties and endeavour to obtain a settlement with respect to the disagreement submitted to mediation. The parties shall initially share equally in the costs of a mediator, however, the settlement shall specify the share of the mediator's fees and expenses that each party is required to pay. Upon obtaining a settlement between and among the parties with respect to the disagreement submitted to mediation, the

mediator shall make a written record of the settlement which shall form part of the agreement or matter that was the subject of the mediation.

- (b) If good faith negotiations and the mediation process as described in subsection 9.2(a) hereof are exhausted, and the parties are still unable to resolve the question or matter in dispute within thirty (30) days after the mediator delivers a notice to the parties stating that the mediation has failed, the parties agree to submit the question or matter in dispute for resolution by binding arbitration using the methodology set out in section 9.2(c).
- (c) The parties shall meet and attempt to appoint a single arbitrator who is well qualified with education and training to pass upon the particular question or matter in dispute. In the event that the parties are unable to agree upon a single arbitrator, each party shall appoint one arbitrator within seven (7) days of the meeting and notify the other party. The arbitrators so appointed shall, within seven (7) days of the appointment of the last arbitrator so appointed, choose a single arbitrator who is qualified by education and training to pass upon the particular question or matter in dispute. If either party neglects or refuses to name an arbitrator within seven (7) days of being requested to do so by the other party, the arbitrator named by the first party shall proceed to resolve the dispute in accordance with *Arbitrations Act 1991* (Ontario) and the parties agree that the arbitrator's decision shall be final and shall not be subject to appeal by any party other than on a question of law in accordance with Subsection 45(2) of the *Arbitrations Act, 1991* or pursuant to a specific ground for appeal or for setting aside the arbitrator's award pursuant to Section 46 of the *Arbitrations Act, 1991*.
- (d) The decisions and reasons of the arbitrator shall be made within thirty (30) days after the hearing of the question or matter in dispute, and the decisions and reasons shall be drawn up in writing and signed by the arbitrator who shall also be entitled to award costs of the ADR. The compensation and expenses of the arbitrator shall initially be paid in equal proportions by each party, subject to the final outcome and any award being made as to costs of the ADR.

Where ADR is required by this Agreement, commencement and completion of such ADR in accordance with this Agreement shall be a condition precedent to the commencement of an action at law or in equity in respect of the question or matter in dispute being arbitrated.

### **9.3 Performance Until Resolution**

For clarity, in respect to a dispute relating to the determination and allocation of cost pursuant to the Exclusive Capital Cost/Shared Capital Cost Schedule, until the questions or matter in dispute is finally determined, the disputing party will continue with its obligations hereunder and any adjustment to the Purchase Price shall be made with the next payment to be made subsequent to the resolution of the dispute.

**ARTICLE 10**  
**GENERAL/ADDITIONAL PROVISIONS**

**10.1 Right of First Refusal**

- (a) The Purchaser acknowledges that its interest in the MDC Lands is subject to a right of first refusal as more particularly detailed in the Partnership Agreement. The Purchaser agrees to the registration of a Notice thereof against title to the MDC Lands upon the MDC Closing Date. The Purchaser agrees the aforesaid right of first refusal applies to the MDC and the MDC Lands in its entirety or to the sale of the MDC Pantry (as defined in 10.1(b) below).
- (b) Without limiting the provisions of section 10.1(a), the Purchaser further agrees that in the event the Vendor does not exercise its right of first refusal to purchase the MDC Lands following receipt by the Purchaser of an offer to purchase from an arm's length third party purchaser, the Vendor shall have the right, to be exercised within the time delay provided for the exercise of its right of first refusal relating to the MDC, to purchase from the Purchaser that part of the MDC facility containing approximately 1,000 square feet which will house the "restaurant and catering facilities" utilized by the restaurant operation located within the Retail component included as part of the Phase 1 of the Project (the "MDC Pantry"). In the event of the exercise of the Vendor's right to purchase MDC Pantry, the purchase price for same shall be arrived at by multiplying the area of the MDC Pantry the average price per square foot as established by the third party offer giving rise to the right to purchase the MDC Pantry. The Vendor shall delineate the MDC Pantry by reference plan and the Purchaser shall execute such transfer documents as necessary to convey title thereto the Vendor. The Transfer shall occur no later than the 30<sup>th</sup> day next following the earlier of (i) the exercise of the right to purchase the MDC Pantry or (ii) the date upon which the reference plan delineating the MDC Pantry has been registered on title to the MDC Lands. The Purchaser agrees that the Vendor's right to purchase the MDC Pantry is assignable without further consent of the Purchaser to the owner from time to time of the Retail lands forming part of the Project.
- (c) The Vendor's right of first refusal relating to the MDC Lands as herein stated shall not apply to a transfer of the fee simple interest therein by the Purchaser to a not for profit corporation (the "NFP") provided that the Vendor is a member of or actively involved (with voting rights on the board of directors of the NFP equal to those of the Purchaser thereon) in the NFP.

**10.2 Obligations as Covenants**

Each agreement and obligation of the parties contained in this Agreement, even though not expressed as a covenant, shall be considered for all purposes to be a covenant.

### **10.3 Amendment of Agreement**

No modification or amendment of this Agreement shall be binding unless executed in writing by the parties in the same manner as the execution of this Agreement.

### **10.4 Further Assurances**

Each of the parties shall from time to time hereafter and upon any reasonable request of the other party, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

### **10.5 Waiver**

No waiver of any default, breach or non-compliance under this Agreement shall be effective unless in writing and signed by the party to be bound by the waiver or its solicitor. No waiver shall be inferred from or implied by any failure to act or delay in acting by a party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other party. The waiver by a party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

### **10.6 Planning Act**

This Agreement shall be effective to create an interest in the MDC Lands and the MDC Parking Units only if the provisions of the *Planning Act* (Ontario) are complied with. In respect to the MDC Lands, the Vendor shall apply for and diligently pursue any required consent under the *Planning Act* (Ontario) to the severance of the MDC Lands from the balance of the Project Lands prior to the conveyance thereof to the Purchaser which consent shall be final and binding (and not subject to appeal) on the MDC Closing Date subject only to conditions acceptable to both the Purchaser and the Vendor, which conditions shall have been satisfied by the Vendor on or before the MDC Closing Date. The Purchaser acknowledges, confirms and agrees that all costs associated with the severance of the MDC Lands from the balance of the Project Lands including all surveying costs, legal costs, application costs and costs associated with satisfying the conditions of severance shall be borne by the Purchaser and paid by the Purchaser within thirty (30) days of a receipt of an invoice or invoices for same from the Vendor.

### **10.7 Solicitors as Agents**

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated by this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Vendor's Solicitors on behalf of the Vendor and any tender of Closing Documents and the balance of the Purchase Price may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

#### **10.8 Commissions**

The parties represent and agree that there are no commissions payable in respect to the purchase and sale of the Purchased Assets.

#### **10.9 Assignment by Purchaser**

The Purchaser shall not be entitled to assign its rights and obligations under this Agreement except with the prior written consent of the Vendor. The Purchaser shall not be released from its obligations hereunder notwithstanding any assignment of its rights hereunder.

#### **10.10 Assignment by Vendor**

Prior to the MDC Closing Date or the MDC Parking Unit Closing Date, the Vendor shall have the right to assign its rights and obligations under this Agreement.

#### **10.11 Successors and Assigns**

All of the covenants and agreements contained in this Agreement shall be binding upon the parties and their respective successors and permitted assigns and shall enure to the benefit of and be enforceable by the parties and their respective successors and assigns pursuant to the terms and conditions of this Agreement.

#### **10.12 Notices**

(1) **Addresses for Notice.** Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement (a "Notice") shall be in writing and shall be effectively given and made if: (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent by fax, in each case to the applicable address set out below:

in the case of the Vendor addressed to it at:

2700 Queensview Drive  
Ottawa, Ontario  
K2B 8H6

Attention: Mr. Simon Fuller  
Fax: 1-613-829-7296

with a copy to:

Rasmussen Starr Ruddy, LLP  
Suite 660, 1600 Carling Avenue  
Ottawa, Ontario  
K1Z 1G3

Attention: Mr. Robert R. Hurtubise

- 33 -

Fax: 1-613-232-2499

and in the case of the Purchaser addressed to it at:

City of Brockville  
One King Street  
P.O. Box 5000  
Brockville, Ontario  
K6V 7A5

Attention: City Clerk  
Fax: 1-613-498-2793

with a copy to:

Stewart Corbett  
Barristers & Solicitors  
21 Court House Avenue  
Brockville, Ontario  
K6V 5V2

Attention: John Simpson  
Fax: 1-613-342-8570

(2) Receipt of Notice. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent prior to 2:00 p.m. (Ottawa time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

(3) Change of Address. Any party may from time to time change its address under this Section by notice to the other party given in the manner provided by this Section.

#### **10.13 Conflict**

The parties have entered into the Partnership Agreement and the January Agreements to define their respective rights and obligations relating to the MDC and the MDC Parking Units and other matters relating to the development of the Project. To the extent there is a conflict between the provisions of the Partnership Agreement and or the January Agreements and this Agreement as this Agreement may be amended and or the Schedules attached to this Agreement, the provisions of this Agreement, as amended, shall prevail.

- 34 -

#### **10.14 Partnership Agreement/January Agreements**

Except as set out in Section 10.13, nothing in this Agreement or its termination, if it occurs, is intended to amend or affect the rights, obligations and remedies of the parties to and in respect to the Partnership Agreement and or the January Agreements.

