



# Committee Report

<b>To:</b>	Warden Hicks and Members of Grey County Council
<b>Committee Date:</b>	Aug 12, 2021
<b>Subject / Report No:</b>	TR-CW-16-21
<b>Title:</b>	Feversham Sand Dome Update
<b>Prepared by:</b>	Pat Hoy, Director of Transportation Services
<b>Reviewed by:</b>	Kim Wingrove
<b>Lower Tier(s) Affected:</b>	Municipality of Grey Highlands
<b>Status:</b>	Adopted as presented by Committee of the Whole through Resolution CW132-21; Endorsed by County Council CC63-21

## Recommendation

1. That Report TR-CW-16-21 regarding the Feversham Dome be received; and
2. That Grey County staff be directed to send a letter to the Municipality of Grey Highlands, providing notice of termination of the existing co-ownership agreement; and
3. That staff be directed to negotiate a purchase and sale of land agreement with Grey Highlands regarding the Feversham Dome (located at 494140 Grey Road 2; PIN: 37262-0063) and accompanying land at fair market value; and
4. That a bylaw be brought back to a future Council meeting to give final approval to the sale.

## Executive Summary

The Feversham Dome is located at 494140 Grey Road 2 (Con 8, Part Lot 15 RP 17R2721; Part 1). Since the County ceased to use the site in 2012, it has continued to pay a significant portion of the operating costs while expressing multiple times that it no longer requires the facility. This effort has been hampered by a 2002 agreement that was written with the perspective that Grey County would never leave the site and wished to prevent Grey Highlands from assuming it.

Recently, the dome again developed numerous rips in the fabric cover which cannot be repaired because the materials are no longer available. It is recommended that the County no longer invest into the structure apart from the demolition costs and seek to sell the vacant property to Grey Highlands at fair market value.

## Background and Discussion

The Feversham sand dome, is a metal frame building with a fabric cover, was constructed in 1988 on Grey County property. The cost of the facility was \$129,980.00 and additional site work amounted to \$92,500.

In 1990 a By-Law was passed to construct the Feversham sand dome in partnership with the former Osprey Township, with a 45 percent Osprey and 55 percent Grey County cost sharing. This arrangement was formalized in an agreement from June 1990.

In 2002, after amalgamation, Grey Highlands and Grey County entered into a revised agreement regarding the shared ownership and maintenance of the Feversham sand dome. The cost sharing continued as 45 percent Grey Highlands and 55 percent Grey County. The County owns title to the land and the dome and shares the usage of the dome with the municipality. During the term of the agreement the dome is to be maintained by the County and 45% of the cost billed to the Municipality. The agreement includes a termination clause that requires 36-months' notice. In the event of a termination Grey County may purchase Grey Highlands share for 45 percent of the remaining value. The agreement has no provision if Grey wanted to relinquish ownership. It also contained no expiry or renewal dates.

In 2009, the dome fabric was inspected, and it was recommended that the fabric be replaced within the next year.

In 2010, the County advised Grey Highlands that the fabric required replacement and the County preferred to construct a new wooden structure to replace the sand dome. There was some preliminary discussion regarding a new shared facility at this time.

In December 2012, a rip in the fabric was observed. Grey County obtained a quote (based on a photograph) from a contractor to complete an emergency repair. The quotation was discussed with Grey Highlands and it was agreed to have the work completed. It was noted that considering the age of the fabric, the repair would not be guaranteed.

In January 2013, the contractor arrived on site and determined that the rip was more extensive than the work they anticipated. A slightly higher quote was provided and agreed upon by both Grey Highlands and Grey County.

Grey County forces removed the remainder of the fabric for safety reasons. The cost for this work was over \$5,000.

The insurance company was made aware of the original rip in December 2012, and when the rip increased in April 2013. They completed an Engineer's Report that verified that the structural components were sound.

Reports TR-TAPS-34-13 and TR-TAPS-30-14 resulted in a new repair to the structure in 2015 of approx. \$130,000 and the County's deductible was \$10,000.

