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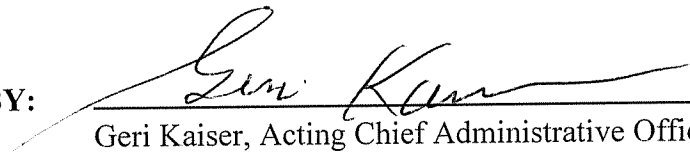


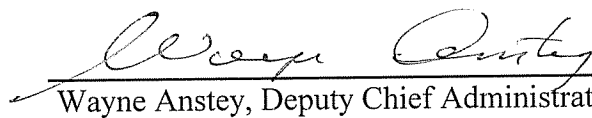
PO Box 1749  
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**Halifax Regional Council**  
**July 4, 2006**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
\_\_\_\_\_  
Geri Kaiser, Acting Chief Administrative Officer

  
\_\_\_\_\_  
Wayne Anstey, Deputy Chief Administrative Officer

**DATE:** June 26, 2006

**SUBJECT:** **Memorandum of Understanding for the Mainland Common  
Community Centre between The YMCA and HRM**

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**ORIGIN**

At the February 21, 2006 meeting of Halifax Regional Council, the following motion was approved:

- (1) That HRM enter into an agreement with a community based fundraising group for the purposes of leading fundraising efforts for the new Mainland Common Community Centre (MCCC) that demonstrates commitment and broad-based support to the selected option and to fundraising; and
- (2) That, based on demonstrated broad-based community support and commitment to community fundraising, HRM work with the community group to identify additional Provincial and Federal funding opportunities.

**RECOMMENDATION**

It is recommended that Council approve the attached Memorandum of Understanding (MOU) which establishes the parameters for an agreement between HRM and The YMCA of Greater Halifax and Dartmouth with respect to the development, fundraising, design, construction, ownership, and operating management of the Mainland Common Community Centre (MCCC).

## **BACKGROUND**

The MCCC project has been under consideration for a number of years. After much discussion, consultation with the community and analysis, a modern, multi-dimensional community centre is planned to serve residents for the next 30 years. Significant progress has been made in recent months in collaborating with The YMCA on exploring the viability of developing a partnership model that, with the Community, will result in the development and optimum operation of the MCCC. Throughout discussions, it has become apparent that HRM and The YMCA share common mandates and philosophies of serving the community. The commonalities are summarized in the attached document "*A Partnership of Halifax Regional Municipality and The YMCA of Greater Halifax and Dartmouth.*"

The MCCC is currently described as a 57,000 square foot community centre with a comprehensive full service aquatic component and a "dryland" services area. The aquatic area consists of two pools including a 6 lane, 25M pool and a multi-use, warm water teaching and therapy pool. The centre also consists of a comprehensive fitness centre, studios, multi-purpose programming rooms, social and viewing areas, change facilities, associated offices and administrative support areas.

## **DISCUSSION**

It is proposed that this relationship will realize the following benefits:

- The community would realize their vision of a multi-purpose and multi-district community centre. Through participation at the centre, citizens would increase their opportunities for physical activity, cultural and leisure pursuits, and "self" health care. Citizens will have access to a safe and enjoyable centre for themselves and their families and build relationships across a diverse multi-cultural community;
- The strategic outcomes with respect to partnerships and alternative service delivery opportunities described within both HRM's Indoor Recreation Master Plan, HRM Council Priorities and Guiding Principles, CAO Goal and Initiatives 2006-07, Recreation Blue Print and The YMCA Shared Vision 2010 Strategic Plan and Priority Initiatives would be realized through this collaborative initiative;
- The YMCA, as a recognized charity and a voluntary organization, would be appropriately positioned for the work of raising charitable capital dollars through mobilization of community volunteers;
- HRM and The YMCA, through working together to engage the community to realize the Vision, would develop community capacity, leadership and a strong sense of civic pride for all in this rapidly growing area;

- The agreement would allow for a well-planned capital development strategy as well as a strong and sustainable operating model for the facility.

