

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input checked="" type="checkbox"/> High <input type="checkbox"/> Low
Submitted by:	Brian Geerts Director, Community Services	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	September 26, 2022		
Report No.:	Community Services-130-22		
Submit comments to Council			

Subject/Title: Memorial Arena: New Use Recommendations

RECOMMENDATION:

WHEREAS Council has considered high-level analysis of four future uses of the Memorial Arena in Report 102-22 for use as a Canadian Fire Fighter’s Museum, or used as a variety of special events operated by Top Prize Events, or an alternate use determined through the issuance an RFP to solicit additional proposals, or demolishing the arena to develop the land for affordable housing THEREFORE BE IT RESOLVED

THAT Council receive this report and the attached business plan proposals from Top Prize Events and the Canadian Fire Fighter’s Museum for information purposes; AND

FURTHER THAT Council direct staff to negotiate a lease with the Canadian Fire Fighter’s Museum using the successful operating model of the Jack Heenan / Northumberland Curling Club as a template; AND

FURTHER THAT Council directs staff to complete a detailed review of the gravel lot portion of the Memorial Arena site as a potential site to mitigate the ongoing effects of the housing crisis as also identified in the Planning Division’s work on Potential Affordable Housing Sites.

1. STRATEGIC PLAN

Places: The Town protects, preserves, and promotes its natural assets, heritage, arts, culture and tourism.

Partnerships: Facilitate meaningful collaboration with Cobourg citizens.

2. PUBLIC ENGAGEMENT

This report is placed on the agenda ten days in advance of the Committee of the Whole meeting for public review.

This report is the culmination of extensive committee work and thorough public engagement as outlined in report 102-22 from July 22, 2022.

3. PURPOSE

The purpose of the Ad-Hoc Advisory Committee was to assist the Town of Cobourg in reimagining the future use of the Memorial Arena, which was decommissioned as an ice rink in 2019. This report provides Council with a recommendation following a short list of 3-6 options for the Memorial Arena that:

- meet the needs of the community,
- are financially and technically viable, and
- align with the Town of Cobourg's Strategic Plan

The Memorial Arena Ad Hoc Committee worked diligently to fulfill its mandate. The Committee recommended in Report 102-22 on July 11, 2022 that the following two options be explored in detail by having the two proponents submit detailed business plans to staff:

- Canadian Fire Fighter's Museum
- Top Prize Events

These plans have been received and reviewed, and are attached to this report.

4. ORIGIN AND LEGISLATION

Cobourg Municipal Council voted to close the Cobourg Memorial Arena, located at 206 Furnace Street, in August 2019. At the Committee of the Whole meeting on March 29, 2021 Council directed staff to begin the process to set up the Ad Hoc Advisory Committee to develop options for the facility. The terms of reference in bylaw 072-2021 were amended on September 20, 2021.

On July 11, 2022, Council directed staff to solicit detailed business plans from two local proponents interested in using the Memorial Arena.

5. BACKGROUND

On July 11, 2022, Council directed staff to solicit detailed business plans from two local proponents interested in using the Memorial Arena.

The report is available here: <https://pub-cobourg.escribemeetings.com/FileStream.ashx?DocumentId=22457> on page 200.

6. ANALYSIS

Until such time as a new use for the building is implemented, the Memorial Arena will be maintained in a vacant and unused state. At the Committee of the Whole Meeting on July 11, 2022, Council considered a memo from the Director of Community Services, regarding the Memorial Arena Ad Hoc Committee Recommendations to Council:

NOW THEREFORE BE IT RESOLVED THAT Council direct staff to solicit detailed business plans from the Canadian Fire Fighter's Museum and Top Prize Events; and

FURTHER THAT staff bring back a report following the business plan review with a facility use recommendation to the September 26, 2022, Committee of the Whole meeting; and

FURTHER THAT the Cobourg Police Service continue to be allowed occasional free use of the Memorial Area for training purposes, as long as such use remains within budgeted operations, until a new use for the building is approved; and FURTHER THAT the Memorial Arena Ad Hoc Committee be thanked for their service; and

FURTHER THAT Bylaw 072-2021, A Bylaw to Amend By-law No. 008-2019 be rescinded recognizing its purpose has been fulfilled.

