

Request for Decision

Framework for Partnership Opportunities for Indoor Turf and Multi-Purpose Facilities - Final Report

Presented To: Community Services Committee

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Type: Presentations

Resolution

THAT the City of Greater Sudbury adopts the Partnership & Implementation Framework to guide decisions related to collaborating with third parties for the delivery and provision of recreation services and facilities, as outlined in the report entitled “Framework for Partnership Opportunities for Indoor Turf and Multi-Purpose Facilities - Final Report” from the General Manager of Community Development, presented at the Community Services Committee meeting on October 23, 2017.

Relationship to the Strategic Plan / Health Impact Assessment

The 2015-2018 Corporate Strategic Plan identifies Quality of Place and Life as a priority. Successful partnerships for the delivery of recreation services and facilities have the potential to create or maintain public infrastructure and provide an expanded inventory of programs and services.

The enhancement and addition of recreation services and facilities through collaboration with third parties improves the health and well-being of residents.

Report Summary

This report quantifies the demand and potential timing for a City-wide indoor turf and multi-use recreational facility, potentially containing (but not limited to) sport courts, arenas and track facilities. The report also identifies best practices in other communities related to facility development. The report establishes a process for evaluating proposals and moving potential projects forward.

Financial Implications

Signed By

Report Prepared By

Jeff Pafford
Director of Leisure Services
Digitally Signed Oct 11, 17

Health Impact Review

Jeff Pafford
Director of Leisure Services
Digitally Signed Oct 11, 17

Division Review

Jeff Pafford
Director of Leisure Services
Digitally Signed Oct 11, 17

Financial Implications

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Oct 11, 17

Recommended by the Department

Catherine Matheson
General Manager of Community Development
Digitally Signed Oct 11, 17

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Oct 11, 17

There are no financial implications associated with this report.

Background

A report titled “Indoor Turf and Multi-Purpose Facilities” was presented at the April 3, 2017 Community Services Committee meeting. The report described inquiries and unsolicited proposals received from various groups about the possibility of indoor turf and multi-purpose facilities in the Greater Sudbury area.

The April 3, 2017 report acknowledged that there was no existing framework or process established for entertaining or evaluating proposals related to the partnership to deliver recreation services and facilities. The report sought direction to retain Monteith Brown Planning Consultants to develop a framework and decision process to guide decisions relating to partnering for the delivery and provision of recreation services and facilities which was approved.

On June 19, 2017 an information report titled “Framework for Partnership Opportunities for Indoor Turf and Multi-Purpose Facilities Interim Report” was presented. The report provided background information related to indoor turf and multi-purpose facilities. The report provided the following conclusions:

- The City of Greater Sudbury (City) can support an indoor turf facility with two small fields on a pitch measuring approximately 200 by 200 feet (excluding run-out space and a clubhouse building).
- Usage is greater for arenas in the Sudbury core compared to those in outlying areas (83% versus 70% in 2016/17).
- There is currently a surplus of 1.8 ice pads in the City.
- Greater Sudbury’s arenas are approaching or beyond their functional life cycle, based on industry standards.
- Any future arena construction should be in the form of replacement facilities, with consideration to multi-pad designs.

Clarification of Terminology

For the purpose of this report, and accompanying report from Monteith Brown Planning Consultants titled “Indoor Turf and Multi-Purpose Facility Strategy – Draft – September, 2017” (Appendix A) the terms “partner” and “partnership” are occasionally used interchangeably with other descriptors to identify the individual or group with which the municipality may wish to create a relationship with and the general description of the relationship between the City and a third party. The terms partner or partnership are not intended to refer to the legal definition of a partner or partnership.

Analysis

Monteith Brown Planning Consultants, working with the JF Group, have completed the attached Indoor Turf and Multi-Purpose Facility Strategy – Draft – September, 2017 (Appendix A). Key findings from the report are as follows:

Key Trends in Recreation

Barriers to Participation

A lack of free time due to busy lifestyles is the primary barrier to recreation participation. Organized sports are also dealing with competition from sedentary activities, spontaneous play and other sports. Affordability, or the ability to pay to play, is a significant barrier to participation in recreation.

Impact of the Aging Population

The child and youth market are the most common users of municipal recreation facilities. As this market shrinks, it is likely to result in a reduced number of facility users. The aging population does present opportunities to make better use of facilities during non-prime hours.

Increased Focus on Skill Development and Competition

There is a greater focus and demand on athlete development and competitive experiences. This results in more time required on the field of play and considerations for training spaces and indoor turf when facility planning.

Key Trends in Facility Provision

Implications of Aging Infrastructure

Most of Ontario's recreational infrastructure was built in the 1960's and 1970's. Older facilities present challenges in terms of lack of modern amenities, AODA deficiencies and high energy costs.

Multi-Purpose Facilities

New construction in the form of multi-use facilities is the industry trend. Multi-purpose facilities provide one-stop shopping, opportunities for sport development and tourism and operational efficiencies.

Green Construction

Energy efficiency and environmental sustainability are key considerations when renovating or building new recreation facilities.

Key Findings – Indoor Turf

From the Indoor Turf and Multi-Purpose Facility Strategy – Draft – September, 2017 (Appendix A):

- The development of indoor turf facilities is a widespread trend across Ontario. These facilities support year-round training for competitive athletes of several sports (mainly soccer) and a variety of recreational activities.
- The City has not been directly involved in the provision or operation of an indoor turf facility and its 2014 Leisure, Parks and Open Space Master Plan Review recommended that other sectors continue to be the primary providers of these facilities. Across Canada, many facilities are operated in partnership with soccer clubs or the private sector.
- Using a participant-based methodology that considers common ratios and standards of play, the demand for indoor turf facilities (for all indoor field sport uses) in the City is currently estimated at 82 hours per week. Assuming an average weekly capacity of 60 hours per field, this translates into a current demand for 1.4 small fields (approximately 200 by 100 feet each). Fields cannot be designed as partial fields, thus this level of demand equates to two (2) small fields.
- If the facility is proposed as a permanent structure, a building that can house two small fields would be appropriate. If the facility is designed as an air-supported dome installed over an artificial turf field, a full field enclosure could be considered due to economies of scale; however, this should be explored further with the primary user groups.

Key Findings – Arenas

From the Indoor Turf and Multi-Purpose Facility Strategy – Draft – September, 2017 (Appendix A):

- Aging infrastructure, changing usage patterns, expectations for modern amenities, energy efficiency and multi-use designs are causing municipalities across Ontario to rationalize their arena infrastructure and plan for the future.
- The number of minor ice sport participants in Greater Sudbury is declining – a decrease of 692 players (11%) over the past five seasons. To a lesser degree, this trend is also being experienced across the country.
- Arena usage has declined from 80% to 75% over the past four seasons. These declines have occurred equally in both prime and non-prime times, in arenas within the Sudbury core and as well as outlying areas. Demand is waning for rentals at the edges of prime time.
- Usage is consistently greater for arenas in the Sudbury core compared to those in outlying areas.
- There is a surplus of nearly two ice pads at present and this surplus is projected to persist for the next twenty years. Demand may weaken further in the short-term due to declining child and youth participation rates.
- No additional arenas are required for the foreseeable future. Arena renewal and replacement projects may be considered to extend the longevity of the existing supply. Where practical and supported by demand, multi-pad designs should be considered.

Key Findings – Other Multi-Purpose Facility Features

The report also examined gymnasiums and indoor tracks, which are amenities often found in multi-purpose facilities. The report provides the following key findings:

- Future recreation facility development should consider opportunities to include a gymnasium. Gymnasium size and design should be appropriate to the scale of the facility and intended scope of services, defined in consultation with key stakeholders and potential partners.
- Indoor walking tracks should be considered in the design of new or expanded recreation facilities in Greater Sudbury. The design, massing, and complement of other activity spaces will dictate the fit of a track, as will the operating model. It is envisioned that the track would encircle an indoor turf field, gymnasium or arena, should these be elements of the facility.

Best Practices from Comparator Facilities

As part of the report, indoor soccer facilities in Sault Ste. Marie, Milton, Cambridge, Guelph and Guelph/Eramosa were examined. The report provides the following summary of research from the comparator group:

- The common footprint of a facility is close to 45,000 square feet.
- Support facilities include accessible washrooms, office space, multi-purpose spaces and team change rooms.
- The report provides merits and drawbacks of permanent indoor turf structures and air-supported dome structures.
- Most municipalities indicated that facilities are operating close to maximum capacity, especially during prime hours (evenings and weekends).
- Municipalities with air-supported dome structures indicated minimal usage during summer months (May to September).
- Minimal staffing levels are required to support facility operations.

- Average rental rates are typically \$200/hour during prime time with rates decreasing by 40% to 50% during non-prime hours.
- Initial capital costs for dome facilities are estimated to be between \$3.5 and \$4.5 million (2017 dollars).
- Annual operating costs for dome facilities average approximately \$250,000.
- Most facilities operate at breakeven.
- Most municipalities operate facilities in partnership with local soccer clubs or the club is a primary tenant of the facility.

Relationship & Implementation Framework

When Monteith Brown Planning Consultants were engaged, the key deliverable was to provide the City a framework and process to guide decisions relating to collaborating with third parties for the delivery and provision of recreation services and facilities.

The report outlines a framework broken down in the following sections:

Overview

Describes the elements of successful relationships with public, not-for-profit or private entities and provides factors that should be in place when choosing to enter into a partnership and outlines potential types of arrangements.

Guiding Principles

Addresses what is required to provide a solid foundation for a successful collaboration including the underpinnings of a solid working relationship between the City and an ally.

Cultivating and Managing Creative Relationships

Presents frameworks and templates that can be utilized by the City in designing and implementing its partnership search and selection process as well its relationship management approach to ensure the collaboration remains as productive as possible. Tools include:

- A decision tree for direct vs. indirect service delivery.
- A four stage partnership development model.
- Detailed steps of a three stage search and selection process.
- A standardized framework for evaluation of unsolicited proposals.

The full framework is detailed in Section 5 of Appendix A.

Summary

The process detailed in the report provides a standard approach for reviewing proposals and potential partners. The tools included may be customized as required depending on the size and sophistication of the project in question. The tools assist the City in determining the most appropriate relationship arrangement pertaining to a given project.

The framework and decision making process presented will increase the City's ability to effectively and efficiently evaluate the merits of potential allies and proposals, which provides protection of the interests of the municipality, potential partners and residents.

It is therefore recommended that the framework and decision processes outlined in the report received from Monteith Brown Planning Consultants be adopted by the City of Greater Sudbury and be applied to any future inquiries or initiatives involving collaboration with third parties for the delivery of recreation services and facilities.

Next Steps

If approved by Council, the framework and decision processes presented will be adopted and be applied to any future inquiries or initiatives involving collaboration with third parties for the delivery of recreation services and facilities.

References

Indoor Turf and Multi-Purpose Facilities Report, Community Services Committee (April 3, 2017)
<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1151&itemid=12457&lang=en>

Framework for Partnership Opportunities for indoor Turf and Multi-Purpose Facilities Interim Report (June 19, 2017)
<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=3&id=1152>



City of Greater Sudbury

Indoor Turf and Multi-Purpose Facility Strategy

September 2017

DRAFT



Monteith ♦ Brown
planning consultants



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LIMITATIONS

This report was prepared by Monteith Brown Planning Consultants Ltd. and The JF Group (herein referred to as “the Consulting Team”) for the account of the City of Greater Sudbury. The material in this report reflects the Consulting Team’s best judgment in light of the information available to it at the time of preparation. Any use which a third party makes of this report, or any reliance on or decisions to be made based on it, are the responsibility of such third parties. The Consulting Team accepts no responsibility for damages, if any, suffered by a third party as a result of decisions made or actions based on this report.

Section 1. Introduction

1.1 Project Understanding

The City of Greater Sudbury Indoor Turf and Multi-Purpose Facility Strategy was commissioned due to growing interest from residents, stakeholders, and potential operators in the provision of quality indoor sport facilities, most notably turf fields and arenas.

The purpose of this Strategy is three-fold:

- 1) quantify the demand and potential timing for a City-wide indoor turf and multi-use recreational facility, potentially containing (but not limited to) sport courts, arenas, and track facilities.
- 2) identify best practices in other communities related to facility development
- 3) establish a process for moving the project forward, including potential relationships with public, not-for-profit or private entities and a strategic rational approach to respond to unsolicited proposals

Key objectives of this project include:

- a) evaluating the potential demand for indoor turf and/or multi-purpose facilities in Greater Sudbury based on readily available information, using the 2014 Parks, Open Space & Leisure Master Plan Review as a point of reference;
- b) reporting on indoor turf facility provision and operating models employed in other Ontario communities; and
- c) establishing a process to evaluate proposals for the development of these types of facilities and identifying next steps.

1.2 Project Limitations

The study relies on input and research provided by the City of Greater Sudbury, including recent assessments and reports, demographic and usage data, and targeted research (e.g., promising practices and relationships in other communities).

The sport facilities assessed within this report include indoor turf, arenas, gymnasiums, and indoor tracks. The demand for outdoor facilities and other indoor spaces has not been assessed, although reference should be given to the City's 2014 Parks, Open Space and Leisure Master Plan Review.

Stakeholder/public consultation, engineering services, site evaluation, partnership negotiation, capital and operating costs (i.e., feasibility), and design concepts are also outside the scope of this project.

1.3 Data Sources

The information contained in this report is based on several key building blocks, including population data, trends, supporting studies, and participant and facility usage data.

Sources for these building blocks include:

- a) population data from Statistics Canada, Census of Canada; population projections (reference forecast) from “Growth Outlook to 2036” (Draft, May 2013), prepared by Hemson Consulting Ltd.
- b) trends and best practice data compiled by the consultant through the completion of similar studies throughout Canada
- c) selected City of Greater Sudbury reports:
 - i. Parks, Open Space & Leisure Master Plan Reviews (2004 and 2014), prepared by Monteith Brown Planning Consultants
 - ii. Arena Renewal Strategy (2013), prepared by City of Greater Sudbury, Monteith Brown Planning Consultants and The JF Group
 - iii. Multi-use Recreation Complex Feasibility Study (2007), prepared by Monteith Brown Planning Consultants, The JF Group and MJM Architects
 - iv. Other supporting documents, including:
 - Corporate Strategic Plan, 2015-2018 (2014)
 - Development Charges Background Study (2014)
 - Healthy Community Initiative and Strategic Plan, 2010-2014 (2010)
 - Leisure Services Strategic Plan, 2011-2015 (2011)
 - Official Plan (2006) and Official Plan Review (2017 – ongoing)
- d) participant and facility usage data supplied by the City of Greater Sudbury

Section 2. Context

This section identifies key contextual information about the project, population growth in Greater Sudbury, and considerations for multi-use facilities based on the consulting team's experience in other jurisdictions.

2.1 Project Context – Facility Provision & Renewal

The City of Greater Sudbury is a regional hub for sports in Northeastern Ontario. With a population of over 160,000 people, there is rising demand for year-round sports venues to serve a growing diversity of activities and interests. Furthermore, the City's aging stock of arena facilities raises questions regarding the long-term sustainability and opens the door to consider alternate provision models for the future.

The City initiated an Arena Renewal Strategy in 2010 that looked systematically at arena usage, cost recovery, participation trends, and asset management requirements. This process also included extensive public and stakeholder input and identified strong support to maintain existing arenas through strategic investment. This report was delivered in 2013, including a variety of scenarios for arena repair, replacement and consolidation. To date, the City has replaced Chelmsford Arena and is proceeding toward the replacement of Sudbury Arena.

For many years until May 2016, indoor soccer in Greater Sudbury was accommodated at the Exhibition Centre, a private sector venture operated in partnership with the Sudbury Regional Soccer Association. This facility is now closed, leaving the Greater Sudbury sports community without access to an indoor turf field and training centre. Gymnasiums are currently the primary venue for soccer and similar sports during the cold-weather months.

The City of Greater Sudbury has received inquiries and unsolicited proposals from various groups about the possibility of indoor turf and multi-purpose facilities in the community. Proponents include the Fabio Belli Foundation, the True North Strong project and – most recently – the Sudbury District Soccer Club (SDSC). The aim of this Indoor Turf and Multi-Purpose Facility Strategy is not to evaluate the merits of these proposals, but rather assist the City in understanding potential demand and establishing a framework through which these proposals may be evaluated.

The SDSC's proposal states their desire to build, finance and operate an indoor turf facility at the Gerry McCrory Countryside Sports Complex site. The proposed facility would include an artificial turf sports field, a three-lane running track, indoor courts for basketball and futsal, a sports dome and a new club house with change rooms and washrooms. The SDSC has indicated that they would be requesting land to be granted or leased at a nominal rate. The group may also be seeking assistance with taxation costs and development charges. The group is interested in possible Provincial grants that may be available.

The City's 2014 Parks, Open Space & Leisure Master Plan Review examined the provision of indoor turf facilities and recommended that "Municipal development, administration, and/or operation of an indoor sports/soccer facility is not recommended at this time". The closing of the Exhibition Centre provides the City with an opportunity to reassess needs and consider the future provision of indoor turf and other sports facilities in Greater Sudbury.

As an aside, the City has been working for several years to develop an Arena and Event Centre to replace the Sudbury Community Arena. While not a focus of this Strategy, this is notable as one proposal offers the potential to provide multi-use components that may satisfy all or a portion of the needs identified in this Strategy. Following a comprehensive research and site selection evaluation, City Council passed a resolution (CC2017-183) in June 2017, selecting the Kingsway location (the “True North Strong” proposal). The City is currently working with prospective design-build teams and anticipates using an outside operator for the Arena and Event Centre. The degree to which this project will deliver on the indoor turf and multi-use facility needs is undetermined at this point in time and is not the subject of this Strategy.

2.2 Community Context – Population Growth

In the 2016 Census, Statistics Canada reported a population of 161,531 for the City of Greater Sudbury; adjusted for Census net under-coverage, the population is reported as 167,600. Over the next twenty years, the City of Greater Sudbury is expected to grow by 5.5% to 176,800 (representing 9,200 additional residents).