There are numerous examples of successful YMCA/Municipal partnerships across Canada where local governments have worked with the local YMCAs on community facilities. In order to develop a sound business case and operating pro-forma analysis, it will be critical to undertake a joint market research study (to be carried out immediately).

In summary, the attached MOU establishes the parameters for a framework which sets out a model for HRM to assume ownership of the facility, and The YMCA to assume responsibility for the operation of the facility incorporating provisions that will protect user and community interests. It is not a legally binding agreement; however, this MOU will provide a basis for beginning formal negotiations with The YMCA for an agreement. Further details of the actual relationship will be set forth in: 1. Funding Agreement; 2. Design and Construction Agreement; and 3. Management/Lease and Access Agreement.

### **BUDGET IMPLICATIONS**

Council has previously resolved at the February 21, 2006, Council meeting that it is committed to the development of the new facility at an estimated cost of \$14.5M.

The breakdown of the current funding allocated to the project in 2006 dollars is as follows:

HRM Capital Contribution	\$3,706,318
Canada Nova Scotia Infrastructure Program;	
Federal Contribution	\$1,341,841
Provincial Contribution	\$1,341,841
YMCA Community Capital Campaign	\$3,000,000
Future funding sources (including other levels of Gov't to be identified by HRM and The YMCA)	<u>\$5,110,000</u>
	\$14,500,000

### **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

**ALTERNATIVES**

Council could choose not to proceed with approval of the Memorandum of Understanding with The YMCA. This is not recommended as the facility requires additional fundraising and The YMCA has demonstrated its desire to lead the capital campaign, assist with leveraging additional funding from both the Federal and Provincial Governments in consultation with HRM, and consider capital debt financing if deemed appropriate and sustainable. Further, The YMCA is experienced in operating community health and fitness facilities and is interested in expanding its programs in the Mainland North area.

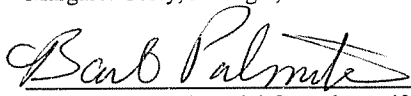
Taking into account past studies by fundraising consultants and response to the community fundraising committee, staff feel that having The YMCA lead the fundraising effort for the facility is a viable option for Council to consider.

**ATTACHMENTS**

1. A Partnership of Halifax Regional Municipality and The YMCA of Greater Halifax and Dartmouth.
2. Memorandum of Understanding between HRM and The YMCA

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Margaret Soley, Manager, Facilities Development 490-5591

Financial Review:   
Barb Palmeter, Financial Consultant, 490-7221

Report Approved by:   
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Cathie O'Toole, CGA, Acting Director, Finance 490-6308

# **A Partnership of Halifax Regional Municipality and The YMCA of Greater Halifax/Dartmouth for The Mainland Commons Community Centre**

Discussion Paper drafted May 8, 2006 without prejudice

## **1. Background**

The YMCA of Greater Halifax Dartmouth (The YMCA) and Halifax Regional Municipality (HRM) have been in discussion over the past five years to determine if there is opportunity for developing a partnership model that, with the Community, will realize the dream of a multi purpose, regional recreation centre in Halifax West. Staff representatives of The YMCA and HRM have developed this paper for the purposes of preliminary discussions and for subsequent work to negotiate a mutually satisfactory Partnership Agreement.

## **2. Shared Mandate**

Through our discussions, it has become apparent that Halifax Regional Municipality and The YMCA share common mandates and philosophies of serving community. From the HRM Indoor Recreation Master Plan of June 2004 and The YMCA Shared Vision 2010, the commonalities are summarized below:

### ***We Both Serve the Whole Community***

In HRM – All communities are unique and valued. Recreation services impact lifestyles in all HRM communities where culture, sport, play, arts, and physical activity are essential to the well being of all.

The YMCA is a charitable organization of volunteers and staff dedicated to the development of individuals and communities in spirit, mind and body. The YMCA helps people experience personal growth and development through participation and volunteering within a diversity of programs and services.

