 Committee Report

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| **To**: | Warden Hicks and Members of Grey County Council |
| **Committee Date**: | Aug 12, 2021 |
| **Subject / Report No**: | TR-CW-16-21 |
| **Title**: | Feversham Sand Dome Update |
| **Prepared by**: | Pat Hoy, Director of Transportation Services |
| **Reviewed by**: | Kim Wingrove |
| **Lower Tier(s) Affected**: | Municipality of Grey Highlands |
| **Status**: | 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;***

***AND WHEREAS the County owns the land and no longer requires the sand/salt storage structure;***

***NOW THEREFORE BE IT RESOLVED THAT Addendum To Report TR-TAPS-04-16 regarding the termination of the agreement with the Municipality of Grey Highlands be received;***

***AND THAT staff be directed to send a letter to the Municipality of Grey Highlands indicating that the County of Grey wishes to enter into negotiations to terminate the existing agreement and negotiate a sale of the property to the Municipality of Grey Highlands.***

In 2017, Grey again communicated with Grey Highlands that Feversham was no longer required for County operations (letter attached).

In the spring of 2018 Grey County forwarded Grey Highlands another letter indicating its desire to leave the site. Grey Highlands staff was agreeable to working out an agreement, however no response from Grey Highlands Council was ever received. During this time, Grey Highlands County Councilors indicated that the Feversham site would be a good location for a future paramedic base and asked that Grey County investigate alternatives for the home of the future base. Prior to completion of the discussions involving a future paramedic base, the dome developed another rip again in late 2018. There was no further resolution on the potential use of the site as a paramedic base.

Grey County repaired the dome in 2019 at a cost of $17,886. At this point Grey was also encountering difficulty in finding a suitable site for a future Patrol D depot and thought Feversham dome may be needed to supplement routes if the future site were a significant distance west of Flesherton.

The dome ripped again in late 2020. At this time, Grey and Grey Highlands both agreed that more repairs would no longer be a good investment.

With a potential Transportation Services depot farther west than Flesherton, the Feversham dome would remain rarely used based on the current routes. It would be more cost effective to employ a spare truck or purchase sand/salt loads occasionally from Grey Highlands during extreme snow events as compared to the cost of construction and ongoing maintenance of an infrequently used site.

### The Dome Agreement

The provisions of the existing agreement say that if co-ownership is to end, then Grey County will continue to own the property and will pay out Grey Highlands for its share of it. It doesn’t address the scenario where Grey Highlands would buy the property and pay out Grey County’s share.

These are the relevant clauses on the buy-out scenario:

*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 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 .

1. *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)

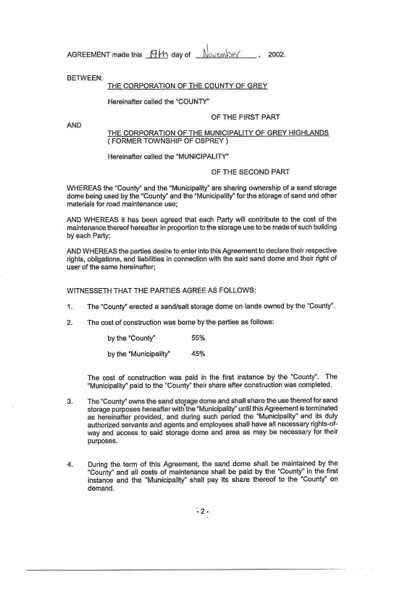
### Appendices and Attachments

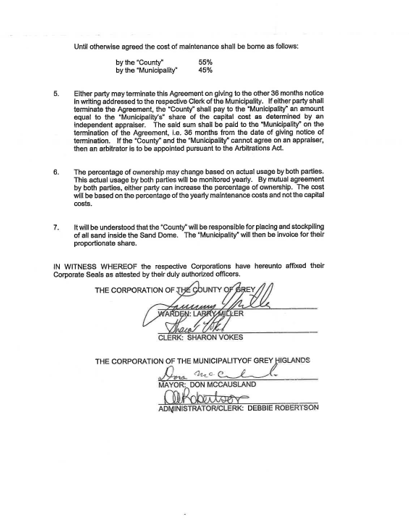
Attachments: Agreement with the Municipality of Grey Highlands

Feversham Depot Air Photo

[Feversham Dome Air Photo](https://docs.grey.ca/alfresco/aos/Sites/grey-county/documentLibrary/Reports%20to%20Committee%20&%20Council/2021/Transportation/Feversham%20Dome%20Air%20Photo.pdf)

[2018 Letter to Grey Highlands](https://docs.grey.ca/share/page/site/transportation-services/document-details?nodeRef=workspace://SpacesStore/8ce7fe8b-0ae3-4dbb-af1e-e86c01ab5c55)





[](https://docs.grey.ca/alfresco/aos/Sites/clerks/documentLibrary/Presentations/Deputations%20to%20Council%20&%20Committee/2021/211%20-%20Presentation%20to%20Grey%20County%20Council%20Aug%2012%202021.pptx?web=1)



