

Section II - Items for Executive Committee Action

TO: Chair and Members of the Executive Committee
Friday, February 3, 2023 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **LEASE RENEWAL – TREETOP TREKKING**
Renew 10-Year Lease Agreements at Bruce's Mill and Heart Lake
Conservation Park

KEY ISSUE

Renewal of lease agreement between Toronto and Region Conservation Authority (TRCA) and Treetop Trekking for Bruce's Mill and Heart Lake Conservation Parks.

RECOMMENDATION:

THE EXECUTIVE COMMITTEE RECOMMENDS THAT WHEREAS TRCA has been requested by Treetop Trekking Inc. to renew existing lease agreements between TRCA and Treetop Trekking Inc. at Bruce's Mill and Heart Lake;

WHEREAS it is in the opinion of TRCA staff that it is in the best interest of TRCA in furthering its objectives under the Conservation Authorities Act, to renew the existing leases;

THEREFORE, LET IT BE RESOLVED THAT TRCA enter into lease agreements with Treetop Trekking Inc. on the following terms and conditions;

- (i) A ten-year term with a second ten-year term, at the option of TRCA in its sole discretion;**
- (ii) Rental rate for each Park is \$62,400 per year, indexed at 2% annually;**
- (iii) Treetop Trekking Inc. pays TRCA gross revenue of 7% in Year 1, 8% in Year 2, and 9% in Years 3-10;**
- (iv) Treetop Trekking will make a \$300,000 total capital investment into 5 structures at Bruce's Mill, within the first five years of the first term;**
- (v) Treetop Trekking is solely responsible for obtaining all required approvals and permits, and to pay all costs associated with maintenance, renovation, repair and installation, if any, of facility equipment;**
- (vi) Treetop Trekking will pay to clean on-site washroom facilities on a weekly basis.**

AND FURTHER THAT authorized TRCA officials are directed to take whatever action may be required to finalize the transactions, including the obtaining of necessary approvals and the signing and execution of any documents.

BACKGROUND

Treetop Trekking Inc. is owned and operated by Aux Deux Moulins Development Inc. (ADMD). ADMD is a Canadian leader in the development and operation of adventure parks within forested environments. The Corporation has owned and operated 14 adventure parks: seven in Ontario and seven in Quebec over a 17-year period.

Treetop's range of outdoor activities including Treewalk Village, Zipline and the Sun Canopy Walk provide a unique vantage point of forests for all ages of users with various skill levels. The structures are designed, constructed, and operated taking into account environmental sustainability principles. Treetop's continued success is dependent upon naturally maintained natural surroundings and environmental protection.

Bruce's Mill Conservation Park

Treetop Trekking's operation at Bruce's Mill includes six aerial courses: two of each beginner, intermediate and advanced level courses. The park also includes a 600ft long Monarch Zipline, three Discovery Courses, a Treewalk Village and twelve treehouses. The Treewalk Village is open all winter.

Heart Lake Conservation Park

Treetop's operation at Heart Lake includes five aerial courses for beginners, intermediate, and for advanced participants of all ages. The adventure course also provides a Red-Tailed Hawk Observation Course reaching up to 60ft in the air.

TRCA Board of Directors approved lease extensions at Bruce's Mill and Heart Lake Conservation Parks between TRCA and Treetop Trekking Inc. in 2019.

At Board of Directors Meeting, held on November 29, 2019, Resolution #A218/19 was approved as follows:

Based on the success of the existing lease agreements with Treetop Trekking Inc., Toronto and Region Conservation Authority (TRCA) proposes the following three modifications: (1) An amendment to the lease agreement at Heart Lake Conservation Area (Heart Lake), (2) An initiation of a lease agreement for development of an Adventure Park at Petticoat Creek Conservation Area (Petticoat Creek) and (3) An extension of lease agreements for both Heart Lake and Bruce's Mill Conservation Area (Bruce's Mill)(Executive Committee RES.#B116/19.

Subsequent to the Board Resolution in 2019, it was identified that the lease extensions should be for a period of greater than five years, to facilitate further investment into the properties. In addition, Treetop Trekking has elected not to proceed with the development of the adventure park at Petticoat Creek at this time until further feasibility studies are completed.

RATIONALE

The revenue generating agreement with Treetop Trekking Inc. is mutually beneficial for both organizations and helps to integrate the human experience in natural environments taking into account sustainability principles.

Item 9.2

Relationship to TRCA's 2022-2034 Strategic Plan

This report supports the following Pillars and Outcomes set forth in TRCA's 2023-2034 Strategic Plan:

Pillar 2 Knowledge Economy:

2.2 Collaboration to advance a green transition

Pillar 2 Knowledge Economy:

2.4 Integrate environmental considerations and science into decision making

Pillar 3 Community Prosperity:

3.1 Connect communities to nature and greenspace

Pillar 4 Service Excellence:

4.3 Responsive relationships and a trusted brand with a reputation for excellence

FINANCIAL DETAILS

The partnership with Treetop Trekking at Bruce's Mill and Heart Lake has been helpful in allowing TRCA to offset operating and capital costs at Bruce's Mill and Heart Lake. With respect to the capital investment at the five structures at Bruce's Mill, Treetop will undertake maintenance and interior improvements to the Maple Sugar Shack and adjustments to a picnic shelter and three sheds. All work, including any electrical or other trade work that might be necessary will be done by qualified professionals and they will obtain any necessary permits as well as TRCA's approval for all work.

Report prepared by: Andrew Savor

Email: andrew.savor@trca.ca

For Information contact: Richard Ubbens, (437) 240-7216; Alexander Schuler, (437) 880-1950

Emails: richard.ubbens@trca.ca; alexander.schuler@trca.ca

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