### ***We Both Believe in Inclusion, Diversity and Access***

HRM programs and services are inclusive and affordable and promote holistic and healthy lifestyles. In addition to the focus on children and youth, our wide range of quality and innovative recreation, wellness, aquatic, outdoor, and scheduling services focus on all communities, including seniors.

The YMCA Builds Strong Kids, Strong Families and Strong Communities. The YMCA is open to all, regardless of age, ability, race, religion, ethnicity, social, cultural and economic background.

### ***Something for everyone... both agencies focus on welcoming new citizens***

HRM Recreation Blueprint has determined that the program emphasis is offering introductory level programs. The philosophy is that citizens of all ages have access to learn a variety of leisure skills in a safe, quality and fun setting. Other competitive options are available from other partner and specialty agencies. Through partnerships, HRMKids, and community development, community recreation services are available to all citizens.

The YMCA Shared Vision 2010 Strategic Directions focus on Health Promotion and Active Living for all Ages and Building Strong Children and Youth. The YMCA Annual Strong Kids Campaign ensures that The YMCA is providing innovative and relevant programs for children and youth and that no young person is turned away due to inability to afford the program fee.

### **3. Shared Purpose**

This paper is intended to review the priority interests, as currently understood, of the parties of HRM, The YMCA and The Community. These shared interests include:

- a. Engaging the community in an exciting and visionary project that helps realize their health and wellness, recreation and community development priorities as expressed through public consultations carried out by HRM;
- b. Recognizing the synergies that exist by working collaboratively to help achieve this Vision;
- c. Realizing the commitment made by HRM in the June 2004 Indoor Recreation Master Plan for development and construction of a multi purpose, regional recreation centre; and,
- d. Realizing the commitment made by The YMCA Shared Vision 2010 to bring a diversity of YMCA program and services that are relevant to the interests of this currently underserved community.

### **4. Shared Benefits**

It is proposed that, upon the successful negotiation of a Partnership between HRM and The YMCA, the parties could realize the following positive outcomes:

- a. The community would realize their vision of a multi purpose regional recreation facility. Through participation at the centre, citizens would increase opportunities for physical activity, cultural and leisure pursuits, and "self" health care. As well, citizens will have access to a safe and enjoyable centre for themselves and their children and build relationships across a diverse multi-cultural community;
- b. The strategic outcomes described within both HRM's Indoor Recreation Master Plan, HRM's Council Priorities and Guiding Principles, CAO Goals and Initiatives 2006-07, and The YMCA Shared Vision 2010 Strategic Plan including Guiding Principles, Strategic Directions and Priority Initiatives would be realized through this collaborative initiative;
- c. The YMCA, as a recognized charity and a voluntary organization, would be appropriately positioned for the work of raising charitable capital dollars through mobilization of community volunteers;
- d. HRM and The YMCA, through working together and with proactive engagement of community to realize the Vision, would develop community capacity, leadership and a strong sense of civic pride for all in this rapidly growing area;
- e. The partnership would allow for the critical success factor of a well-planned capital development strategy as well as a strong and sustainable operating model.

### **5. Next Steps**

- a. Work group representatives from HRM and The YMCA have refined and endorsed the Discussion Paper.
- b. The Discussion Paper was reviewed with HRM Senior Staff representatives for further refinement and endorsement.

- c. The Discussion Paper is presented to HRM EMT and local Council Members and to The YMCA Board of Directors. Each group solicits feedback from these Senior Leaders and brings input back to the workgroup for discussion and further revisions. (Completed)
- d. Upon endorsement of the Discussion Paper by Senior HRM Staff and Council and YMCA Board of Directors, each party would assign a work group team to explore potential partnership options and scenarios. Each scenario would include potential benefits and concerns for the parties to ensure the full exploration of innovative concepts. Ideally, the negotiation team would develop a strong recommendation for the model of partnership.
- e. This recommendation would be brought before HRM Senior staff and local Council members and The YMCA Board of Directors for discussion, any further refinement and ultimately support.
- f. Upon agreement in principle of the recommended model of partnership, a legal agreement would be drawn up and approved by appropriate representatives of HRM and The YMCA.

