

Parking Lot Access and Leisure Centre Access Agreements with Saskatchewan Polytechnic

ISSUE

In fall 2020, an agreement was executed releasing the Province of Saskatchewan (Province) from their contractual obligations and ownership stake of the Harry Bailey Aquatic Centre (HBAC), detailed in the lease agreement dated November 15, 1974. The 2020 agreement transferred the Yarrow Youth Farm property and the title to the HBAC building and adjacent parking lot to the City of Saskatoon (City).

During discussions to negotiate this agreement, the City committed to formalizing an agreement with Saskatchewan Polytechnic (Sask Polytech) to continue to provide its students and staff with access to a portion of the HBAC parking lot, continued access to HBAC for rentals and drop-in programs, and additional access to all other City Leisure Centres for drop-in programs.

This report provides details on the discussions with representatives from Sask Polytech regarding separate agreements for parking lot access and access to the City's Leisure Centres; Administration is seeking approval for development of these agreements based on the key terms and conditions outlined in this report.

RECOMMENDATION

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. That the City enter into an agreement with Saskatchewan Polytechnic to provide students and staff access to the parking lot south of Harry Bailey Aquatic Centre, based on the terms and conditions outlined in this report;
2. That the City enter into an agreement with Saskatchewan Polytechnic to provide students, staff, alumni, Saskatchewan Polytechnic Students' Association and their families, access to City Leisure Centres for rentals and drop-in programs based on terms and conditions outlined in this report; and
3. That the City Solicitor be requested to prepare the appropriate agreements and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

BACKGROUND

The City and the Province previously had a 50-year agreement, effective January 1, 1975, whereby the two parties would construct the HBAC on land owned by the Province and subsequently lease and grant to the City, the 50-metre pool facility, building and portion of the land the building sits on for the term of the agreement.

In exchange, for the province paying 7% of the overall operating costs (in the 2020 and 2021 operating budgets, that amount was approximately \$160,000) of the 50-metre pool

portion of HBAC, students and faculty at Sask Polytech had access to the 50-metre pool for all programs (rentals for swimming classes, kayaking, scuba diving, etc.), plus access to public swimming for students, faculty and their families. Throughout the year, Sask Polytech made payments, to the City, through its various rentals and access fees to public swimming at the facility, which were accrued towards the total 7% commitment. At each year-end, an invoice was sent to the Province to collect any outstanding balance (the difference between the total 7% budget and the payments already made for rentals and admissions).

At its Regular Business meeting on September 28, 2020, City Council authorized Administration to enter into an agreement with the Province to acquire the former Yarrow Youth Farm property on Neault Road and the full ownership interest in HBAC. This agreement has been executed by both parties and the property will become the City's once the property is subdivided, and a separate title is created. The possession date is subject to subdivision of the site to create a new parcel which includes the building and adjacent parking lot to the south. There is also a requirement to dedicate a formal right-of-way along the south edge of the new parcel to accommodate legal access. The required subdivision is in the process of being completed and it is anticipated to be complete in the third quarter of 2021.

During negotiations for the acquisition of the HBAC property, Administration confirmed a commitment from the Province on the financial terms of the historical lease for 2020 and 2021. The financial commitment is equal to the obligation under the previous agreement (approximately \$101,800 in 2020 –reduced due to COVID-19 facility closure, and \$162,000 in 2021) to ensure the City's approved 2020 and 2021 Operating Budgets remain intact.

DISCUSSION/ANALYSIS

At the request of the Province, the City committed to formalizing an agreement with Sask Polytech beginning in fall 2021, to continue to provide its students and staff with access to a portion of the parking lot. In addition, the City committed to negotiating an agreement to provide continued access to HBAC for both rentals and drop-in program access as well as access to all other City Leisure Centres for drop-in programs beginning in January 2022.

Since fall 2020, Administration has been in discussions with representatives from Sask Polytech with regards to terms and conditions to be included in a parking lot access agreement and a Leisure Centre access agreement. The following provides a summary of the two agreements.