#### **10.15 MDC Parking Units – Condominium Documents**

The Purchaser, by the execution of this Agreement, acknowledges receipt of the Vendor's draft Declaration and By-Law No. 1 relating to the MDC Parking Units and further acknowledges receipt of a copy of the Shared Facilities Agreement.

#### **10.16 No Registration**

The Purchaser covenants and agrees that it shall not, under any circumstance, register this Agreement or notice of this Agreement or any other form of lien or encumbrance against the Lands or any part thereof. Without restricting the generality of the foregoing, the Purchaser acknowledges, confirms and agrees that nothing in this Agreement shall create a lien or give rise to a claim for lien or interest in the Lands or any part thereof other than the right to take title to the MDC and the MDC Parking Units upon the respective Closing dates.

#### **10.17 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

**IN WITNESS WHEREOF** the parties have executed this Agreement.

THE CORPORATION OF THE CITY OF BROCKVILLE

By:

Name: David Henderson  
Title: Mayor

By:

Name: Bob Casselman  
Title: City Manager

I/We have authority to bind the corporation

- 35 -

TALL SHIPS LANDING DEVELOPMENTS INC.

By: 

Name: Simon Fuller  
Title: President

I have authority to bind the corporation.

**SCHEDULE A**

**LANDS**

Part of the Bed of the St. Lawrence River, Leeds County being Part 1, 28R-12709, Brockville being PIN 44163-0136; Part of the Bed of the St. Lawrence River, Leeds County, being Part 1, 28R-5555, Brockville, being PIN 44163-0124; Lot 27 – 30, Block 29, Plan 67; Water Lot in the St. Lawrence River opposite Lot 27 and 28, Block 29, Plan 67; Water Lot in the St. Lawrence River opposite Lot 29, Block 29, Plan 67; Water Lot in the St. Lawrence River opposite Lot 44, Block 29, Plan 67; Water Lot in the St. Lawrence River opposite Lot 45, Block 29, Plan 67; Part St. Andrew Street, Plan 67, Closed by BR21477, as in LR203700, Brockville being PIN 44163-0094.

**SCHEDULE B/C****EXCLUSIVE CAPITAL COST/SHARED CAPITAL COST SCHEDULE****Construction Costs (base building) only****Dedicated Areas and Services (within the stratified ownership)**

Items within the build that are 100% attributable to the MDC

e.g. Footings/columns/slabs (exclusive to MDC), bathysphere, windows, roof etc that are 100% attributable to the MDC

***Method***

Tender breakout Where concise areas and scopes of work can be identified within a tender package

Unit Price\* x Quantity Where concise areas and scopes of work can be unit priced and quantified

Time and Materials on negotiated or market rates

**Shared Infrastructure (used to support more than one use)**

Items within the build that are necessary for the MDC and other elements

e.g. P1 and P2 N Parkade footings/columns/rebar, excavating, blasting, party walls etc shared by the MDC and other elements

***Method***

Tender breakout x Allocation Tender Breakout x Allocation split based on drawing requirement

Unit Price\* x Quantity x Allocation U/P x Q x Allocation split based on actual drawing takeoffs

**Shared Areas (multiple users of the same area)**

Areas of the build that are shared by the MDC and other elements

e.g. Penthouse envelope, lobby, common stairwells, roof terrace, hallways etc

***Method***

Negotiated cost x % of Usage Usage to be as per business models and/or negotiated between MDC and other elements

or

Tender Breakout x % of Usage Usage to be as per business models and/or negotiated between MDC and other elements

Time and Materials on negotiated or market rates x % of Usage

*Schedule B/C  
Page 2*

**Shared Services**

Mechanical, Electrical, Telco and Security Services that are incoming to the site, the main distribution to the users, centralised plants within the project, e.g. U/G service feeds, penthouse mechanical equipment, minisub, fire pump, etc

*Method*

Tender Breakout x Engineer's estimate of the % of design load or capacity  
 Unit Price\* x Quantity x Engineer's estimate of the % of design load or capacity  
 Negotiated cost x Engineer's estimate of the % of design load or capacity

**General Expense**

Expenses attributable to the construction process not included in the above, e.g. Supervision, insurance, fencing, housekeeping, disbursements (i.e. printing of drawings, transportation, room and board), temporary facilities

*Method*

Actual Cost x Allocation - Rates and allocation methods to be negotiated between MDC and TSL on an item by item basis  
 Unit Price\* x Quantity x % of Usage  
 Time, Materials and Equipment on negotiated or market rates x % of Usage, e.g. Materials = cost + 10%, Equipment = OPSS Rates, Labour = OCA Rates

\*NOTE: where the work is more appropriately related to the shared cost of the podium versus the entire tower, (i.e. the unit price of formwork in the podium vs unit price of formwork in the entire building) the podium will be used as the basis for allocation

**Soft Costs**

**Dedicated Areas and Services Consultants**

Consultants that are contracted specifically for MDC needs, e.g. LEED Certificate Consultant, Exhibit Design, consultants relating to tenant fit up work

*Method*

**Shared Consultants**

Consultants that have a shared involvement in the MDC, e.g. Architect, Structural Engineer, Geotechnical Engineer, Coastal Engineer, Civil Engineer, Elevator Consultant, Fire/Code Consultant, Landscape Architect, Interior Legal Survey, Legal

**Schedule B/C**  
**Page 3**

***Method***

(Quoted Fee + Disbursements) x Allocation Rate      To be negotiated/rationalised on an item by item basis

Example: Architect would be allocated per his estimated time consumption for his various activities. Electrical Engineer would be allocated based on his estimate of load consumption or usage. Coastal Engineer would be allocated per the pro rata floor space of the MDC in relation to the other ground floor facilities.

**Other Shared Soft Costs**

e.g. Property Taxes During Construction, Testing & Soil Conditions, Inspection

***Method***

Costs/Fees x Allocation - Allocation to be negotiated between MDC and TSL on an item by item basis

**SCHEDULE D****Schedule "D"**  
**Unit Price Schedule**

It is recognized that Tall Ships Landing Developments Inc. intends on utilizing (contracting with) related companies to undertake certain MDC Construction Budget works for this project including but not limited to work performed as part of the general expense and general works performed on a time and materials basis.

It is agreed that the cost of funding these works and the works of the following categories will be valued as follows:

1. Notwithstanding that TSL is entitled to receive a 6% construction management fee as per item 2.2 of the Agreement, any related company that self-performs work under contract under the management of the construction manager (TSL) is entitled to receive their own overhead of 4%, associated with their own head office expenses (excluding on-site specific costs, travel, room and board) and a further a 6% management/margin applied to their costs for labour, materials, supplies and equipment as defined below.
2. Labour, equipment, materials, sub-contracts, and miscellaneous costs determined as follows:
  - a) Trade labour rates in accordance with and equivalent to the current and appropriate Ontario Provincial Trade Union Agreement, (i.e. carpenter, labourer, operators, etc.);
  - b) Equipment (unoperated) as per the rates published under the current Ontario Provincial Standards Specification (OPSS 127 as may be amended);
  - c) Materials at cost F.O.B. site plus all applicable taxes. In the event that materials are utilized from inventory, then "cost" will be taken as a comparable to current, competitive quotations for similar material as if being purchased new for delivery to the site;
  - d) Sub sub-contracting (Arms Length Parties): The actual value of the contract paid (prior to the letting of any sub sub-contracts the TSL may submit for "pre-acceptance" for the purposes of establishing values in advance of formal cost submissions to the City);
  - e) Permit and fees (see materials);

Schedule "D" continued  
Unit Price Schedule

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f) Miscellaneous:

- a. Mileage at 50 cents/km
- b. Room and board for trade labour (utilizing the distance from Ottawa), as per Provincial agreements, and for staff is same as trade labour
- c. Salaried staff working on site that cannot be compared to Provincial agreements at \$75.00/hr as required to be on site, such rate to include for their associated personal equipment, i.e. cell phone (excluding long distance charges), personal protection equipment, computer, etc, level or measuring instrument
- d. All other items not described above are to be at Fair Market Value.

LEGEND

- Blue █ MDC Area
- Yellow █ MDC Pantry
- Green █ City Parking
- Orange █ Other
- Turquoise █ Shared Space
- Pink █ Condo Area

