

Committee of the Whole (2) Report

DATE: Tuesday, April 16, 2024

WARD(S): ALL

TITLE: SNOW TUBING AND WINTER RECREATION AT NORTH MAPLE REGIONAL PARK UPDATE APRIL 2024

FROM:

Vince Musacchio, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

To seek approval to negotiate and execute all necessary agreements related to the public-private partnership with Gateway Parks Group (GPG) to provide and operate a snow tubing and winter recreation facility at North Maple Regional Park (NMRP).

Report Highlights

- In February 2023, Council received an update on the NMRP Program and a deputation from GPG presenting an interest in developing and operating snow tubing and other winter recreation activities at NMRP.
- Council directed staff to meet with GPG to explore the potential of this opportunity, as well as explore alternative vendors to ensure competitive partnership opportunities.
- In April 2023, a formal Request for Expression of Interest (RFEOI) process was issued by Procurement Services with GPG the only Respondent to this process.
- Based on the results of the RFEOI process, in June 2023 Council supported continuing discussions with GPG to explore terms of an agreement.
- Through consultation with internal departments and verifying the specifications of the site and conducting financial analysis, staff recommend proceeding with a public-private partnership for GPG to design, build, operate and maintain a snow tubing area and associated winter recreation facilities at NMRP.

Recommendation

1. That the Deputy City Manager, Infrastructure Development be directed to negotiate and execute all necessary agreements related to the public-private partnership with Gateway Parks Group (GPG) in a form satisfactory to Legal Services, where GPG will provide and operate snow tubing and winter recreation facilities at North Maple Regional Park (NMRP) in a manner consistent with the proposal outlined in this report.

Background

An RFEOI was issued in April 2023 for snow tubing at NMRP resulting in a proposal from Gateway Parks for a public-private partnership

At the February 14, 2023, Committee of the Whole (2) meeting, the City received a deputation from GPG with an interest in providing snow tubing and winter recreation activities at NMRP. Council directed staff to meet with GPG to explore the potential of developing a public-private partnership for snow tubing and other winter recreation activities, as well as explore alternative vendors to ensure competitive partnership opportunities.

GPG is a progressive snow tubing and winter recreational vendor with over 13 years of experience in Ontario and parts of the United States. The City's vision for NMRP aligns with the vendor's goal of providing a local, affordable outdoor experience while enjoying amenities found at world-class resorts.

Following Council direction, staff met with GPG, as well as issued an RFEOI with Procurement Services in April 2023 to help identify the current market interest of potential vendors for providing winter recreational services at NMRP. Based on the results of the RFEOI process, with only one (1) bid received from GPG, staff continued discussions with GPG to explore their ideas and development plans in more detail, and to develop draft terms of an agreement for them to design, build, operate and maintain snowtubing and associated winter recreation uses on a portion of lands at NMRP.

Previous Reports/Authority

[North Maple Regional Park Program Update February 2023](#), Item 7, Report No. 9 of the Committee of the Whole (2), February 14, 2023

[Gateway Parks Proposal](#), Communication: C5 Committee of the Whole (2), Item 7, Report No.9, February 14, 2023

[Snow Tubing and Winter Recreation at North Maple Regional Park](#), Item 15, Report No. 28 of the Committee of the Whole (2) June 6, 2023

Analysis and Options

City staff continue to meet with Gateway Parks to understand key considerations in servicing requirements, community benefits and agreement terms

Since February 2023, staff facilitated meetings with GPG to understand servicing requirements, and to work through various aspects and draft terms of a potential public-private partnership agreement for the creation, maintenance, and operation of a winter recreation area. Key considerations for snow tubing operations and related uses are the need for adequate power and water supply source for snowmaking. Staff has ensured that these requirements have been met. Staff have also collaborated with Finance, Recreation Services, Facilities Management and Parks Operations staff to conduct further analysis to understand the financial and operational implications.

In April 2024, staff presented a summary of information and key details to the City's Senior Executive Leadership Team. Based on the status of the above discussions and coordination, staff are recommending that they be directed to negotiate and execute agreements with GPG to reflect the proposed partnership.

