

## **Executive Summary**

Kivi Park is a unique facility with both municipal parkland and private recreational land in the same location. Kivi Park has been made possible through the contributions of the Clifford and Lily Fielding Charitable Foundation (Foundation), with over \$3 million invested in the capital investments and operating costs of the park since its inception.

The costs associated with maintaining a park the size and scope of Kivi are significant (approximately \$200,000 annually) and park representatives have identified the need to have a more sustainable operating model which would include user fees.

The report provides an overview of operating costs, responsibilities and considerations relating to the operations of Kivi Park, recommending further municipal support to offset costs associated with park operations. The report recommends redirecting reserve funds the City receives associated with a Purchase of Service agreement in the form of an annual community grant. The report also recommends that a business case be prepared for consideration as part of the 2020 budget process for the City to provide a grant equivalent to the property tax liability associated with privately owned lands of Kivi Park.

## **Background**

In the fall of 2015 the City of Greater Sudbury purchased the former Long Lake Public School and approximately seven acres of property immediately adjacent to the municipally owned park formerly known as Long Lake Playground. The total purchase price of the property was \$265,000, which was achieved through a donation of \$245,000 from the Foundation and \$20,000 from the City of Greater Sudbury. Council approved a report dated September 15, 2015 authorizing the demolition of the school buildings. City Council also approved the renaming of the former Long Lake Public School and Long Lake Playground to Kivi Park.

City Council moved forward with the purchase with the understanding that the Foundation wanted to invest in park area improvements at the former Long Lake Playground site. Improvements made by the Foundation on City property have included restoration of the soccer and baseball fields, upgrades to the field house, installation of a basketball court, parking lot improvements and improvements to the outdoor rink.

The Foundation has purchased and acquired approximately 450 acres of property adjacent to the City owned lands and has developed a trail network maintained by the Foundation. Necessary support facilities for warming, changing and equipment storage have been placed on City property at the expense of the Foundation. The City has entered into a Right of Occupation Agreement with the Foundation to enable the building to be placed on City property and for use of the City parking lot.

Total investment in Kivi Park by the Foundation to date is in excess of \$3 million. Since opening, the park has had approximately 225,000 individual visits by guests and an estimated \$1.4 million has been raised for local charities and organizations through events hosted at Kivi Park.

## **Analysis**

To date, Kivi Park has maintained and operated the trail network and other park facilities through the assistance of volunteers and the park has been open to the public at no charge. Recent media reports have indicated that user fees to access facilities at Kivi Park are being considered to offset operating costs. The following provides an overview of operating costs, responsibilities and considerations relating to the operations of Kivi Park.

### City of Greater Sudbury Costs and Operating Responsibilities

As part of the 2018 budget process, annual operating costs to support Kivi Park operations in the amount of \$38,500 were approved. The costs are associated with the additional maintenance required for park features on City property as well as additional maintenance associated with maintaining the newly developed parking lot, general site maintenance and waste collection.

The City is responsible for the operation and maintenance of the outdoor rink, sport fields, field house (in coordination with the Neighbourhood Association), parking lots and basketball court, all of which are on City property.

### Purchase of Service Agreement – Sports Equipment Rental Operation

In response to inquiries to have rental equipment and services on site, the City issued a Request for Proposal for a Sports Equipment Rental Operation at Kivi Park (Contract CDD17-287). As the operator would be using City property, it was necessary for the City to issue a public procurement. The Contract was awarded to 1789562 Ontario Limited (COB Adventure 365). The City receives \$25,000 annually for the right to operate. As per the original RFP, revenue received was to be a contribution to a Kivi Park reserve fund for future improvements. The initial term of the agreement was for one year (February 1<sup>st</sup>, 2018 through January 31<sup>st</sup>, 2019. The City has the right to extend for four additional one-year periods, which would take the full contract to January 31<sup>st</sup>, 2023. The City has exercised its right to extend for the period February 1<sup>st</sup>, 2019 through January 31<sup>st</sup>, 2020.