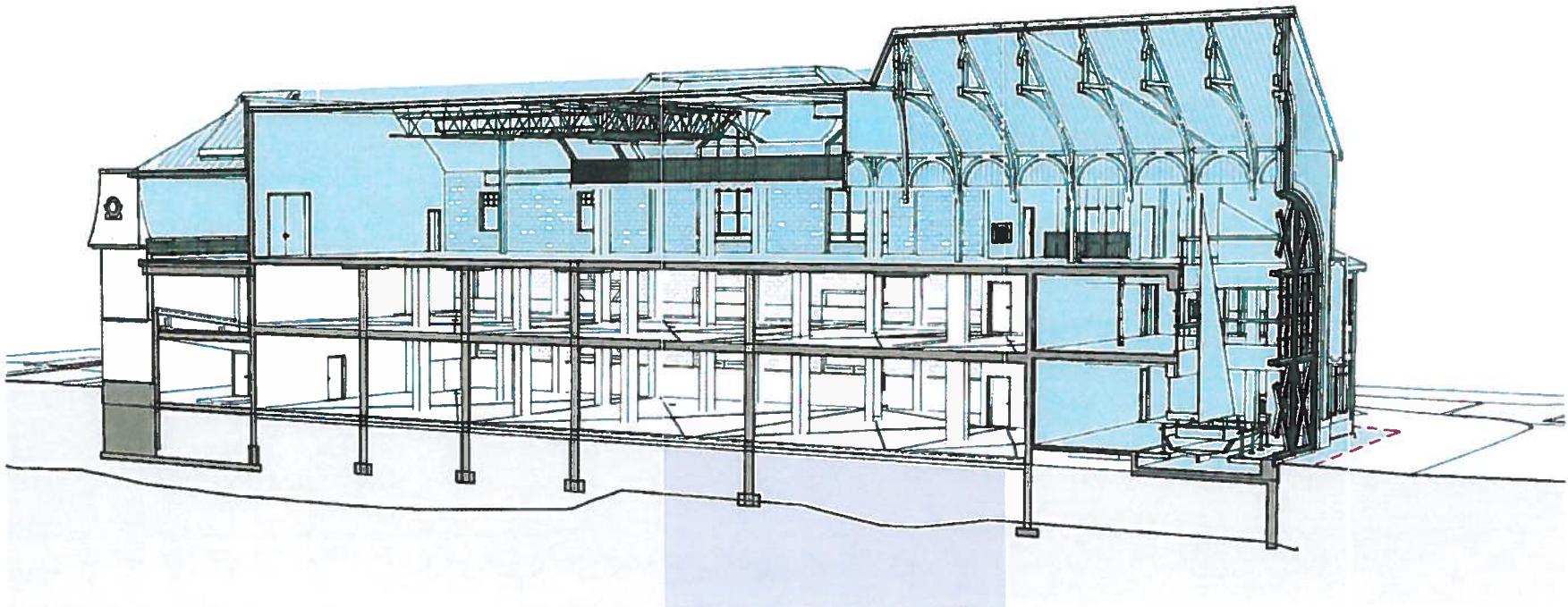


SCHEDULE E

Section 1  
East West Section

LEGEND

- Blue  MDC Area
- Yellow  MDC Pantry
- Green  City Parking
- Orange  Other
- Turquoise  Shared Space
- Pink  Condo Area

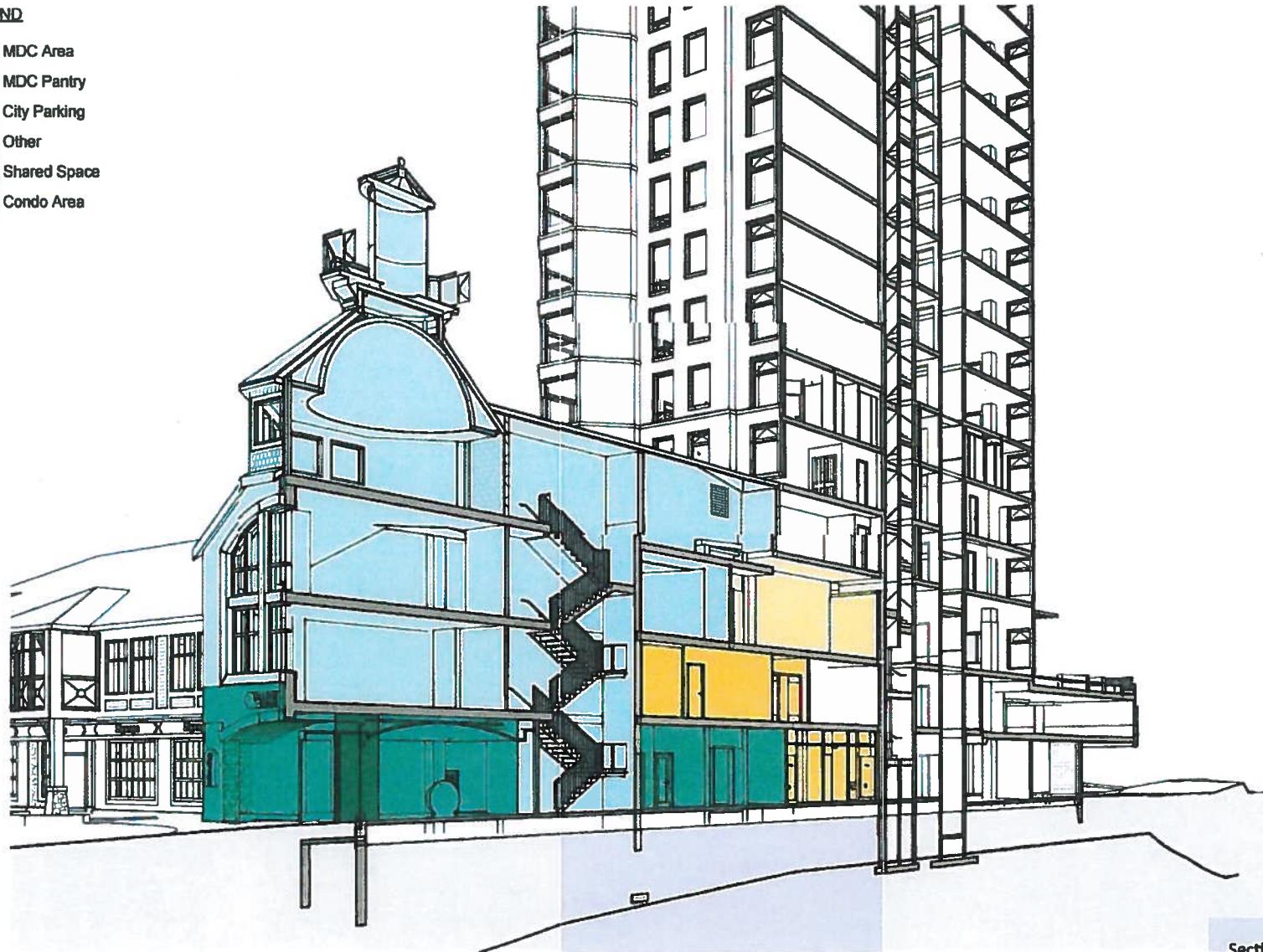


Section 2

East West Section through Kelpie Atrium,  
Theatre and Otter Terrace

LEGEND

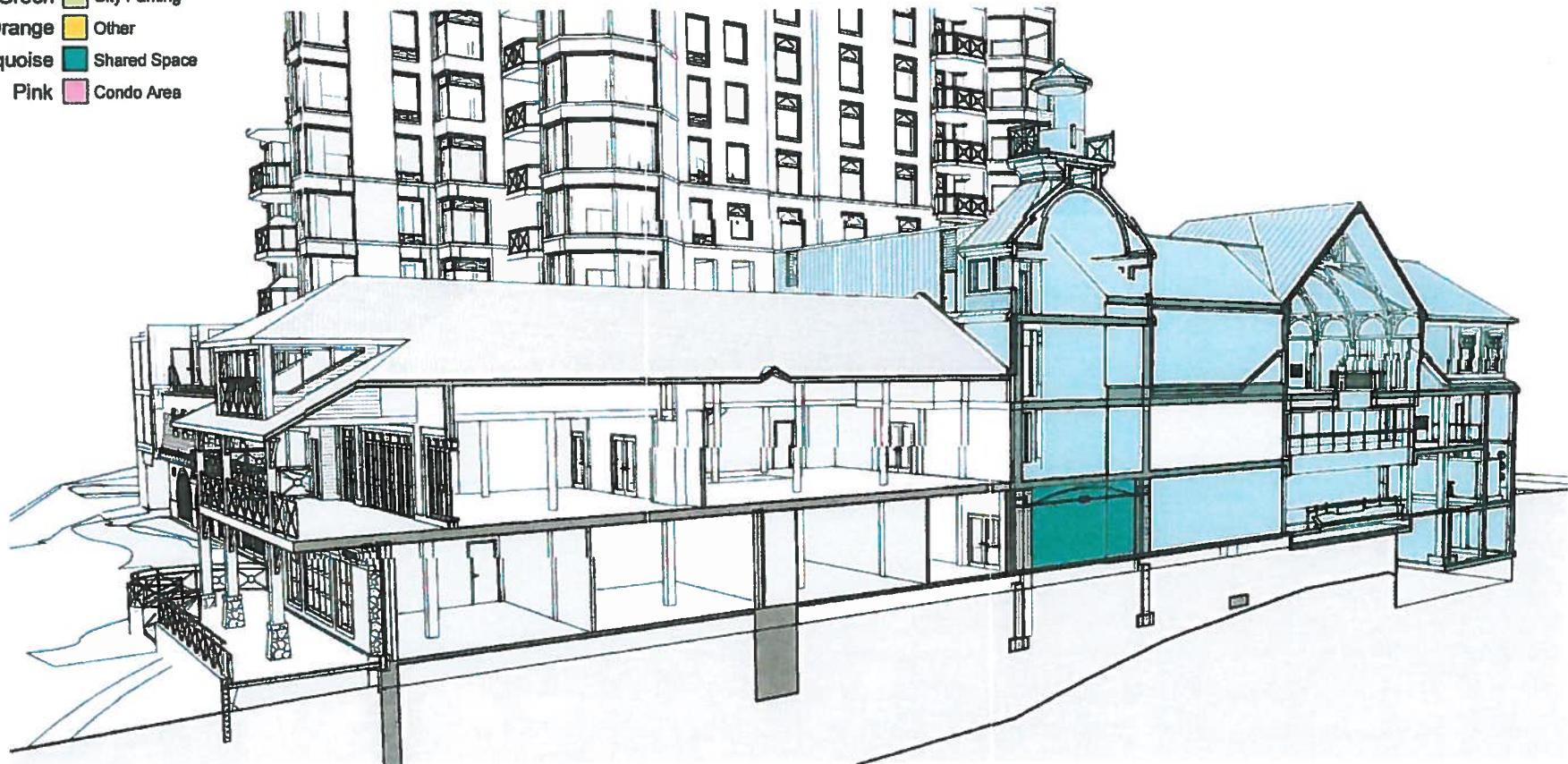
- Blue █ MDC Area
- Yellow █ MDC Pantry
- Green █ City Parking
- Orange █ Other
- Turquoise █ Shared Space
- Pink █ Condo Area



