

TALISMAN DEVELOPMENT PROJECT

Presentation of Recommendations

Talisman Task Force

April 16, 2014

Opportunity

- Redevelopment of the Talisman Property is a great opportunity for the Grey Highlands Municipality for these reasons:
 - The Beaver Valley is one of the most beautiful nature locations in southern Ontario and is strategically located within two hours of the fourth largest urban area in North America having a population in excess of 4 million people.
 - The Niagara Escarpment has been designated by UNESCO (the United Nations Educational, Scientific, and Cultural Organization) as a “Biosphere Reserve,” which is a recognition of its significant ecosystem for its special environment and unique environmental plan.
 - Because of the Niagara Escarpment environmental importance, there is very limited property within the Niagara Escarpment area that is zoned for Recreation and Development.
 - Grey Highlands currently owns the property and can guide its redevelopment in a manner that is beneficial for the community now and in the future.
 - If the property is developed in accordance with the recommendations set out in this report, it will
 - be a key economic and recreational center for Grey Highlands,
 - strengthen the community from an economic and lifestyle perspective,
 - align with the 2013 BruceGreySimcoe Consumer Insight Research report on tourism regarding future opportunities for tourist activity for the Grey Highlands region,
 - be consistent with the Grey Highlands Strategic Plan priority of sustainable and principled growth, and
 - work with Kimberley village and the surrounding communities as a destination location for Beaver Valley.

Opportunity, cont'd

- The recommendations in this report are designed to ensure the Municipality:
 - has accessed all relevant and material information for similar type of developments,
 - identifies the right party(ies) to undertake the property's redevelopment, and
 - obtains market value for the Talisman Property.
- A public tendering process is key to these recommendations as a means of locating the best party(ies) to develop the property and determining the market value of the Talisman property.
- The prior owner undertook a comprehensive sales process that resulted in a number of expressions of interest to purchase the Talisman resort when it was operating, but no sale was concluded partly as a result of the severe economic conditions experienced in 2008.
- The Task Force is of the view that the prior Tax Sales process was insufficient to determine if the property has any market value or redevelopment potential.

Task Force Activities

- Met 13 times from December 22, 2013 to April 3, 2014.
- Met with the following parties:
 - Niagara Escarpment Conservation Authority
 - Grey Sauble Conservation Authority
 - Grey Bruce Tourism official
 - Official Planner from Grey Highlands
 - Special Advisors: Kerry Baskey, Rhonda Iadardini, Ray Robertson and Jake Hammer
- Undertook a site visit of the Talisman Property.
- Engaged the University of Guelph - Rural Planning and Development Masters Program to assist with a community survey and prepare a report to the Task Force on the results of the community survey and possible uses of the property.
- Provided avenues for community feedback
 - Two Community Consultations
 - Created a Talisman page on the Grey Highlands website
 - On-line Survey
 - Email

University of Guelph Report

- The Task Force applied and was accepted by the University of Guelph to have the Talisman Property be the subject of a class project for the Advanced Planning Practice Course, a course in the Rural Planning and Development Masters Program.
- Four students from the class worked with the Task Force to prepare a community survey, undertake a relevant literature review and prepare a final report to the Task Force.
- The final report “*The Talisman Revitalization Project*” was delivered to the Task Force on March 31. A complete copy of the report is attached as Appendix “A”.
- The purpose of this study was to gather public input regarding what should be done with the former Talisman property and to provide research and recommendations on the four viable options for the future of the Talisman property.
- The Talisman project was specifically selected due to the seriousness of the status of the Talisman resort, the importance to engage with local communities and the urgency to collectively reach a solution.

University of Guelph Report, cont'd

- The survey conducted by the University of Guelph students received:
 - 147 responses from Grey Highlands including 73 primary residents, 51 secondary residents and 23 visitors.
 - While this number of responses does not allow for any statistically significant analysis, the students identified some trends in the responses.
- Key points from the survey analysis:
 - The main priority for residents and visitors of Grey Highlands lie in active recreation and nature conservation.
 - The four top activity options considered by respondents (being snowshoeing, trail infrastructure, cross country skiing and conservation area) require very little infrastructure to support.
 - The total responses from all categories demonstrate a perceived need for additional extracurricular activities centered on active recreation, natural education and passive recreation.
 - Primary and secondary residents indicated that the environment, outdoor activities and the rural culture of Grey Highlands were the most valuable aspects of the Municipality.

Community Consultations

- Two Community Consultations were held in Flesherton (February 19) and Kimberley (February 22).
- Appendix “C” sets out an Analysis of the Public Meetings.
 - Each meeting was approximately 2 hours in length
 - Attendance total was around 50+ (20 Flesherton and 30+ Kimberley)
 - In addition to the community consultations, the Task Force received emails with input from community members.
 - Three themes emerged from the consultations:
 - Opportunity for multi-purpose and mostly public uses that could be integrated within a revitalization project and with other activities in the community and local area [themes: development, people, financial, recreation]
 - Opportunity revitalization to occur as a single project or incrementally within a longer term framework. [themes: financial, sustainable, clarity]
 - Preference for an action-oriented process that is clearly outlined, addresses immediate and longer needs and is supportive of revitalization. [themes: financial, clarity]

Current State of the Talisman Property¹

- The property is 266 acres in size with 75 acres of “developable” lands.
- Property and Building Status:
 - There are three primary buildings: the Main Chalet, the Mountain Side Lodge and the Day Lodge.
 - Each of the buildings seem to be structurally sound.
 - The buildings are in a varying states of disrepair because of non-use and extensive vandalism. The Main Chalet and Mountain Side Lodge have suffered water damage and have serious mould issues. To remediate the mould alone would probably require a significant expenditure. A preliminary estimate of approximately \$700,000 was provided to the Task Force to remediate the mould.
 - Given the age of the buildings, the state of disrepair and vandalism and cost to update to modern standards and codes, the buildings would require an extensive capital investment to become usable again. A former employee of Talisman advised the Task Force that the prior owner had budgeted \$12.0 million to renovate and update the buildings when they were in operation.
 - The ski lifts are not operational and will require a substantial capital investment to reactivate or replace.
 - The snow-making equipment was partially upgraded before the resort closed but will require significant capital investment to become operational.