Parking Lot Access Agreement

Highlights of discussions regarding the parking lot access agreement are as follows:

- The times of day required for student and staff parking are at a time when usage by patrons at HBAC is much lower, so the request can easily be accommodated. The parking lot is currently being operated by a private parking management firm, and this arrangement is expected to continue going forward.

- There are currently four lots near the Sask Polytech campus including the lot south of HBAC. At the present time, Sask Polytech sells daily, monthly and semester passes that are valid in any of these lots.
- For consistency, Sask Polytech establishes parking fees for all their campuses across the province.
- Except for 2020 and 2021 (due to COVID 19), yearly parking revenues have been very consistent.
- Based on the information above, it was determined rather than having the City operate the HBAC parking lot as a stand-alone lot, it would be mutually beneficial for the lot to continue to be operated by Sask Polytech with the City receiving the agreed upon portion of the overall revenue and paying the related operating expenses for the lot.

Subject to City Council's approval, the key terms and conditions which have been agreed upon between the parties for the parking lot access agreement are as follows:

Access

- Sask Polytech students would have access to the majority of the parking lot south of HBAC during weekdays for designated daytime hours (excluding statutory holidays) by paying a daily, monthly or semester fee.
- HBAC patrons and staff would have free parking, in a portion of the lot during all hours and would have free use of the entire lot after 4:30 pm Monday to Friday and Saturday and Sunday all day.
- Accessible Parking spots and access to these spots along the current roadway between HBAC and EA Davies Building will be maintained.
- Parking spots adjacent to the north side of the HBAC and access to these spots for City staff will be maintained.

Establishment of Parking Passes/Fees

- Sask Polytech would be solely responsible for establishing fees for parking lots.

Services Provided by Sask Polytech

- Sask Polytech will be responsible for providing the following services for the lot south of HBAC:
 - collecting parking fees and selling parking passes;
 - parking monitoring and enforcement through a third-party contracted operator; and
 - purchasing, maintaining, depreciating and replacing parking machines as required.

Services Provided by the City

- The City will be responsible for snow removal, lot sweeping, line painting, pothole filling, repairs to curbs, signs, etc. for the parking lot south of HBAC.

Parking Lot Revenue/ Expenses

- With the exception of the cost of the services provided by the City noted in the section above, Sask Polytech will be responsible to collect all revenue and pay for all expenses associated with the operation of the parking lot south of HBAC and will pay the City \$100,000 (plus GST) on an annual basis for the initial three-year term of the agreement (representing the City's portion of revenue less expenses).
- After the initial three-year term, the parties will review the annual revenue and expenses associated with operating the parking lot and will adjust as agreed, the annual amount paid by Sask Polytech to the City.
- For the period September 1, 2021 to December 31, 2021, Sask Polytech will pay the City a pro-rated fee for each month or partial month the parking lot is open and fees are being charged.

Termination

- Either party may cancel the agreement with six months notice.

Force Majeure

- A clause will be included in the agreement to address unforeseen circumstances such as facility closures by either party or other circumstances that may prevent either party from fulfilling their obligations under the agreement.

Term of Agreement

- Initial term of three years, with the option to renew for two more three-year terms, subject to agreement by both parties.

Leisure Centre Access Agreement

The key points of the Leisure Centre Access Agreement are as follows:

- Sask Polytech is interested in continuing to provide students, staff and alumni and their families with access to HBAC and to expand the relationship to include all City indoor Leisure Centres.
- Leisure Centres have the capacity to accommodate additional patrons.
- Sask Polytech students, staff and alumni live in all areas of the city, so providing access to all Leisure Centres will make it more convenient and has the potential to result in increased usage.
- Students, staff and alumni will have an opportunity to participate in programs at various Leisure Centres, which may establish a lifelong pattern of usage.
- Sask Polytech no longer has a commitment to pay a portion of overall operating costs for HBAC.
- The proposed guaranteed minimum fees are based on historic admission and rental usage of the HBAC competitive pool.