**Section 3**  
Section through MDC  
Lighthouse and Pantry

LEGEND

- Blue MDC Area
- Yellow MDC Pantry
- Green City Parking
- Orange Other
- Turquoise Shared Space
- Pink Condo Area

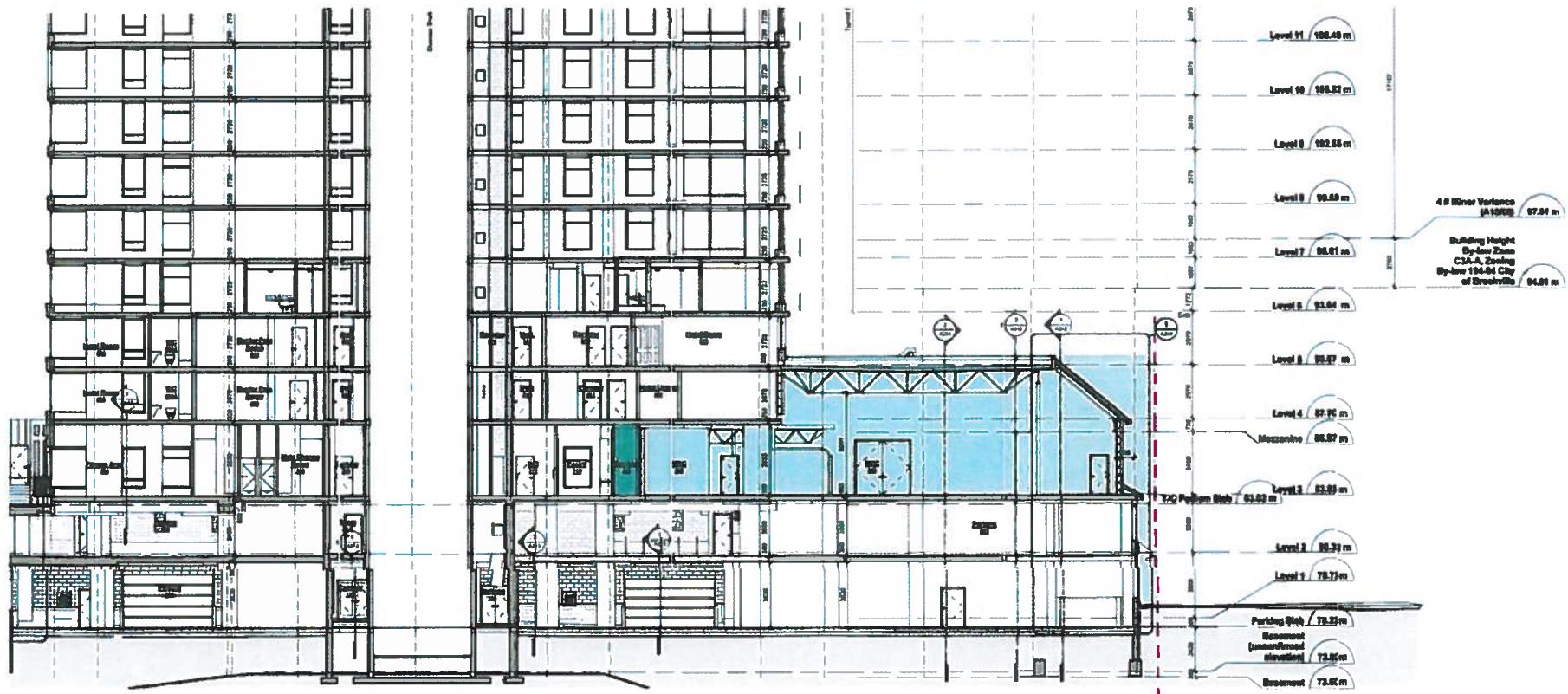


**Section 4**

East West Section through Kelpie Atrium,  
Lighthouse and Basement

### LEGEND

- Blue MDC Area
- Yellow MDC Pantry
- Green City Parking
- Orange Other
- Turquoise Shared Space
- Pink Condo Area