The age profile of the City has seen notable changes in recent years as the proportion of older residents continues to increase. In 2016, the City’s average age was recorded at 42.2 years in 2011, which is greater than the Provincial average of 41.0 years.

Over the next twenty years, the number of older adults (ages 55 to 69 years) is expected to decline while the number of seniors age 70 years and over is projected to increase by 67%. The other age groups will generally stabilize over the next twenty-five years, with some fluctuations in the intervening years.

Reference Forecast – Population by Age Cohort (2016-2036)

Age Cohort	2016 (Census)	2021	2031	2036	Growth (2016-2036)	
Children (0-9)	17,400	16,350	17,400	16,410	-990	-5.7%
Youth (10-19)	18,240	17,490	17,360	18,380	140	0.8%
Young Adult (20-34)	31,310	37,230	34,310	33,450	2,140	6.8%
Mature Adult (35-54)	45,340	41,660	45,940	47,910	2,570	5.7%
Older Adult (55-69)	34,330	35,640	29,350	25,610	-8,720	-25.4%
Senior (70+)	21,000	23,380	31,480	35,040	14,040	66.9%
Total	167,600	171,800	175,900	176,800	9,200	5.5%

Note: Totals may not add due to rounding.

Sources: Statistics Canada, 2016; adjusted for net under-coverage by Monteith Brown Planning Consultants.

City of Greater Sudbury. Growth Outlook to 2036. Draft, May 2013. Hemson Consulting Ltd.

2.3 Sector Context – Key Trends in Recreation

Based on our experience preparing similar studies throughout Ontario, this section provides an overview of some of the key trends and best practices pertaining to recreation participation. Further analysis and application of these trends can be found in subsequent sections of this report.

Barriers to Participation

Research across Ontario shows that a lack of free time – driven by busy lifestyles at home, work, and school – is the primary barrier to participation in recreation for youth and adults. There are significant time commitments associated with most sports, including weekly practices and games, tournaments, and potentially travel to other centres. However, there is a strong willingness to travel for high quality facilities and programs.

Sports face heavy competition from other sports and sedentary activities and there is also a growing emphasis on spontaneous, non-programmed activities that can be scheduled on a moment's notice – this profile does not align well with organized sports. Unfortunately, more and more children and youth are seeking non-recreational forms of activity altogether (e.g., video games), which leads to increasing rates of obesity and inactivity. While the Canadian Physical Activity Guidelines recommends that teens achieve a minimum of 60 minutes of physical activity each day, a report by ParticipACTION on physical activity among the country's younger population reports that only 9% of children and youth (between the ages of 5 and 17) are meeting this target, resulting in a physical activity grade of "D-" for 2016¹.

Affordability can also be a significant barrier to participation in recreation, particularly in higher cost sports, as studies have correlated higher household income to higher participation rates due to a greater ability to pay. For hockey, costs can be intensive, particularly for rep level play (i.e., "representative" travel teams) where household expenditures on registration fees, equipment, and travel are much higher than at the house league level. This concern is especially prevalent in communities with higher than average unemployment rates; the City's geographic location also necessitates a high degree of travel for competitive level sports. According to a recent article, cost could be the most pressing problem facing hockey at the grassroots level, with a senior Hockey Canada official stating that cost plays a significant role in the stagnant or declining registration numbers faced by many minor hockey associations.² Many local organizations offer informal financial assistance programs and also have access to initiatives such as Canadian Tire Jumpstart. A recent partnership between Hockey Canada and Bauer Hockey – "The First Shift" – is also aimed at improving the accessibility and affordability of introductory hockey as a way to attract new players to the sport.

¹ ParticipACTION. Are Canadian kids too tired to move? The 2016 ParticipACTION Report Card on Physical Activity for Children and Youth. Toronto: ParticipACTION; 2016.

² Rutherford K. Is the cost keeping kids out of minor hockey? Absolutely, players and parents say. CBC Sports. Available online at www.cbc.ca/sports/hockey/ourgame/story/2009/01/16/hockey-costs-too-much.html

The Impact of an Aging Population

Across Ontario and Canada, the average age of the population is becoming older as the populous 'Baby Boom' generation moves through their lifecycle. In Ontario, the number of seniors aged 65 and over is projected to nearly double between 2016 and 2036, with the rest of the population increasing by only 15%. A similar trend is also anticipated in the City of Greater Sudbury.

The implications of an aging population on indoor space utilization are potentially significant. On one hand, there may be new opportunities to utilize space in non-prime time hours due to the growing market of older adults who may, for example, make use of daytime hours. On the other hand, an aging population also means that the child and youth market, the most common users of many municipal recreation facilities, is shrinking (in terms of proportion and number), which in turn is likely to reduce the number of users in total.

Increased Focus on Skill Development and Competition

Sport governing bodies in Canada are now implementing a Long-Term Athlete Development model that emphasizes athlete growth, maturation and development. This model identifies the needs of athletes at various stages of their development, including training and competition needs and also addresses the appropriate stages for the introduction and refinement of technical, physical, mental and tactical skills.

As a result of this and other factors (such as the amalgamation of associations and changes to residency requirements that allow for greater player movement), competitive development experiences and opportunities are in high demand. The higher the level of play and the greater the focus on athlete development, the more time that is required for practices, games, and camps. Many organizations are altering their standards of play in order to offer their registrants more facility time during all seasons. Training academies and other enhanced development experiences are turning hockey, soccer, and other sports into year-round activities. While this model allows for more time on the field of play, it also coincides with demands for dryland training spaces and indoor turf, which are important considerations for facility planning.

2.4 Sector Context – Key Trends in Facility Provision

Based on our experience preparing similar studies throughout Ontario, this section provides an overview of some of the key trends and best practices pertaining to provision. Further analysis and application of these trends can be found in subsequent sections of this report.

Implications of Aging Infrastructure

Most of Ontario's recreational infrastructure was built in the 1960s and 1970s. There are a number of challenges with older facilities, including (but not limited to) the following:

- many were designed to different construction and design standards and may have antiquated facility components (structural, mechanical, electrical, etc.);
- many lack modern amenities and multi-use designs that cannot offer the convenience and cost savings of new facilities;
- many may not be barrier-free for persons with disabilities; and
- many are not energy efficient and thus have higher operating costs.

Recognizing this, recent Federal and Provincial funding programs have contributed millions of dollars toward the renewal and construction of recreational infrastructure.

Multi-Purpose Facilities

Trends support the consolidation of recreation amenities through the provision of multi-use facilities. Locations that accommodate various activities simultaneously are not only more convenient for residents within urban areas, but they also create activity hubs that are critical to the vitality and health of a community. Multi-use sports complexes become local destinations that can encourage greater physical and economic activity. Capital and operational cost efficiencies are also key advantages and the opportunity to incorporate 'green' technologies cannot be overlooked.

In this era of user convenience and cost recovery, more often municipalities are centralizing multiple recreational facilities on individual sites. Experience in hundreds of communities across Canada supports the finding that multi-use recreation facilities can provide a great number of benefits. While the specific nature and degree of these benefits will depend on local circumstances, facility design (e.g., barrier-free, more and larger change rooms, heated viewing areas, walking tracks, etc.), facility operation, and a host of other factors, there is no denying that multi-use recreation facilities have the potential to generate substantial economic, social, and environmental gains for local municipalities. These benefits are most notable in those municipalities that view sport infrastructure as an investment in the community, not simply an expenditure.

Some of the notable benefits of multi-purpose facilities include:

- **One-Stop Shopping:** The creation of a destination where residents can conveniently access recreation and/or other civic and social services (e.g., libraries, aquatic centres, older adult services, municipal information, etc.), making it particularly attractive for time-pressed individuals and multi-generational households.
- **Sport Development and Tourism:** Facility users may benefit from co-located spaces that allow for dry-land training, tournaments or banquets.
- **Operational Efficiency:** Multi-purpose facilities allow for the efficient use of operational resources through the economies of scale that are generated by sharing overhead costs such as staffing, utilities, maintenance, etc. These facilities are also well suited for the consideration of public-private partnerships.

Green Construction

Today, energy efficiency and environmental sustainability are key considerations in renovation or new construction projects. Certain municipalities have adopted policies that establish specific LEED (Leadership in Energy and Environmental Design) construction and/or certification levels for particular types of buildings. Advances in capturing and reusing energy have made facilities more efficient and have helped to reduce utility consumption. While these approaches and techniques require additional capital investment during the construction phase of the project, there is normally a payback over time because of cost economies or expenditure avoidance. Consequently there are civic, social and financial benefits of the greening trend.

2.5 Potential Outcomes

Based on our experience in guiding the planning and design of multi-use facilities across Canada, the following are potential outcomes that may be used to inform the implementation of this Strategy and the City's future decision-making relating to the provision of indoor turf and multi-purpose facilities. They were developed with consideration of previous municipal studies, including the 2007 Multi-use Recreational Complex Feasibility Study and 2014 Parks, Open Space & Leisure Master Plan Review.

The statements are largely complementary and should be read and interpreted as a set. Testing, refinement, and prioritization of these outcomes may occur as part the next phase of analysis and/or through public engagement.

Potential outcomes of a new indoor turf and/or multi-purpose facility include (but may not be limited to):

- 1. A healthy and sustainable community that values active lifestyles.***
- 2. Inclusive, affordable, and accessible recreational opportunities for all residents.***
- 3. Spaces that are multi-use, multi-generational, programmable, and responsive to true needs.***
- 4. Spaces and services that support sport tourism and year-round recreational opportunities.***
- 5. Operational efficiency through consolidation of activities and spaces at one or more locations.***
- 6. Partnerships that create synergies, leverage resources, and allow the City to maintain core services.***
- 7. Decisions that are financially responsible and sustainable for the City and its residents, both existing and future.***
- 8. Designs and practices that promote energy efficiency and "green" technologies.***

Section 3. Statement of Facility Needs

An accurate analysis of the current and future indoor multi-use facility demand requires several important assessment techniques – market research, trend analysis, and a review of typical provision standards. To achieve this, we have employed several methodologies to forecast local facility needs including participant-based standards and population-based projections, where applicable. In doing so, program registration data, current usage profiles, relevant programming initiatives, supporting documents and other available information have been reviewed.

3.1 Indoor Turf Facilities

This section examines the short and long-term needs for indoor turf facilities in the City of Greater Sudbury based on a review of sector trends, municipal studies and policy directions, and local supply, utilization, demographic and participation factors.

Trends Impacting Indoor Turf Facility Demand

The following are key trends in indoor turf sport participation and facility management that are likely to be affecting turf sport demand in Greater Sudbury. These trends are based on research at the provincial and national levels, supplemented by the consulting team's experience in jurisdictions across Canada.

- a) Soccer is becoming a four-season sport and the development of artificial turf indoor facilities is a widespread trend across Ontario. Indoor soccer appeals to a smaller market segment than the outdoor game, but has the potential to continue to grow in popularity, particularly with trends suggesting increased interest by adult participants.
- b) The way indoor sports field facilities are designed, funded, and operated varies widely across the province. The financial viability of an indoor turf facility is heavily influenced by its size, type of construction, and operating model.

In terms of building models, indoor sports fields can be:

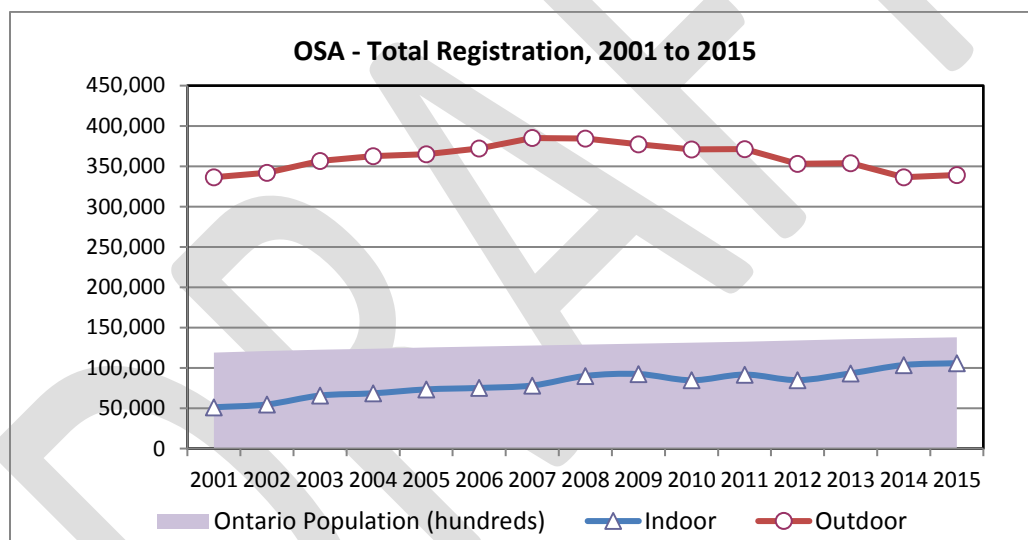
- outdoor artificial fields covered by air supported domes on a seasonal basis;
- permanent structures that are purpose-built offering year-round use; or
- converted structures that were formerly used for other activities (e.g., ice sports).

In addition, these facilities may be:

- stand-alone structures or combined with other spaces within a multi-use sports complex;
 - comprised of individual indoor turf fields that range from small (usually approximately 200 by 100 feet) to large (similar to an outdoor major field measuring 400 by 200 feet); and
 - funded/operated by the municipality, not-for-profit group, and/or private sector (sometimes through partnerships involving multiple sectors).
- c) In some communities, indoor turf facilities are operated in partnership with local soccer clubs or private organizations to reduce the municipality's responsibility regarding construction and/or operating costs and to maximize usage. For years relationships between municipal

governments, other public agencies, and community organizations have been usefully employed to enhance the level of community service while limiting public investment or the municipality's operating risk associated with partnered projects. There may also be interest from the private sector and/or the education sector to consider a partnership of some form.

- d) The demand for indoor turf facilities has been largely driven by an increased emphasis on year-round training, skill development and competition. Provincially, the number of indoor soccer players registered by the OSA has increased by 41% between 2006 and 2015 (compared to a 9% decline in outdoor registration in the same time period). Indoor soccer attracts a smaller segment of the potential market compared to outdoor soccer, but seems to be increasing in popularity, especially among adults – there are nearly as many indoor adult players as indoor youth players. The strength of adult soccer can be partially attributed to the aging of youth soccer participants from the 1990s and continuing participation in soccer.
- e) Soccer in Canada underwent enormous growth in the 1990s and the sport's popularity continues today; however, its growth appears to be slowing. According to the Ontario Soccer Association (OSA), enrolment in outdoor soccer activities peaked in 2007 and has seen small declines each year since, most notably at the youth level.



- f) In some communities, the proliferation of soccer academies has boosted the popularity of the sport and increased the demand for year-round turf facilities. Academies generally cater to the interests of children and youth players looking to gain increased soccer proficiency with a view to progressing to a higher level of competitive play. Soccer academies can be structured in many ways depending on the needs and market strength in the local community.
- g) Depending on their design, indoor turf fields can be used for sports such as baseball training, field hockey, football, lacrosse, rugby, ultimate frisbee and other sports or events. Participation in many of these field sports is growing across Ontario; however, they collectively represent a much smaller market compared to soccer.
- h) When accompanied by sufficient demand levels, indoor turf facilities can generate positive cash flows, the majority of which is produced through during prime time field rentals during the late

fall, winter and early spring seasons. While not necessarily a revenue generator, utilization of turf fields for pre-school and senior programs during the daytime can add significant benefit to the community. Usage during the summer months is sparse in most communities.

Past Directions & Previous Reports

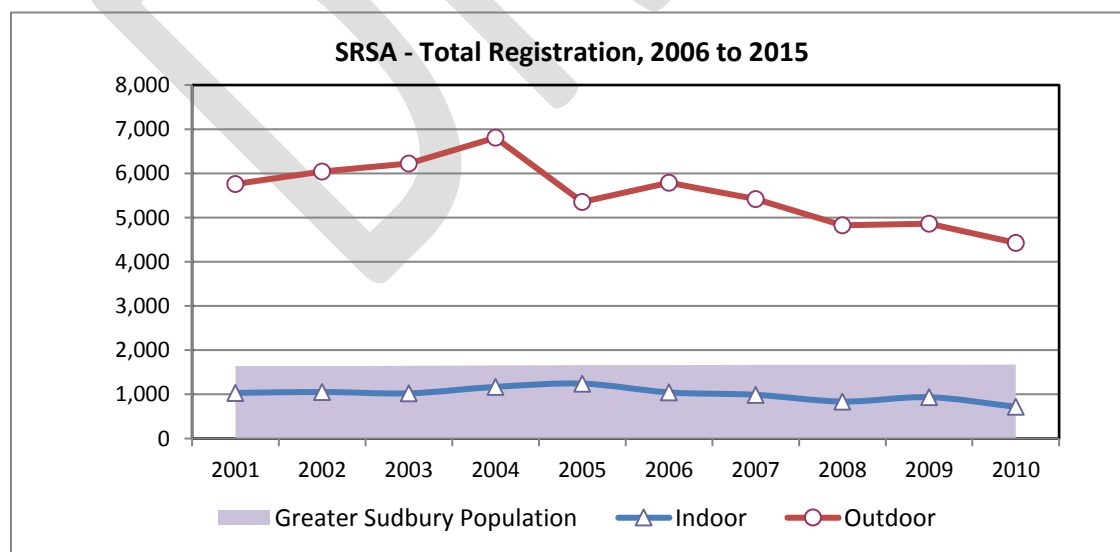
In 2007, the City's Multi-use Recreation Complex Feasibility Study recommended a broad target of one indoor turf field per 100,000 residents based on a municipal comparator scan at that time. This target suggested a requirement of two indoor turf fields (200 by 100 feet) to meet the needs of a variety of field sports and indoor events.

