



**City of Kingston
Report to Council
Report Number 21-253**

To: Mayor and Members of Council
From: Peter Huigenbos, Commissioner, Business, Environment & Projects
Resource Staff: Lacricia Turner, Director, Recreation & Leisure Services
Date of Meeting: November 2, 2021
Subject: Partnership with Tennis Clubs of Canada for Indoor Sport Court Facility in St. Lawrence Business Park

Council Strategic Plan Alignment:

Theme: 4. Strengthen economic development opportunities

Goal: 4.1 Support new and existing businesses

Theme: 5. Foster healthy citizens and vibrant spaces

Goal: See above

Executive Summary:

Tennis Clubs of Canada (TCC) offers year-round access to tennis, pickleball and other court sports in its five independently owned and operated indoor locations in Ontario. TCC recognizes the growing demand for indoor tennis and pickleball courts in Kingston and approached the City requesting to purchase land in the St. Lawrence Business Park to build a year-round indoor racquet sports facility in Kingston. This location is immediately adjacent to the City's John Machin Fields. TCC and City staff have developed a partnership model for municipal use of the facility.

Staff are proposing to establish a purchase of service agreement (purchase agreement) with TCC in order to secure public access and use of the indoor racquet sports facility to support the demand for tennis and pickleball court time as recently outlined in the update to the City's Parks & Recreation Master Plan. Tennis and pickleball court spaces would be utilized for municipal

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programming mostly during non-prime time and therefore would not impact the TCC prime time programming options for its members.

Staff are proposing a purchase agreement over a period of 10 years, starting in the fall of 2022, at an average annual amount of approximately \$88,000. This amount is based on potential space to support the delivery of programs. The purchase agreement would be reviewed regularly should there be significant changes to community access to the facility over the 10-year period. The City would collect fees for use of the courts, similar to users who pay fees to use existing City recreation facilities such as arenas, pools and community centres. Staff are estimating revenue of approximately \$40,000 annually. Subsidy options will also be available for residents to access the indoor courts under the City's Municipal Fee Assistance Program and through TCC's subsidy program to reduce and eliminate barriers to participation for vulnerable sectors. TCC is also working with other community partners, stakeholders and sports organizations for access to facility time and to enhance program and service offerings.

By annually purchasing court time for public use, the City can fulfill an identified community need for indoor tennis and pickleball courts without the capital investment of building a new facility or the costs of operating the facility.

Staff also recommend that the City enter into a Development Charges Deferral Agreement with TCC to allow the indoor facility to pay its development charges fees over a 10-year period, with interest, instead of paying the fees in full at the time of building permit issuance. The development charges applicable to this project are approximately \$1.3 million. This is based on a proposed building footprint of over 70,000 square feet. This is a significant cost to a new business establishing itself in the recreation sector.

Recommendation:

That Council endorse the purchase of service agreement, for a period of 10 years with an option to renew for another 5 years, between the City of Kingston and 2858232 Ontario Inc. for an average annual amount of approximately \$88,000 for community access to the new indoor tennis and pickleball facility; and

That Council direct staff to include the purchase of service agreement payments and projected user fee revenues into operating budgets starting in 2022; and

That Council authorize the Commissioner of Business, Environment & Projects or his/her delegate to review and approve all necessary documents and agreements and the Mayor and Clerk to execute all approved documents and agreements, in a form satisfactory to the Director of Legal Services, related to the purchase of service agreement outlined in Report Number 21-253; and

That the Mayor and Clerk be authorized to execute a development charges deferral agreement and any other required documents or agreements between the City of Kingston and 2858232 Ontario Inc., subject to review and approval by the Chief Financial Officer & City Treasurer and Chief Building Official, in a form satisfactory to the Director of Legal Services, to allow for the

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payment of development charges over a 10-year period, with interest, as outlined in Report Number 21-253.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

**Peter Huigenbos, Commissioner,
Business, Environment &
Projects**

ORIGINAL SIGNED BY CHIEF
ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Community Services

Craig Desjardins, Acting Commissioner, Corporate Services

Not required

Brad Joyce, Commissioner, Transportation & Public Works

Not required

Jim Keech, President & CEO, Utilities Kingston

Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer

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Options/Discussion:

The Tennis Clubs of Canada vision is to create tennis players for life. They value passion, customer service, a sense of community and building relationships, and currently operate five indoor tennis facilities which are located in Aurora, Barrie, Milton, Newmarket and Richmond Hill. Each club is independently owned and operated. They offer a variety of programs, lessons and court booking options to ensure that there is an opportunity for everyone to access indoor racquet sports. TCC has approximately 2,000 members and serves another 2,000 non-member tennis players (mostly students), whether it be through tennis lessons or camps. Additionally, they employ a total of 80-100 part or full-time employees to help run the tennis clubs.