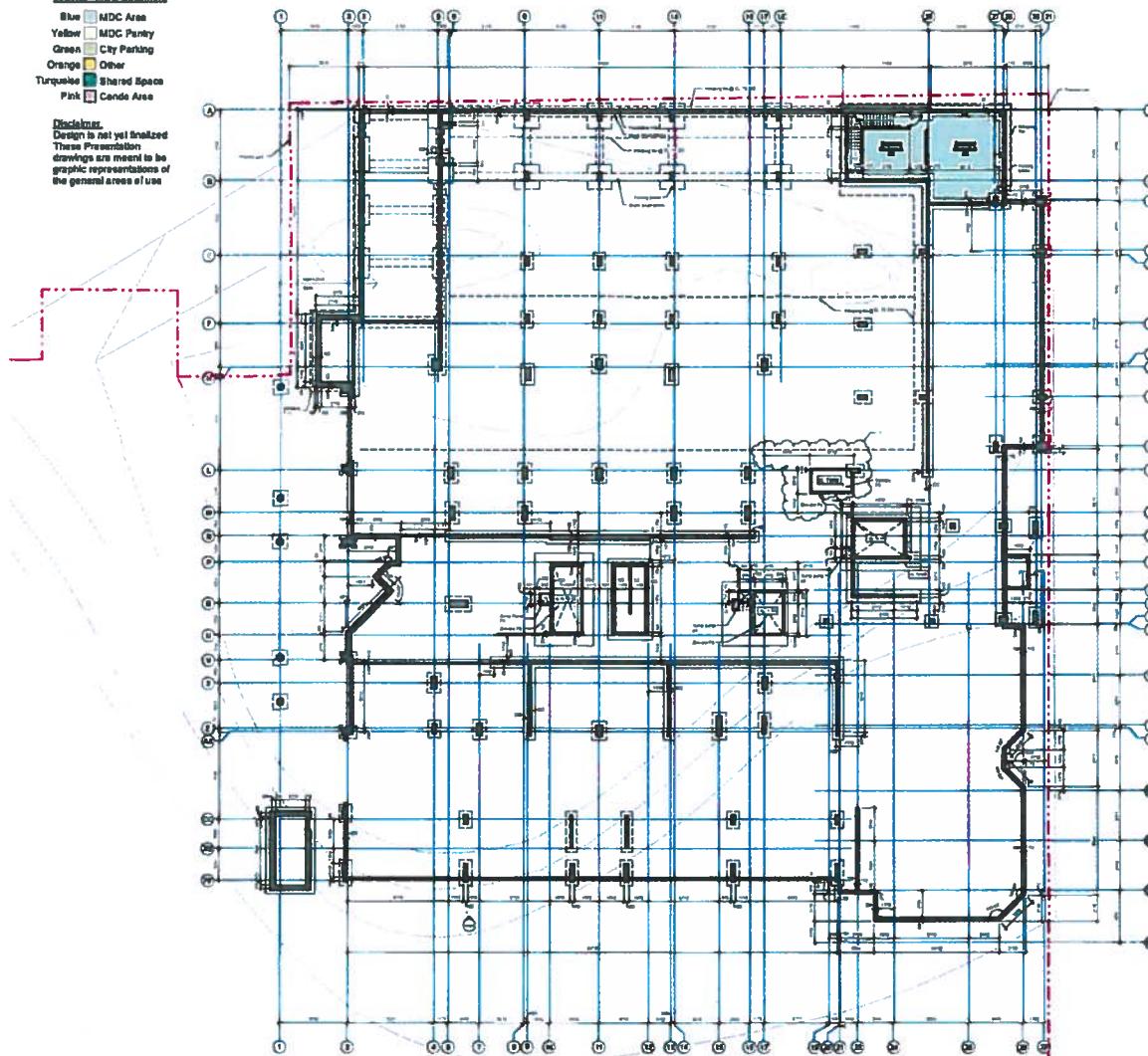


**Section 5**  
Section through MDC Theatre and Exit Corridor

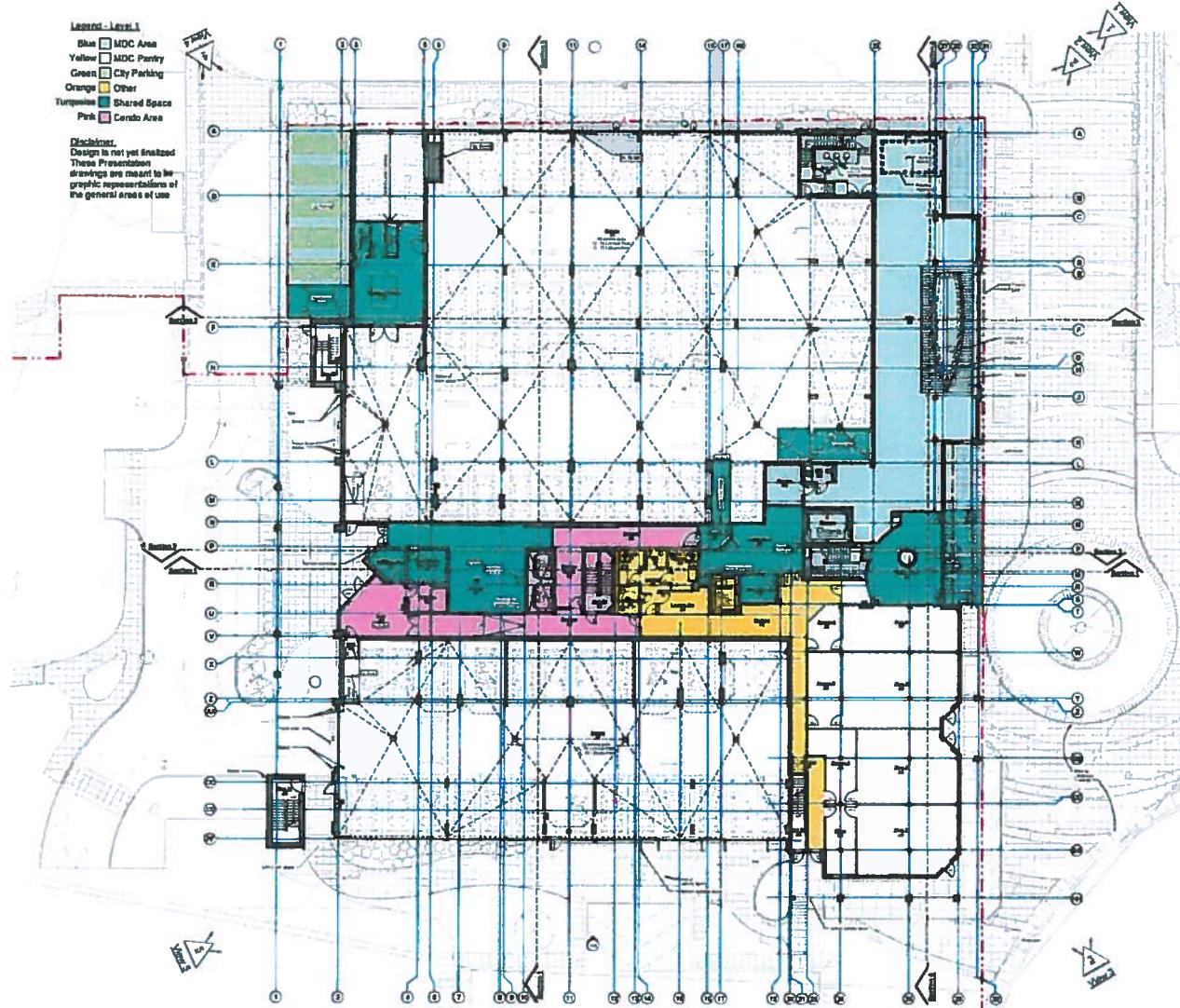
**Legend - MDC Basement**

Blue ■ MDC Area  
Yellow □ MDC Party  
Green ▨ City Parking  
Orange ▤ Other  
Turquoise ▢ Shared Space  
Pink □ Condo Area

**Disclaimer:**  
Design is not yet finalized.  
These Preliminary drawings are meant to be  
graphic representations of  
the general areas of use.



**PLAN 1 - MDC Basement**

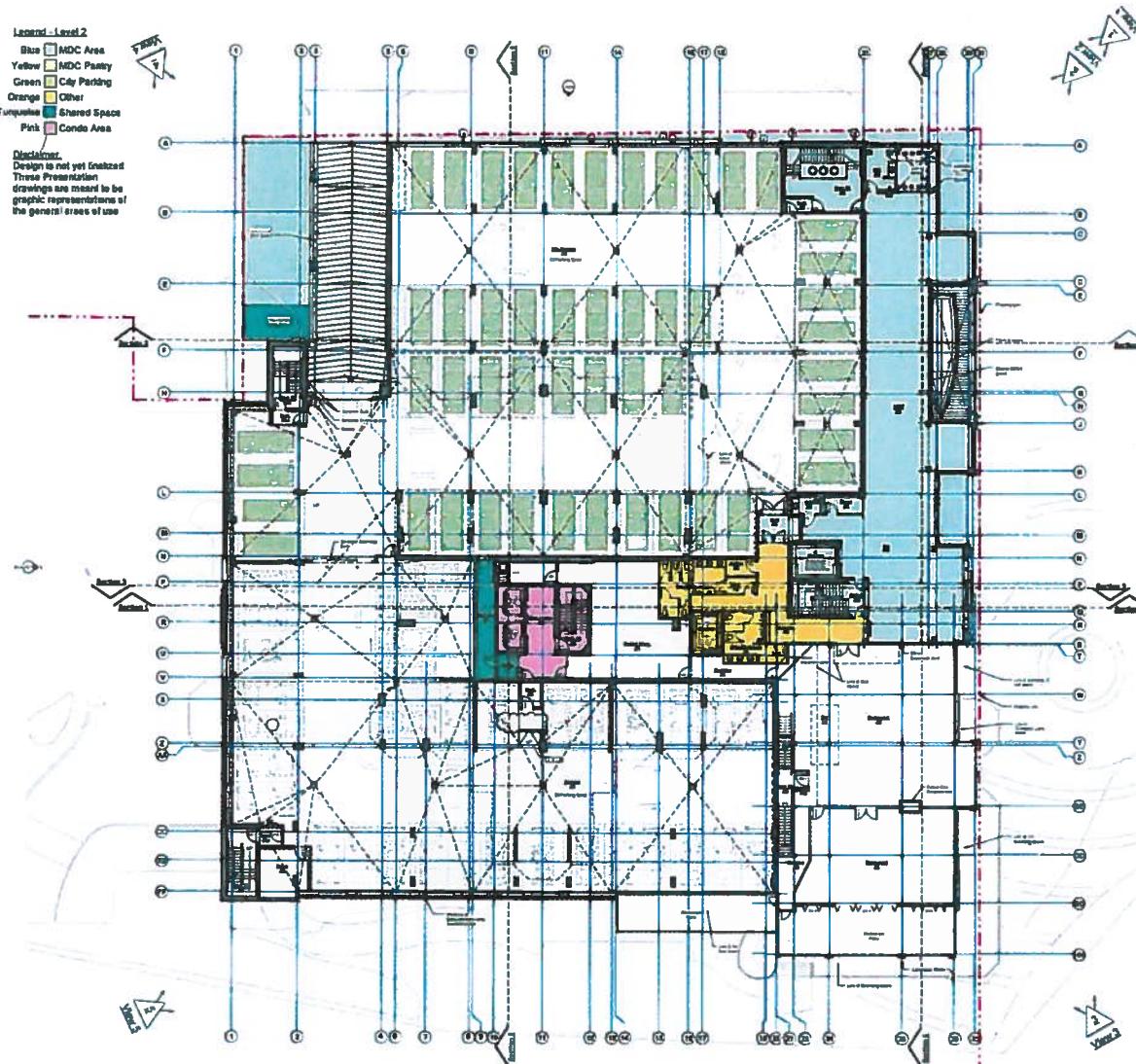


**PLAN 2 - Level 1 Floor Plan**

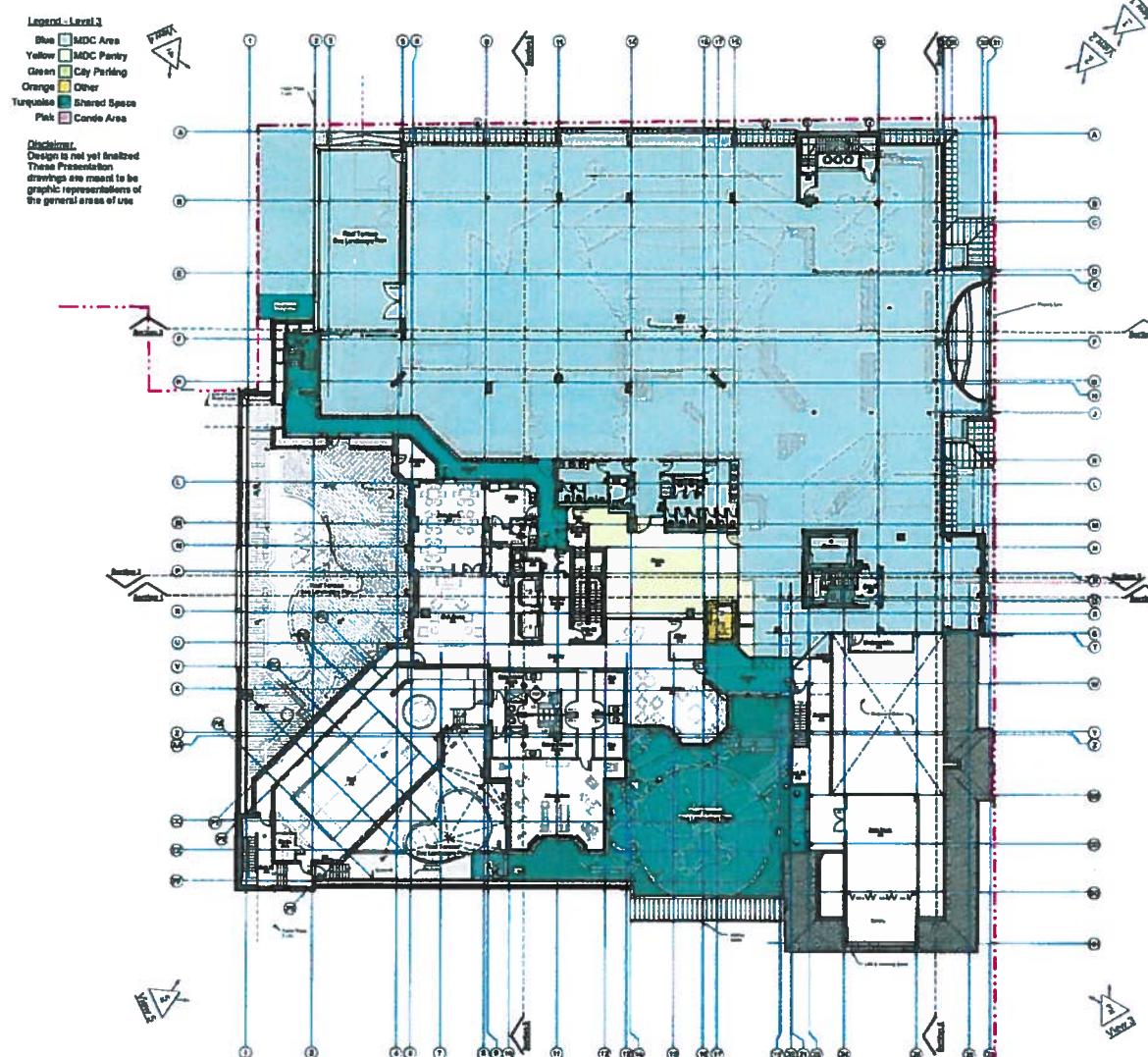
**Legend - Level 2**

Blue ■ MDC Area  
Yellow ■ MDC Pantry  
Green ■ City Parking  
Orange ■ Other  
Turquoise ■ Shared Space  
Pink ■ Condo Area

**Disclaimer:**  
Design is not yet finalized.  
These presentation drawings are meant to be graphic representations of the general areas of use.