The 2014 Master Plan Review indicated that "Municipal development, administration, and/or operation of an indoor sports/soccer facility is not recommended at this time". It is noted that the Indoor Soccer Centre was still open for business when the Master Plan was prepared.

Local Supply & Participation Factors

Currently, the City of Greater Sudbury does not provide any indoor facilities for turf sports (e.g., soccer, football, baseball, track and field training, etc.), but offers an outdoor artificial turf field (James Jerome Sports Complex) that allows for extended outdoor season use. Until May 2016, the Indoor Soccer Centre (formerly the Exhibition Centre) was operated by a private provider in partnership with the Sudbury Regional Soccer Association (SRSA) in the former City of Sudbury. This facility is no longer available and all indoor soccer activities now take place in school gymnasiums. In recent years, there have been a series of unsolicited proposals to develop an indoor turf field (bubble or permanent structure) in the community; however, none of these proposals has been officially endorsed or achieved at this time.

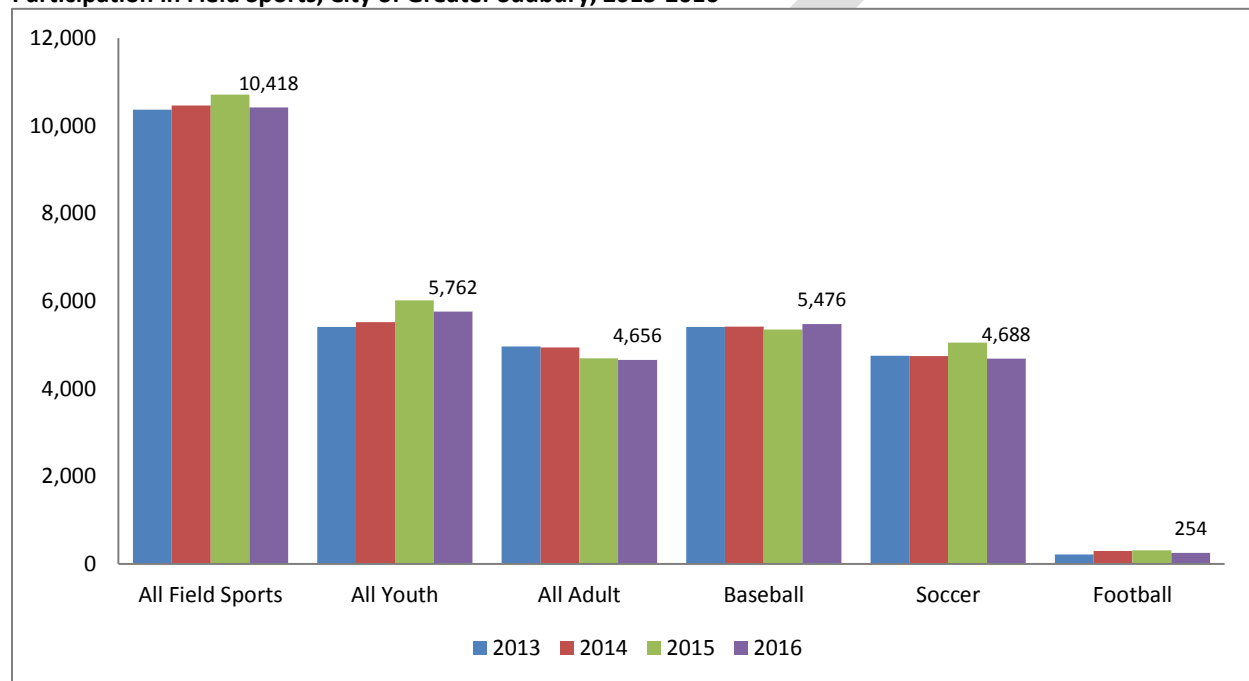
The Sudbury Regional Soccer Association (SRSA), which is the umbrella association for all affiliated Greater Sudbury member organizations, has seen declining registration levels in outdoor soccer since 2009. Between 2009 and 2015, outdoor soccer registration in the SRSA has declined by nearly 2,400 players (to 4,429), a decrease of 35%, which is greater than the 10% decline in soccer registration throughout the province during that same period.



Sources: Ontario Soccer Association Annual Reports; Statistics Canada

Not all soccer clubs are affiliated with OSA. Participant figures provided by the City of Greater Sudbury indicate that there were nearly 4,700 youth and adult soccer players in 2016, including those playing in more casual leagues. Over the past four seasons, this figure has been as high as 5,050 (2015), but has otherwise been relatively stable. The following chart also identifies recent participation trends in other field sports, some of which might use an indoor turf venue (to varying degrees). For example, there are approximately 250 to 300 organized football players (in addition to those who play in secondary and post-secondary school programs) and approximately 5,400 baseball players (about three-quarters of which are adults). Registration in football has been climbing, while participation in baseball has been stable overall (the recent gains in youth ball have been offset by reductions in adult players).

Participation in Field Sports, City of Greater Sudbury, 2013-2016



Source: City of Greater Sudbury

Demand Analysis

There are currently no indoor turf facilities in the City of Greater Sudbury. Indoor soccer is currently being played in gymnasiums, which is not a sustainable model for those seeking year-round competitive soccer opportunities.

The potential market is assumed to be the entire City of Greater Sudbury, which has a population of approximately 167,600. A scan of comparator cities indicates that the average level of provision is one small field per 75,000 residents, regardless of provider. As turf facilities become more commonplace and the variety of potential indoor field users expands, the average number of fields per population will increase. Often cited as an example, the City of Sault Ste. Marie operates a two-field indoor complex for a population approaching 75,000.

Some items of note relating to a typical operating profile for an indoor turf facility include the following:

- A full-size FIFA field can accommodate four (4) small fields. From our experience, almost all winter indoor use of FIFA fields is of the small variety as the rental cost of the large field is

prohibitive and not typically required for most indoor play. Through their operation of the Indoor Soccer Centre, the SRSA proved that there was sufficient demand for at least one small indoor field (200 by 100 feet) in the City.

- Prime time for an indoor turf field is similar to that of an arena, typically 60 hours per week (5pm to 11pm weekdays and 8am to 11pm weekends). Across four small fields, this equates to a total of 240 prime time hours per week. Non-prime time hours may also be used for various activities (including schools and municipal programs), but are unlikely to be a key source of revenue or demand.
- The primary usage window for an indoor turf facility would be November to April (approximately 6 months). Usage from May to October would be limited and would depend on the nature of construction (e.g., a seasonal dome or permanent structure).

In terms of local demand for an indoor turf facility, we offer the following observations based on participant data and past usage information:

- In their proposal to the City, the Sudbury District Soccer Club indicates that the current usage of local groups exceeds 60 hours per week, which is approximately the same number of hours that were rented in the last year of the Indoor Soccer Centre's operation. This is enough to fill one small field but insufficient to support a full-size FIFA field.
- In 2015, the ratio of outdoor to indoor soccer players was 3 to 1 in Ontario. If one-third of all outdoor soccer registrants (estimated at 4,700 participants) would utilize an indoor facility (provincial average), indoor soccer demand is estimated at 1,570 participants, representing 1% of the City's total population. This is approximately 50% more soccer players that were annually accommodated at the former Indoor Soccer Centre (estimated at 1,000 players). The difference is largely caused by pent-up or latent demand (i.e., individuals who are not playing, but would if a suitable facility/program was available).
- The average indoor soccer program requires 1 hour per week on an indoor field for about every 25 players; this ratio can vary depending on the age of the participant, the level of competition and the type of activity. Applying this ratio to the projected number of participants results in demand for **63 hours per week for soccer activities**, if all groups shift their indoor soccer programs away from gymnasiums. This figure is consistent with SCSC's proposal.
- This calculation does not account for access by other sports; however, profiles from other indoor facilities suggest that soccer will represent the most predominant use by far. Unless there is a non-soccer group that requires significant access, the proportion of non-soccer usage is likely to be less than 20% based on our experience. Usage profiles from the former Indoor Soccer Centre indicate that this proportion was closer in 30% in Greater Sudbury. If the higher end of this range is adopted, approximately an additional **19 hours per week can be expected from non-soccer groups**.

Based on this methodology, the demand for indoor turf facilities (for all indoor field sport uses) in the City of Greater Sudbury is currently estimated at 82 hours per week. **Assuming an average weekly capacity of 60 hours per field, this translates into a current demand for 1.4 small fields.**

Looking to the future, it is uncertain if the negative growth trend in soccer will continue or stabilize. A new indoor facility may help to attract new users; however, a conservative demand approach is

recommended as the youth market is not growing. Population projections indicate that the number of Greater Sudbury residents ages 5 to 19 will not increase over the next twenty years³.

Adult soccer participation represents the largest potential market for indoor turf – more than two-thirds of all usage at the former Indoor Soccer Centre was by adults. Adult sports leagues have proven to be a strong revenue generator for turf facilities in other communities. Approximately 45% of all indoor soccer participants in Ontario are adults. Population projections indicate that the number of Greater Sudbury residents ages 20 to 54 will increase by about 6% over the next twenty years⁴. This may add a modest amount of demand to the projection of turf needs, likely less than 5 hours per week.

As noted above, it is likely that additional sport users will be required to support a sustainable operation. This includes (but is not limited to) football, ultimate frisbee, rugby, lacrosse, baseball, cricket, municipal programming and special events. Some of these activities will only require rentals for a short period of time as they prepare for their summer season (e.g., baseball), while others may have sufficient demand to offer a full winter/indoor season (e.g., ultimate frisbee).

Based on the participation projections, it is unlikely that there is sufficient demand for more than one indoor turf facility in the City. If a new facility were to be built, it is recommended that it be appropriately designed to accommodate market demand – which is estimated at 1.4 small fields. Two small fields can be accommodated on a pitch measuring approximately 200 by 200 feet (excluding run-out space and a clubhouse building). This is about half of the FIFA size field (400 by 200 feet) that some proponents are proposing. If the facility is proposed as a permanent structure, a building that can house two small fields (like Sault Ste. Marie) would be appropriate.

However, there is an economy of scale that is realized in construction, particularly if the facility is an air-supported dome installed over an artificial turf field. While the demand analysis indicates that the full field does not need to be bubbled to meet community needs, there may be other circumstances that would merit the full field enclosure. This should be explored further with the primary user groups.

Key Findings – Indoor Turf

1. The development of indoor turf facilities is a widespread trend across Ontario. These facilities support year-round training for competitive athletes of several sports (mainly soccer) and a variety of recreational activities.
2. The City of Greater Sudbury has not been directly involved in the provision or operation of an indoor turf facility and its 2014 Leisure, Parks and Open Space Master Plan Review recommended that other sectors continue to be the primary providers of these facilities. Across Canada, many facilities are operated in partnership with soccer clubs or the private sector.
3. A portion of the indoor market is generated by outdoor users. The number of outdoor soccer registrants in the Sudbury Regional Soccer Association has declined by 35% (nearly 2,400 players) since 2009. Most of these players are youth and Greater Sudbury's youth population is not growing.

³ Statistics Canada, 2016; adjusted for net under-coverage by Monteith Brown Planning Consultants. City of Greater Sudbury. Growth Outlook to 2036. Draft, May 2013. Hemson Consulting Ltd.

⁴ Ibid.

4. In Ontario, the number of registered indoor soccer players has increased by 41% between 2006 and 2015 (compared to a 9% decline in outdoor registration in the same time period). There are nearly as many indoor adult players as indoor youth players. Adult soccer participation represents the largest potential market for indoor turf, now and into the future.
5. There is no longer an indoor turf facility in Greater Sudbury (the Indoor Soccer Centre offered one small field but closed in 2016). Area gymnasiums are being used for indoor soccer, which is not a sustainable model for those seeking year-round competitive soccer opportunities.
6. The Sudbury District Soccer Club indicates that the current usage by local groups exceeds 60 hours per week, which is approximately the same number of hours that were rented in the last year of the Indoor Soccer Centre's operation.
7. Using a participant-based methodology that considers common ratios and standards of play, the demand for indoor turf facilities (for all indoor field sport uses) in the City of Greater Sudbury is currently estimated at 82 hours per week. Assuming an average weekly capacity of 60 hours per field, this translates into a current demand for 1.4 small fields (approximately 200 by 100 feet each). Fields cannot be designed as partial fields, thus this level of demand equates to two (2) small fields.
8. If the facility is proposed as a permanent structure, a building that can house two small fields would be appropriate. If the facility is designed as an air-supported dome installed over an artificial turf field, a full field enclosure could be considered due to economies of scale; however, this should be explored further with the primary user groups.

3.2 Arenas

This section examines the short and long-term needs for arenas in the City of Greater Sudbury based on a review of sector trends, municipal studies and policy directions, and local supply, utilization, demographic and participation factors.

Trends Impacting Arena Demand

The following are key trends in ice sport participation and arena management that are likely to be affecting arena demand in Greater Sudbury. These trends are based on research at the provincial and national levels, supplemented by the consulting team's experience in jurisdictions across Canada.

- a) Participation in ice sports is declining. Hockey Canada and the Ontario Hockey Federation experienced a peak in registration for the 2008/09 season.⁵ 9% of Canadian children and youth play hockey, half the percentage that played 20 years ago.⁶ Female participation in hockey helped to reduce the impact of declining male registrations; however, participation rates amongst females have since stabilized. Children and youth have predominantly been the primary market for municipal arenas, however, the aging of the population means that there are fewer youth to draw from, leading to a reduction in participants in many communities. The high cost of

⁵ Kaufman, B. (2011). Hockey Losing Numbers Game: Minor ranks don't do enough to appeal to new Canadians. London Free Press. Available online at www.lfpress.com/sports/hockey/2011/10/31/18902646.html

⁶ Health Canada and the Public Health Agency of Canada. (2006). It's Your Health.

participating in ice sports and proliferation of other activities and sports is also leading to declining registration. Furthermore, participation in ice sports is not as strong amongst immigrants, which comprise most of Ontario's population growth.

- b) The prime time window is shrinking and groups are less likely to rent time on early mornings and late evenings. This is creating challenges for cost recovery and revenue targets.
- c) At the same time, there is an increasing focus on skill development and competition. At the higher levels of play, this means that more time is required for practices, games, and camps. This trend is also leading to increased demand for year-round training opportunities.
- d) Aging infrastructure is an issue for Ontario's arenas, many of which were built in the 1960s and 1970s. Many older arenas have antiquated facility components, lack modern amenities and multi-use designs, are not barrier-free, are not energy efficient, and overall cannot offer the convenience and cost savings of new facilities. Some communities have repurposed their older arenas into other uses.
- e) Modern arenas tend to include two or four pads for enhanced operational savings, a heightened customer experience, and greater support for sport tourism. Many are also designed as part of multi-use facilities (e.g., indoor pools, dryland space, etc.) to promote convenience and economies of scale.

Past Directions & Previous Reports

The City initiated an Arena Renewal Strategy in 2010 that looked systematically at arena usage, cost recovery, participation trends, and asset management requirements. This process also included extensive public and stakeholder input and identified strong support to maintain existing arenas through strategic investment. This report was delivered in 2013, including a variety of scenarios for arena repair, replacement and consolidation. To date, the City has replaced Chelmsford Arena and is proceeding toward the replacement of Sudbury Arena.

In relation to arenas, the 2014 Master Plan Review recommended the following:

- [That the City] Continue to implement the Arena Renewal Strategy, which found a current and long-term demand for a total of 15 indoor ice pads across the entire City (resulting in a surplus of one ice pad). This will require:
 - a continued focus on maintaining existing arenas in a safe and community responsive condition, with consideration to the City's recent building condition assessments;
 - monitoring of usage trends and community demands to assess the possibility of decommissioning one existing ice pad; and
 - continued progress on the eventual renovation or replacement of the Sudbury Community Arena.
- The decision to decommission any arena should be accompanied by a community engagement process, capital lifecycle analysis, evaluation of alternate uses, and options for the continued delivery of leisure services within the affected community.

Local Supply & Participation Factors

The City of Greater Sudbury operates a total of sixteen (16) ice pads that are contained in fourteen (14) municipal arenas; Capreol and Gerry McCrory Countryside Sports Complex are the City's only twin pad facilities. There are no private arena providers in the City. The average age of the ice facilities in the City is over 40 years, with the majority being constructed between 1950 and 1978. In recent years, the City has been focused on renovations to several arenas, including Cambrian, McClelland and Chelmsford Arenas.

Hockey, figure skating, and ringette are the dominant uses during the fall, winter, and spring; summer utilization is lower, with activities such as indoor lacrosse and roller derby using the arenas' floors. The following analysis focuses on usage during peak season (October to March).

The 2013 Arena Renewal Strategy found that the prime utilization rate had been declining since the 2008/09 season, with shoulder hours (those at the edges of prime time) mostly affected. The following table identifies the number of hours booked during prime and non-prime hours since the Arena Renewal Strategy was prepared and reveals a similar downward trend.