TR-TAPS-04-16 and the corresponding addendum resulted in the following motion:

***WHEREAS the Municipality of Grey Highlands and the County of Grey have an agreement regarding the cost sharing of the sand/salt storage structure located at 494140 Grey Road 2, Pt. Lot 15, Concession VIII; RP 17R2721 Pt1, former Township of Osprey, the Municipality of Grey Highlands;***



5. *Either party may terminate this agreement with 36 months' notice in writing addressed to the respective Clerk of the Municipality. If either party shall terminate the agreement, the "County" shall pay to the "Municipality" an amount equal to the "Municipality's" share of the capital cost as determined by an independent appraiser. The said sum shall be paid to the "Municipality" on the termination of the agreement, i.e. 36 months from the date of giving notice of termination. If the "County" and the "Municipality" cannot agree on an appraiser, than an arbitrator is to be appointed pursuant to the arbitration's act.*

The agreement also provides for a process to adjust the ownership percentage .

6. *The percentage of ownership may change based on actual usage by both parties. The actual usage by both parties will be monitored yearly. By mutual agreement by both parties, either party can increase the percentage of ownership. The cost will be based on the percentage of the yearly maintenance cost and not the capital costs.*

However, the yearly ownership process review has never been completed, and no agreement has been made to change the ownership percentage. In some years, typically due to new staffing issues, Grey Highlands was not billed by Grey County for their share of the maintenance work. Since 2013 Grey has paid \$29,972 \*(84%) while Grey Highlands has paid \$5,805 (16%). It should be noted that Grey County has not used the facility since 2012. Based on the agreement one party could own 100% of the structure, and considering the use, the structure should be 100% owned by Grey Highlands.

## Legal and Legislated Requirements

Under the current agreement, the County may terminate the co-ownership on 36 months' notice. If the County gives that notice, and no other terms are agreed, then it is obliged to pay to Grey Highlands "*an amount equal to [Grey Highlands] capital cost as determined by an independent appraiser*" and assume full ownership of the property.

Council may agree to sell the property to Grey Highlands on mutually satisfactory terms. Such a sale may include resolution of uncertainties arising from the current agreement, including the ownership interest payout.

## Financial and Resource Implications

In order to determine a current fair market value for the land, it is recommended that Grey County have an appraisal completed at our cost. Grey County staff have no reason to believe that further environmental investigations should be completed, however this will be discussed with Grey Highlands.

A quote for demolition and disposal of the existing structure will be obtained to confirm a staff estimate of \$40,000. Based on the terms of the agreement responsibility for the expenses would be apportioned as: Grey (55% of cost) = \$22,000 and Grey Highlands (45% of cost) = \$18,000

## Relevant Consultation

- Internal (list) Clerk's Office, Legal Services
- External (list)

## Appendices and Attachments

Attachments: Agreement with the Municipality of Grey Highlands

Feversham Depot Air Photo

[Feversham Dome Air Photo](#)

[2018 Letter to Grey Highlands](#)

AGREEMENT made this Fifth day of November, 2002.

BETWEEN:

THE CORPORATION OF THE COUNTY OF GREY

Hereinafter called the "COUNTY"

OF THE FIRST PART

AND

THE CORPORATION OF THE MUNICIPALITY OF GREY HIGHLANDS  
( FORMER TOWNSHIP OF OSPREY )

Hereinafter called the "MUNICIPALITY"

OF THE SECOND PART

WHEREAS the "County" and the "Municipality" are sharing ownership of a sand storage dome being used by the "County" and the "Municipality" for the storage of sand and other materials for road maintenance use;

AND WHEREAS it has been agreed that each Party will contribute to the cost of the maintenance thereof hereafter in proportion to the storage use to be made of such building by each Party;

AND WHEREAS the parties desire to enter into this Agreement to declare their respective rights, obligations, and liabilities in connection with the said sand dome and their right of user of the same hereinafter;

WITNESSETH THAT THE PARTIES AGREE AS FOLLOWS:

1. The "County" erected a sand/salt storage dome on lands owned by the "County".
2. The cost of construction was borne by the parties as follows:

by the "County"	55%
by the "Municipality"	45%

The cost of construction was paid in the first instance by the "County". The "Municipality" paid to the "County" their share after construction was completed.

3. The "County" owns the sand storage dome and shall share the use thereof for sand storage purposes hereafter with the "Municipality" until this Agreement is terminated as hereinafter provided, and during such period the "Municipality" and its duly authorized servants and agents and employees shall have all necessary rights-of-way and access to said storage dome and area as may be necessary for their purposes.
4. During the term of this Agreement, the sand dome shall be maintained by the "County" and all costs of maintenance shall be paid by the "County" in the first instance and the "Municipality" shall pay its share thereof to the "County" on demand.

