



TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON MAY 24 , 2017
FROM:	DAVID G. MOUNTEER SOLICITOR
SUBJECT:	LONDON OPTIMIST SPORTS CENTRE BMO CENTRE 295 RECTORY STREET GRANT AGREEMENT

RECOMMENDATION

That, on the recommendation of the City Solicitor's Office, the following actions be taken with respect to a grant agreement between The Corporation of the City of London and the London Optimist Sports Centre for the expansion of the BMO Centre at 295 Rectory Street:

- a) the attached proposed by-law (Appendix "A") to approve a Grant Agreement (appended as Schedule "A" to the proposed by-law) between the City and the London Optimist Sports Centre for the expansion of the BMO Centre at 295 Rectory Street **BE INTRODUCED** at the Municipal Council meeting to be held on May 30, 2017; and
- b) the Mayor and City Clerk **BE AUTHORIZED** to execute the Grant Agreement substantially in the form of the agreement attached as Schedule "A" to Appendix "A" as noted in part a) above.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

BMO Centre Request for Funding – Community and Protective Services Committee January 19, 2016.

London Optimist Sports Centre BMO Centre 295 Rectory Grant Request – Council, January 26, 2016.

BACKGROUND

At its meeting on January 26, 2016 the Municipal Council directed that the following actions be taken with respect to the funding request from the London Optimist Sports Centre for the expansion of the BMO Centre:

- a) the funding request, in the amount of \$800,000 for the above-noted expansion, **BE APPROVED SUBJECT TO** the establishment of a Grant Agreement as directed by the City Council, and to the satisfaction of the City Solicitor;
- b) the financing for this project **BE APPROVED** as set out in the Source of Financing Report, as appended to the staff report dated January 19, 2016;
- c) the Civic Administration **BE DIRECTED** to provide a report to the January 26, 2016 Municipal Council Meeting, with respect to a proposed framework for the above-noted Grant Agreement; and,
- d) the Mayor **BE REQUESTED** to provide a letter of support for the project to the Provincial



and/or Federal Government, should the London Optimist Sports Centre request such a letter.

Civic Administration has met with representatives of the London Optimist Sports Centre who own and operate the BMO Centre for the purposes of negotiating a grant agreement. A mutually acceptable agreement has been negotiated, the key features of which include:

- Confirming the purpose of the grant – costs associated with the expansion of the BMO Centre
- Limiting the City’s contribution – no funding above the \$800,000
- Providing for structured payment of Grant funding – % of funding when milestone events occur (i.e. building permit issue; roof constructed; substantial performance; return of Cuddy site to City)
- Repayment of grant – forgivable grant for term of 8 years whereby unforgiven portion of grant would be repayable to City upon default
- Securing grant by charge/mortgage against property
- First Right of Refusal to purchase in the event of a sale of the property during term of agreement
- 3 days annually for “rent free” City sponsored community events
- Building addition to be constructed and property operated in accordance with Certificate of Property Use issued by MOECC
- modification of original environmental indemnification so that City liability applies only where costs exceed \$1,000,000.00

The Grant Agreement is attached as Schedule “A” to the draft by-law which is appended to this Report.

CONCLUSION

Civic Administration recommends approval of the Grant Agreement.

PREPARED BY:
DAVID G. MOUNTEER SOLICITOR II

- cc. M. Hayward, City Manager and Managing Director, Corporate Services and City Treasurer, CFO
W. C. Coxhead, Managing Director, Parks & Recreation