Weekly Utilization at all City Arenas, 2013/14 to 2016/17 (winter season)

Season	2013/14	2014/15	2015/16	2016/17
Number of Ice Pads	16	15*	16	16
Prime Time Usage (weekly)				
Youth Hours	723.5	677.5	690.0	690.5
Adult Hours	159.0	149.5	151.5	137.5
Other Hours*	19.5	18.0	19.0	20.5
Available Hours	170.0	160.0	211.5	223.5
PT Usage - Citywide	84%	84%	80%	79%
PT Usage – Sudbury Arenas**	89%	90%	89%	87%
PT Usage – Outlying Arenas***	81%	80%	75%	74%
Non-Prime Time Usage (weekly)				
Youth Hours	103.0	91.0	96.0	90.5
Adult Hours	56.5	63.0	52.0	53.5
Other Hours (public skating, maintenance)	203.0	194.5	201.0	187.5
Available Hours	141.5	129.0	155.0	172.5
NPT Usage - Citywide	72%	73%	69%	66%
NPT Usage – Sudbury Arenas**	87%	86%	83%	76%
NPT Usage – Outlying Arenas***	62%	64%	60%	59%
Overall Usage (weekly)				
Overall Usage - Citywide	80%	81%	77%	75%
Overall Usage – Sudbury Arenas**	88%	89%	87%	83%
Overall Usage – Outlying Arenas***	75%	75%	70%	70%

*Chelmsford Arena was closed in 2014/15 for refurbishment

** Sudbury Arenas include Cambrian, Carmichael, Gerry McCrory Countryside (2), McClelland, and Sudbury Arena

*** Outlying arenas include Capreol (2), Centennial, Chelmsford, Dr. Edward Lecalir, Garson, I.J. Coady, Raymond Plourde, T.M. Davies, and Toe Blake

Prime time is defined as 8am to 12am on Saturday and Sunday and 5pm to 12am Monday to Friday

Non-prime time is defined as 7am to 8am on Saturday and Sunday and 9:30am to 5pm Monday to Friday

Source: City of Sudbury Arena Logs

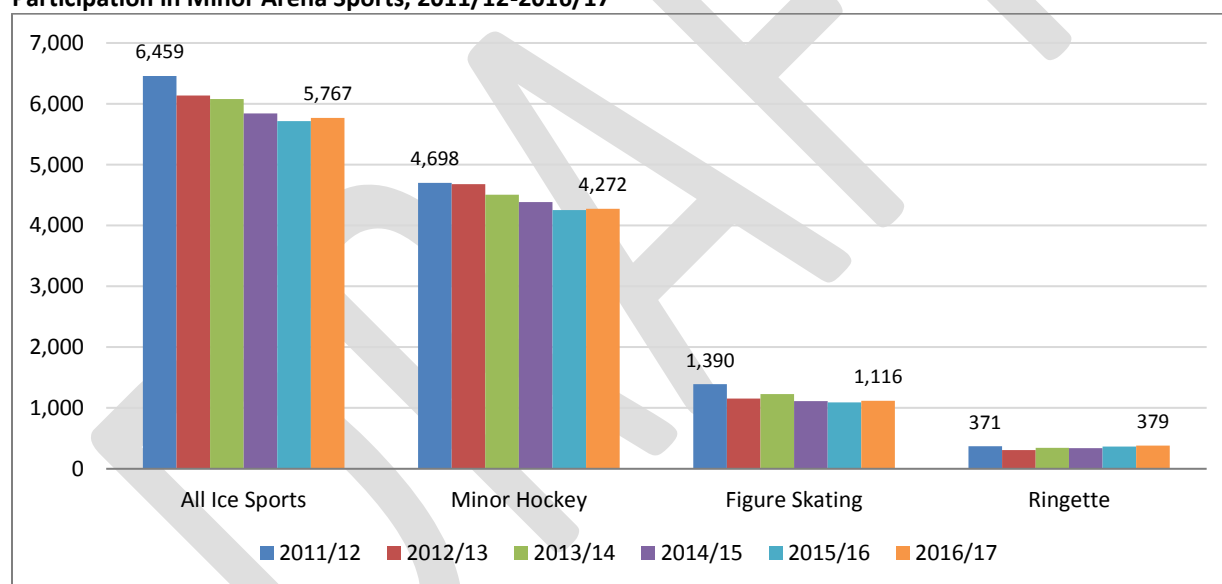
In the past four seasons, overall arena usage has declined from 80% to 75%. These declines have occurred equally in both prime and non-prime times, in arenas within Sudbury and as well as outlying

areas. For the 2016/17 season, prime time usage was 79% and non-prime time usage was 66% across all arenas. Usage is consistently greater for arenas in Sudbury compared to those in outlying areas – 83% versus 70% in 2016/17. It should be noted that utilization generally tends to be higher in urban areas (e.g., Sudbury Arenas) because excess demand can easily be shifted to a nearby rink. In rural areas (e.g., Outlying Arenas), a certain amount of excess capacity – particularly for youth – is more common due to smaller populations and challenges in travelling to more distant rinks.

While children and youth constitute the primary users of arenas, adults typically rent 10% to 15% of all prime time ice in the City. The 2013 Arena Renewal Strategy noted that the number of adult rentals had decreased, suggesting that there was no substantial pent-up at that time.

Another indicator of demand is the number of registrants. Based on data provided by the City, the total number of organized youth participants decreased from 6,459 in the 2011/12 season to 5,767 in the 2016/17 season, a decrease of 692 players (11%). With 27,175 residents in Greater Sudbury's 5-19 age cohort (adjusted for undercount) and 5,767 registrants (all 2016 data), 21.2% of children and youth participate in organized ice sports (a reduction from 23.5% in 2011). The City does not collect registration data for adults.

Participation in Minor Arena Sports, 2011/12-2016/17



Source: City of Greater Sudbury Ice Allocation Formula Summaries

As was noted in the 2013 Arena Renewal Strategy, the total number of participants continues to trend downwards, which has been the case for several years. The greatest decreases have been felt in figure skating (down 20% over the past six seasons) and minor hockey (down 9% over the past six seasons). Registration in ringette is relatively stable.

Demand Analysis

The 2013 Arena Renewal Strategy established a market-specific demand target that reflected the City's unique geography and arena utilization profiles at that point in time. To identify needs at a City-wide level, the target was set at 1 ice pad per 405 youth registrants. Although somewhat conservative compared to other communities, a review of current utilization suggests that this remains a reasonable target for Greater Sudbury. Currently, with a supply of 16 rinks and 5,767 youth registrants, there is an average of 360 players per rink (the average was 451/pad in 2008/09 prior to the twinning of Gerry McCrory Countryside). Based on the recommended target of 1 pad per 405 registrants, there is City-wide demand for 14.2 rinks, indicating a surplus of nearly two pads.

The following table illustrates application of the provision target, assuming the existing rate of participation is maintained (i.e., at 21.2%) and the youth market segment changes at the forecasted rate.

Projection of Ice Pad Needs, City of Greater Sudbury (2016 to 2036)

	2016	2021	2026	2031	2036
Forecasted Number of Youth Registrants (based on a 21.2% participation rate, ages 5 to 19)	5,767	5,380	5,460	5,540	5,720
Number of Ice Pads Required (based on 16 pads and 1 ice pad per 405 youth registrants)	14.2	13.3	13.5	13.7	14.1
Surplus Ice Pads	-1.8	-2.7	-2.5	-2.3	-1.9

Population forecasts based on City of Greater Sudbury. Growth Outlook to 2036. Draft, May 2013. Hemson Consulting Ltd.

This analysis identifies a surplus of 1.8 ice pads at present. Continued softening of demand is projected over the next fifteen years (up to 2.7 surplus rinks in 2021), before returning to near current demand levels in 2036. Any significant change in adult and post-secondary usage profiles may impact this projection.

There is insufficient support for expanding the supply of municipal arenas. A surplus of ice exists in the City, which is expected to worsen over the short-term. The impact of this surplus is affecting utilization of the City's outlying areas; however, the desire for equitable geographic distribution is also a consideration.

Any future arena construction should be in the form of replacement facilities, with consideration to multi-pad designs where supported by demand.

Key Findings – Arenas

1. Aging infrastructure, changing usage patterns, expectations for modern amenities, energy efficiency and multi-use designs are causing municipalities across Ontario to rationalize their arena infrastructure and plan for the future.
2. The number of minor ice sport participants in Greater Sudbury is declining – a decrease of 692 players (11%) over the past five seasons. To a lesser degree, this trend is also being experienced across the country.
3. Arena usage has declined from 80% to 75% over the past four seasons. These declines have occurred equally in both prime and non-prime times, in arenas within Sudbury and as well as outlying areas. Demand is waning for rentals at the edges of prime time.
4. Usage is consistently greater for arenas in Sudbury compared to those in outlying areas.
5. There is a surplus of nearly two ice pads at present and this surplus is projected to persist for the next twenty years. Demand may weaken further in the short-term due to a declining child and youth participation rates.
6. No additional arenas are required for the foreseeable future. Arena renewal and replacement projects may be considered to extend the longevity of the existing supply. Where practical and supported by demand, multi-pad designs should be considered.

3.3 Gymnasiums / Sport Courts

There are seven municipally-owned and operated gymnasiums in the City of Greater Sudbury, as well as numerous local school gymnasiums that are used by the City and community organizations for leisure programming. As identified in the 2014 Master Plan Review, gymnasiums are a good fit with other recreation facilities (particularly fitness centres and indoor pools) and are able to accommodate a wide variety of activities ranging from active team sports to banquets and day camps.

The versatility of gymnasiums enables these spaces to accommodate rising demand for non-structured activities and drop-in programs, such as day camps, dry land training, teen programs, and much more. Furthermore, indoor court sports (e.g., basketball, volleyball, etc.) continue to be popular and others, such as pickleball, are emerging.

Municipalities across Ontario are increasingly including gymnasiums within recreation centres. While there is no standard template, gymnasiums are typically influenced by community needs, although the minimum size should be large enough to accommodate a school-sized basketball court measuring approximately 23 metres by 13 metres (74 feet by 42 feet) with high ceilings. It is common for larger communities to provide gymnasiums big enough for multiple basketball courts, with curtains to facilitate simultaneous programming.

Given their flexibility to accommodate a wide range of interests, the 2014 Master Plan Review recommended that any future recreation facility development (particularly in under-served communities, including Sudbury) consider opportunities to include a gymnasium. Gymnasium size (e.g., double, triple, etc.) and design (e.g., spectator seating, stage, etc.) should be appropriate to the scale of

the facility and intended scope of services (defined in consultation with key stakeholders and potential partners).

Key Findings – Gymnasiums

1. Gymnasiums are versatile spaces, capable of accommodating a range of team sports, non-structured activities, camps, and special events. Municipalities across Ontario are increasingly including gymnasiums within recreation centres.
2. Future recreation facility development should consider opportunities to include a gymnasium. Gymnasium size and design should be appropriate to the scale of the facility and intended scope of services, defined in consultation with key stakeholders and potential partners.

3.4 Indoor Tracks

The City of Greater Sudbury does not currently have a purpose-built indoor walking or jogging track within any of its municipal recreational facilities. The YMCA contains a small indoor track while Laurentian University has a 200m 4-lane indoor track for varsity programs and local athletes. Outdoor running tracks for seasonal use are available at several schools and municipal parks.

Walking is the most common recreational activity for the majority of the population. This is particularly true for older adults and seniors. Parents with young children and rehab patients are also a primary market due to the social and therapeutic benefits. The rising popularity of walking tracks demonstrates the need for spaces that are flexible to use and access without supervision.

Indoor tracks provide an appropriate surface for walking and/or running, enhanced safety and security, and access to other amenities within a larger facility. They are particularly useful for promoting year-round activity, especially during the winter season and times of inclement weather.

Traditionally, facility provision in the municipal sector has focused on those spaces with broad community appeal, including those that accommodate introductory activities for people of all ages and abilities. Most municipalities do not endeavour to develop elite athletes or provide opportunities for year-round pursuit of any one sport – this is the role that is filled quite capably by Laurentian University. An indoor competition-level track is not a requirement of future multi-use recreation facilities in Greater Sudbury.

However, community-level indoor walking tracks are a common element within municipal recreation facilities across Canada. They can be located at grade or elevated, often encircling ice pads, gymnasiums, indoor turf fields, or fitness spaces; some concourses within OHL arenas are also made available as walking routes during designated times (e.g., Sarnia). Walking tracks typically have two to three lanes, often with a rubberized surface. Their length is usually dependent upon the design and intended use (but usually less than 200 metres, unless surrounding an arena). Complementary spaces, such as dry-land training rooms, can also be provided depending on user demand.

Most municipal walking tracks are provided free of charge, although some require a nominal admission charge. The steady volume of use is typically viewed as achieving the intent of promoting physical activity while increasing the “foot traffic” within a recreation centre. Morning and daytime use is

common amongst young parents and older adults. An indoor walking track can be a lower cost facility option in terms of capital and operating costs (although it is not likely to be revenue-generating).

To encourage active living and lifelong participation, community-serving indoor walking tracks should be considered in the design of new or expanded recreation facilities in Greater Sudbury. The design, massing, and complement of other activity spaces will dictate the fit of a track, as will the operating model. It is envisioned that the track would encircle an indoor turf field, gymnasium or arena, should these be elements of the facility.

Any track development should focus on walking and/or running opportunities for the broader community. Unless supported by a third-party (e.g., school board), there would not appear to be sufficient demand to develop a 400-metre competition track around a FIFA-size soccer field competition (e.g., Louis Riel Dome in Ottawa or Monarch Park in Toronto) given the considerable investments made at Laurentian University.

Key Findings – Indoor Tracks

1. Indoor spaces for walking and jogging provide considerable benefits for the broader community, which is particularly important in northern climates. Indoor tracks are becoming common elements in new multi-purpose recreation centres throughout Canada.
2. Indoor walking tracks should be considered in the design of new or expanded recreation facilities in Greater Sudbury. The design, massing, and complement of other activity spaces will dictate the fit of a track, as will the operating model. It is envisioned that the track would encircle an indoor turf field, gymnasium or arena, should these be elements of the facility.
3. Track and field training and competition venues are provided by Laurentian University and should not be duplicated. There is insufficient demand for a 400-metre competition track around a FIFA-size soccer field.

Section 4. Indoor Turf Facility Case Studies

Comparable indoor turf facility examples were identified and assessed to consider best practices and lessons learned. This section includes a summary of this information, including facility specifications, governance and management structure, user mix, partnerships, and more.

4.1 Comparator Facilities

Five indoor soccer facilities in Ontario were selected for review to gauge their approach to indoor soccer facility provision and management. A focus was placed on facilities in mid-sized Ontario communities, with different operating arrangements, and with varying types of construction. Each community was contacted directly to learn more about the facilities, operations, usage, and partnerships.

Comparator Facilities – Summary of Attributes

Community	Facility Name	Owner	Operator	Year Built	Facility Description
Sault Ste. Marie	Northern Community Centre	Municipality	Municipality	2012	<ul style="list-style-type: none"> • Permanent Structure • 45,000sf • 2 fields
Milton	Milton Indoor Turf Centre	School Board (land) Town (dome)	Municipality	2013	<ul style="list-style-type: none"> • Air-supported Dome (seasonal) • 66,000sf • 1 to 4 fields
Cambridge	ComDev Park	Municipality	Soccer Club	2007	<ul style="list-style-type: none"> • Air-supported Dome (year-round) • 40,200sf • 3 fields (one small)
Guelph	Guelph Community Sports Dome	Soccer Club	Soccer Club	2007	<ul style="list-style-type: none"> • Air-supported Dome (year-round) • 38,000sf • 1 field
Guelph/Eramosa	Royal Distributing Athletic Performance Centre	Municipality	Municipality	2010	<ul style="list-style-type: none"> • Permanent Structure • 65,000sf • 1 to 2 fields

The operating model of each comparator facility is summarized below, along with other notable research gleaned from our conversations with the operators.

Sault Ste. Marie

Permanent structure | Owned and operated by the City

The City of Sault Ste. Marie owns this facility and is responsible for its operation. Locating this structure adjacent to an existing municipal arena has resulted in operational efficiencies for the City. For example, concessions are shared between the two facilities and the additional snow clearing, maintenance or repair costs are reduced. Similarly, the arena staff are responsible for supervision of the dome when necessary and are available for contact. Ongoing renovations and upgrades to other municipal facilities (arena, library, seniors centre) make this an attractive option because of the economies of scale involved with facility clusters.

Milton

Air-supported Dome | Owned by the School Board (land) and Town (dome), and operated by the Town

The Halton Catholic District School Board allows the Town to use their land to operate the dome facility, which is owned by the Town. The school has priority use during the day and the Town can rent the facility to user groups from 4:00 pm onward on weekdays and all day on weekends. The Town is responsible for the costs of the bubble fabric, grade beam, mechanical equipment, and support building while the school board is responsible for turf field maintenance and site services (e.g. parking). The Town assumes all risk as the operator and user fees dictate rental rates.

Cambridge

Air-supported Dome | Owned by the City and operated by a Local Soccer Club

The City maintains ownership of the facility but the operations and expenses are borne by the soccer club. The club is responsible for staffing, insurance, equipment, and all maintenance costs associated with the building. The soccer club pays a monthly fee to lease an office area for their operations and is also responsible for the upkeep of a future capital expenditure fund, which is reviewed every 5 years and increases at a rate of 3% per annum. The soccer club pays property taxes despite the land being owned by the City. Rental rates were set by the club following a market analysis in 2007, but the club has increased rates since this time. Demand for use of the facility remains high, as a result there are no reported issues with filling the space, especially in recent years as new sports and activity trends emerge.

Guelph

Air-supported Dome | Owned and operated by a Local Soccer Club (City is mortgage guarantor)

The soccer dome in Guelph is owned by Guelph Community Sports and is operated by Guelph Soccer and an external management company. The City is the guarantor of Guelph Community Sports' mortgage on the dome. It is believed that this arrangement had worked well initially, but in recent years the soccer club has experienced financial difficulties forcing the municipality to step in and assist. As of this time, attempts to contact Guelph Soccer and Guelph Community Sports were unsuccessful and little is known about the current financial and operating status of the dome.

Guelph/Eramosa

Permanent structure | Owned and operated by the Township

The Royal Distributing Athletic performance Centre has been in operation since 2010 and has been successful in offering year-round programming at their permanent structure facility. The Township owned and operated facility operating model focuses primarily on rentals but does offer some daytime programming and public use opportunities. The facility is utilized by the local population for a variety of programming using all amenities in the space. Some examples of unique facility programs are indoor walking soccer for older adults, remote control flying, pole walking, and a Saturday night slo-pitch league. The site also includes multiple outdoor multi-purpose fields, a fully lit outdoor CFL size football field and rubberized walking track around the perimeter of the indoor turf field.