- The Facilities Management Department is currently reviewing a significant capital repair and renovation project to HBAC which may result in a significant closure for 2022 and potentially into 2023. Sask Polytech believes HBAC is the key facility in the agreement based on history of usage and adjacent proximity to campus. As a result of the HBAC upgrade project and the history of usage of this facility, the guaranteed minimum fee will be reduced substantially even though access is available at other Leisure Centres.

Subject to City Council approval, key terms and conditions, which have been agreed upon between the parties for the Leisure Centre Access Agreement, are detailed below:

Admissions

- Beginning January 1, 2022, Sask Polytech, its students, staff, alumni Sask Polytech Students' Association and their families can use any of the City's indoor Leisure Centres at a rate of 20% off the regular general admission rate, subject to Sask Polytech providing the guaranteed minimum fee, set out below.

Rentals

- Beginning January 1, 2022, rentals related to programming for Sask Polytech and the Sask Polytech Students' Association will continue to only be permitted at HBAC.
- For any rentals booked, costs attributed towards the total annual minimum will be the pool rental costs. Lifeguard charges are over and above this, as they are a direct out of pocket additional expense to be cost recovered, so would not be accounted for within the total annual minimum.
- Access to the dedicated storage room at HBAC will continue and will be included as part of the overall access agreement.

Guaranteed Minimum Fees

- The minimum required access payments for Sask Polytech for the initial three-year term would be as follows:
 - 2022 - \$100,000
 - 2023 - \$105,000
 - 2024 - \$110,000
- A significant capital project is tentatively planned for HBAC for 2022 to complete necessary capital improvements and upgrades. Timelines for the project are still being determined. The guaranteed minimum fee noted above would be adjusted on a prorated basis as follows:
 - For every month or partial month, the HBAC Leisure Pool is open, Sask Polytech would pay \$2,800 per month.
 - For every month or partial month, the whole HBAC facility is open, Sask Polytech would pay \$8,300 per month.

In the event HBAC is closed for all of 2022, the guaranteed minimum fee would be reduced to \$10,000, as Sask Polytech students and staff would still have discounted access to other Leisure Centres.

Force Majeure

- A clause will be included in the agreement to address unforeseen circumstances, such as facility closures by either party or other circumstances that may prevent either party from fulfilling their obligations under the agreement.

Term of Agreement

- Initial term of three years with the option to renew for two more three-year terms.
- Fees would be established in three-year increments for the future, based on mutual agreement between the parties following the approval of City Council.

Termination

- Either party may cancel the agreement with 90 days notice.

FINANCIAL IMPLICATIONS

Based on the terms and conditions proposed for the parking lot agreement, the City would receive \$100,000 in revenue from the parking lot each year in the initial three-year term. This revenue would be offset by the annual cost of parking lot maintenance and parking lot reserve contributions. An annual contribution to the Facilities Management Department's asphalt reserve, and funding for parking lot cleaning and maintenance completed by the Facilities Division would be included in the City's annual operating budget for HBAC.

Based on the terms and conditions proposed for the Leisure Centre Access Agreement, the City would receive \$100,000 in 2022 (adjusted based on HBAC closure), \$105,000 in 2023 and \$110,000 in 2024. This revenue will be included in the annual Leisure Centre operating budget and will offset annual operating expenditures.

OTHER IMPLICATIONS

There are no privacy, legal, social or environmental implications identified.

NEXT STEPS

Following City Council's approval, the Office of the City Solicitor will be requested to develop the agreements, to be signed by the Mayor and City Clerk. Administration will proceed to implement the agreements based on the terms and conditions noted.

REPORT APPROVAL

Written by: Jody Hauta, Recreation Programs & Facilities Manager
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Approved by: Lynne Lacroix, General Manager, Community Services