



**Staff Report
to
Council**

Date: February 1st, 2013
Department: Administration
Subject: Agreements between YMCA and City to Establish New Service (Aquatic Centre)

Background

As Council is aware, staff have been working with the YMCA-YWCA of Greater Victoria (the Y) in a plan to provide an aquatic centre for Langford residents on Langford Parkway. The plan calls for Westhills Land Corporation (WLC) to build the aquatic centre on land near City Centre Park; for the Y to lease the centre from WLC for 25 years; and for the City to purchase service from the Y, also for a period of 25 years. A tripartite agreement between the City, the Y and WLC was developed under which the City agrees to assume the lease if the Y ceases to operate the facility. In addition, as part of the overall agreement for the facility, a separate lease agreement is being prepared which will see the City lease an additional 4,000 sq ft. in the building. The City is working with the Greater Victoria Public Library in hopes to use this space for a new Library, however, at this time it has not been confirmed that a Library will occupy the space.

Commentary

The 'Operator Agreement' between the City and the Y and the Tripartite Agreement between all three parties have been finalized and the agreements are attached to this report.

The Operator Agreement:

- Is effective from the date the Y begins to provide services to the public (expected to be in late 2015),
- Specifies services to be provided by the Y to Langford residents, including discounts to be given on proof of residency,
- Provides for annual payment by the City to the Y of \$750,000, indexed by population to a maximum of \$950,000.
- Requires the Y to indemnify the City from any liability arising out of the operation of the aquatic centre.

The Tri-Partite Agreement:

- Provides that in the event the Y ceases to operate the aquatic centre the City will rent the area from WLC. It would be the understanding that the City would operate the facility itself until it finds a new operator. Once a new operator is found, a new lease and operating agreement will be established with a new operator. The rents paid will be the same as the lease payments previously paid by the Y.

Additional Lease Space:

- Provides for the lease of an additional 4,000 sq ft of space in the main floor of the recreation facility.
- Staff are still working with WLC on establishing the terms and conditions of the lease.

Financial Implications

When the Operator Agreement comes in to force, there will be a budget impact of \$750,000 annually plus approximately \$100,000 for the additional 4,000 sq.ft. of leased space. About \$315,000 of this will be offset by elimination of debt servicing cost for the pool at Juan de Fuca Recreation and an additional \$110,000 through retirement of debt for trails leaving a net tax cost of about \$17 on the average home.

Legal Implications

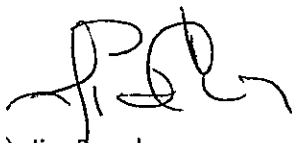
Council is authorized under section 8 of the *Community Charter* to provide municipal services by contract.

Options


That Council:

1. Approve the Operator Agreement and Tripartite Agreement as presented, and
2. Direct Staff to finalize the Lease Agreement with WLC for an additional 4,000 sq ft of space in the YMCA/YWCA Facility, or
3. Decline to establish the service of an aquatic centre under the terms presented.

Respectfully submitted,



Jim Bowden
Administrator



Steve Ternent
Treasurer