4.2 Summary of Best Practices from Comparator Facilities

The following is a summary of research from the indoor turf facility comparator group.

Facility Size

The footprint of the comparator facilities (both domes and permanent structures) generally ranges from 38,000 square feet to 66,000 square feet, with the more common size being close to 45,000 square feet. The layout within comparable structures is generally one large field that can be subdivided into halves or quarters depending on activity and full field size. Ancillary amenities common to these structures include accessible washrooms, small office or multi-purpose space, and team change rooms.

Facility Type

Based on the benchmarking research and consultant experience, the following table identifies the merits and drawbacks of permanent indoor turf structures and air-supported dome structures.

Comparison of Merits and Drawbacks of Facility Types

Consideration	Permanent Structure	Air Supported Dome
Capital Cost	A permanent building is the more expensive option to construct with capital costs dependent on facility size, design specifications and construction quality	A bubble is the least expensive alternative with capital costs dependent on facility size, single or dual liner, type of lighting and equipment selection
Operating Cost	Staff and utility costs represent the most significant operating expenses over a permanent building's 12 month operating season	Utility costs are relatively more expensive per hour of facility use however, facility operating costs apply to a shorter indoor season – 5-6 months
Seasonal Implications	These are popular winter venues but difficult to program and challenging to encourage utilization in the summer months	Offers flexibility as the courts can be covered in the winter and be converted to outdoor courts in the summer
Life Cycle	Similar to other types of community recreation buildings, the life of an indoor tennis facility would likely be between 25 to 35 years	The bubble fabric has a life expectancy of 15 to 20 years – depending on UV protection and the operator's inflation and take down procedures
Consumer Opinions	Patrons generally enjoy the environment and the program flexibility of permanent tennis court facility	Consumers like the ability to play outdoors in the summertime Some suggest that the air quality and temperature in a bubble is superior to a traditional indoor environment
Operating Considerations	Requires aggressive programming to keep occupied during the non-peak summer season	Cannot be used as a "general gathering place" due to code issues thereby limiting certain program alternatives

Usage

The primary use for artificial turf facilities is indoor soccer training and leagues. However, these facilities appeal to a wide variety of programming groups and activities. Some of the programs hosted at comparable facilities include, but are not limited to: adult recreation leagues, rugby, football, ultimate frisbee, baseball/softball, parent and tot programs, lacrosse, corporate lunch rentals, school field trips, golf, yoga, etc. One community recommended hosting open discussions with stakeholder groups to identify programming options and needs.

Most municipalities indicated that their facilities are operating close to maximum capacity, especially during prime hours. However, all municipal domes indicated that they budgeted for \$0 rental revenue during summer months (May to September); any rentals that are booked during those times are subject to staff availability and are considered a “bonus”.

Staffing

The staffing commitment for these facilities is minimal. A full-time employee of the partner organization oversees facility operation in addition to their other responsibilities, while seasonal staff (usually high school or university students) run the programs (where applicable).

Rental Rates

Where the municipality owns and operates the facility, user fees are dictated by Council and only change with approved passing of bylaws. Average rental rates per one hour of facility time are fairly consistent across all comparators: approximately \$200/hour during prime time (weekday evenings and weekend days) with rates decreasing by 40% to 50% during non-prime hours.

Capital & Operating Costs

Initial capital costs (converted to 2017 dollars) for dome facilities are estimated to be between \$3.5 and \$4.5 million. Significantly higher capital costs are associated with permanent structures. Annual operating costs for dome facilities averaged approximately \$250,000 among the comparator group. Based on financial data available, most facilities operate at a breakeven with occasional small amounts of revenue depending on seasonal weather and unforeseen rental opportunities. Indoor artificial turf facilities have the ability to function as a breakeven or profitable venture, capital financing aside.

Relationships with Non-Municipal Entities

Soccer clubs are the primary stakeholders within these facilities. For this reason, it is common practice to either develop an operating agreement with a local soccer club or to offer a primary tenancy agreement with a soccer club. The primary use agreements generally state that the club involved is granted priority access to booking during prime time hours and, in return, assists with purchasing small-scale equipment like nets and balls as well as investing in upgrades such as score clocks.

Section 5. Cultivating and Managing Creative Relationships

5.1 Clarification of Terms

While the concept of relationship building is becoming more common place in the public realm, there is a certain level of confusion regarding the legal standing of participants in arrangements involving a municipality and an outside entity. Often, these relationships are referred to as “partnerships” which is a general term that describes two or more organizations becoming involved in an engagement designed to fulfill a set of goals and objectives. However, these relationships are not legally binding partnerships or joint ventures. In fact, agreements describing these relationships normally include language that clearly conveys that the arrangement is not to be considered a formal partnership or joint venture. Furthermore, the approach employed by a municipality to search for and select a partner candidate as well as the process of determining the appropriate type of the relationship must conform with all prevailing municipal by-laws, policies, procedures and protocols.

For the purposes of this report, the term “partner” is occasionally used interchangeably with other descriptors such as associate, entity, collaborator, affiliate, ally or colleague, to identify the individual or group with which the municipality may wish to create a relationship. The term “partnership” is sometimes employed herein as a general depiction of the relationship between the municipality and an individual or organization from the public, not-for-profit or private sectors. Neither the terms partner nor partnership are intended to refer to the legal definition of a partner or partnership.

5.2 Overview

Cultivating, developing and sustaining effective relationships with public, not-for-profit or private entities is increasingly important in the effective delivery of municipal sport and recreation services. Successful relationships can help municipalities deal with intensifying demands for increased levels of services which may be otherwise difficult because of budget constraints including diminished staff resources. While relationships may not be a panacea for all of the financial pressures currently facing municipal community services departments, they do offer an attractive alternative to traditional forms of service delivery.

But, while the benefits of external relationships are many, interactions between public agencies and outside entities can be challenging – especially if the concept is new to the municipality. Progressive municipalities are capitalizing on the potential of these new models and maximizing the probability of success by adopting partnership frameworks including standardized search and selection methodologies to ensure that the relationship structure is right for the municipality. Additionally, pre-established processes ensure that the attributes of a potential partner match the requirements of the venture in question. Proactive frameworks also determine where the proposed relationship can most effectively fit within the toolkit of municipal service delivery.

This section of the report focuses on relationships between the City of Greater Sudbury and external entities interested in collaborating on an endeavour involving asset delivery, asset management, exclusive use of a publicly owned facility or the delivery of for-profit services (or quasi for-profit services) involving municipal assets. The processes and guidelines presented herein are applicable to arrangements that may involve capital investment or reinvestment in a facility while in other cases it may simply be of a “more commercial enterprise” than is generally provided by the City.

It is noteworthy that the form and structure of a relationship between the City and an external entity should be dictated solely by the nature of the venture. The contractual arrangements that spell out the details of an arrangement for the venture must be consistent with the needs and nuances of the endeavour regardless of whether the City's ally is from the private, not-for-profit or charitable sectors. Even if a group's mandate and service philosophies are seemingly aligned with municipal values, the contract terms and conditions must protect the municipality from the inherent risks of the arrangement – notwithstanding the well-meaning intentions of the proponent organization. Additionally, there may be circumstances where certain groups are not qualified to undertake a project despite their desire to serve the community. Or they may be ill-equipped, under financed, inexperienced or simply incapable of partnering on a facility development and management project.

The partnership processes described in this report standardizes the scrutiny of proposals and proponents to ensure that they are evaluated to the level of detail called for by the size and sophistication of the endeavour for which a relationship is being considered.

It is noteworthy that each project is unique and proponents will have different backgrounds, qualities and attributes. The templates presented herein can be customized and modified as required by a particular project or partner circumstance. This report's information and tools are intended to help the City determine the most appropriate arrangement and relationship structure pertaining to a particular venture.

In summary, the material presented herein will increase the City's capacity to effectively and efficiently evaluate the merits and drawbacks of potential project proponents and perspective arrangements, which will ultimately protect the interests of the municipality, the potential partner(s) and, most importantly, the residents of Greater Sudbury.

Background to Relationships with Non-municipal Entities

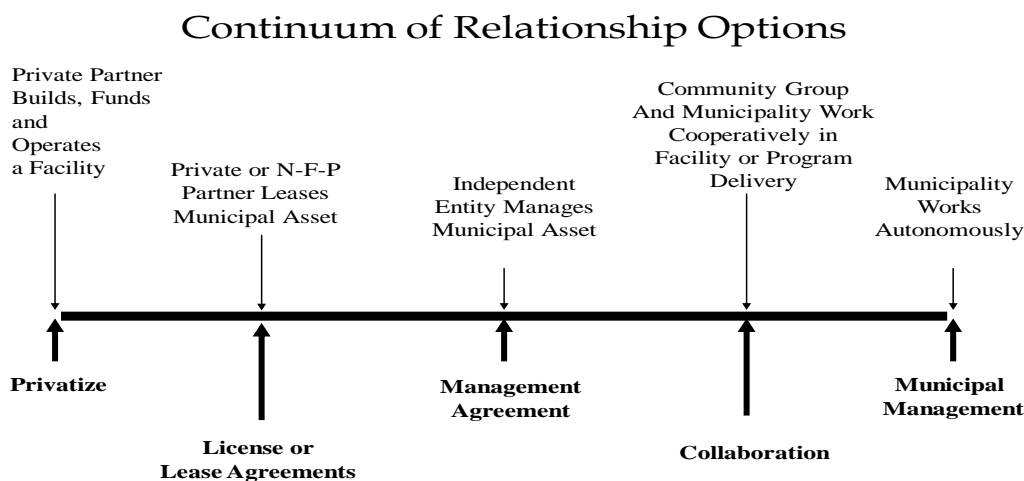
As demonstrated by the comparable facility examples presented in Section 4, municipalities utilize a variety of relationship structures to develop or operate publicly owned leisure facilities. These operating alternatives can be viewed as a continuum, with the municipal development and management approach furthest on the right of the range, representing the most conservative and traditional methodology. Privatizing facility operations would be at the opposite end of the spectrum given that the municipality would have entirely transferred the management and operating responsibilities to a private partner.

There are many options in between these extremes, including collaborative relationships with community organizations, joint ventures with a not-for-profit or private service providers, management agreements with private interests or facility license or lease agreements. The choice of the most appropriate model will depend on the characteristics and business case of the project, the municipality's expectations for the facility or service, the availability of qualified partners and the level of risk the municipality and the potential partner are willing to tolerate.

Agreements between local governments and external organizations are not new. Fairly simple arrangements between municipalities and local service clubs or sport user groups have a long and often successful history in many jurisdictions. Volunteer boards of management with operating responsibilities for arenas or community centres have also been commonplace in a host of communities across the country. However recently, certain jurisdictions are contemplating relationships that are quite different from service delivery approaches of the past. For example, non-profit or charitable groups like the YMCA are now operating facilities and providing programs in certain jurisdictions where the municipal

recreation department was once the sole service provider of leisure, fitness or aquatic programming. Likewise, municipalities have opted to align with private operators who help develop, manage and program community facilities, especially when the facility presents a viable business opportunity such as in the case of quad-pad arenas. As demonstrated in Section 4, some municipalities are creating lease and operating agreements with community groups or Boards of Education for “sport-specific” facilities such as bubbled indoor turf facilities or air supported tennis structures operated by community tennis clubs.

Understandably, non-traditional relationships – especially those involving private entities – have been met with a degree of skepticism by public sector staff and, to a certain extent, taxpayers. However, there is increasing evidence that well-conceived and thoughtfully designed relationships can provide mutual benefit to both partners while protecting the interests of the communities they serve.



There is no question that the concept of relationships between governments and non-traditional allies is a growing trend. According to the Canadian Council of Public Private Partnerships, the significant rise in the number of joint projects is a testament to the commitment of the Canadian and provincial governments to use partnerships to deliver and operate public infrastructure. And, with national and provincial ministries dedicated specifically to the cultivation of successful partnerships (P3 Canada and Infrastructure Ontario, etc.), it is unlikely that trend will diminish any time soon.

Not surprisingly, alternate service delivery arrangements are becoming more creative and successful as organizations learn more about transition issues and the need for ongoing management of these forms of relationships. There is no single formula that will satisfy all potential situations. However, as the concept evolves, best practices and guidelines are emerging and more knowledge is being gained about the more successful approach to creating and sustaining these relationships.

Section Organization

This section is designed to help the City of Greater Sudbury take advantage of industry-specific information and best practices for developing partnerships with outside interests. The section specifically focuses on projects involving municipal assets or endeavours that are somewhat more entrepreneurial than customary municipal services. It is arranged into three key areas of interest.

Section 5.2 – About Partnerships: Sets the context for a relationship between the municipality and an external organization while providing information about what to look out for in searching for an appropriate arrangement.

Section 5.3 – Relationship Guiding Principles: Addresses what is required to provide a solid foundation for successful relationships including the underpinnings of a solid working relationship between the City and an ally.

Section 5.4 – Creating Effective Relationships: Presents frameworks and templates that can be utilized by Greater Sudbury in designing and implementing its search and selection process as well its relationship management approach to ensure the partnership remains as productive as possible.

While this information does not provide all the answers, it presents the tools and information to help the City identify and select the right solution for a venture for which a collaborative response is appropriate. It also ensures that each project and proponent is treated with the same degree of scrutiny, transparency and professionalism.

The City's success in developing sound partnerships will depend on building solid relationships with adept partners. Relationships should adhere to guiding principles that emphasize respect, trust, honesty and a shared vision of accomplishing results by working together.

5.3 About Partnerships

What is a Partnership?

For the purposes of this report, the term partnership refers to Greater Sudbury's relationship with non-municipal entities. While partnering is an all-encompassing term, the nature and structure of the arrangement must be fluid enough to respond to a variety of circumstances. This report refers to a partnership as an enduring relationship between the City and an external ally through which a degree of value is received by both project participants. The arrangement should augment the City's ability to deliver community services and as such the public that is served by the relationship has a certain stake in the nature and structure of the agreement. These types of arrangements are wide ranging but frequently include: use or maintenance of civic assets; program and service delivery that benefits the City and/or its ratepayers; and delivery and operation of a public facility.

Elements of a Successful Partnership

Each potential relationship must respond to specific needs and be structured consistent with the requirements of the proposed project. However, several common elements are usually inherent with successful partnerships.

- The venture will be mutually beneficial to the partners.
- There will be clearly defined roles and responsibilities.
- There will be a performance evaluation methodology.
- There will be shared commitment to serve the needs of those affected by the venture.
- There will be a commitment to improve.
- There will be fair and honest recognition of each partner's contribution.

Choosing a Partner

Research has found nine factors that should be in place when choosing to enter into a partnership or selecting a potential partner.

- Individual excellence – partners have something of value to contribute to the relationship.
- Importance – the contemplated alliance fits the strategic goals of each partner.
- Interdependence – the partners need each other and their complementary skills, to fulfill the goals and objectives of collaboration.
- Investment – there is tangible commitment of resources by all involved.
- Increased reach – the size of the market or scope of services served by the partnership is expanded.
- Information – there is open communication regarding goals, conflicts, problems and changes.
- Integration – there are many connections between partners at several levels.
- Institutionalization – the alliance has a formal status in all organizations and cannot be abandoned on a whim.
- Integrity – no partner will try to undermine the alliance.

Potential Types of Arrangements

Although there are numerous forms of partnership structures available to Greater Sudbury, research suggests that most municipal arrangements can be grouped in one of the following categories.

- *Strategic Alliance* – a relationship that involves the municipality and one or more organizations collaborating on planning and delivering select facilities, services or programs.
- *Contract Agreement* – services contracted by the municipality to a partner organization, whereby the contracting partner delivers a service consistent with a predetermined specification.
- *License or Lease Agreement* – facilities rented by the municipality to a partner, where the licensee or leasee licenses or leases a public facility for its private and sometimes its exclusive use (although usually with provisos for public access guarantees).
- *Service Agreement* – services provided through an agreement between the municipality and one or more partner organizations, where services are jointly controlled, managed and operated by the partners as specified in an agreement.

- *Facility Development (Equity) Agreement* – facilities that are mutually planned and jointly funded, and where constituents of the participating partners would have access to the facilities in accordance with an agreement governing facility use and operations.

Realistic Expectations

A review of case studies suggests that the concept is a reasonable option for creating cost-effective solutions to both capital and operating challenges confronting many municipal community service departments. However, relationships with external entities are not a cure-all for every problem currently facing the public leisure sector. Too often, expectations are beyond the capacity of a partnership to deliver and consequently the relationship can eventually be perceived as a failure. Also, a partnership must be mutually beneficial and therefore there will likely be considerable give-and-take in terms of the project's outputs. It is therefore advisable to establish clear and attainable objectives at the outset of the project and to tie the expectations of senior officials of both the municipality and its partner directly to the anticipated results of the relationship.

Potential Outcomes or Benefits of Successful Relationships

Partnerships between municipalities and outside interests generally involve one of the following objectives and/or outcomes.

- to create or maintain public infrastructure
- to improve customer service
- to acquire access to more information
- to reduce the cost of government procurement
- to commercialize municipal resources
- to provide public agencies or community groups with greater access to new sources of capital
- to capitalize on collective energies and expertise of participating groups
- to optimize the use of public sector resources
- to undertake major social or economic initiatives

Partnership benefits compared to traditional municipal managed approaches can include the following:

- increases in operational efficiencies
- improved revenue production
- reduced operating costs – although less savings than often presumed
- shared operating and commercial risks
- expanded inventory of programs and services

Myths about Partnerships

As mentioned above, most external relationships will not result in benefits that solve all the problems currently facing municipal leisure service providers. Common misconceptions include the following:

All risks will be transferred – While certain risks may be shared between the project participants, the municipality will always be exposed to certain operational and commercial risks. For example, taxpayers often look to the municipality to resolve disputes or other operational problems even though an outside entity is responsible for facility or service delivery. Additionally, it is impossible to transfer risk without also transferring control over the elements that will influence risk. For example,

a municipal partner will not likely be successful in transferring revenue risk while retaining control over setting fees. Even though Greater Sudbury might decide to contract-out the delivery of certain services, it is likely the municipality will still be on the hook for any complaints or criticisms associated with facility standards, service quality or service interruptions. There have been cases in Canada where third party providers have abandoned projects that were valued by the community forcing the municipality to step in to resurrect the service. These situations are troubling because they are often unforeseen which means municipal staff must respond in an emergency fashion. Also, municipalities have had to deal with financial fallout from situations where former third-party providers have received advance payment for services that were not delivered.