## **6. Closing Remarks**

It is agreed that during this discussion stage, this information is of a confidential nature. Any public communications would be developed collaboratively. It is also understood that through this review process no commitments have been made and that both parties have the option of withdrawing at any time without prejudice.

**MEMORANDUM OF UNDERSTANDING  
(MOU)**

Between

**THE HALIFAX REGIONAL MUNICIPALITY  
(HRM)  
-and**

**THE YMCA OF GREATER HALIFAX AND DARTMOUTH  
(The YMCA)**

**1.0 Intention**

The intention of this Memorandum (MOU) is to establish the parameters of an agreement between HRM and The YMCA to fundraise, design, construct, own and operate the Mainland Common Community Centre (MCCC). By this agreement, it is recognized that both HRM and The YMCA have a mandate to provide recreational programs, community development services and community space for the benefit of the broad community. Further, it is in the best interest of HRM and The YMCA to explore opportunities to provide quality services to the public in a cost effective and sustainable manner.

The vision for this relationship is documented in “*A Partnership of Halifax Regional Municipality and The YMCA of Greater Halifax and Dartmouth*” dated May 2006.

It is intended that this MOU will expire at the completion of the construction project and will be replaced by a formal agreement between the parties to guide the process for the development of this facility.

It is recognized that there are many physical, logistical, programming, financial and security issues which need to be addressed. This MOU is not intended to create any legal rights between the parties and is not a legally binding agreement. HRM and The YMCA will be undertaking a process which will address all issues in greater detail and will require a legally binding agreement.



## **2.0 Principles**

The following principles will be used to guide the development, fundraising, design, construction, ownership and operating management of the facility with the expressed purpose of meeting a wide variety of the recreation and development needs of the community. The principles are related to Ownership, Operational Management, Programs and Services, Access, Funding and Capital Campaign, Communications, Administration and Termination of this MOU.

### **2.1 Ownership**

This community facility will be owned by Halifax Regional Municipality unless as is otherwise mutually agreed upon by the parties.

### **2.2. Facility Operation**

HRM will either lease the facility to The YMCA of Greater Halifax/Dartmouth or contract with The YMCA to manage the assets and assume responsibility for all aspects of the operations including programs and services, maintenance and cleaning, human resources, and financial management.

### **2.3 Programs and Services**

In assuming responsibility for the operations of this facility, The YMCA is responsible to ensure the development and delivery of relevant programs and services that meet the current and emerging needs of the community. As well, The YMCA is responsible to ensure that the quality standards for said programs and services are equivalent to those currently used by Halifax Regional Municipality in their aquatic programs and comparable recreation and community development services.

### **2.4 Access**

HRM and The YMCA are committed to the equitable access to programs and services.

Access to the MCCC will be of a broad nature without regard to age, gender, ability, race, religion or economic status. Access for participation will include the following options:

- a. Membership
- b. Day Passes for Public Access
- c. Program Registration
- d. Facility Rentals
- e. Reciprocal Access

## 2.5 Funding and Capital Campaign

Without prejudice to the Funding Agreement that has yet to be developed, the following Terms of Reference are proposed to serve as a guide to understand what is to follow:

The MCCC is currently described as a 57,000 square foot community centre with multi-purpose recreation, fitness, and community development services as well as a comprehensive full service aquatic centre. This centre will be also serviced with 130 parking spaces. The current projected cost for this project is \$14,500,000 with additional funds required for equipment, furnishings, and support to start-up costs during the first full year until the operation is working at full capacity. To develop a strong business case and subsequent plan for capital and operational pro forma budgets, there are two critical studies that are needed prior to finalizing the sources and applications of this project.