**PLAN 3 - Level 2 Floor Plan**

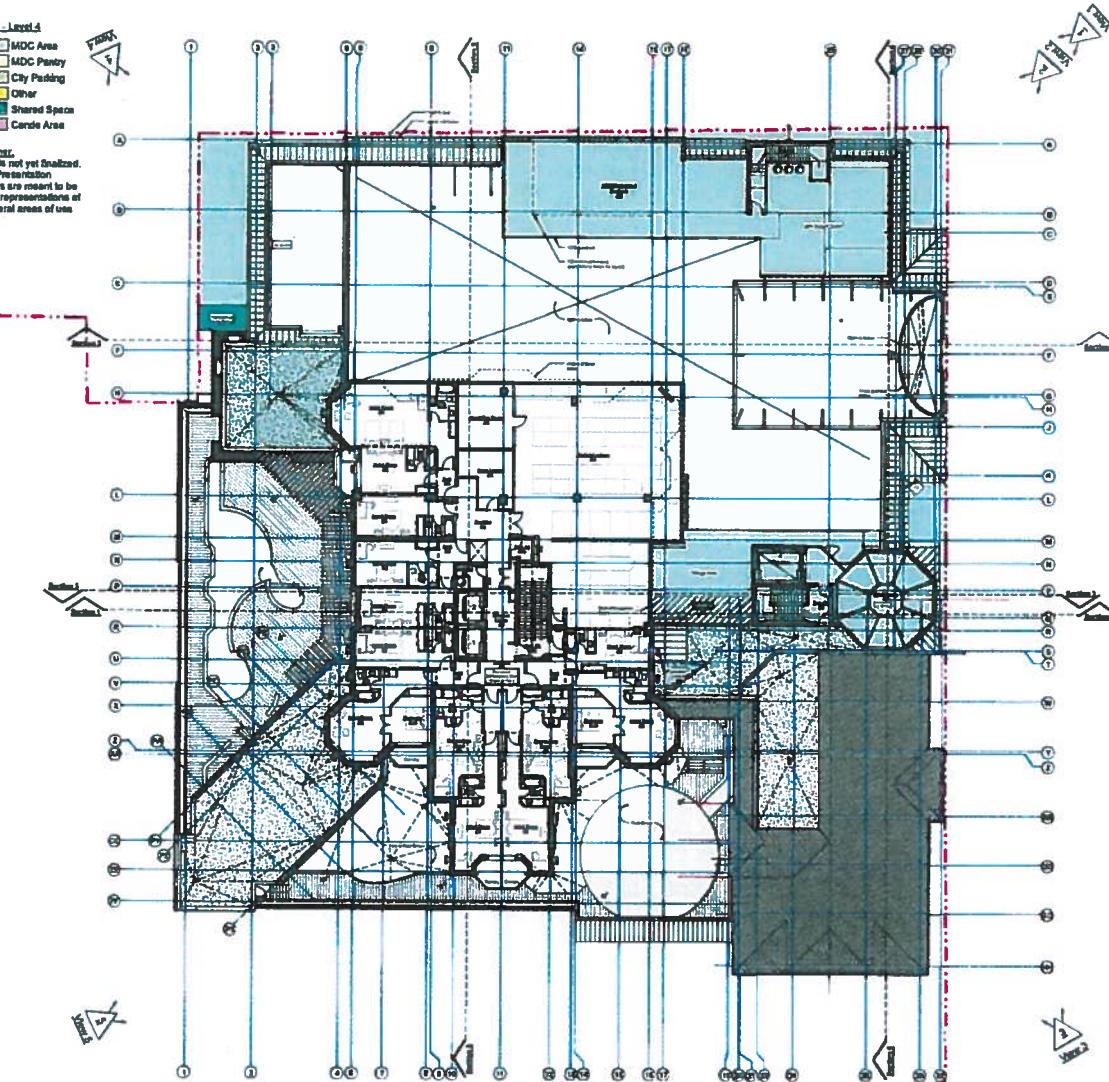


**PLAN 4 - Level 3 Floor Plan**

**Legend - Level 4**

- Blue ■ MDC Area
- Yellow ■ MDC Pantry
- Green ■ City Padding
- Orange ■ Other
- Turquoise ■ Shared Space
- Pink ■ Condo Area

**Disclaimer:**  
Design is not yet finalized.  
These floor plan drawings are meant to be  
graphic representations of the general areas of use.

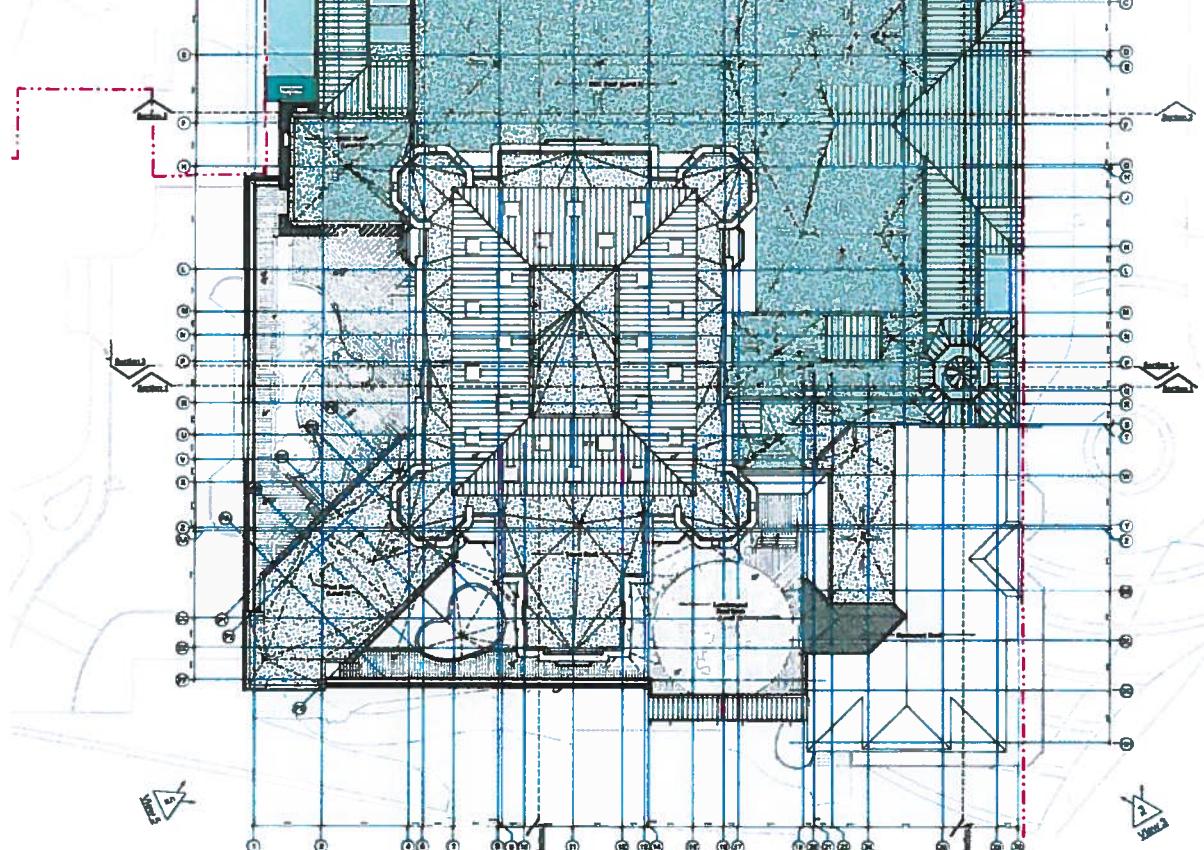


**PLAN 5 - Level 4 Floor Plan**

**Legend - Roof**

- Blue ■ MDC Area
- Yellow ■ MDC Pantry
- Green ■ City Parking
- Orange ■ Other
- Turquoise ■ Shared Space
- Pink ■ Condo Area

**Disclaimer:**  
Design is not yet finalized.  
These Presentation  
drawings are meant to be  
graphic representations of  
the general areas of use.