Private equity will solve capital funding problems – Private sector capital investment is often more expensive than traditional municipal funding models. Typically, the private sector expects returns on investment that are higher than municipal borrowing rates. Often, traditional lending institutions are not inclined to provide partners – private or (especially) not-for-profit organizations – with financing assistance in the absence of a municipality's covenant to backstop the loan. It is for this reason that many capital projects involving private entities have been entirely funded by local governments.

Sponsorships/naming right fees will make an otherwise unviable project viable – While sponsorships, naming rights and creative marketing endeavours can produce useful streams of revenue, the authors of this report are not aware of any substantiated cases where these activities have converted a loser to a winner.

Project participants with similar mandates will have a solid and successful relationship – Frequently this is not the case because of conflicts in styles, branding issues or differing approaches to certain aspects of the business. For example, some municipalities that have entered into recreation facility operating agreements with not-for-profit groups have later discovered that the municipality's brand has all but disappeared from the facility. In other cases, under the operating agreement, municipal recreation clients are required to pay higher than expected fees to access the facility or participate in a program.

Once the relationship is struck, the municipality has little to do – To be successful, relationships need to be effectively managed. It is not sufficient for the municipality to nurture a relationship and then leave the partner to its own devices. It is the municipality's obligation to maintain an ongoing relationship with its partner to ensure that service standards are maintained; contractual obligations are met; required supports are provided; and potential problems are addressed through joint planning and action. A balance must be struck between the municipality's responsibility for audit and oversight and the partner's right to conduct business with minimal interference. Each party should appoint one person to be the main contact on all matters relating to the administration of the agreement. They should meet on a regular basis to stay abreast of emerging issues, resolve potential problems and identify opportunities where additional resources are required to enhance the success of the relationship.

5.4 Relationship Guiding Principles

Mutual Responsibilities

The extent of Greater Sudbury's influence on a relationship will hinge on a number of issues such as the amount of municipal investment in the project, the allocation of risk, the intricacies of the facility or project for which a relationship is contemplated and the community's perception and acceptance of a joint approach to the venture. These factors must be addressed and managed not only while developing the relationship but also as the arrangement is managed throughout its lifecycle.

The City will always be perceived as the trustee of public resources and as such should focus on achieving public benefit while managing or minimizing risk. Meanwhile, the City's partner can be focused on the facility's development and/or operations which meet pre-established partnership principles, objectives and standards. Both the City and its partner are responsible for the success of the partnership and both are ultimately accountable to the community.

Standard Partnership Approach

Most municipal decision makers believe that it is the municipality's responsibility to protect the public's interest in terms of accessibility and affordability when contemplating the creation of a relationship with an external entity. However, too frequently, little consideration is given to other issues that should be specified or controlled in relationships with external entities. Furthermore roles, responsibilities, expectations and relationship structures are often established in response to the characteristics of a particular project with too little regard given to what makes most sense for the municipality and its ratepayers.

As the public/private relationship concept became more popular in the late 1990s a Ministry of Citizenship, Culture and Recreation report provided numerous observations that remain relevant today. The report revealed that several municipalities had created relationships with private sector partners without a general framework or pre-established protocol to guide the relationship development process. In the absence of a framework, knee-jerk decisions became common place causing difficulty in effectively creating successful arrangements. At the time, municipal officials expressed a desire for a standardized approach for the evaluation and selection of the most appropriate partnership strategy and the most adept partner.

Interestingly, public sector officials frequently had difficulty in describing the municipal expectations for a relationship with a potential partner, which often resulted in miscommunication and poorly understood project objectives. Moreover, officials reported that projects frequently developed a life of their own creating momentum that was difficult to harness in mid-process and that eventually compromised the quality and potential benefit of the venture.

Relationship Principles

A well-conceived partnership framework begins with the establishment of foundational principles that pre-determine the municipal response to issues that will likely emerge during discussions with potential partners. In essence, the principles lay out the municipality's position regarding significant relationship elements. Normally a Partnership Committee or working group made up of staff, elected officials and key stakeholders develop principles that are specific to the municipality in the following areas.

- Desired level of compliance with municipal values and philosophies and the potential partner's attitude towards public service.
- Desired levels of control and the mechanisms that the municipality must be provided to ensure adequate facility quality and service standards are maintained.
- Minimum attributes that the partner must bring to the relationship.
- Municipal risk tolerance and the conditions under which risk will be absorbed.
- The degree to which stakeholders and others should be involved in the deliberations regarding the partnership and the manner in which the public's interest will be reflected in the selection process.
- The municipality's financial expectations and conditions under which certain types of investments in the partnership will be considered.

Establishing fundamental principles is a very important step in the relationship development process because criteria used to evaluate potential partners' proposals are usually tied to these overarching statements. Given that relationship with external entities will very likely be part of Greater Sudbury's future recreation service delivery methodology, a Partnership Committee and a standard set of Principles should be developed to ready the City to respond to solicited or unsolicited partnership opportunities.

An Opportunities Audit

Municipalities often utilize informal models to identify projects that may be good candidates for relationships with third parties. Often municipalities respond to proposals that arise from potential community partners and in so doing examine the most appropriate service delivery approach – self-delivered, partnered, hybrid model – for its existing inventory of programs and services. Or the municipality may have identified potential opportunities for which it could issue a Request for Proposal in search of a project or program partner – like in the case of contracting out learn-to-skate or tennis instructional programs. Another approach would be to develop and implement a partner opportunities audit.

As presented in the 2004 City of Greater Sudbury Parks, Open Space and Leisure Master Plan, an opportunities audit is a series of steps that act as a filtering process helping municipalities define suitable projects for which relationships with third party groups could be considered. The audit is a useful method to identify new projects for which the municipality would seek a partner. For example, municipal officials may decide to use the audit to determine a facility development strategy such as the manner in which it will bring new ice surfaces on-line to meet increases in demand. It could also be used to determine if an existing program or service that is currently being directly delivered by municipal staff could be more effectively or efficiently divested to a qualified partner organization.

The following steps are generally included in the audit process.

- Identify a range of services that may be potential partnership candidates.
- Determine cost/revenue implications of the traditional municipal model.
- Determine preferable partner contributions to the project.
- Identify a range of potential partners.
- Determine appropriate public sector contribution to the project.
- Identify potential partnership models.
- Identify areas where services might fall outside identified models.

- Identify potential stakeholder concerns.
- Identify mitigating factors to stakeholder concerns.
- Identify service delivery mechanisms that fit within the model.
- Determine potential cost/revenue gains by applying the model.
- Determine operating gains to the system by implementing the model.
- Determine potential costs to the system by implementing the model.
- Identify the priority of the opportunity within the leisure system.
- Identify procedures and desired timetable for the pursuit of partners.

5.5 Creating Effective Relationships

The wide range of potential opportunities coupled with the variety of potential relationship structures results in varying rationale that underpins the formation of municipal alliances with outside interests. Relationship opportunities sometimes arise from projects conceived by the local government or a new or restructured initiative. In other instances, the municipality will be required to respond to a proposal submitted by outside interests.

This section provides background information and resources to assist the City evaluate the merits and drawbacks of potential partnerships and prospective partners.

Setting the Stage for a Partnership

Municipalities often use logic models or decision frameworks to determine the most appropriate service delivery approach for new facilities or services. Effective frameworks provide answers to several important questions.

- Is the proposed facility or service needed in the community?
- Is the proposed facility or service consistent with municipal values?
- Who is best equipped to deliver the facility or service?
- Will municipal interests be protected within the selected approach?

Flexibility is an essential ingredient in functional frameworks because facility or program characteristics are frequently unique. And, community groups often have complex expectations. Practically, it is quite likely that a pre-established framework will evolve as the City becomes more familiar with its application.

There are several key questions that should be answered before entertaining the concept of a partnership for the development of a facility or a new partnered approach to service delivery.

- What is the value of the asset for which a relationship is contemplated and what is the City's required investment to support the partnership?
For existing facilities, the value question should consider the physical condition of the asset, its replacement value, any peculiarities of the facility and its geographic location. It may be helpful for the City to establish "dollar value thresholds" for small, medium and large projects that could be linked to different levels of approvals, special investigation requirements, the application of various degrees of viability tests, etc.
- Will the City's investment be a one-time expense or will there be a requirement for ongoing funding support?

Municipal subsidies to pay for financial short falls over the lifecycle of a facility (which could be 25 to 40 years) could easily eclipse the initial capital costs of construction. The total project cost including subsidy support should be determined early in the process.

- To what extent is the public expected to utilize the facility or service?
Conversely, what would be the community impact if the facility or services were no longer available?
- In view of the size and complexity of the facility in question, what specific skill sets are required of the venue operator?
Further, do municipal personnel have the necessary skills to operate the facility or would additional expertise be required?
- Does the City have written operating specifications and standards of performance for the building type contemplated for a partnership arrangement?
If so, is it realistic to expect that an external organization would be able to meet the City's standards?

Framework to Determine Service Delivery Approach

Leisure Service's mandate, goals and service objectives should establish the City's basic position on issues associated with the desired community and individual benefits arising from the provision of a new facility or service. Therefore, the City's public-service philosophy, service priorities and objectives for a relationship with outside groups should form the foundation upon which the decision framework is based.

Once the mandate, values and service objectives have been established, it is necessary to determine if the municipality is best equipped to provide the facility or service (direct delivery) or if a relationship with a community group, not-for-profit organization or private partner is the most appropriate service delivery approach (indirect delivery). This is a reasonable starting point whether the City is readdressing its delivery method for an existing facility or service or determining the best approach for a proposed new one.

At a very minimum, the facility or service must concur with the Leisure Service's mandate and values. This is an important determination because from time to time the City may be asked to participate in ventures or to provide services that are outside usual norms – which represent elevated levels of service and sometimes involve new operating expertise or other requirements. Even though the proposed service may have merit, the municipality should not feel obligated to participate in its delivery if the service is outside of the City's mandate or in conflict with municipal priorities.

Determination of need, assessment of inherent or potential risks, identification of adequately equipped partners and an assessment of the necessary attributes required to be involved in facility or service provision are all necessary precursors to shaping service delivery approaches. With this information in hand, Leisure Service can effectively compare the merits and drawbacks of the direct and indirect delivery methods on a facility-by-facility or service-to-service basis. The following model illustrates a sample framework or decision-making process that could assist in selecting from the two delivery approaches.

Decision Tree for Direct vs. Indirect Service Delivery

Steps in the Process	Consequence
Is the facility or service consistent with the municipal mandate and service philosophy?	If yes, proceed to next step If no, do not consider municipal involvement in the project
Is there a municipal role to play in providing the facility or service?	If yes, proceed to next step If no, do not consider municipal involvement in the project
Is there demonstrated community need for the proposed facility or service?	If yes, proceed to next step If no, do not consider municipal involvement in the project
Can specifications ensure that an outside entity will conform to the principles of Leisure Service's mandate, values and service standards?	If yes, proceed to next step If no, consider providing the service using a traditional municipal self managed approach (direct).
Can financial and liability risks be reasonably mitigated through an arrangement with an outside entity?	If yes, proceed to next step If no, consider providing the service using a traditional municipal self managed approach (direct).
Are there suitably qualified or properly equipped partners willing to provide the facility or service?	If yes, proceed to next step If no, consider providing the service using a traditional municipal self managed approach (direct).
Can the delivery responsibility of the service or program be assigned to an outside entity on a sole source basis?	If yes, proceed to next step If no, issue a Request for Proposal or other procurement process specified by purchasing policies.
Is there consensus regarding the terms, conditions, standards of delivery and responsibilities of the facility or service delivery agent?	If yes, proceed to next step If no, negotiate mutually acceptable operating and performance standards with an outside entity.
Establish a relationship with an outside entity to deliver the facility or service and adopt a mutually agreeable monitoring system.	

This framework simply formalizes the thought process when evaluating the merits of the direct compared to the in-direct facility or service delivery approach. Additionally, utilizing the framework to define “who is best to do what” also involves an assessment of the requirements of the facility or service to ensure that the responsible party is adequately equipped to be successful. This might result in the identification of new or additional supports that the Leisure Services should provide an outside entity or opportunities where organizations can become more effective with increased assistance from municipal staff. In other words, if the indirect delivery approach were identified as the most appropriate direction for a particular service, Leisure Services role would change from a service delivery to a support function. This may require the deployment of different types of resources and it might be necessary for staff to acquire new types of skills to effectively nurture and support outside groups.

If the indirect delivery approach is found to be most applicable to a particular facility or service, careful management of the relationship between the City and its delivery agent (volunteer organization, private

company or community partner) will be important in achieving desired results. Mutual planning, regular monitoring and frequent communication are critically important.

Municipal community service departments that elect the indirect delivery approach are finding it increasingly difficult to simply rely upon a willing service delivery provider without first establishing operating or service standards of delivery to protect the interests of the municipality and leisure service clients. Some municipalities work out what is expected of the community partner and then create an agreement or letter of understanding that is endorsed by both parties. The points that are covered in the documentation are dependent upon the complexity of the initiative and the risks involved – but at a minimum should include specifications regarding safety, facility operations (if applicable) service quality and the financial agreement.

In summary, the framework outlined above can be employed to: (1) determine the role of partners in service delivery; (2) determine the Leisure Services' most appropriate delivery method for new services; and (3) reassess the Leisure Services' role for existing services.

Formulating a Relationship

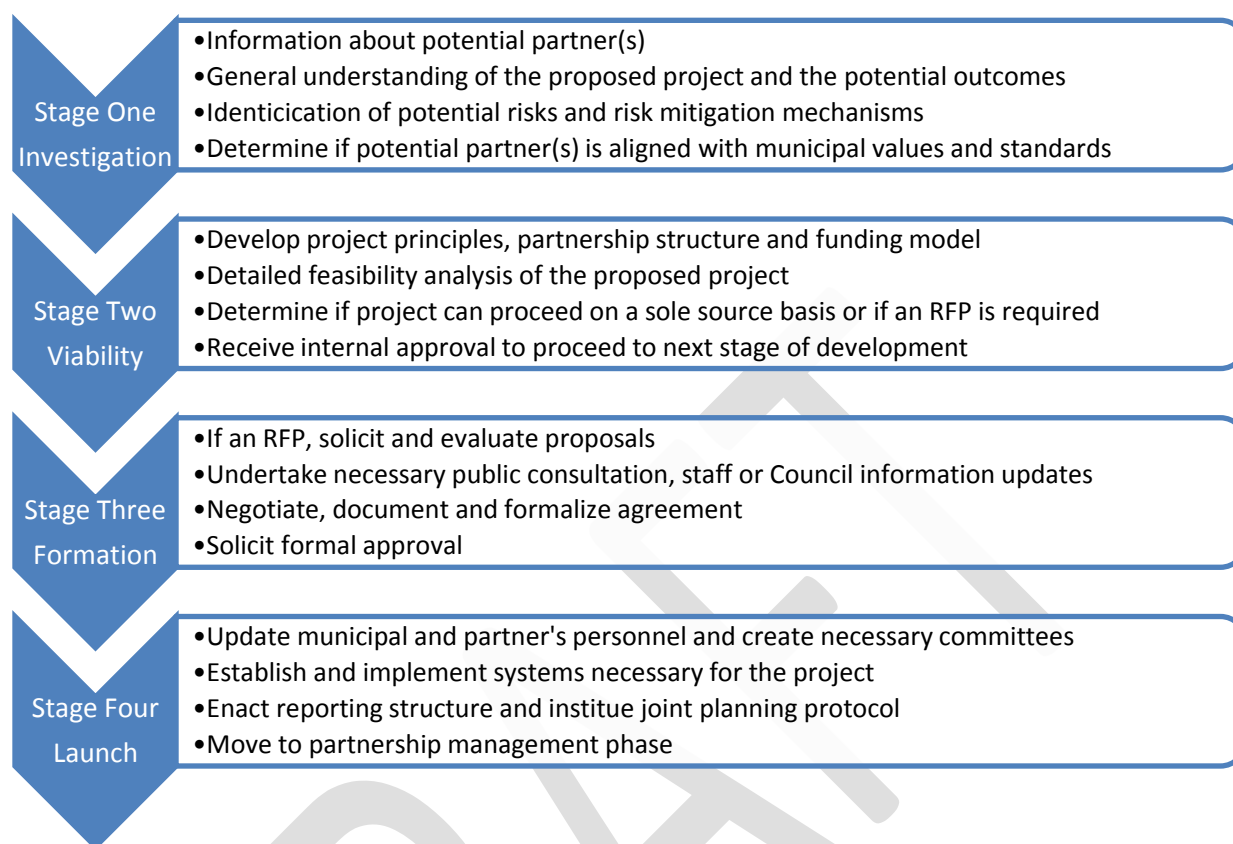
Guided by the planning principles and based upon the outcome of the opportunities audit, the City will be in a position to match potential relationship models with selected types of projects. The process of searching for an appropriate ally and establishing a productive relationship will largely hinge upon successfully completing the planning ground work in advance of considering a particular project.

To help standardize the thought process in relationship development and to ensure that affiliation variables are considered, many organizations utilize process models to visually demonstrate the required activities, the anticipated outcomes and the decisions that arise from achieving process milestones. As stated earlier, there is tremendous variation in the size, complexity and nuances of relationships between municipalities and external entities. It is therefore impossible to anticipate all the considerations that may apply to any particular relationship. For this reason, staff typically rely on expertise and resources available through the various municipal business units – in particular Purchasing and/or Procurement, Finance, Legal and the department that will be most affected by the partnership.