Key Highlights of GPG's Terms include, but are not limited to:

- Minimum 10-year agreement with a mutual opt-out clause after year two; due to their initial significant capital investment GPG will be exempt from paying any fees to the City for the first two years of operations.
- Operating costs will be fully compensated by GPG, including all utilities. As part of the arrangement, no operating costs specific to the snow tubing operation and amenities will be incurred by the City.
- GPG promises remediation of lands to its original condition after each snow tubing season for return to normal park usage in the Spring. The typical tubing season runs from November to March.
- Starting in the third year of operations, GPG will engage in a tiered revenue-sharing model with the City and provide audited financial statements annually to ensure accuracy and transparency.
- In addition, GPG shall manufacture snow, construct and maintain the complimentary, unsupervised park toboggan area according to City specifications.

Community Benefits

- Provides unique, affordable, local winter recreation experiences, activities and facilities regardless of weather conditions from November to March.

- Access to additional facilities and amenities at NMRP that include gathering spaces and warming and viewing areas, concessions, and washrooms.
- Further excitement generated and community interest in NMRP, significantly increasing the number of park visitors and their enjoyment during winter season.

Other considerations include:

- Insurance and liability: GPG indemnifies the City and is responsible for all guests within the perimeter of the snow tubing operation and associated amenities.
- Any additional potential infrastructure enhancements, upgrades or services required to facilitate GPG operations in excess of the current service levels (currently serviced land) is the financial responsibility of GPG.
- Depending on success of this arrangement, potential opportunities for other winter programming can be explored in the future, such as skating, snowshoeing and cross-county skiing.

Procurement Policy

The City's Procurement Policy provides that public private partnerships that meet the requirements of the Policy still require the approval of Council. In this case, Staff have applied the criteria for other non-competitive procurements, found at Schedule A to the policy. Given the revenue-sharing terms proposed by GPG, detailed below, and the special knowledge, skills and expertise required, as well as the prior Request for Expression of Interest results, the Director of Procurement Services is satisfied that this public private partnership will result in Best Value for the City.

Legal Agreements

Staff will work with Legal Services to identify the appropriate legal form of agreement needed. Based on early conversations, terms related to license, operations & maintenance, and revenue-sharing will need to be captured. Staff seek flexibility in the recommendation to allow Legal Services to determine whether one comprehensive agreement or several corollary agreements are best.

Financial Impact

The proposed Revenue-Sharing Model detailed below identifies no anticipated cost to the City

Capital costs for equipment and related components of the snow tubing development and supporting amenities will be the full responsibility of GPG. As part of the agreement, operating costs will be fully compensated by GPG, including all utilities. No operating

costs specific to the snow tubing operation and other provided amenities will be incurred by the City.

Starting in the third year of operations, GPG will engage in a tiered revenue-sharing model with the City, provision of audited financial statements annually to ensure accuracy and transparency. City revenue projections are based on high/mid/low attendance rates from similar GPG facilities and does not include potential added revenue stream from concessions.

Proposed Tiered Revenue-Sharing Model

GPG Gross Income	Up to \$500K	\$500K to \$1M	Over \$1M
City Share	3%	4%	5%

City Revenue Projections Over 10-year Term

Low	Mid	High
\$104,833	\$262,083	\$436,806

Operational Impact

GPG assumes all responsibility within the perimeter of their operations. There are no immediate operational impacts associated with the recommendations of this report. Staff currently feel that the GPG proposal will not require any additional investment by the City but will monitor the operation as it matures. Communication and collaboration with affected operating departments will occur regularly throughout this project and financial implications will be identified as required for consideration in future budget submissions.

Broader Regional Impacts/Considerations

Completion of the NMRP project involves regular discussion and coordination with various external agencies and stakeholders, including communication plans and potential funding announcements.

Conclusion

Staff are seeking Council approval to finalize and execute a public-private partnership agreement with GPG. Subject to approval to proceed, GPG can initiate coordination as early as May 2024 to prepare and be operational for winter 2024/2025.

For more information, please contact: Jamie Bronsema, Director, Parks Infrastructure Planning & Development, ext. 8858.

Attachment

1. North Maple Regional Park Proposed Snow Tubing Site.

Prepared by

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Approved by



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Reviewed by



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