



REPORT

Council

Meeting Date: December 16, 2024

FROM: Legal Department

DATE: December 3, 2024

SUBJECT: Deerfield Golf Course Lease Extension

LOCATION: 2363 North Service Road West

WARD: Ward 4

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RECOMMENDATION:

That staff negotiate a five-year lease extension with the current tenant of the Deerfield golf course and the agreement be executed in accordance with By-law 2023-021.

KEY FACTS:

The following are key points for consideration with respect to this report:

- The Town owns the Deerfield golf course and currently leases the golf operations to Deerfield Golf & Recreation Ltd. (the “**Tenant**”).
- The Tenant’s lease expires on December 31, 2025.
- The Parks and Recreation Master Plan recommends undertaking an infrastructure condition assessment and review of the operating model and potential future uses at Deerfield Golf Course prior to the expiry of the agreement. Among other options, consideration may be given to the potential of the site to host special events and passive park uses, as well as community-level golf opportunities.
- Staff believe this will take a few years to conduct the necessary studies, due diligence and consultation.
- Staff are recommending extending the current tenant for 5 years. This term will allow the tenant to recoup necessary investments in the maintenance of the course, while providing sufficient time for staff to complete necessary studies, due diligence and consultation related to the optimal use of the site.
- A companion confidential report on this agenda discusses the proposed rent for the lease extension.

BACKGROUND:

The Town acquired the Deerfield golf course and the surrounding conservation lands from the Province on May 17, 2018. The golf course has been leased to the current tenant, Deerfield Golf & Recreation Ltd., since 1987. The Town assumed the lease from the Province when it acquired the golf course. In 2022, the Town extended the lease and entered into an agreement with the Tenant and the developer of the adjacent Bronte Green subdivision to realign several golf holes to reduce the likelihood of golf balls entering backyards for the properties that back onto the golf course. The lease expires on December 31, 2025.

When the Town acquired the golf course, the Town agreed with the Province that the use of the lands would be restricted to the use and operation of a public golf course together with complementary golf-related uses and municipal uses for sports and fitness related activities only. This restrictive covenant ensures a public golf course is always operated on these lands, but it also allows the Town some flexibility to add other recreation uses to the lands that are complementary to the golf course.

The Parks and Recreation Master Plan was presented to Council on November 18, 2024. In the master plan, there is a recommendation to undertake an infrastructure condition assessment and review the operating model and potential future uses at Deerfield Golf Course prior to the expiry of the agreement. Among other options, consideration may be given to the potential of the site to host special events and passive park uses, as well as community-level golf opportunities.

COMMENT/OPTIONS:

The master plan recommends staff investigate the potential for using the lands for other recreation uses complementary to the golf course. This will require studies, due diligence, and public consultation. Staff believe this will take some time to accomplish and maintaining the current relationship with the Tenant in the interim is the best way to move forward.

The Tenant has been operating the golf course since 1987 and staff have had a good working relationship with the Tenant since the Town acquired the golf course. The Tenant will be responsible for all costs associated with maintaining and operating the golf course. So, the Tenant needs to have some certainty on the term in order to budget for necessary repairs and maintain the staff and equipment necessary to operate the golf course.

Staff are recommending a 5-year lease extension with the current Tenant to continue operating the golf course. This term is long enough to give the Tenant the certainty they need while also providing staff the time needed to complete the necessary studies, due diligence and public consultation. If Council approves the

staff recommendation, staff will enter into a five-year extension agreement with the Tenant that continues the existing arrangement and updates the rent as discussed in the confidential companion report on this agenda.

CONSIDERATIONS:

(A) PUBLIC

The public will be aware of this report due to its inclusion on the public agenda and future public consultation is expected before any changes are made to the operation of the golf course.

(B) FINANCIAL

The proposed rent is discussed in the Confidential Report. The Tenant will be responsible for all costs associated with maintaining and operating the golf course. Staff anticipate a budget request in 2026 for the funds to complete the due diligence work on this site.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

This report was jointly prepared with the Parks and Open Space department.

(D) COUNCIL STRATEGIC PRIORITIES

This report addresses the corporate strategic goal to be the most livable town in Canada.

(E) CLIMATE CHANGE/ACTION

N/A

APPENDICES:

None

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