As previously mentioned, many jurisdictions have established Partnership Committees or Technical Committees to oversee planning, formation and monitoring of relationships with outside entities. Committee members are usually representatives of the aforementioned business units plus elected officials and sometime stakeholders with knowledge of the project or venture but free of any conflict of interest.

A simplified process model illustrating a typical four stage approach to establishing a partnership is presented below. A more detailed model is presented in **Appendix A**.

A Four Stage Partnership Development Model



Proactively Locating and Evaluating Partners

The City of Greater Sudbury's By-law 2014-1 clearly outlines the City's governing procurement policies and procedures. The By-law sets out the Council approved approach to procurement methods and procedures, proponent notification responsibilities, purchasing approaches that are based on the value of the purchase, Request for Pre-Qualifications procedures, Request for Tenders and Request for Proposal methodologies, cooperative purchasing, response to unsolicited proposals and revenue generating contracts. The City's methods to locate and evaluate potential project participants must conform to all of the terms and conditions of the aforementioned By-law.

As suggested by the preceding model, the City will be in the best position to benefit from creative relationship building if it proactively pursues collaborative projects that it believes will bring value and elevated service potential to Sudbury residents. In doing so, it is likely that municipal officials will most often use the tender call process and the Request For Proposals (RFP's) approach to locate a suitable partner.

The tender call process is appropriate when the City is seeking a well-defined product, service or commodity and detailed specifications are available. It should be understood that the tender process generally limits the potential for creativity on the part of candidate partners.

The Request For Proposal (RFP) process is appropriate when the City identifies a need or opportunity, but the means to achieve the desired outcomes are not readily known and creative solutions are

expected. This method also creates a competitive environment involving several potential partner candidates whose proposals can be evaluated and rated against one another. The issuance of an RFP may be preceded by a Request for Interest process to narrow the field of potential partnership candidates to those that are most qualified to proceed to the more detailed RFP process. The RFP can also include a “municipal management” option that involves the development of a “Municipal Comparator” against which outside proposals are tested. These elements and processes are described below. Sample templates and worksheets that support the implementation of these evaluation methodologies are contained in the various appendices of this report.

Implementing a Three Staged Selection Model

Assuming that the investigation stage of the model indicates that the venture is a candidate for a collaborative project, the City could initiate one of the two aforementioned methods of locating the partner. For complex projects, it is likely that the municipality would elect to implement a three-staged search and selection process. The detailed steps of this three-stage process are presented in **Appendix B**.

Guided by the planning principles and based upon outcomes of the opportunities audit, the City would be in a position to match potential relationship models with selected types of projects. The process of searching for an appropriate partner and establishing a productive relationship will largely hinge upon successfully completing the planning groundwork identified in the Stage One analysis.

The first step in the search and selection process usually involves a Request For Interest (pre-qualifications) during which candidates attempt to demonstrate their worthiness for the project. This stage normally concludes with recommended short-listed proponents proceeding to the RFP stage of the process. A sample communiqué to the Evaluation Committee as well as a pre-qualification evaluation criteria and a scoring form are presented in **Appendices C and D**.

The next step involves a response to a comprehensive Request For Proposals, the details of which will vary depending upon the nature of the project. It is at this point where specific evaluation criteria based upon the planning principles are employed to evaluate and rank proposals. Based upon the elements of the propositions and the nature of the venture, the City would decide upon its desired relationship structure. The level of municipal contribution to the project (financial and other resources), the level of control the City wishes to maintain and its risk exposure will likely determine the structure that is most appropriate.

To assist Greater Sudbury develop a more thorough understanding of the application of the Request for Proposals evaluation process, **Appendix E** provides sample descriptions of the evaluation criteria and a sample evaluation form specifically for the Request for Proposals stage of the Relationship Development Model. These materials have been drawn from previous partner search and selection processes and are presented herein to provide Greater Sudbury sample templates upon which to build its own process documentation.

Ultimately, the RFP selection process is to conclude with a selection of the preferred proponent that the Committee deems to be most qualified to undertake the project. In certain circumstances, the evaluation also includes a comparison of the top candidate’s proposal to a municipal management model. If a “self-managed option” is to be considered as potential alternative, a municipal comparator must be created in advance of beginning the RFP evaluation process. Additionally, proponents must be

advised that, depending on the outcome of the process, the municipality may elect to keep the project in-house.

Negotiating the Agreement

Although the successful proponent will have identified the major requirements of the partnership, the negotiation process involves in-depth discussions and reviews with the intent to creating a mutually acceptable and viable working relationship. Normally, detailed negotiations are quite time consuming, especially for complex projects.

Monitoring and Managing the Agreement

After implementing the project, the partners should engage in a mutual evaluation of the relationship. Where necessary, adjustments to roles and responsibilities should be considered to improve the working arrangement between the partners and the results of their efforts. Outcomes should be tested against the partnership principles and new directions should be guided by the predetermined municipal positions regarding the partnership. The consequence should be consistent with the objectives for the venture and the expectations of the partners.

Dealing with Unsolicited Proposal

The City of Greater Sudbury's By-law 2014-1 spells out the City's policy regarding unsolicited proposals as follows:

"No award of a Contract shall be made for an unsolicited proposal unless it is determined by an Authorized Person that there is a legitimate need for the Goods and/or Services offered by way of an unsolicited proposal, then the purchase shall be conducted in accordance with this By-law."

The City sometimes receives proposals for proposed projects which staff have not contemplated to be a potential venture in which the municipality would become involved. In view of the fact that the City cannot avoid receiving these unexpected propositions, it may be helpful to consider a review framework that supports By-law 2014-1, while conforming to all of the procedures and obligations specified by the procurement policy.

Simply because a relationship is proposed is not reason enough to pursue an arrangement with an outside party. The venture must first successfully proceed through a thorough assessment to ensure compliance with municipal values and mandates. The following review framework is specific for unsolicited proposals and demonstrates the manner in which the City can assess this particular type of partnership proposition.

As illustrated in the following graphic, unsolicited proposals should undergo scrutiny in terms of their compliance with the direct and indirect service delivery decision framework as well as the normal criteria that would be applied to a proposition in response to a Request For Proposals. Additionally, proponents will frequently contend that their propositions are unique and should qualify as a sole source opportunity. It will be important for the City to thoroughly investigate the validity of these claims prior to establishing the most appropriate partnership search and selection process.

Standardized Framework for Evaluating Unsolicited Proposals

The City receives an unsolicited proposal from an outside entity.



Proposal is forwarded to a staff Review Committee for analysis.

Does the proposal comply with municipal values, public-service philosophies and community focus?	Yes ▼	No ▶	Reject the proposal.
Does the proposed project meet a demonstrated need and provide community benefit consistent with municipal priorities?	Yes ▼	No ▶	Reject the proposal.
Does the proposed project meet minimum requirements of providing a business plan, risk assessment plan, value assessment, municipal financial and risk obligations, proponent's qualifications, etc.?	Yes ▼	No ▶	Reject the proposal.
Does the proposed project or concept meet the proprietary test?	Yes ▼	No ▶	Initiate the City's typical Request for Proposal process or reject the project.
Does the additional detailed information requested by the Review Committee meet the test of reasonableness and does the project seem viable?	Yes ▼	No ▶	Reject the proposal.
Recommend the project for further consideration and apply the partnership formulation model described above.			

Assuming that the project appears worthwhile, but not deemed proprietary, the City's usual RFP search and selection process would be implemented. However, if the City is satisfied that the concept is worthy of further attention and it is deemed proprietary such that a sole source negotiation would be appropriate, the proponent should provide detailed information, which at a minimum should include the following:

- a comprehensive needs analysis;
- a comprehensive business plan;
- the proponent's financial capacity;
- a clear demonstration of the sustainability of the project;
- in the case of a not-for-profit group, the organization's secession plan;
- detailed evidence of community benefit; and
- a full risk analysis.

A staff committee or a review team assigned to the project would apply criteria similar to the normal RFP process to evaluate the proposition and to determine if the project should be recommended for consideration by Council.

Effectively Managing Service or Operating Agreements

To be successful, agreements need to be proactively and effectively managed. It is not sufficient for the City to nurture a relationship with an outside group and then leave the group to its own devices. It is the City's obligation to maintain an ongoing relationship with its partner to ensure that:

- service standards are maintained;
- contractual obligations are met;
- required supports are provided; and
- potential problems are addressed through joint planning.

A balance must be struck between the municipality's responsibility for audit and oversight and the partner's right to conduct business with minimal interference. Each party should appoint one person to be the main contact point on all matters relating to the administration of the agreement. They should meet on a regular basis to stay abreast of emerging issues, resolve potential problems and identify opportunities where additional resources are required to enhance the success of the relationship.

There are lessons learned from other municipal experiences in this area. Even though a municipality might decide to contract-out the delivery of certain services, it is likely the municipality will still be on the hook for any complaints or criticisms associated with service quality or interruptions in services. There have been cases in Ontario where third party providers have abandoned projects that were valued by the community forcing the municipality to step in to resurrect the service. These situations are troubling because they are often unforeseen which means municipal staff must respond in an emergency fashion. Also, municipalities have had to deal with financial fallout where former third-party providers have received advanced payment for services that were not delivered.

These types of issues can be mitigated or completely avoided through proactive contract management.

Staff who are responsible for managing relationships with service providers require contract management expertise that is different from the skills that would be necessary if the same staff were to deliver the service themselves. Effective contract managers thoroughly understand the roles, responsibilities and obligations of both sides of the relationship and establish information sharing and reporting mechanisms to ensure that the expectations of both partners are met throughout the term of the agreement. The municipal representative may also need to educate the service provider about the necessity for regular meetings and reports especially when dealing with volunteer organizations that are often not well versed in management practices. Utilizing a community development approach, the City's staff person would become the nurturer, trainer and support agent to help community-partnered projects reach their full potential.

It is also important that the municipal staff responsible for the relationship knows how to monitor results, interpret reports, and evaluate accomplishments and shortfalls. Furthermore, the staff must be capable of identifying areas of necessary improvements, be able to effectively communicate the need for improvements and have the capacity to provide guidance that would lead to performance consistent

with the City's expectations. Therefore, matching the skill sets and talents of the assigned staff person with the nuances of managing the agreement is essential.

Managing Agreements with Volunteer Groups

The nature of volunteer organizations sometimes requires that agreements set out details not normally required in relationships with formal legal entities – such as private companies. Some municipalities have obligated community partners to have a clear secession plan to ensure that the organization is sustainable beyond the tenure of its current executive or core group of volunteers. This helps to protect the interests of the municipality and brings a certain degree of assuredness to the arrangement for the entire term of the agreement.

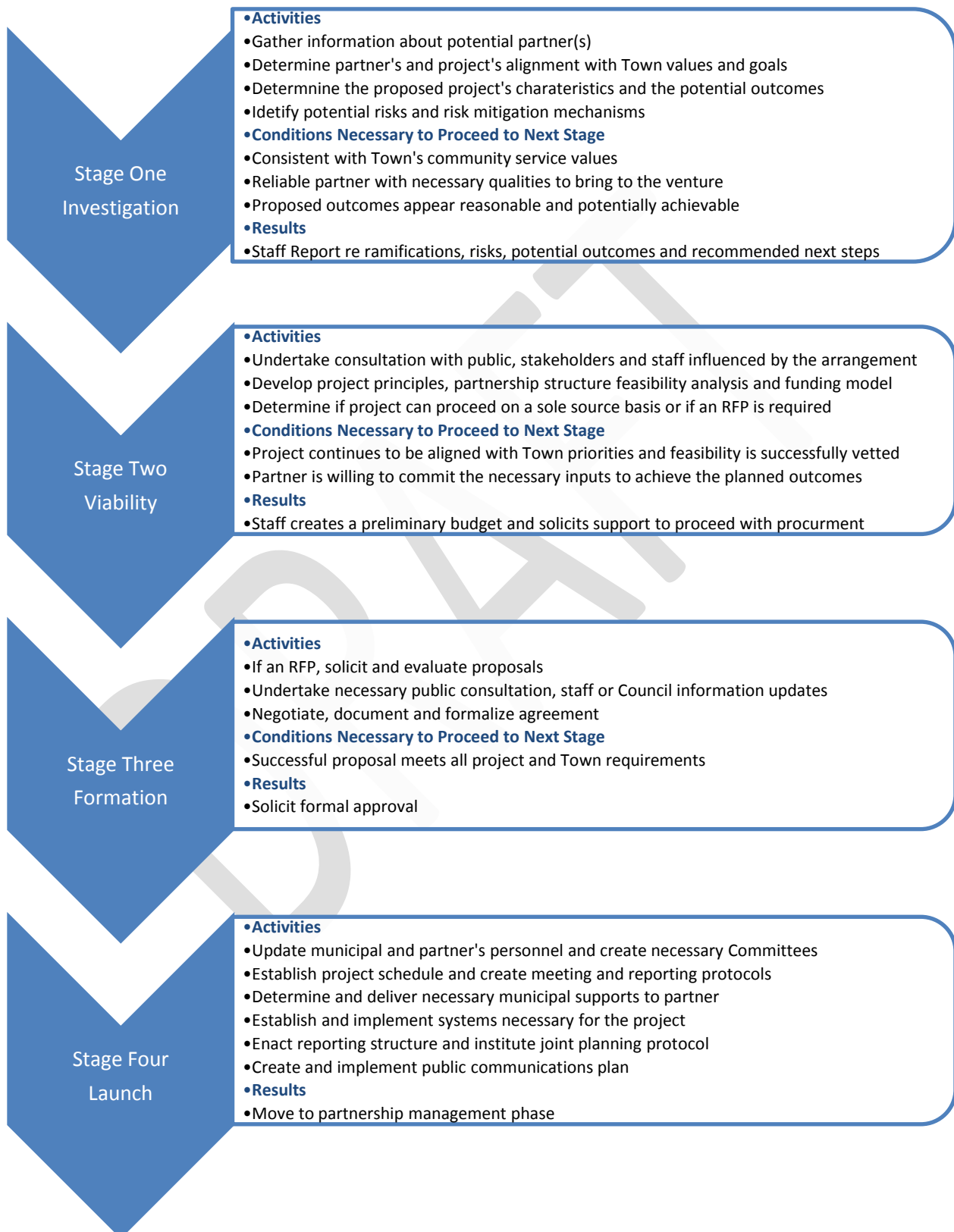
Managing Contracts Must Be Adequately Resourced

Effectively managing arrangements with outside interests is time consuming. A common misconception about out-sourcing is that the practice will substantially reduce or eliminate staff time associated with the delivery of the service. Depending upon the nature and complexity of the agreement, contract management could require as much, if not more staff time than direct service delivery, especially during the contract's infancy. It is therefore important that the Department be equipped with the appropriate number of adequately trained personnel to manage relationships with external organizations.

Evaluation and Monitoring

After implementation, the partners should engage in mutual evaluation of the relationship. Where necessary, adjustments to roles and responsibilities should be considered to improve the working arrangement between the partners and the results of their efforts. Outcomes should be tested against the partnership principles and new directions should be guided by the pre-determined municipal positions regarding the partnership. The consequence should be consistent with the objectives for the venture and the expectations of the partners and the communities they serve.

Appendix A: Four Stage Partnership Development Model



Appendix B: Detailed Steps of a Three-Stage Search and Selection Process

<i>Task</i>	<i>Proposed Date</i>
Assemble current operating and performance data	
Validate principles, criteria and background information	
Finalize Selection and Technical Committees	
Finalize elements and nature of the offer to proponents	
Prepare Request For Proposal (RFP) document	
Receive comments and approval from Committee re RFP	
Prepare Request For Expressions of Interest (RFI) document	
Receive comments and approval from Committee re RFI	
Assemble list of likely proponents and advise re project	
Advertise project and availability of RFI	
RFI submission deadline	
Evaluate RFI submissions	
Short list most qualified candidates	
Release RFP document to short listed proponents	
Site visits by short listed proponents	
Short listed proponents bidders meeting	
Request For Proposal submission deadline	
Evaluate written proposals	
Interview candidates	
Committee meeting to select and confirm preferred candidate	
Prepare process report	
General Manager's report and Council meeting for approval	
Negotiate contract	
Contract award	

Appendix C: Sample Letter to Evaluation Committee

Introducing the Pre-Qualification Scoring Process

Please find attached, criteria descriptions and an evaluation form that been prepared to assist you in scoring the submissions to the Request For Pre-Qualification Document, Management and Operations of Project's selection process. The evaluation criteria reflect the issues that will be important to the success of the project and are described in the Request For Pre-Qualification Document. It would be useful to familiarize yourself with the contents of the Document in advance of evaluating the submissions.

The evaluation form has been structured to accept your scores for each category of criteria. As a suggestion, you may wish to use the following formula to grade each area of the submissions.

Excellent	90% - 100% of available score
Good	80% - 89% of available score
Satisfactory	70% - 79% of available score
Marginal	60% - 69% of available score
Unsatisfactory	0% - 59% of available score

As described on page 14 of the Pre-Qualification Document, to be successfully pre-qualified, proponents are required to score a minimum of 60% of the points assigned in each category and must achieve an overall score of not less than 70 out of the possible 100 points to be short listed – thereby proceeding to the next stage of the selection process. In accordance with the City's purchasing procedures, all proponents that achieve these minimum scoring thresholds will be invited to respond to the Request For Proposals during Stage Two.

You will note there is a column on the Evaluation Form for brief notes describing the rationale for your scoring decisions. This information will offer helpful reminders when we discuss and tabulate the Committee's collective evaluations.

An Electronic Evaluation Form has also been provided. Based upon input of Evaluation Committees in other similar projects, it is often easier to complete the manual Evaluation Forms (including rationalizing notes) before entering the scores in the Excel spreadsheet. Therefore, it is suggested that you evaluate all submissions manually and then transfer your scores to the Electronic Form. Please change the column headings from "Proponent A" etc. to the actual name of the proponent entity and enter your score for each criteria category. The spreadsheet will calculate the proportion of the proponent's score compared to the total available score per category of criteria and tabulate the Grand Total for each candidate.