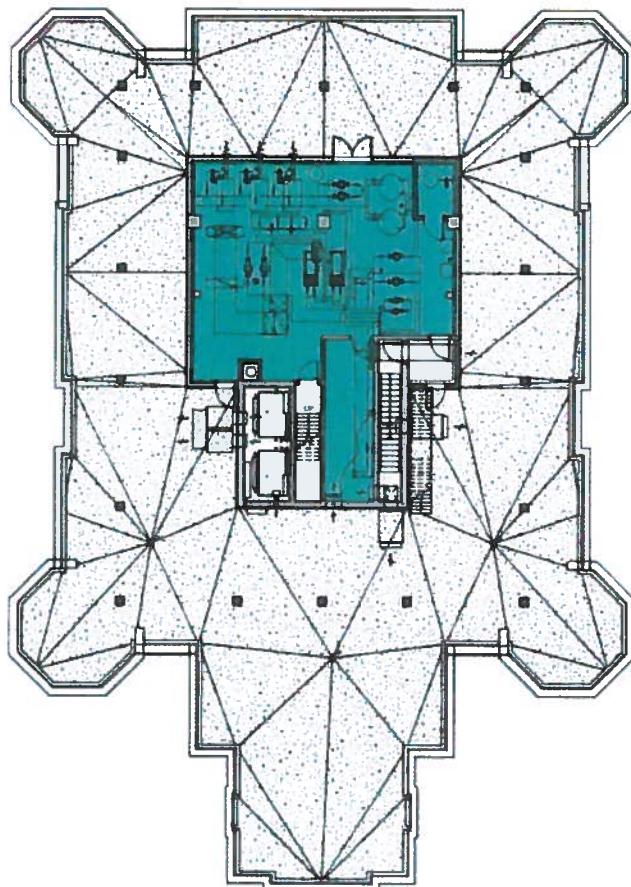
**PLAN 6 - Roof Plan**

LEGEND

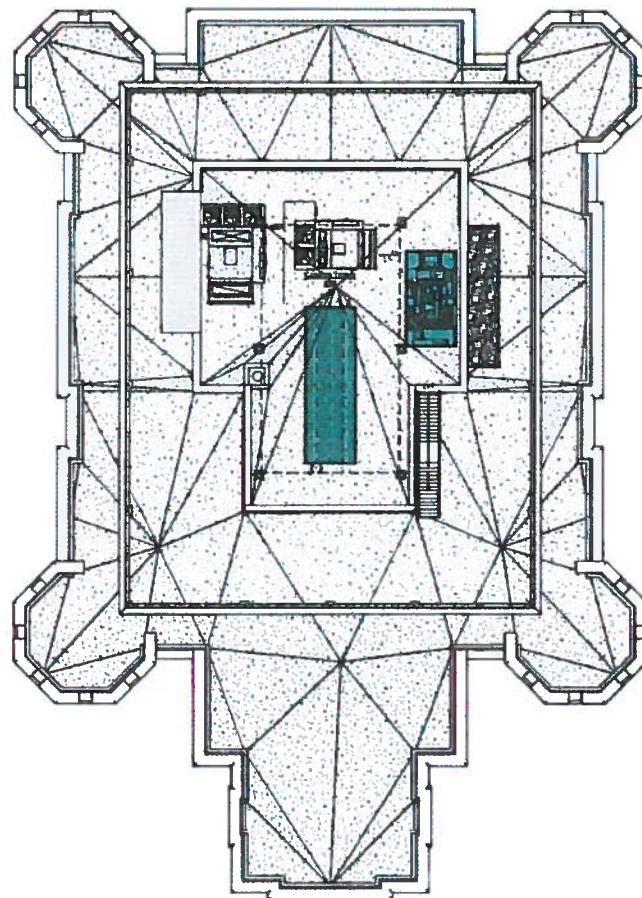
Blue	MDC Area
Yellow	MDC Pantry
Green	City Parking
Orange	Other
Turquoise	Shared Space
Pink	Condo Area

Disclaimer:

Design is not yet finalized.  
These Presentation  
drawings are meant to be  
graphic representations of  
the general areas of use.

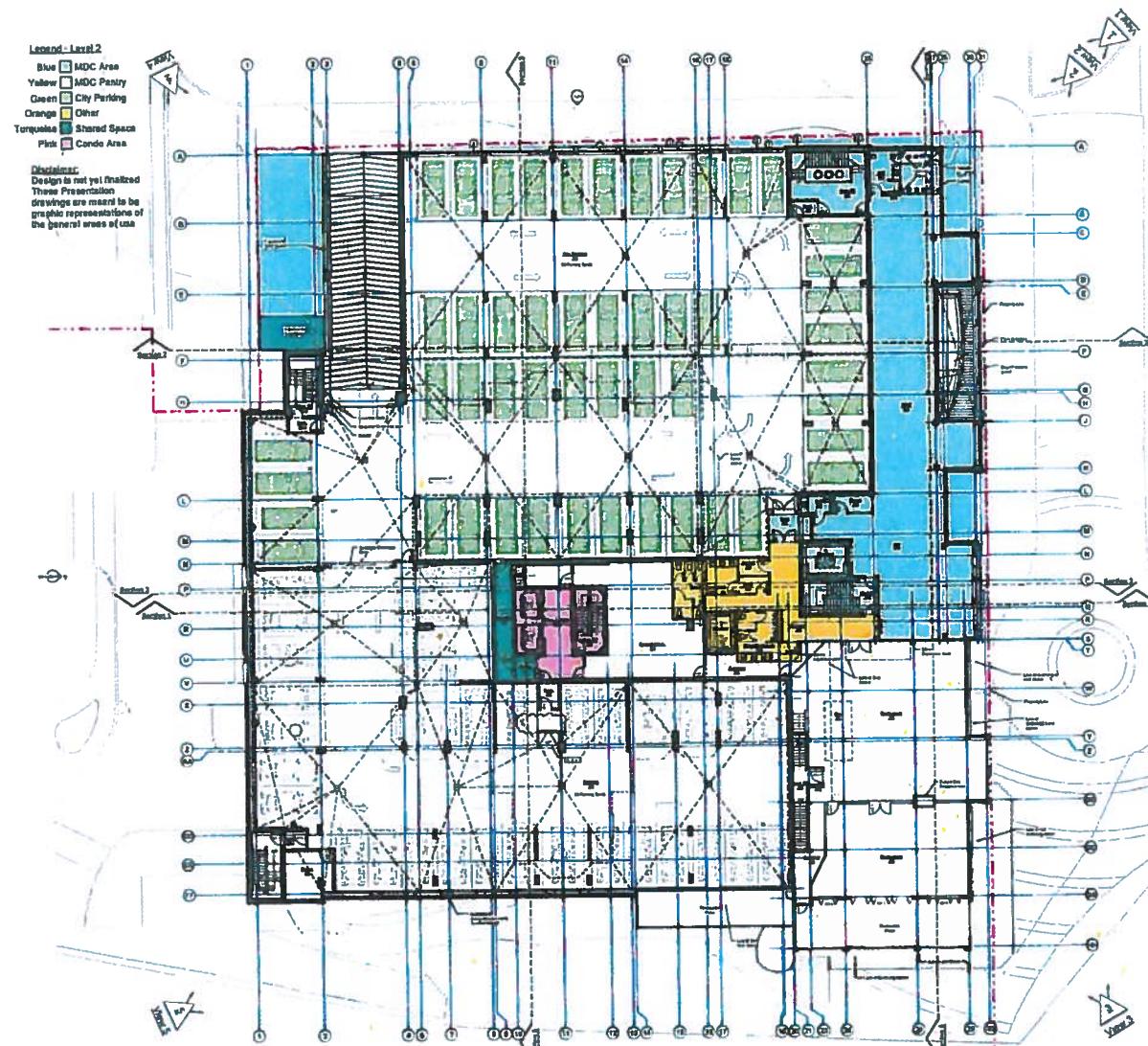


PLAN 7 - Penthouse Plan



PLAN 8 - Cooling Tower Plan

SCHEDULE F



PLAN 3 - Level 2 Floor Plan

**SCHEDULE G****PERMITTED ENCUMBRANCES**

1. Registered agreements with any Governmental Authorities or public utilities, including subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements, provided such agreements have been complied with in all material respects (as evidenced by a letter from the applicable Governmental Authority or public utility to that effect);
2. Registered easements for the supply of utilities or telephone services to the Property and or adjoining properties and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services, provided such easements have been complied with in all material respects;
3. Easements, right of ways and right in the nature of an easement over the MDC Lands and or the MDC Parking Units, in favour of the owners from time to time of all or part of the balance of the Project and their successors and assigns for the purposes of installing, maintaining, operating, altering, repairing, replacing, inspecting and monitoring such lines, pipes, wires, conduits, cables, water mains, valves and/or meters, HVAC ducts and mechanical equipment including kitchen and parking exhaust equipment and any other building element (including the supply and receipt of services and the discharge of storm and sanitary sewer, effluents and drainage through same) whether presently existing or installed subsequent to the grant of this easement as from time to time may be required or convenient and passing through, under or over the MDC Lands and or the MDC Parking Units to provide gas, telephone, telecommunication, cable, internet connection, television, water, hydro, irrigation and storm and sanitary sewer service(s); and providing pedestrian and vehicular access and egress to service personnel and service vehicles, together with any equipment, materials and/or machinery required to maintain, repair, replace and/or inspect any part of the buildings, installations, structures, improvements and/or services located upon passing through, under or over the MDC Lands and or the MDC Parking Units;
4. Registered easements or registered rights-of-way for the passage, ingress and egress of Persons and vehicles over parts of the MDC Lands, including without limitation the building lobby to the extent located within the MDC facility;
5. Any easement, right of ways and right in the nature of an easement over the MDC Lands and or the MDC Parking Units providing support to other elements of the Project;
6. Any easement, right of ways and right in the nature of an easement permitting the erection of signage on the MDC Lands and or on the exterior of the MDC facility for the purpose of advertising the Project and or elements thereof such as the Marina and or the restaurant and or the hotel facility;
7. Any minor encroachments by any structure located on the Lands onto any adjoining lands and any minor encroachment by any structure located on adjoining lands onto the Property;