These studies are: a) Market Review and Analysis and 2) Capital Campaign Feasibility Study. The Market Research and Analysis will help the parties understand the potential customer market, price positioning and projected cash flows as well as determine if there will be financial capacity to service capital debt. The Capital Campaign Feasibility Study will help the parties understand the strength of the Capital Campaign Case for Support and the inclination of the community to support it charitably.

It is proposed that these two studies would be equally cost shared between The YMCA and HRM as the data is mutually critical to the success of this project. The final sources and applications for this project would be subject to the findings of these studies.

The capital funds for this project would have multiple sources which could include;

a. Halifax Regional Municipality	Land and permits
b. Current HRM commitment	\$ 3.7 M
c. Current Province of Nova Scotia commitment	\$ 1.3 M
d. Current Government of Canada commitment	\$ 1.3 M
e. YMCA Community Capital Campaign	\$ 3.0 M
f. Future funding sources to be identified by HRM & The YMCA inc other levels of gov't	\$ 5.2 M

**Current Total** **\$ 14.5 M**

\* Other sources could include planned debt subject to the results of the Market Research.

Planning for The Capital Campaign would commence in September of 2006. The campaign period would continue until the Campaign goal has been met. It is anticipated that construction will commence on the facility in the fall of 2007. All funds raised through the Capital Campaign will be charitably received by The YMCA and deposited in a Trust Account. Mutually agreed

upon arrangements for disbursements by HRM will be arranged to ensure timely payment of expenses as they are incurred. All funds received for the MCCC will be used exclusively for the development and implementation costs for the MCCC.

## **2.6 Communications**

The YMCA and HRM will develop, in cooperation, a communication plan to keep the community and key internal and external stakeholders informed of the progress on the fundraising, design and construction of the MCCC as well as the planned program and service offerings.

The YMCA, in leading the Community Capital Campaign, will be responsible for the engagement of community volunteers in both the campaign planning and the solicitation of charitable donations and ongoing consultation and communication on progress to plan.

## **2.7 Administration of MOU**

This MOU is to be administered by a committee consisting of 2 representatives from both HRM and The YMCA. Each organization is to appoint appropriate representation as required by the schedule and phase of the Project. In the event of a tie vote, an individual, mutually agreed upon by the parties will work with the committee to build a consensus on the issue. The representatives will be responsible:

1. To meet on a monthly basis or more often as is needed to keep the project moving forward
2. To research similar facilities with similar agreements in place
3. To report monthly to their respective organizations the status of the fundraising, scope, schedule and design and construction of the facility
4. To approve the design and construction documents at the significant stages
5. HRM in consultation with the YMCA will also be responsible for the drafting of the Management/Lease Agreement for the operation of the facility
6. To dissolve after the construction of the Community Centre

## **2.8 Termination**

This agreement may be terminated by either party under the following circumstances:

- after giving 90 days written notice outlining the irreconcilable concern
- upon the completion of construction of the Community Centre
- upon signing of the legal Agreement between the parties that will include at a minimum a 1) Funding Agreement, 2) Design and Construction Agreement, and 3) Operations and Management/Lease Agreement

## **3.0 Design and Construction**

Without prejudice to the Design and Construction Agreement that has yet to be developed, the following Terms of Reference are proposed to serve as a guide to understand what is to follow:

### **3.1 Site**

The proposed MCCC will be constructed on HRM land known as the Mainland Common near the intersection of Lacewood Drive and Thomas Raddall Drive. Currently this site is a gravel parking lot with access from Thomas Raddall Drive. The MCCC will be constructed adjacent to a number of significant community facilities including the Keshen Goodman Library, Halifax West High School, Baseball Field, Subway Indoor Soccer Facility, All Weather Sports Field, the linear trail and passive recreation areas on the Mainland Common. Due to the size of the site, additional space is available for future expansion.