Space has been provided to accept scores for twelve submissions. In the event that more than twelve proponents respond, simply copy sufficient columns to accommodate the additional scores.

Please consider the following suggestions when scoring the Pre-Qualification submissions:

- Read all submissions before beginning the scoring exercise. This will help in ranking the merits of submissions. Your relative judgment of the elements in each category of criteria may be clearer and scoring may be easier on your second read.
- Note your scoring rationale for each criterion in the designated column.
- Enter your name in the space marked “*Evaluated by*” on both the manual and electronic forms.
- Rename the electronic form file to identify you as the evaluator.
- Keep the contents of all Pre-Qualification Submissions confidential.

Please complete the evaluation process and submit the electronic file including all of your scores to X, no later than “date”. Retain your manual Forms for reference purposes when the Committee deliberates the relative merits of the submissions.

The Evaluation Committee will meet on “date” to complete the Stage One evaluation. The Committee will discuss individual scoring rationale for each criterion and draw conclusions regarding submissions. Collectively, we will tabulate scores and reach consensus on a short list of proponents who will be invited to proceed to Stage Two.

I trust the evaluation process of this Pre-Qualification Stage is clear and that the forms are self-explanatory. Please do not hesitate to contact X for any further assistance in advance of the upcoming evaluation meeting.

Appendix D: Sample of Proponent Pre-qualification Criteria Descriptions to Assist Selection Committee to Score Proponent RFI Submissions

Corporate Information

Proponent Corporate Structure and Stability

The ability of the proponent to demonstrate corporate stability and a historically solid financial position will be an important factor in determining the company's (or consortium's) worthiness to proceed to the next stage of the evaluation process. Submissions should include an indication of the proponent's corporate staff and management structure, years in business, relationships and alliances with other firms, funding sources (such as investors), and details that instill a level of confidence that the proponent is committed and able to enter into a long term relationship with the City. In the case of a consortium, the submission should clearly indicate the lead firm, providing a confirmation that the financial obligations that are implied by the concept are protected by the lead firm's covenant.

Proponent Capacity to Undertake the Project

The submission should include an indication of the proponent's capacity to partner with the City on the project of the size and scope of the proposed concept. The proponent team should include individuals or associate firms with the necessary talents, experience and financial base to undertake all financial and operating elements included in the package. Moreover, the degree to which the lead firm is involved beyond the initial stage of the project may be important, depending upon the nature of the proposed relationship. For example, a firm that may not be involved in the Management/Operating agreement might front development of certain recreation assets. The score for this criterion should reflect both the capacity of the contractor and the proposed operator.

Previous Experience

Past experience of the team or key firms within the team, in operations of facilities of similar nature and scale will be an important evaluation factor. Previous experience involving project related management and operations or other businesses included in the proponent's concept should be considered. An assessment of the skills of individual members of the consortium, separate from the assessment of the demonstrated ability of the firms within the consortium should also help guide the evaluation decision. Consideration of who are the key players on each team and their past experience and the proposed types of facilities should be answered. Depth of the team is also an issue. A consortium with good skills represented by only one individual may not be scored as highly as a consortium that includes more than one individual with the appropriate talents.

Basic Concept Elements

Compliance with Project Objectives

The Request For Interest documentation will outline the City's objectives for the project. Issues such as enhanced leisure opportunities available to City residents and financial benefits to the City will be

addressed. The submission should clearly outline the manner in which the concept and the proponent's plans are capable of fulfilling the objectives.

Quality of the Concept and Facilities

The submission should describe a basic concept that is sound and provides City residents with access to facilities and other support services consistent with the City's traditional recreation standards. Basic operating elements, effective use of the proposed site and other fundamentals of the concept should be evaluated under this criterion.

Cost Efficiencies, Net Revenue and Operational Effectiveness

Although the Request For Interest will provide only the basic elements of the financial proposition, the proponent should identify (even if only in general terms) cost savings, a proportion of net revenues, or operating efficiencies that would accrue to the municipality as a result of the project. For example, a concept that would help the City avoid capital or operating (net) costs normally associated with a municipally developed facility, without compromising facility or service quality, would be viewed favourably. Opportunities to re-allocate existing resources to other service areas (such as staff redeployment) are benefits that could be included in creative partnership propositions. It will be important to focus on the concepts and possibilities rather than searching for specific financial details during Stage One.

Enhanced Concept Elements

Plans for Additional Facilities

The proponent's submission may include facilities and support amenities beyond basic operations. Ancillary facilities that enhance the facility's character and are in keeping with the objectives of the project while remaining sensitive to the needs of participants and other facility users should receive favourable consideration. A proposition that demonstrates an understanding of the market conditions and (likely) viability of the supplementary components should receive high marks.

Creative Leisure Service Enhancements

A concept that creates a desirable destination should be viewed favourably. Innovative, creative ideas for attracting new and return participants should be given merit. Further, plans to integrate different types of facility uses within one complex to the extent that the leisure experience is enhanced beyond what would normally occur at a municipal facility should fare well under this criteria.

General Completeness and Clarity of Submission

The provision of a well-organized, thoughtful submission that clearly describes the proponent's concept and capabilities to perform the associated responsibilities are important. Submissions should be evaluated based upon their comprehensiveness, thoroughness and clarity.

Proponent: _____

Evaluator: _____

City of Greater Sudbury Project Title <u>PREQUALIFICATION EVALUATION FORM</u>			
Criteria	Assigned Points	Score	Notes
Corporate Information <ul style="list-style-type: none"> Corporate structure, profile, philosophy and stability Capacity to undertake the project - financial, operating, management structure 	30		
Key Personnel <ul style="list-style-type: none"> Background and experience Structure of proposed team and availability of each member Organizational chart 	30		
Previous Experience and References <ul style="list-style-type: none"> Current projects and current tenure of each project Scope and size of projects Capital investments made during project Financial benefits provided 	35		
Submission <ul style="list-style-type: none"> Completeness, comprehensiveness and clarity 	5		
TOTAL	100		

Note: Score each criteria category based on the following proportion of assigned points:

Excellent – 90% - 100%

Good – 80% - 89%

Marginal – 70% - 79%

Satisfactory – 60% - 79%

Unsatisfactory – 0% - 59%

Appendix E: Sample of Request For Proposals Evaluation Criteria Descriptions to Assist Evaluation Committee to Score Proponent Responses to the RFP

Project Team – Weight 25

Proponents were advised that although the pre-qualification stage of the Process evaluated their general capabilities to undertake the project, the Evaluation Team is now interested in the relevance of the corporate capacity and individual qualifications to the contents of the detailed proposal. Proponents were asked to provide precise information that identifies the application of their backgrounds to the fulfillment of the project objectives and the significance of qualifications of individuals who will be involved in the project to the successful implementation of the proposed concept and approach.

Corporate Overview

Proponents have been asked to provide a list of all directly related facility management background. Your assessment of past experience in the management, operations and equipping of facilities similar to the proposed facilities will be an important evaluation factor. Additionally, you should be looking for experience in developing facilities similar to the size and scope of the proponent's proposed plans for the facilities.

The Request For Proposal also describes the City's desire to select a proponent with values and philosophies congruent with the City's public service beliefs. Furthermore, the RFP suggests that the facilities and services must conform to the service mandate and basic principles that underpin the City's philosophical approach to the delivery of leisure services. Therefore, you should look for evidence that the proponent's operating approach and plans for the City's facilities are consistent with these public service values.

Proponents with experience in operating a number of different facilities – possibly in different sectors – and/or with diverse background that demonstrates exposure to a wide range of operating environments may be preferred over a group with more limited and less varied background. Also, you should be looking for “relevant experience” that can support the proposed operating plan to the extent with the proponent has an established capacity to successfully undertake elements proposed in the plan.

You should assign a score of between 0 – 10 for this group of criteria.

Corporate and Individual Qualifications

Previous experience of the proponent and its team members in successful projects involving similar facilities are a must. An assessment of the previous experiences of the management team and individuals who will ultimately be responsible for the City's operations should guide your evaluation decision. Consequently, consideration of the key people on the management and operating team and the past experience in similar facilities should be answered. The number of individuals on the team having previous experience in similar projects is also an issue. A proponent that plans to designate an experienced operator should score higher than a proponent offering an operator of limited experience.

The proposed on-site management and staff team's expertise in operating similar facilities are important selection considerations. Demonstrated abilities in management, concession and other retail activities, facility maintenance, equipment maintenance, sports facility operations, food and beverage acumen, and other applicable operating capacities should be given merit. Exposure to community programming as well as customer service experience such as involvement in the hospitality industry would be useful background. The assessment of the skills of individual members who will be assigned to the City's operations will be important. This section of criteria allows for consideration of who are the key players on the team and the personnel's past experience in making these types of facilities successful. The depth of the operations team is an issue... an organization with good operation skills represented by only one individual may not score as highly as a group which includes more than one individual with adequate operating credentials.

You should assign a score of between 0 – 15 for this group of criteria.

Concept and Proposed Relationship – Weight 10

The RFP asks proponents to clearly define the expected arrangement with the City. They are to identify the roles and responsibilities with respect to day-to-day management of the facilities, capital maintenance and conservation. The RFP also asked for an indication of the ongoing responsibilities of the City (if any) with respect to staff and other resources. Program, support, maintenance, and other activities that will be subcontracted are to be identified, along with an indication of to whom these areas will be subcontracted.

These criteria also deal with the provision of a sound relationship between the City and the proponent, reflecting the objectives of the project as articulated in the RFP while remaining sensitive to the service requirements of the facility's patrons. Proponents should suggest an operating agreement accompanied by development strategies that are consistent with (at a minimum) the facility requirements outlined in the Request For Proposal. In each case, the working relationship, operating responsibilities, financial proposition, and other key business elements should be simply put and straightforward. Ambiguities in the proposed business relationship could indicate the proponent's lack of familiarity with this type of project or that the actual agreement may be less favourable to the municipality than the proposal would imply. An equitable relationship will ensure benefits accruing to each party are congruent with the respective capital investment, risk, operating responsibility, and financial return to each party.

This series of criteria also relates to the proponent's understanding of market conditions and asks for an indication of a preliminary feasibility analysis. It is important that the proponent understands the City's recreation and leisure markets to the degree that business plans and operating strategies can be developed in response to local supply and demand. Therefore, look for evidence that the proponent has done its homework in looking at the various influences that would potentially affect the operations ability to attract users, operate special events and/or service the patrons the facility. Generalities or ambiguities could imply that the proponent is not basing the proposed concept on information specific to the City.

The proponents were also informed that the proposal must include an assessment of the viability of the facilities as prescribed by the arrangement with the City. Look for evidence that the proponent understands local competitive forces, has considered opportunities to capitalize upon under serviced market segments, can implement niche marketing concepts for certain elements of the operations, is

sensitive to the potential impact of adjusting the current municipal operating approach, and recognizes the possible negative influence on operations by any proposed facility development.

Although the project objectives are not specific regarding the City's expectations associated with risk allocation, they imply the municipality's desire to establish an economic arrangement producing a return commensurate with the municipality's current investment in the sites as well as inherent operating and financial risks that would accrue to the City as the facility owner. Proponents were asked to provide information regarding their understanding of and conformity to provincial and municipal labour and safety law requirements, methods of limiting risk exposure such as adherence to accepted operating specifications and ongoing facility maintenance, and other security initiatives. Furthermore, the proposal should illustrate the proposed capital conservation and improvement program including asset repair and maintenance activities and capital infrastructure reserve commitments. Finally, proponents should articulate the manner in which financial risks generally inherent in the facility operations (such as short-term cash flow problems) are to be mitigated.

You should assign a score of between 0 – 10 for this group of criteria.

Development Plan – Weight 10

The proposal is to outline the Proponent's plans for facility development. The RFP suggested that concept drawings would assist the City in fully understanding the magnitude of the proposal. The design and construction process, timing and development schedules are to be provided. The construction schedule is to show the design, permitting/approvals, mobilization to site, construction activity by discipline, and facilities' start-up.

The proposal is also to identify all capital costs for developing the facilities and is to provide the basis for the projected costs such as comparable recent examples. Look for evidence that the proponent has experience in undertaking comparable projects and that cost estimates are based upon similar development expertise or alternatively applicable research and case studies.

Finally, the proposal is to clearly outline the timing for full implementation of the development plan including key milestones, required approvals, proposed community consultation, construction, landscaping, etc. This timing must be realistic and identify flexibility with respect to delays in approval processes.

You should assign a score of between 0 – 10 for this group of criteria.

Business and Operating Plan – Weight 20

The proposal is to outline the proponent's business and operating plan for the facility. Issues such as hours of operation, public accessibility, anticipated number of tournaments, outside functions, strategy for maximizing revenues, planned approach to concession management, food and beverage services, and other retail activities should be specified. The RFP also asks for an indication of the proponent's quality control mechanism.

Although the proponent was not asked to perform a detailed needs analysis, business and operating strategies were to consider local supply and demand conditions. Further, proponents were asked to indicate a method through which City staff has an opportunity for input to the operating approach.

The operating plan is also to present the organizational structure, key management personnel, professionals, instructors, concession staff and food and beverage staff, and their related duties. A key consideration is whether the staffing model is sufficient to deliver the level of service contemplated by the plan. Also, the level of municipal involvement in day-to-day operations should come to bear on scoring decisions. A plan that integrates an effective staffing approach with operational activities should be given favourable consideration.

The provision of a plan demonstrating the proponent's marketing philosophy and plans for promotion, advertising, and the interrelationships between these issues, and the proposed management philosophy will be a major thrust in allowing the City's facility operations to be successful. Proponents were asked to provide a plan including details of the proposed marketing strategy, market focus, promotions and merchandising as well as other innovative marketing approaches. Where possible, the plan should be evaluated on how well it utilizes information pertaining to market conditions as well as its identification of realistic competitive advantages, opportunities and threats, marketing of programs, outreach initiatives, special events promotion, and possibly strategies to produce creative revenue streams from alternative forms of programming.

You should be looking for a proposal that presents an operating plan consistent with market conditions, is based upon the operator's previous experience, plus input from City staff or facility users and that is supported by an adequate yet effective staffing approach, providing you with a level of comfort that quality customer service will be experienced by facility patrons.

You should assign a score of between 0 – 20 for this group of criteria.

Financial Proposal – Weight 35

The RFP clearly identifies the City's desire to eliminate the necessity for municipal capital injection to the site(s). Furthermore, the project objectives state the municipality's expectation that sufficient revenues will be produced by operations to finance future capital upgrades and improvements. Finally, proponents are to demonstrate that the long-term asset management of facilities during and beyond the term of the agreement is assured. Although these expectations were included in the Request For Proposal, proponents may request municipal contributions towards the purchase or lease of equipment, capital upgrades to the site or other financing alternatives. Furthermore, depending upon the nature of the proposed arrangement, proponents may ask the City to backstop lease payments or other financing mechanisms – which may include municipal guarantees or other commitments. In the event a management contract is proposed, the City may be requested to underwrite the cost of equipment buy-out at the termination of the contract. This criterion evaluates the total municipal contribution to the project.

The projected financial performance of the facility as illustrated by the 10-year pro forma will be a major consideration in selecting the successful candidate. While the operations and marketing plans criteria assessed the proponent's understanding of issues likely to affect revenue potential (such as market conditions and competitive environments), this criterion assesses the reasonableness of revenue projections from all aspects of the operation. Furthermore, cost projections, based upon staffing models, program elements, and other operating issues should be evaluated. It is likely proponents will establish a variety of different assumptions upon which they will base financial projections. It is therefore important to review the proposal's text as well as the financial information.

Once again, the RFP is quite clear in stating that the City wishes to maximize its financial benefit from the operations of the facility. A demonstration of the financial benefits that will accrue to the City is an important evaluation factor. Guaranteed municipal revenue by way of the proposed agreement, equitable revenue-sharing plans, participation in income distribution formulas based upon pre-determined thresholds should be viewed favourably. Opportunities to reduce current operating expenses through leveraging services offered by the proponent are also potential financial features. Scoring should consider the proposed financial returns as well as the probability or certainty that the municipality will actually receive the financial benefits based upon the proponent's track record as well as security provided by the proponent.

Additionally, the proposed method of financing the capital investment and capital costs associated with the development is to be clearly outlined and explained. The capital-financing plan is to identify equity partners and level of equity, debt financing, anticipated interest rates for debt financing, and an indication of ongoing debt costs is to be included in the operating pro forma.

You should assign a score of between 0 – 35 for this group of criteria.

City of Greater Sudbury Project Title <u>Request for Proposals Evaluation Form</u>		
Criteria	Weight	Notes
Project Team <u>Corporate Overview</u> <ul style="list-style-type: none"> • Facility operating capabilities • Facility development background <u>Corporate Qualifications</u> <ul style="list-style-type: none"> • Relevant facility experience <u>Individual Qualifications</u> <ul style="list-style-type: none"> • Demonstrated capabilities of team members • Involvement of team members • Demonstrated capabilities of sub-contractors • Involvement of sub-contractors 	25	
Concept and Proposed Relationship <ul style="list-style-type: none"> • Clearly defined roles and responsibilities • Compliance with City's values and project objectives • Understanding of local market issues • Feasibility analysis • Risk management plan 	10	
Development Plan <ul style="list-style-type: none"> • Realistic development plan • Capital cost estimates (with rationale) • Realistic development schedule 	10	
Business and Operating Plan <ul style="list-style-type: none"> • Operating plan • Operating structure • Pricing structure • Marketing Plan 	20	
Financial Proposal <ul style="list-style-type: none"> • Rationalization of financial assumptions • Realistic 5-year pro forma • Management fee – value for money • Capital financing plan • Capital re-investment strategy 	35	