- 2 -

8. Any reservations, exceptions, limitations, provisos and conditions contained in the original Crown grant or patent;
9. the Shared Facilities Agreement;
10. the Non Disturbance Agreement referenced in Section 7.3(g) of the Agreement;
11. the Condominium Declaration, by-laws and rules and regulations relating to the MDC Parking Units;
12. Restrictive Covenants relating to continuous and or long term use of the MDC Parking Units in accordance with Section 3.7 of the Agreement;
13. Restrictive Covenants relating to the alteration of the exterior of the MDC building and installation of interior window coverings in accordance with Section 7.4(a) and (b);
14. Restrictive Covenants preventing the use of the MDC Lands as a restaurant and or catering facility and or food preparation and distribution facility in accordance with Section 7.4(c);
15. Restrictive Covenant preventing the sale of the MDC Parking Units prior to the sale of the MDC;
16. Any and all restrictive covenants intended to run with title to the MDC Lands and or the MDC Parking Units as reasonably contemplated by the provisions of the Agreement;
17. An option to purchase agreement pursuant to the right of first refusal (or notice thereof) relating to the MDC, the MDC Pantry and the MDC Parking Units.

**Schedule "H"**  
**Preparation Costs Schedule**

Cost	Budget
Blasting for MDC Elevator	15,000
Civil Engineering - All work necessary to construct the MDC's share of foundations and below grade structures including but not limited to piling, rock anchors, grade beams, foundations, columns, foundation walls and basement	450,000
Design (20%) MDC's share of all professional design costs related to the preparation of drawings and specifications, planning, approvals, prior to the signing of the Agreement of Purchase and Sale	140,000
Total	605,000

DONOR'S AGREEMENT

Schedule "I"

BETWEEN:

**THE CORPORATION OF THE CITY OF BROCKVILLE**

(herein referred to as the "City")

AND

**TALL SHIPS LANDING DEVELOPMENTS INC.**

(herein referred to as "TSL")

WHEREAS the City and TLS, in furtherance of a partnership agreement dated October 9, 2007, as amended, made between the City and TSL (the "Partnership Agreement"), the parties hereto have entered into an agreement of purchase and sale date February 1, 2011 (the "Purchase Agreement") pursuant to which the City will purchase from TSL and TSL shall sell to the City the Purchased Assets;

AND WHEREAS the Purchase Agreement requires the City to make payments to TSL on account of the purchase price for the Purchased Assets;

AND WHEREAS TSL or a party related to TSL wishes to donate certain sums received from the City in respect to the Project including portions of the Purchase Price payable by the City to TSL pursuant to the Purchase Agreement;

NOW THEREFORE in consideration of the City and TSL entering into the Purchase Agreement and in consideration of the covenants contained in the Purchase Agreement and herein contained together with other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. All capitalized terms set out in this Agreement shall have ascribed thereto the definitions set out in the Purchase Agreement.
2. Subject to the receipt of payments from the City for those elements of the Purchase Price set out in subparagraphs (a), (b) and (c) below (plus applicable HST) pursuant to the City's obligations under the Purchase Agreement, TSL covenants and agrees to donate or to cause a related party to TSL to donate the following sums to the City:

**DONOR'S AGREEMENT**

- (a) the sum of \$150,000.00 being the agreed upon pre-construction value of the MDC Lands;
  - (b) the sum of \$1,350,000.00 being the agreed upon value of the floor space index of 27,000 square feet attributed to the MDC, computed at the rate of \$50.00 per square foot; and
  - (c) a sum equal to the Construction Management Fee payable by the City to TSL pursuant to the Purchase Agreement.
3. Within ten (10) days of receipt of payment from the City for those elements of the Purchase Price referenced in sections 2(a), (b) and (c) plus applicable HST, TSL or a party related to TSL shall make payment of the corresponding sum to the City (excluding HST) in exchange for which the City covenants and agrees to issue a taxable receipt to the party making the payment and for the amount paid.

In witness whereof the parties have executed this Donor's Agreement effective this day of , 2011.

The Corporation of the City of Brockville

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I/We have authority to bind the Corporation

Tall Ships Landing Development Inc.

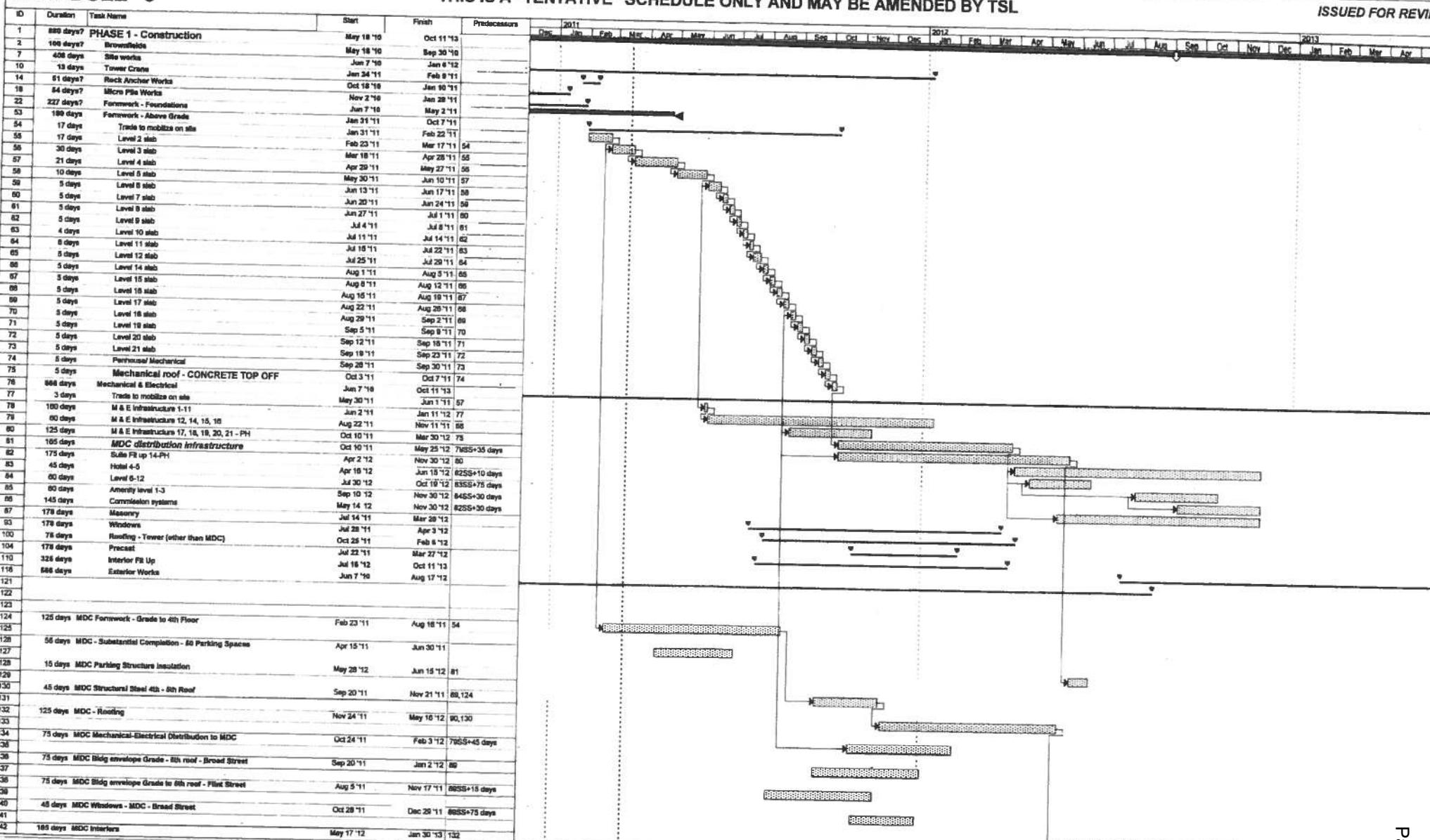
Per: \_\_\_\_\_

Name: Simon Fuller, President

I have authority to bind the Corporation

## SCHEDULE "J"

THIS IS A "TENTATIVE" SCHEDULE ONLY AND MAY BE AMENDED BY TSL



## **SCHEDULE K**

### **PRINCIPLES RELATING TO THE NON-DISTURBANCE AGREEMENT**

- during the ownership of the MDC by the City of Brockville (or by the NFP corporation to be established by the City of Brockville for the purpose of owning and or operating the MDC), the City of Brockville will not undertake any action or activity at the MDC, including a change of use thereof, which would frustrate or negatively impact in any manner whatsoever upon the operational agreement (the "Operational Agreement") made between the Vendor and the MDC Steering Committee (on behalf of the NFP) relating to the commercial relationship between the MDC and the Restaurant facility which is intended to form part of Phase I of the Project;
- the Purchaser acknowledges and agrees that it shall have no right or entitlement to negotiate, review and or approve the Operational Agreement;
- the Non Disturbance agreement shall not prevent the sale of the MDC to an arm's length third party purchaser and shall be removed from title to the MDC lands upon the completion of the sale of the MDC to any such third party purchaser