



STAFF REPORT

To: Mayor and Members of Council
From: Meghan Townsend, CAO/Clerk
Meeting Date: May 13, 2025
Report Number: 2025-080
Subject: Agreement for Community Centre Expansion costs

Recommendation

THAT Council receives Report – Agreement for Community Centre Expansion costs,
AND THAT Council approves the draft agreement as presented,
AND THAT Council directs the CAO to send the draft agreement to Amaranth and East Garafraxa Councils for their consideration, as recommended,
AND THAT Council directs staff to apply for a loan through Infrastructure Ontario for the project, while continuing efforts obtain alternate funding.

Executive Summary

Purpose

To present an agreement between the Town of Grand Valley and the Townships of Amaranth and East Garafraxa for the provision of funding for the costs of expanding the Grand Valley and District Community Centre.

Key Findings

- The Grand Valley and District Community Centre is adding six changerooms, supporting facilities, remodeling office and storage, replacing rubber flooring and rehabilitating roof and walls
- Part of expansion project costs are covered by funds through the Investing in Canada Infrastructure Program, and this fund will be exhausted early in the construction project

- The three municipalities have agreed to review and then enter into an agreement, in accordance with the Community Centre’s operating agreement requirements and in accordance with the municipalities’ desire to continue their relationship regarding the Community Centre. This agreement will state the terms under which Amaranth and East Garafraxa will provide payment to Grand Valley.
- The draft agreement proposes the means through which each municipality’s interests can be taken into account.

Financial Implications

The Town of Grand Valley shall obtain a debenture through Infrastructure Ontario to cover the expansion costs. The Community Centre Board levy will increase to cover the costs of the loan. Each municipality’s share of the loan will be adjusted based on their levy apportionment. If the Board no longer exists, the Community Centre’s operator will be responsible for making loan payments to Grand Valley.

Report

Background

In 2019, the Grand Valley and District Community Centre Board decided to obtain funding to replace the ice surface and expand the building with new changeroom facilities. The Town of Grand Valley applied for and received funding toward this project through the Investing in Canada Infrastructure Program (ICIP), which assists with costs to a maximum of \$2,800,000. The three municipalities agreed to fund their share of the project up to the \$2,800,000 value, then determine the means through which any costs over that value would be funded.

The ice surface replacement project was completed in 2023, and the project cost \$1,350,000b from the \$2,800,000 committed to the entire project. Each municipality paid its share in accordance with the agreement attached as Attachment 1.

When the costs for the remainder of the project (called Phases 2 and 3) were estimated to exceed the remaining funds, a proposal was made to the three municipalities. See Attachments 2 and 3. Each municipality subsequently expressed their continued support for the project with the understanding that a new agreement would be reached regarding the management of costs exceeding \$2,800,000. See Attachments 4 and 5 for the municipal statements of commitment.

The Board determined that the roof and southern walls and some rubber flooring also required rehabilitation and these two projects were added to the expansion project. These were all tendered at the same time, and the updated project’s total cost is estimated to be \$4,250,000 (down from the 2023 estimate of \$4,800,000 for the expansion). Of this \$4,250,000, the first \$1,450,000 will be covered by the ICIP grant and municipal agreement. The remaining \$2,800,000 will be obtained through a loan and repaid over a period of time to be determined upon negotiation of terms with Infrastructure Ontario for the best rate at an affordable payback period (likely 10-15 year period).

Discussion

A draft agreement is attached as Attachment 6. This agreement proposes the following:

- 1) That a debenture (loan) will be obtained by the Town of Grand Valley from Infrastructure Ontario
- 2) That the annual payments will be fixed over the life of the debenture

- 3) That any sponsorships, naming rights and grants obtained to offset project costs will be deducted from the total so that the loan is decreased and payments to be made by the municipalities will decrease
- 4) That the Community Centre will pay the Town for all loan payments and will collect a levy from the three municipalities in order to make those payments. The annual amount will be incorporated into the Community Centre's budget, included in the total levy required, then apportioned to the municipalities according to the terms of the Board agreement in the same way that the operating levy was apportioned before the debenture
- 5) That if there are changes to the Board's operating agreement or if the Board dissolves, the new agreement will address the payments, or the new operator of the Community Centre would be responsible for paying the loan through the Town of Grand Valley
- 6) The entire amount of the construction project will be funded through the debenture, once the funding through the ICIP grant and municipal agreement is exhausted, and any sponsorships or other funding is deducted or applied
- 7) That the Town will provide invoices to the Community Centre for each installment payment
- 8) That the Town will receive each installment payment from the Community Centre at least 5 business days prior to the withdrawal of the payment by Infrastructure Ontario
- 9) That installments will be due twice per year, unless the agreement with Infrastructure Ontario deems otherwise

Staff recommend that Grand Valley Council receive this report and the attached draft agreement and send it to Amaranth and East Garafraxa to obtain their comments and their legal and insurance review comments, asking for their comments by June 2 so that Grand Valley Council can compile all comments for a follow up report at their June 10 meeting.

Staff also recommend that Council direct staff to commence the application to Infrastructure Ontario, which could take a few months to complete, given their requirements for review. Staff will report back on progress at the June 10 meeting.

Financial Impact

The annual payment will be a set amount. Interest payments will decrease while principal payments increase over the term of the debenture. The amount of money that each municipality will have to pay toward the project depends on the success of attempts to find alternative funds (grants, sponsorships, naming rights, etc.) and each municipality's catchment area's assessment changes. The amount requested could vary from year to year, depending on how the Board manages their total budget.

Consultations

Attachments

Attachment 1 – Joint Cost Sharing Agreement for \$2.8million in project costs

Attachment 2 – Report to Grand Valley Council - Phase 2 and 3 funding proposal

Attachment 3 – Proposal to Amaranth and East Garafraxa Councils

Attachment 4 – East Garafraxa's continued commitment

Attachment 5 – Amaranth's continued commitment

Attachment 6 – draft agreement for remainder of project costs

This report was submitted by

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This report was approved by

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