



# Staff Report

## Finance and IT Services

---

**Report To:** Committee of the Whole  
**Meeting Date:** October 20, 2020  
**Report Number:** FAF.20.143  
**Subject:** Marsh Street Centre Funding Request  
**Prepared by:** Ruth Prince, Director of Finance and IT Services

---

### A. Recommendations

---

THAT Council receive Staff Report FAF.20.143, entitled “Marsh Street Centre Funding Request”;

AND THAT Council provide direction on an option for the immediate need for capital and operating funding for the Marsh Street Centre.

### B. Overview

---

This staff report provides Council with options with respect to the request from the Marsh Street Centre for immediate capital and operating funding.

### C. Background

---

The Marsh Street Centre was originally constructed in 1927. It has seen many uses over the years. In 1997, a coalition of arts groups and interested citizens purchased the property with the idea of providing a home for the local theatre troupe and a meeting place for the entire community. Over the years various renovations have been completed to the building.

The Town has had a history of support for the Marsh Street Centre as noted below.

- In 2000, the Town subsidized the purchase of the Marsh Street Centre lands by \$78,000.
- In 2004, the Town partnered with the Marsh Street Centre to provide interim (non-interest bearing) financing in the amount of \$150,000. This was paid off in 2006 as part of the SCPT Funding agreement that included financial assistance to the Marsh Street Centre for intended works and the money flowed through the Town. This was paid off in 2006.
- In 2010, the Town loaned \$10,000 to the Marsh Street Centre in order to assist their short term financial challenges. The Marsh Street Centre began repaying the loan in 2012 and this was paid off in 2016.

- In 2012 the Town provided a \$20,000 interest free mortgage secured loan. In 2017, through proceeds from the Ontario Small Urban Municipalities (OSUM) Conference, the Town forgave the balance of the loan in the amount of \$11,500.

## D. Analysis

---

At the September 8, 2020 Council meeting, a deputation was made by Steven Gorton, President- Marsh Street Centre requesting Funding Support. COVID-19 has had a devastating impact on the Marsh Street Centre as they have not been able to hold any events and have only been paying the minimum to “leave the lights on”. They are unable to generate new operating funds until they can re-open and host a full house which is unlikely to happen in the near future.

The Marsh Street Centre is requesting that Council consider providing \$56,000 now for the following:

- \$36,000 for the Marsh Street share of the Investing in Canada Infrastructure Program (ICIP) capital grant; and
- \$20,000 to restart operations.

They further request another \$45,000 from October 1, 2020 to March 31, 2021 to hire staff to run the Marsh Street Centre.

After March 31, 2021, the request is for \$75,000 annually which is about 1/3 of their operating budget and for the Town to continue to be a partner with the Marsh Street Centre. This request may diminish in time.

The request for operating funds of \$45,000 to hire staff in 2020 and the \$75,000 in 2021 is not included in the options below but certainly could be if Council so directed. The focus on this report is to identify the immediate financial needs of the Marsh Street Centre.

Staff have provided a few options for Council to consider for the immediate need of capital and operating funds for the Marsh Street Centre:

**Option 1 - Council approves a loan secured by a collateral mortgage against the Marsh Street Centre property, interest free for the first year and thereafter at a prescribed interest rate of the Town's deposit rate plus 3 % for an amount of \$36,000 being the Marsh Street Centre's share of the ICIP capital grant and \$20,000 to restart operations. The balance of the request of \$45,000 for October 1<sup>st</sup> and \$75,000 after March 31, 2021 could be included in the loan request as well. The loan would be properly documented using a loan agreement similar to the one used for the recent Council approved line of credit to the Blue Mountains Attainable Housing Corporation.**

This option allows the Marsh Street Centre the ability to commit to their share of the ICIP grant and to restart operations at the Marsh Street Centre. The Town would have some security in

the building and the site in the event of default. Terms and the length of secured mortgage could be negotiated and agreed upon with the Marsh Street Centre.

The Marsh Street Centre, however, would have loan payments to the Town which would be an additional cash outflow. Given the current cash flow situation they may have difficulty in managing this loan in the short-medium term.

**Option 2 - Council approve an unsecured loan, interest free or with a determined interest rate for the \$36,000 for the Marsh Street Centre share of the ICIP capital grant and the \$20,000 to restart operations. The balance of the request of \$45,000 for October 1<sup>st</sup> and \$75,000 after March 31, 2021 could be included in the loan request as well. The loan would be properly documented using a loan agreement similar to the one used for the recent Council approved line of credit to the Blue Mountains Attainable Housing Corporation.**

This option allows the Marsh Street Centre the ability to commit to their share of the ICIP grant and to restart operations at the Marsh Street Centre. The Town would have no recourse in the event of non-payment. An agreement would need to be structured with the Marsh Street Centre with agreed upon terms and conditions.

The Marsh Street Centre, however, would have loan payments to the Town which would be an additional cash outflow. Given the current cash flow situation they may have difficulty in managing this loan in the short-medium term.

**Option 3 - Council approves an outright grant of \$36,000 for the Marsh Street Centre share of the ICIP capital grant and the \$20,000 to restart operations. The balance of the request of \$45,000 for October 1<sup>st</sup> and \$75,000 after March 31, 2021 could be included in the grant request as well.**

This option allows the Marsh Street Centre the ability to commit to their share of the ICIP grant and to restart operations at the Marsh Street Centre. The Town does have a Grants and Donations Committee that is responsible for raising funds to support the Grants and Donations Program and for receiving, reviewing and approving grants and donation requests based on the grant criteria and application process approved by Council. The approval of this grant would be outside of that process.

**Option 4 – That Council direct staff to work with the Marsh Street Centre to consider partnership opportunities through a Memorandum of Understanding that provides benefits and efficiencies to the Marsh Street Centre, while benefitting the community.**

This option allows staff to continue discussion with the Marsh Street Centre and explore various opportunities. The Marsh Street Centre is a critical community amenity that will be identified in the 2020 Leisure Activity Plan, similar to the Centre being considered in the 2006 Leisure Activity Plan. Marsh Street Centre provides an important cultural and Community Hub for the Town and potential partnerships could be considered through a Memorandum of Understanding that provides benefits to the Marsh Street Centre and the community. The long

term sustainability (25 plus years) of the facility itself and the operations of the Marsh Street Centre will be considered while determining the needs and elements of a multi-use facility and community hub(s) through the Leisure Activities Plan similar to the Ravenna Hall, Craigleith Community Centre, Craigleith Depot, Library and Beaver Valley Community Centre.

## **E. Strategic Priorities**

---

### **1. Communications and Engagement**

We will enhance communications and engagement between Town Staff, Town residents and stakeholders.

### **2. Organizational Excellence**

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

### **3. Community**

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

### **4. Quality of Life**

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

## **F. Environmental Impacts**

---

None.

## **G. Financial Impact**

---

The Marsh Street Centre is in need of immediate capital and operating funding. Council approved a \$2,000 Grant in 2020 based on recommendations from the Grants and Donations Committee as part of the 2020 Grants and Donations Applications.

If Council was to approve a grant to the Marsh Street Centre, the funding would come from the working capital reserve and/or added to the taxation budget for 2021.

## **H. In consultation with**

---

Rob Sampson, Grants and Donations Committee  
Peter Bordignon, Grants and Donations Committee  
Shawn Everitt, Chief Administrative Officer  
Ryan Gibbons, Director of Community Services

## **I. Public Engagement**

---

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Ruth Prince, Director of Finance and IT Services at [directorfit@thebluemountains.ca](mailto:directorfit@thebluemountains.ca).

## **J. Attached**

---

None.

Respectfully Submitted,

---

Ruth Prince  
Director of Finance and IT Services

For more information, please contact:  
Ruth Prince  
[directorfit@thebluemountains.ca](mailto:directorfit@thebluemountains.ca)  
519-599-3131 extension 228