### Foundation Costs Associated with Kivi Park Operations

The Foundation has stated that operating costs relating to operating and maintaining Kivi Park are \$200,000 annually. These costs are associated with the costs to maintain the trail network and the newly created skate trail. Costs also include property taxes (\$13,862 annually), insurance costs (\$28,000 annually) and costs associated with providing portable washrooms (\$10,000 annually).

Maintenance costs have been minimized through the dedication of volunteers and sponsor and donor support. In order to keep the operation of Kivi Park sustainable, the introduction of user fees has been deemed necessary.

### Proposed Kivi Park Fees

Recently, Kivi Park representatives have indicated that a user fee structure would be introduced in 2019. The fee structure would include a membership based annual pass as well as daily fees to access facilities. Fees will be structured similarly to other local facilities who offer similar activities. Kivi Park representatives have indicated that access to the facilities will remain free until there is an official announcement about the fee structure. It is anticipated that the user fee structure will be introduced prior to the 2019 cross country ski season.

### Affordable Access to Recreation Considerations

As per the City's Affordable Access to Recreation Strategy, community organizations leasing City space to provide recreation and leisure activities are encouraged to provide affordable access to programs. The Foundation has recognized the importance of providing affordable access to recreation and will establish an endowment fund for those individuals who cannot afford to pay user fees. The process will ensure for privacy and will not stigmatize any individual who requires assistance.

### Other Similar Operating Models

There are similar operating models to Kivi Park that exist where there are agreements for groups to use City property to provide recreation facilities and activities. In a 2017 report to Community Services Committee titled "Cross Country Ski Clubs", it was noted that the Capreol Cross Country Ski Club and Walden Cross Country Fitness Clubs both utilize municipal property through legal agreements. Both organizations have a membership (user fee) based model to offset costs associated with maintaining their respective network of trails.

## **Recommendations and Next Steps**

Kivi Park has developed into a premier destination for sport, outdoor activity and adventure. Kivi Park has been home to numerous charitable community events and has been identified as Ontario's first training centre for Para-Nordic athletes.

The Foundation has invested tremendously in the capital improvements and operations of the park over the past three years of development. At over 450 acres, Kivi Park is the community's largest park, 23 times larger than Bell Park.

In an effort to support the Foundation, additional municipal support is recommended as follows:

- That the City direct the \$25,000 received through the Purchase of Service Agreement with the sporting equipment operator in the form of an annual community grant. The proposed annual community grant will continue to be issued annually during the term of the Purchase of Service Agreement.
- That a business case be prepared for consideration as part of the 2020 budget process for the City to provide a grant equivalent to the property tax liability associated with privately owned lands of Kivi Park. The approximate annual property taxes for privately owned Kivi Park lands are \$13,862 (based on 2018).
- That costs associated with portable toilet units located on City property be covered by the City. The estimated annual cost is \$4,500 and would be covered through existing operating budgets.

The rationale for supporting Kivi Park operations are to continue to ensure it remains a sustainable facility and to aid the Foundation in keeping user fees affordable.

The introduction of user fees for certain Kivi Park activities is a reasonable approach to offsetting the significant costs (over \$200,000 annually) associated with maintaining the park. This is consistent with the operations of similar cross-country ski organizations on City property. Ultimately, the Foundation, like other similar organizations, determines any fees required to support operations.

The City will continue to work with the Foundation as the operating model for Kivi Park evolves. In recent discussions, the Foundation has recognized the importance of the Population Health Priority of Play and are committed to working with the City to ensure that playground equipment remains accessible.

## **Resources Cited**

Cross Country Ski Clubs, Community Services Committee (May 15, 2017)

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1202&itemid=12822&lang=en>

Kivi Park Development Update, City Council (February 28, 2017)

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1122&itemid=12575&lang=en>

Naming of Former Long Lake Public School, City Council (October 20, 2015)

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=822&itemid=10537&lang=en>

Demolition, Remediation and rehabilitation of 4420 Long Lake Road, Sudbury, City Council (September 15, 2015)

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=820&itemid=10334&lang=en>