



MANAGEMENT REPORT

Date: May 16, 2024
To: Community Services Sub-committee
From: Tim Wolfe, Director of Community Services
Report Number: COM24-005
Attachments: None

Title: Management Report - Golf Course Agreement 2024 - 2026.docx

Objective: To consider renewing the agreement with the Stratford Municipal Golf Course Association for the lease of the golf course on Norfolk Street from 2024-2026 and to amend the annual fees to be collected and where the funding is transferred to.

Background: The Golf Course was leased to the Stratford Municipal Golf Course Association in 1980 and was continually renewed through to 1996. The entire lease was renewed in November 1996 for a twenty-one-year lease period, expiring December 30, 2017. The lease stipulated renewals every three years with the same terms and conditions as the original lease except for the yearly rental rates which were to be negotiated.

Staff are currently working on a Memorandum of Understanding that will outline mutual responsibilities of the City of Stratford and the Golf Course Board.

Included in the current agreement:

- The Association pays all expenses incurred in the operation and maintenance for grass cutting, plant material, fertilizing and equipment;
- The Association is responsible for repairs caused by wear and tear;
- Any alterations must first be approved by the City of Stratford;
- The Association carries insurance to protect itself and indemnify the City harmless from all claims.

At the end of the 2009, 2010, 2011 term, the agreement was renewed for a one-year term (2012) with a lease amount of \$20,000, with \$2,000 of this amount going into a reserve for use by the Golf Course Association.

The Stratford Municipal Golf Course Association presented at Sub-committee in January 2016 requesting a change to the agreement and that it be renewed for another two years. Their request was that the total annual lease payment (\$20,000) be paid and put into a reserve fund to enable the Association to achieve their short-term goals.

The agreement was once again renewed for 2016 and 2017 with the annual lease payments put into a reserve fund for use by the Golf Course.

In 2018, a new lease agreement was entered into for a three-year period from 2018-2020. The agreement provides for two three-year renewals, with the terms remaining the same, however the annual fees are required to be negotiated.

Analysis: The Golf Course Association has requested a renewal of the lease agreement to exercise their final renewal and has proposed the following amounts to be placed into the reserve fund to be used by the City of Stratford for future expenses:

- 2024 - \$20,000 into reserve
- 2025 - \$22,500 (12.5% increase) into reserve
- 2026 - \$23,850 (6% increase) into reserve

The lease revenues represent a commercial rent transaction, and as such are subject to HST. The language in the agreement has been updated to reflect this.

Financial Implications:

Financial impact to current year operating budget:

Revenue into reserve account as listed below.

Financial impact on future year operating budget:

Revenue into reserve account as listed below.

Insurance considerations:

The Golf Course will carry commercial general liability insurance against claims for personal injury, death or property damage or loss in the amount of not less than Five Million Dollars (\$5,000,000). Annually, the Golf Course is responsible to provide the City with a Certificate of Insurance that names the City of Stratford as an additional insured.

Alignment with Strategic Priorities:

Strengthening our Plans, Strategies and Partnerships

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Developing our Resources

Optimizing Stratford’s physical assets and digital resources. Planning a sustainable future for Stratford’s resources and environment.

Alignment with One Planet Principles:

Health and Happiness

Encouraging active, social, meaningful lives to promote good health and wellbeing.

Staff Recommendation: THAT the Mayor and City Clerk, or designates, be authorized to execute a renewal agreement on behalf of The Corporation of the City of Stratford with the Stratford Municipal Golf Course Association for the lease of the golf course on Norfolk Street, for a further three-year term from 2024-2026, upon the same terms and conditions as the previous agreement;

THAT the following rents be collected for the three-year period:

- 2024 - \$20,000**
- 2025 - \$22,500 (12.5% increase)**
- 2026 - \$23,850 (6% increase)**

AND THAT the proceeds, net of HST be transferred to the Recreation Reserve R-R11-RECR for use towards the City’s capital program.

Prepared by: Tim Wolfe, Director of Community Services
Recommended by: Tim Wolfe, Director of Community Services
Joan Thomson, Chief Administrative Officer