### **3.2 Outline of the Facility**

Conceptually, the facility currently consists of an aquatic area and a “dryland” services area. The aquatic area consists of two pools including a 6 Lane, 25M pool and a multi-use, warm water teaching and therapy pool. The centre also consists of a comprehensive fitness centre, studios, multi purpose programming rooms, social and viewing areas, change facilities, associated offices and administrative support areas. Further detailed research on space considerations will be needed for analysis to understand the potential of interest and need for an on site licensed child care. Refer to Appendix A for the list and size of the proposed rooms.

It is intended that this facility will be designed and constructed using principles of energy conservation with the expectation that it will achieve LEED Silver accreditation.

The concept of the facility will be based upon a disciplined floor plan, durable materials that have a low maintenance cost. The facility will be located to have good visibility from Lacewood Drive and be designed to be of a similar quality as Keshen Goodman Library.

### **3.3 Construction/Schedule**

The requirements of Canada – Nova Scotia Infrastructure Program (CNSIP) stipulate that \$4,025,523 be expended by March 31, 2008. In order to meet this deadline, Schematic Design for the Aquatic Centre must be signed off by The YMCA and HRM before January 2007 and construction must begin in the Fall of 2007. The schedule for the balance of construction is dependent on the Capital Campaign and when the funds have been received.

### **3.4 Design Consultants**

Through a Request for Proposal Process, HRM have engaged DSRA Architects to provide professional services for the design, contract document and site services and Burke Oliver to provide program briefs for the facility specifications. It is intended that the contract for these consultants will remain in place and adjusted to reflect the increased scope of work from the original RFP. It is also recognized that both The YMCA and HRM have significant access to practices and practical experience from across Canada that may be useful to the design process.

### **3.5 Project Management**

It is intended that HRM, without fee, will provide ongoing Project Management services until the close out of the project. Monthly Progress Reports documenting the progress of the work and budget variance will be forwarded to HRM and The YMCA.

### **3.6 Procurement Practices**

The intent is to construct the facility as a lump sum tender in accordance with HRM Financial Services. All contracts over \$100,000 must be awarded by HRM Regional Council.

## **4.0 Operations and Management**

Without prejudice to the Management/Lease Agreement that has yet to be developed, the following Terms of Reference are proposed to serve as a guide to understand what is to follow:

### **4.1 Ownership**

It is intended that HRM will retain ownership of the facility and the land on which the facility is constructed unless as is otherwise mutually agreed upon by the parties.

## **4.2 Term**

It is intended that The YMCA will assume responsibility for the full management and operation of this facility for a negotiated period of time that is reflective of a long term agreement.

## **4.3 Access Agreement**

HRM and The YMCA are committed to the equitable access to programs and services.

Access to the MCCC will be of a broad nature without regard of age, gender, ability, race, religion or economic status. Access for participation will include the following options:

- a. Membership
- b. Day Passes for Public Access
- c. Program Registration
- d. Facility Rentals
- e. Reciprocal Access

## **4.4 Insurance**

Both parties will hold insurance that is reflective of their said role and responsibilities.

## **4.5 Naming Rights**

The parties will work together to appropriately “name” the facility in a manner that is reflective of the community and the partnership.

## **4.6 Capital Reserve and Investment**

Annually, The YMCA will pay to HRM a pre determined sum for investment by HRM in capital upgrading, renovation or maintenance to keep the facility in “as new” condition. Annual investment planning would be carried out in mutual agreement by the parties with terms and principles outlined in the Management/Lease Agreement.

## **4.7 Operating Contribution and Deficit**

The YMCA does not hold any equity in the facility that reflects their initial capital investment and, therefore, will look to the operations as a means to strengthen their capacity to serve the broader community. To this point, The YMCA will retain any operating contribution over and above the capital investment charge. The YMCA will have full authority to utilize any operating contribution for the purposes of serving the citizens of HRM in accordance to priorities as identified by The YMCA. In the event of an operating deficit, The YMCA will assume responsibility with terms and principles outlined in the Management Agreement.

SIGNED

**HALIFAX REGIONAL MUNICIPALITY**

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Name:

Title:

**The YMCA OF GREATER HALIFAX AND DARTMOUTH**

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Name:

Title: