

TORONTO STAFF REPORT

August 24, 2004

To: Economic Development and Parks Committee

From: Joe Halstead, Commissioner Economic Development, Culture and Tourism

Subject: Harmonized Permit Allocation Policy and Permit Rates Framework
All Wards

Purpose:

The purpose of this report is to respond to the request for further information on the Permit Allocation Policy, as requested by the Economic Development and Parks Committee at its meeting of February 2, 2004. The report also outlines a set of proposed principles and a framework for the development of a permit rate policy that will provide options for harmonized permit fees across the City.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report at this time. However, depending on the direction of Committee, there may be financial implications, which will be brought forward in future reports.

Recommendations:

It is recommended that:

- (1) the Permit Allocation Policy, as outlined in Attachment 1, be adopted;
- (2) the Phase-in Process of the Permit Allocation Policy, as outlined in Attachment 2, be adopted;
- (3) the Permit Allocation Policy Appeals Process, as outlined in Attachment 3, be adopted;
- (4) the guiding principles of consistency, clarity, gradual transition, rates gauged to facility types and quality, access and equity, and reflective of Council and City priorities to guide the development of harmonized permit rates, be approved;
- (5) the proposed permit rate framework based on a revenue neutral scenario, be approved;

- (6) the Commissioner of Economic Development, Culture and Tourism be directed to report to the Economic Development and Parks Committee at its meeting in November 2004 on options for specific rates for each category of facility usage, financial implications of the proposed rate structures, and associated implementation timelines and strategies; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of February 2, 2004, the Economic Development and Parks Committee considered a report titled "Harmonized Permit Allocation Policy", which outlined a new permit allocation policy for indoor and outdoor Parks and Recreation facilities to community and private groups.

The report described the current situation whereby permits are allocated according to legacy policies and practices of former municipalities prior to amalgamation. The Committee agreed that a harmonized allocation policy for all Parks and Recreation indoor and outdoor facilities is required, so that when demand for permits is greater than the supply of facilities, permits are allocated in a fair and equitable manner and that the distribution is appropriate and timely. The Committee also requested staff to investigate and report back on several areas. At the same time, extensive community consultation conducted as part of Parks and Recreation's organizational review, *ReActivate TO!* has provided further input on the refinement of the Permit Allocation Policy and Permit Rate Framework.

Need for a New Permit Allocation Policy

Community organizations are an important partner to Parks and Recreation in accomplishing its mission of promoting physical activity, encouraging healthy lifestyles and enhancing general wellness among the public. One significant component of this partnership is the permitting of indoor and outdoor Parks and Recreation facilities to thousands of community organizations that deliver a wide range of community-based sport and recreation programs.

The existing permit allocation process reflects the policies of seven former municipalities. It gives priority to historically held permits and does not provide opportunities to accommodate new, developing and/or diverse community organizations. The existing process also fails to address demand changes, such as the recent rise in permit requests as a result of increased permit fees for Toronto District School Board facilities.

The new permit policy must meet a number of critical criteria. The distribution of permit time, when demand exceeds availability, as is the case for most sports fields, ball diamonds and gymnasiums, must be fair and equitable. The policy must also recognize the increased diversity of the population in the City of Toronto. It must be able to accommodate the growing interest in sport and recreation by developing groups such as girls' and women's soccer, sport for persons with a disability and activities for different cultural groups.

Community Consultation:

To develop the new, harmonized permit allocation policy, the Parks and Recreation Division undertook an extensive community consultation process in 2003. The Division held four community meetings, one in each district, and invited representatives from permit groups, community organizations, access and equity groups and community residents to attend. Each of the four meetings was well attended and a total of more than 400 people participated in these sessions. In addition, the Division held five focus groups on the topics of specialized facilities, such as bocce, pools, tennis courts, outdoor sports fields, ball diamonds, indoor facilities and girls' and women's sport and recreation. Approximately 150 people participated in the five focus groups held in various locations across the City. Finally, the Division accepted written briefs from any interested group or individual. Forty submissions were received.

Scope of Proposed Policy

The proposed permit allocation policy applies to all indoor and outdoor permitted Parks and Recreation facilities, including pools, outdoor artificial ice rinks, recreation and community centre meeting and program rooms, sports fields and sports courts. The proposed allocation policy will not include picnic permits, wedding photography, hall rentals and garden plots. These will continue to be allocated on a first come first serve basis. The policy will also not affect indoor arena ice allocation, as Council has already approved a separate allocation process for arena ice.

Comments:

At its meeting on February 2, 2004, the Economic Development and Parks Committee received deputations and requested the Commissioner of Economic Development, Culture and Tourism to report back with further information on four areas related to the Permit Allocation Policy:

- (1) phase-in process;
- (2) appeal process;
- (3) historical factors; and,
- (1) permit fees and charges.

A revised Permit Allocation Policy, incorporating comments made by Committee members and consultation feedback, is outlined in Attachment 1. Further explanation on each of the four areas follow.

- (1) Phase-in process:

A three-year phase-in process is proposed for the implementation of the harmonized Permit Allocation Policy. Detailed timelines are outlined in Attachment 2. This timeline takes into consideration all the steps that are required for an orderly transition as well as the different timing of seasonal permits. There will be extensive support in training and continuous communication with permit groups throughout the three-year period.

(2) Appeal process:

There will be a transparent, fair and prompt process for any appeals by applicants. Details are outlined in Attachment 3. An appeal by any organization for a permit allocation for a specific facility will trigger an investigation based on a clear set of review areas. Department staff, including local Recreation and Facilities Supervisors, Customer Service Supervisors and the District Director, as well as two community based representatives will be involved. The result of the appeals and the investigation reports will be communicated to the respective local Councillors.

(3) Historical factors:

At its meeting on February 12, certain members of the Economic Development and Parks Committee directed staff to give consideration to historical permit holders so that they would not be unduly disadvantaged with the proposed Permit Allocation Policy.

Toronto Parks and Recreation values the ongoing contribution of organizations that have historically supported Parks and Recreation and provided a wide range of services and programs in local communities throughout the City. The needs of these historical permit holders, however, must be balanced against changing and increasing demand for recreation facility permits from other sources. These new demands may be the result of new and emerging organizations that reflect the changing face of our communities. Changing demographics and community profiles may also lead to changing interests in different types of activities.

To balance between the interests of historical and new users, the proposed Permit Allocation Policy will be phased in over an extensive period. Historical users will be considered as qualified groups under the proposed criteria of the policy and will have an extensive time period to adjust to the potential of shifting facilities or permit times at the end of the phase-in period.

The new City-wide Permit Allocation Policy will be phased in over three years, accompanied by extensive communications and training to all current and new organizations. Upon approval of the Permit Allocation Policy, all current permit holders will be notified of the new policy, be offered training on the policy requirements through Parks and Recreation and advised of how their allocation may be affected by the new policy. There will not be any change to their permit allocation. During year 2, existing permit groups will experience partial implementation of the new allocation policy with no permit group losing more than 25 percent of their previous allocation. Finally, in year 3, groups will experience full implementation of the new permit allocation policy.

(4) Permit Fees and Charges

At its meeting on February 12, the Economic Development and Parks Committee identified the need to move towards a City-wide and harmonized permit rate system for all Parks and Recreation facilities, and requested the Commissioner of Economic Development, Culture and Tourism to report back, on a proposed harmonized permit rate structure.

The following section outlines a set of principles that guided the development of the proposed permit rate framework. The framework encompasses permit rates for gymnasiums, sports fields, meeting and program rooms at community centres, outdoor artificial ice rinks, dry pads (indoor or outdoor rinks that are used for other purposes than ice use) and speciality facilities. Other Parks and Recreation facilities are not covered by the proposed rate framework as Council has already previously approved permit rates for indoor ice arenas, pools, picnic permits, garden allotments and photography.

Once Council adopts the guiding principles and framework, staff will conduct more precise analysis to develop options for specific rates for each category of facility usage. These options will be reported back to Committee together with the financial implications of the proposed rate structures, and associated implementation timelines and strategies at the November 2004 Economic Development and Parks Committee.

Current Permit Rates

In 2003, Parks and Recreation issued permits for a total of 743,893 hours of use of 1,374 different facilities, including gymnasiums, rooms and common areas, kitchens, tennis courts, dry pads and children's use of sport fields. Permit users encompass a variety of groups, ranging from individual residents permitting space for special occasions, to community groups permitting space for meetings, house leagues permitting space for t-ball and for-profit organizations permitting space for corporate or private events. Attachment 4 provides a summary of the hours of permit usage in 2003 based on type of facility and standard category.

In 1999, Council approved a harmonized rental rates practice for indoor pools and ice facilities. As part of the 2002 and 2003 Operating Budget process, permit rates for the use of picnic facilities, garden allotments and wedding permits were harmonized and are fully implemented. However, rates for the use of other Parks and Recreation facilities, including gymnasiums, rooms and common areas, kitchens, dry pads and children's use of sport fields, are not harmonized across the City of Toronto. Rates vary and are inconsistent across the City, based on the legacy permit rates of former municipalities prior to amalgamation. Attachment 5 provides an overview of the current permit fee policies and rates, based on former municipalities.

Permit Rate Harmonization Consultation

In the summer of 2003, permit holders were invited to attend one of four community consultation sessions that were held regarding the harmonization of permit rates. Evening sessions were held in each district. Invitations from the General Manager of Parks and Recreation were sent to all permit holders in our client database. Flyers were also distributed and posted in our community centres, arenas and pools, inviting anyone who was interested to attend. Written comments via email, fax or mail were also accepted. Approximately 130 people attended the sessions and seven written submissions were received. Participants were asked the following questions:

- (1) What should the City take into consideration when establishing fees for permit groups?
- (2) What types of facilities or functions should have cost-recovery permit fees as opposed to subsidized fees?

- (3) How much advance notice do groups require to budget effectively for changes in fees?

The main messages that were received from these sessions are attached as Attachment No. 6.

Re-Activate TO! Consultations

In Spring 2004, Parks and Recreation embarked on an organizational review -- *ReActivate TO!* Eight public consultation sessions were held with over 600 participants. Input was also received from comment cards and surveys. Throughout these sessions, a frequent theme was the value of consistent services, including the harmonization of permit rates. Other themes that relate to permit fees include the need for equity and access, the desire to focus on children and youth and the consideration of reasonable or no fees for recreation programs and services, particularly those for children and youth.

The results of these sessions and the Parks and Recreation strategic plan titled "*Our Common Grounds*" was presented to the Economic Development and Parks Committee at July 5 meeting, and subsequently adopted by Council at its meeting on July 20-22, 2004. One specific recommendation from the Strategic Plan included a request to report on options for free programs for children and youth (Recommendation 42).

Guiding Principles for a Harmonized Permit Rate Structure

Based on comments and recommendations heard from the permit rate harmonization community consultation sessions and *ReActivate TO!*, the Division is proposing a set of principles that will guide the framework for a harmonized Parks and Recreation Permit Rate Structure. Changes to these proposed principles will change the framework and subsequent rate structure options.

It is proposed that the following principles guide the permit rate structure framework:

1. **Consistency:** the proposed rate structure should be harmonized and consistent among facilities, usage categories and user groups and applicable across the entire City of Toronto.
2. **Clarity:** The rates must be clearly laid out for each category of use and easily understood by both permit users and staff.
3. **Gradual transition:** Any upward pressure on rates must be phased in over a minimum period of one year in order to provide groups adequate time to adjust to changes in rates, gauge impact on their particular groups and communicate these issues to their members and users.
4. **Rates gauged to facility types and quality:** Rates charged for specific facilities must be reflective of the amenities that are available; therefore, facilities with more amenities and services would charge a higher fee than those facilities with minimal amenities and services.
5. **Access and equity:** There must be a specific access policy which will allow priority groups who may not be able to afford significant fees to permit and use facilities. Clear guidelines on situations where fees can be discounted or waived must be included.
6. **Reflective of Council and City priorities:** The Mayor and City Council have identified nine priorities for their term of office as well as specific priorities for Parks and Recreation, as expressed in its Strategic Plan. The plan called for setting priorities for specific target groups

in order to stimulate participation in physical activity. These priorities should be reflected in the proposed rate structure.

Permit Rate Framework

The proposed Permit Rate Framework provides different permit rates for different facility types, based on the amenities of the facility, and for different user group categories (see Attachment 7).

All Parks and Recreation facilities have been inventoried and classified into four categories -- Premiere, A, B or C. Based on the proposed guiding principles, user groups would pay higher rates for higher rated facilities.

The proposed permit fee framework encompasses five levels of permit rates, as detailed in Attachment 7:

- "0" Non recovery rates -- minimal fees. May include a permit or application fee and a minimal contribution to the operating costs.
- "*" Marginal recovery rates -- fees associated with a recovery of 0 to 50 percent of operating costs.
- "**" Partial recovery rates -- fees associated with a recovery of 50 percent to 100 percent of operating costs.
- "***" Full recovery rates -- fees that would be market based with at least 100 percent recovery of operating costs.
- "****" Market rates -- fees that would be at market rate.

Additional fees that would apply to permit holders, such as charges for storage space, set-up costs and after hours fees are not included in the above classifications. These additional charges will be applicable regardless of the user group or facility classification, as is the current practice.

Further Work to Report on Regarding Rate Options

Once Council approves the guiding principles and permit rate framework, staff will proceed to prepare specific permit rate models, their associated financial implications, as well as implementation strategies and timeline. These models will be reported back to the Economic Development and Parks Committee in November 2004.

Accessibility to programs and services is an important value for the Parks and Recreation Division, which is evident in the existing subsidy policies for program user fees of Priority Centres and the Welcome Policy. Further work regarding an accessibility policy for permit rates will be brought forward with the proposed rates.

Staff have gathered information and reviewed permit rates for facility usage at other cities, such as Mississauga and Vaughan, as well as permit rates charged by the Toronto District School Board.

Conclusions:

This report proposes a fair and equitable Permit Allocation Policy that includes a transparent appeals process, a comprehensive implementation timeline with a three-year phase-in approach that balances between the interests of historical groups versus new and developing sports and users.

Community groups that permit City facilities provide an important role in promoting physical activity, enhancing active lifestyles and promoting community wellness. The proposed guiding principles and permit rate framework will enable Parks and Recreation to consolidate its partnership with community groups and advance Council and Committee's priority on children and youth. A harmonized permit rate structure for Parks and Recreation facilities will ensure equitable, accessible and consistent permit rates for recreation facilities across the City. Staff will begin development of specific rates for different facilities and user groups, based on the proposed framework. Further financial details and specific rate proposals will be reported back to the Committee at their meeting in November 2004.

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List of Attachments:

- Attachment No. 1 – Draft Permit Allocation Policy
- Attachment No. 2 – Phase-in Process of Permit Allocation Policy
- Attachment No. 3 – Permit Allocation Policy Appeals Process
- Attachment No. 4 – 2003 Usage by Facility and User Category
- Attachment No. 5 – Permit Rates of Former Municipalities
- Attachment No. 6 – Key Messages from Permit Rate Community Consultation
- Attachment No. 7 – Proposed Framework for Rate Development

Attachment No. 2 – Phase-in Process of Permit Allocation Policy

Application Timelines	Type	Seasons	Des
December 2004	Outdoor Sports Field	Summer 2005 (May to October)	<ul style="list-style-type: none"> • Notify Clients of the new approv • Application will be reviewed bas allocation • We will notify groups what their new Policy • Notify groups that there will be a • Inform groups of new fees for 20 • Staff training • Community Workshops regardin
Winter/Spring 2005	Facilities (Not Indoor Rinks)	Summer 2005 (June, July, & August)	<ul style="list-style-type: none"> • Notify Clients of the new approv • Application will be reviewed bas allocation • We will notify groups what their new Policy • Notify groups that there will be a • Inform groups of new fees for 20 • Staff training • Community Workshops regardin
Spring 2005	Facilities (Not Indoor Rinks)	September 2005 to May 2006	<ul style="list-style-type: none"> • Notify Clients of the new approv • Application will be reviewed bas allocation • We will notify groups what their new Policy • Notify groups that there will be a • Inform groups of new fees for 20 • Community Workshops regardin
Sept to Nov 2005 Review	All Permits	All	<ul style="list-style-type: none"> • Internal review of Permit allocati
December 2005	Outdoor Sports Field	Summer 2006 (May to October)	<ul style="list-style-type: none"> • Send out new applications forms returned • Reiterate that this upcoming seas where no group will gain or lose • Remind customers that 2007 Sea
Winter/Spring 2006	Facilities (Not Indoor Rinks)	Summer 2006 (June, July, & August)	<ul style="list-style-type: none"> • Send out new applications forms returned • Reiterate that this upcoming seas where no group will gain or lose • Remind customers that 2007 Sea
Spring 2006	Facilities (Not Indoor	September	<ul style="list-style-type: none"> • Send out new applications forms

	Rinks)	2006 to May 2007	returned <ul style="list-style-type: none"> • Reiterate that this upcoming seas where no group will gain or lose • Remind customers that 2007 Sea
Sept to Nov 2006 Review	All Permits	All	<ul style="list-style-type: none"> • Internal review of Permit allocati
December 2006	Outdoor Sports Field	Summer 2007 (May to October)	<ul style="list-style-type: none"> • Send out new applications forms returned • Notify groups that this season is • Allocate space based on new app
Winter/Spring 2007	Facilities	Summer 2007 (June, July, & August)	<ul style="list-style-type: none"> • End out new applications forms v returned • Notify groups that this season is • Allocate space based on new app
Spring 2007	Facilities	September 2007 to May 2008	<ul style="list-style-type: none"> • End out new applications forms v returned • Notify groups that this season is • Allocate space based on new app
Sept to Nov 2007 Review	All Permits	All	<ul style="list-style-type: none"> • Internal review of Permit allocati

Attachment No. 3 – Permit Allocation Policy Appeals Process

Step 1 Organization requests in writing an Appeal at the location where the permit was issued.

Step 2 Request for appeal is forwarded for investigation and response to the respective Customer Service Supervisor or Recreation and Facility Supervisor with the assistance of 2 community based representatives.

Step 3 Supervisor investigates the Appeal based on consideration of the following:

- Main group (s) that the organization serves
- Impact on other community groups
- Organization participant growth/decline projections
- Space permitted to organization at other local facilities
- Availability of space at other community facilities
- Other forms of grants from City of Toronto
- Extent of compliance with Permit Allocation Policy
- Additional service contributions to Toronto residents

Step 4 Outcome of Appeal is communicated in writing to the appealing Organization by the Supervisor.

Copies to the respective local Councillor, District Director, Regional Manager, Community representatives involved in appeal and all internal staff involved in the process.

Attachment No. 5 – Permit Rates of Former Municipalities

Basic premise of permit rate policies in former municipalities, that still exist today. There may be an anomaly at some specialty facilities.

Former Municipality	Gyms	Rooms	Kitchens	Dry Pads	Tennis Courts	Sport Fields
East York	Charged	Charged	Free	Charged	Free	Charged
Etobicoke	Charged	Charged	Charged	Charged	Free	Charged
Metro	Charged	Charged	Charged	Charged	Charged	Charged
North York	Charged for Adults and Free for Youth	Free	Free	Charged	Free	Charged for Adults Free for Children/Youth
Scarborough	Charged	Free	Free	Charged	Free	Charged for Adults Free for Children/Youth
Toronto	Free	Free	Free	Free	Free	Free
York	N/A	N/A	N/A	Charged	N/A	Charged for Adults Free for Children/Youth

Note: In 2002, the South District (former City of Toronto) implemented interim permit rates, that charged for facilities such as gymnasiums and rooms, that were free prior to 2002.

Attachment No. 6 – Key Messages from Permit Rate Community Consultation

Question 1 - What should the City take into consideration when establishing fees for permit groups?

The following issues were identified as key criteria that should be considered when establishing permit rates:

- Accessibility for groups that cannot afford to pay
- Equity of rates across the City
- The type of facility that is being permitted (different rates based on quality of facility)
- The type of group or individual that is permitting the facility (for-profit groups should pay more than not-for-profit)
- Partnerships with the City should be taken into consideration when establishing fees

Question 2 - What types of facilities or functions should have cost-recovery permit fees as opposed to subsidized fees?

- Profit functions were identified as special occasion permits (birthday parties, weddings), commercial permits (meetings, business functions)
- Cost recovery functions were identified as permits to the Toronto District School Board
- Subsidized functions were identified as community groups, children and youth groups, social services and seniors
- Facility rankings were identified as being inconsistent (depending on quality of facility or amenity), but to ensure access to these facilities/amenities

Question 3 - How much advance notice do groups require to budget effectively for changes in fees?

- Most groups identified that at least one full year would be required in order to notify members and amend financial plans
- There was a desire for as much time as possible and suggestions for a 1 to 3 year phase-in period