Staff solicited business plans from the Canadian Fire Fighter's Museum and Top Prize events following this timeline:

- July 18: Notification of business plan requirement emailed to proponents (2)
- September 1: Deadline to submit business plans to staff via email (submit to Brian Geerts, Director of Community Services & Jason Johns, Facility Manager)
- September 15: Internal staff report deadline
- September 26: Report to Committee of the Whole at 6pm
- October 3: Report goes to Council if approved the week before at Committee of the Whole

This timeline allowed 6 weeks for proponents to prepare plans and 2 weeks for staff to review and ask questions. The following resource was noted as being available to proponents if they had not developed a business plan before: [Business plan template for entrepreneurs | BDC.ca](#)

Based on the information supplied above, staff reviewed the following aspects of each proposal:

- Business overview: a brief description of your company and where it stands in the marketplace
- Sales & Marketing plan: the sales & marketing strategies that will be used to target the customers
- Operating plan: a description of the physical aspect of the business operations
- Human resources plan: details on your key staff, HR Policies & procedures
- Action plan: the planned actions of the business over the next 2-3 years
- Executive summary: A summary of the reasons proponents are seeking this partnership, and any other financing or partners, together with a summary of the business operations
- Financial appendix: the facts and figures that backup what you say in your plan

Proponents were notified that business plans and any supplementary information will be reviewed by staff and then published publicly as part of the Council agenda distribution process.

Proposals were evaluated using the following program criteria; both proposals are noted as providing evidence as High, Medium, or Low in the following categories:

<u>Proposal Evaluation Guide</u>	<u>Top Prize Events</u>		<u>CFF Museum</u>	
		Staff Comments		Staff Comments
Meets needs of community	Medium	Local & tourism	Medium	Local & tourism
Financially Viable	Low	No evidence	High	Long track record
Technically Viable	Medium	Low parking	High	Sufficient parking
“Fit” with physical structure	Medium	Some complications	Medium	Some complications
Complementary use to Jack Heenan Arena & zoning	Medium	Infrequent but high-peak attendance	High	Steady lower volume attendance
Sustainability	Low	No evidence	High	Long track record
Alignment with strategic plans	Medium	Broad alignment with Cultural Master Plan	Medium	Broad alignment with Cultural Master Plan

In general, the Canadian Fire Fighter’s Museum has better alignment with the evaluation criteria, in particular with their long operational experience, detailed financial plan, and a business model that encourages a lower-volume yet steady stream of attendees.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

The two proposals include very different financial information; both proposals include a construction/development phase and an operations phase. Both proposals request suggest financial reprieve may be required during the construction/development phase.

The Canadian Fire Fighter’s Museum financial proposal is attached as Appendix 1 to their proposal. The CFFM has a long history of operations, an established legal not-for-profit status, an established operating board, and a long local track record in Port Hope dating back to 1984. Their financial plan is broken into two phases: Acquisition & Reconfiguration, and First 5 Years Operational. Proposed revenue and expenditures for both phases net 1% and 0.003% respectively.

Top Prize Events proposes a complex revenue sharing model described as a “profit-share” structure but described in Section 3 of their plan as a complex revenue-sharing formula including pre-reserved dates, rent-free dates, canteen revenue, exclusive negotiation rights, “gate revenue”, building naming rights, and advertising/sponsorship revenue sharing. Naming rights sales are estimated to generate 75% of required capital funds, yet capital funding requirements are not estimated.

Further to the financial plans, the Canadian Fire Fighter’s Museum proposal noted their proposed building use is complimentary to the potential use of the gravel lot area for housing as discussed in a separate planning report as a Potential Affordable Housing Site. If this land is deemed suitable for housing purposes, it provides a low-cost option to meet Council’s goals of mitigating the housing crisis (site outlined in blue in Figure 1)



Figure 1: Gravel lot section of 206 Furnace St, shaded with blue outline

8. CONCLUSION

The Memorial Arena Ad Hoc Committee worked diligently to fulfill its mandate. The Committee recommended that the following two options be explored in detail by having the two proponents submit detailed business plans to staff:

- Canadian Fire Fighter’s Museum
- Top Prize Events

Two business plans were reviewed by staff and are attached to this report. One of the options, the Canadian Fire Fighter’s Museum, has provided a detailed business plan that not only provides a new use for the facility but also supports other Council objectives in addressing the housing crisis. This new use also fits within the constraints of the Solar Panel lease agreement which expires September 17, 2035.

Report Approval Details

Document Title:	Memorial Arena Recommendation - Community Services-130-22.docx
Attachments:	- TPE-CMABizPlan.docx - Arena Business Plan Final Aug 2022 .pdf - Appendix 1 - Consolidated projection for arena (2).pdf
Final Approval Date:	Sep 14, 2022

This report and all of its attachments were approved and signed as outlined below:

Tracey Vaughan, Chief Administrative Officer - Sep 14, 2022 - 3:05 PM