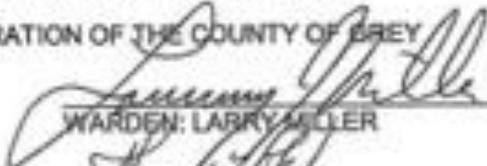
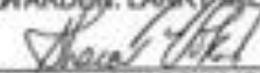
Until otherwise agreed the cost of maintenance shall be borne as follows:

by the "County"	55%
by the "Municipality"	45%

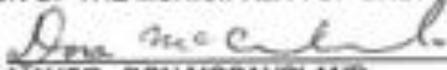
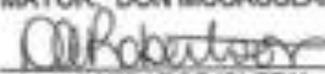
5. Either party may terminate this Agreement on giving to the other 36 months notice in writing addressed to the respective Clerk of the Municipality. If either party shall terminate the Agreement, the "County" shall pay to the "Municipality" an amount equal to the "Municipality's" share of the capital cost as determined by an independent appraiser. The said sum shall be paid to the "Municipality" on the termination of the Agreement, i.e. 36 months from the date of giving notice of termination. If the "County" and the "Municipality" cannot agree on an appraiser, then an arbitrator is to be appointed pursuant to the Arbitrations Act.
6. The percentage of ownership may change based on actual usage by both parties. This actual usage by both parties will be monitored yearly. By mutual agreement by both parties, either party can increase the percentage of ownership. The cost will be based on the percentage of the yearly maintenance costs and not the capital costs.
7. It will be understood that the "County" will be responsible for placing and stockpiling of all sand inside the Sand Dome. The "Municipality" will then be invoice for their proportionate share.

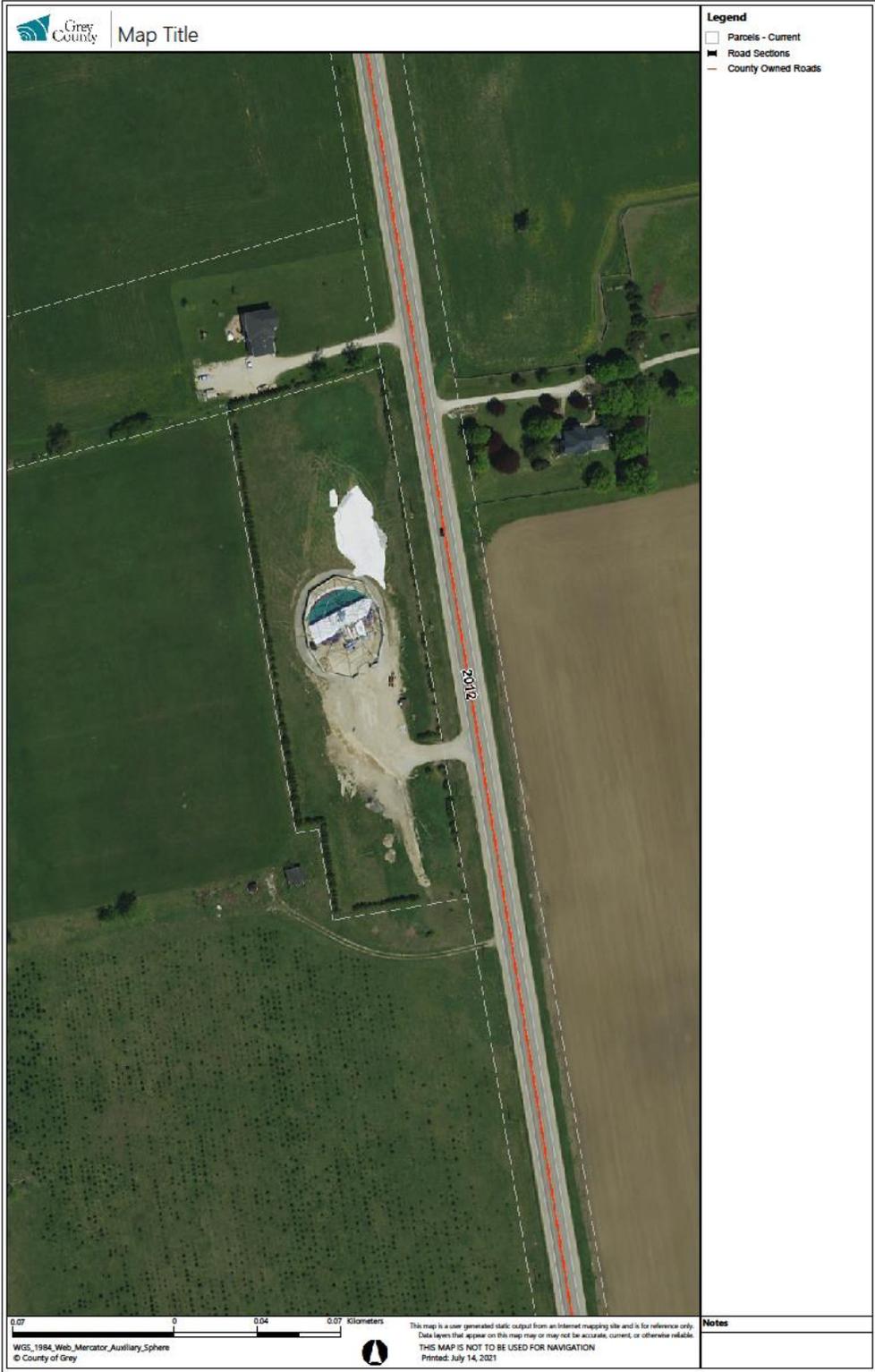
IN WITNESS WHEREOF the respective Corporations have hereunto affixed their Corporate Seals as attested by their duly authorized officers.