TCC and their partners approached the City requesting to purchase an approximately 4 acre lot in the St. Lawrence Business Park (lot 252A) to build a year-round indoor racquet sports facility in Kingston. TCC recognizes the growing demand for indoor tennis courts in Kingston as well as the increasing popularity of pickleball and is intending to fill the gap between the existing supply and growing demand. This was recently identified through the City's update to the Parks & Recreation Master Plan. TCC and the City are also seeking partnership for municipal use of the facility. Purchase of service agreements represent an effective way of increasing community access to a particular service (geographically, culturally and to difficult to reach populations), expanding the range of services provided and creating service delivery efficiencies. The City also uses a purchase of service agreement to provide funds in a similar manner to the Boys & Girls Club of Kingston and Area for aquatics programming space.

Staff supports the sale of lot 252A for an indoor tennis facility as it will not only provide tennis and pickleball enthusiasts an opportunity to play year-round, but it will also boost economic development by providing new employment prospects as well as providing sport tourism opportunities with the potential of hosting national and provincial tournaments. John Machin soccer fields are located south of Lot 252, therefore, the proposed location of the facility on Lot 252A is complementary to the surroundings.

TCC proposes to construct two domes joined by a shared clubhouse. The total size of the development is approximately 70,000 square feet and is scheduled to be completed in time for the 2022 fall/winter season.

The Official Plan permits both public recreation facilities and private recreation facilities in the business park designation. However, the zoning by-law applicable to the property permits only "public recreational facilities". As the term "public recreational facility" is not defined in the zoning by-law, a planning application must be brought to the Committee of Adjustment to determine whether the proposed indoor tennis facility use falls within the meaning of "public recreational facility" in the zoning by-law.

The purchaser will be solely responsible for capital and operating costs of the facility; however, the purchaser is seeking deferral on the development charges for the proposed facility over a period of 10 years. The total development charges payable pursuant to Development Charges By-Law Number 2019-116 are estimated at approximately \$1.3 million depending on the final

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size of the building on the building permit. The building permit fee is estimated at approximately \$150,000 and payment would be due upon issuance. Interest will be payable on each installment of the development charges payments over the 10-year period.

Programming

TCC operates under a membership model with a variety of programming opportunities including registered programs, lessons and league play. TCC will also implement a program to provide opportunities for subsidized program and facility access to reach residents of all neighbourhoods and economic backgrounds. It is important to note that the actual details of programs and their schedule may change over the next 10 years based on community needs.

Under the purchase of service agreement, 3,500 hours per year of court time will be allocated for municipal use to provide opportunities for residents to access drop-in programming and lesson opportunities through City programs. Staff are estimating the collection of revenue of approximately \$40,000 annually from these programs. Subsidy options for access to the indoor courts will also be provided under the City's Municipal Fee Assistance Program. TCC is also working with other community partners, stakeholders and sports organizations for access to facility time and to enhance program and service offerings.

Council Priorities and the Parks & Recreation Master Plan

The recently adopted Parks & Recreation Master Plan notes that the City should seek the potential for any new partnerships that could enhance the provision of recreation facilities and programs across the City. This included the role of the private sector in the development, delivery and operation of recreation facilities (i.e. sponsorship, lease agreements, contracted operation of space, etc.).

It was also identified that 2 to 3 tennis and 8 pickleball courts are required over the next 15 years to meet demand. The addition of the indoor facility would assist in meeting this need without capital investment from the City and a relatively modest annual operating investment.

The partnership supports the following recommendations from the Parks & Recreation Master Plan:

- Develop a net increase of 2 to 3 new tennis courts over the plan period. Consider the distribution of courts by reducing larger clusters of existing courts and distributing more broadly, if feasible. As new residential development occurs, the City should consider dedicated or multi-use courts in key destination parks.
- Explore opportunities for creative partnerships and sponsorship for service delivery.

Existing Policy/By-Law:

A partnership with a private recreation operator is supported under the Parks & Recreation Master Plan.

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Under Subsection 27(1) of the *Development Charges Act*, a municipality may enter into an agreement with a person who is required to pay a development charge providing for all or any part of the development charge to be paid before or after it would otherwise be payable. Subsection 27(3) of the *Development Charges Act* also allows the municipality to charge interest, at a rate stipulated in the agreement, on the part of the development charge paid after it would otherwise be payable.

Notice Provisions:

None

Accessibility Considerations:

None

Financial Considerations:

The proposed 10-year purchase of service agreement starts at \$77,000, with a 3% increase annually that creates an average annual purchase of \$88,000. Staff estimate annual fee revenues of approximately \$40,000. These amounts will be incorporated in future operational budgets for the remainder of the purchase of service agreement.

The Development Charges Deferral Agreement will provide for the repayment of Development Charges over a 10-year period including interest.

Contacts:

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Other City of Kingston Staff Consulted:

Saru Bajwa, Land Development Manager, Business, Real Estate & Environment

Jenna Morley, Director, Legal Services & City Solicitor

Lisa Capener-Hunt, Director, Building & Enforcement & Chief Building Official, Building & Enforcement Services

Exhibits Attached:

Exhibit A – Sketch Showing St. Lawrence Business Park Lot 252A



Source: GIS Enterprise Geodatabase, Imagery Nearmap 2021
Disclaimer: The Corporation of the City of Kingston assumes no responsibility for inaccurate or inconsistent data set out in this map product. SLBP 252A.mxd

* All Dimensions and Areas are Approximate.