THE CORPORATION OF THE COUNTY OF GREY

  
\_\_\_\_\_  
WARDEN: LARRY MILLER  
  
\_\_\_\_\_  
CLERK: SHARON VOKES

THE CORPORATION OF THE MUNICIPALITY OF GREY HIGHLANDS

  
\_\_\_\_\_  
MAYOR: DON MCCAUSLAND  
  
\_\_\_\_\_  
ADMINISTRATOR/CLERK: DEBBIE ROBERTSON





## Transportation Services

595 9<sup>th</sup> Avenue East, Owen Sound, ON N4K 3E3  
519-376-7337 / 1-800-567-GREY / Fax: 519-376-0967

March 13, 2018

### EMAIL

Rob Adams, CAO  
Municipality of Grey Highlands  
206 Toronto Street South, Unit 1  
Markdale, ON N0C 1H0  
Email: cao@greyhighlands.ca

### RE: Feversham Dome Transfer and Future Patrol D Depot (Flesherton)

Dear Rob:

#### Feversham Dome

As per our previous discussions, Feversham suits the needs of Grey Highlands much more than the needs of Grey County. We also discussed that other Grey County facility turnovers did not include the land, and a free acquisition by Grey Highlands could be difficult to achieve politically.

To that end, Transportation Services is hoping for the opportunity to take a report to Grey County Committee of the Whole to begin finalizing the complete turnover of the Feversham Dome at 494140 Grey Road 2. This would include the structure and the land (approximately 4 acres). Grey County is hoping to make a recommendation that Grey Highlands would be willing to pay \$10,000 for the facility and the land. Please let me know if this is acceptable to your municipality and if we can proceed to bring a report forward to obtain Grey County Council approval.

#### Patrol D Depot near Flesherton

As you know, Grey County is currently in an ongoing agreement with the Ministry of Transportation for the facility in Flesherton. Grey County would like to begin the process of securing a new site for a new facility around Flesherton. Grey Highlands previously discussed being included in the process of the new facility; however, it appears the benefits of building a site together are limited (with the notable exception of a reduced pavement area). The challenges include:

1. Union and non-union workers at the same site could create issues
2. The increase in potential site size may limit location options
3. Ongoing effort to determine costs of electricity and natural gas or damage may result in increased operating costs
4. Coordinating of budgets and joint tenders would be difficult to manage and cost additional funds

In summary, Grey County would prefer to proceed on the plan to construct a new Patrol D depot near Flesherton alone and hopes this does not negatively affect your future facility planning.

Please confirm that Grey Highlands Council is agreeable to this. Grey County and Grey Highlands have worked well together, and the continued co-operative relationship is important to all parties.

We look forward to hearing from you.

Yours truly,

Pat Hoy  
Director of Transportation Services  
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[www.grey.ca](http://www.grey.ca)