1. The Task Force did not engage any expert parties to give an opinion as to the value of the property or condition of the building or the cost to remediate the buildings.

Current State of the Talisman Property, cont'd

- ▶ The golf course is overgrown from non-use and would require a significant capital investment to return to playable condition.
 - ▶ The pool and tennis courts are in complete disrepair.
 - ▶ The existing landscaping is intact but substantially overgrown from non-use.
 - ▶ The resort is not operational in any manner in its current state of condition.
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- Access to the buildings have been secured and no trespassing signs have been posted on the property. The Municipality has included the property within its umbrella liability Insurance policy to protect against any potential mishaps on the property.
 - Zoning for the property is a mix of Recreational, Development and Hazard lands.
 - There are no outstanding permits that would allow immediate redevelopment of the property.
 - Any proposed redevelopment will require approvals from the various local and regulatory authorities.

Guiding Principles

- Any proposed redevelopment should be assessed against the following Guiding Principles¹:
 - Enhance Quality of Life
 - Provides recreational activities for local residents, tourists and families
 - Is environmentally sustainable
 - Works in concert with Kimberley Village, Kimberley Forest, the Bruce Trail and the local community
 - Provide Economic Benefit
 - Ability to create revenue for Grey Highlands
 - Ability to create job opportunities
 - Ability to attract tourists to region to support redeveloped property and other local businesses
 - Financially Sustainable
 - Is financially sustainable without the support of local tax dollars
 - Public Accessibility
 - Is accessible to the general public

1. The principles are not ordered based on preference and each principle should be provided equal weight when reviewing any proposed redevelopment.

Property Vision

- The Task Force recommends that the property be developed to create:
 - A multi-use four-season public family activity center that offers recreational activities, accommodations and restaurants that works with Kimberley Village and surrounding communities and is the destination and focal point for the Beaver Valley.
 - A “Green Development” consistent with (i) the “Biosphere Reserve” designation and natural beauty of the Beaver Valley, and (ii) Grey Highlands Strategic Plan priority of sustainable and principled growth.
 - Development of the property may include:
 - Four-season activities such as cycling, hiking, skiing, snowshoeing, climbing, canoeing, kayaking
 - Green residential development
 - Tourist accommodation which may include traditional hotel facilities or alternative eco-friendly accommodations
 - Focus on local food movement with restaurants and possible food marketplace
 - Spa and wellness facilities
 - Facilities for business conferences, weddings or other destination events such as cycling events or other outdoor activity/fitness competitions
 - Camps or outdoor programs for children and families

Property Visions, cont'd

- Possible benefits from redevelopment:

- **Activity Center** – A recreational activity center for Beaver Valley will draw tourists, local residents and future destination events consistent with the future tourist target markets for the Grey / Bruce counties according to the 2013 BruceGreySimcoe Consumer Insight Research report on tourism .
- **Job Opportunities** - Sustainable businesses will provide opportunities to local residents in the property's redevelopment, the operation of the businesses, and potential entrepreneurial ancillary opportunities.
- **Tax Generation** – Development of businesses and additional residential units will increase tax revenues for the Municipality.
- **Economic Driver** – The redevelopment will be an economic driver for the Municipality that will support local businesses in the surrounding communities of Flesherton, Markdale and Kimberley.
- **Environmental Sustainability** – A Green development will leverage the natural landscape and beauty of the Beaver Valley and will respond to the community's concern for conserving the environment.
- **Social/Culturally** – The redevelopment will improve the quality of life for community members and provide social and cultural activities.

Task Force Recommendations

- The Task Force recommends that the Talisman property be developed in a manner consistent with the preceding Vision and Guiding Principles. To achieve this redevelopment, the Task Force recommends that each of the next steps be undertaken.
- Steps:
 - (1) Create a Development Board to supervise the development of the Talisman Property.
 - (2) Encourage public use of the Talisman property in the interim period.
 - (3) Consider selling remaining chattels and building materials remaining on the site.
 - (4) Engage a Specialized Consultant to assist the Development Board.
 - (5) Undertake a public Request for Proposals (RFP) process.
- Timing
 - The process could be initiated immediately and the above steps could be completed within a 12 month time period.
 - The goal is to (i) identify a credible third party(ies) to undertake the redevelopment of the property and (ii) enter into an agreement with such party(ies) for such redevelopment. The actual redevelopment will occur after the conclusion of this process.

Step 1 - Create a Development Board

- Create a Development Board that will supervise the redevelopment of the Talisman property.
- The Development Board's mandate is to:
 - engage and select appropriate specialized consultants to assist with the redevelopment,
 - consider different ownership structures for the property's redevelopment e.g. sale to a third party, lease of the property, public/private partnership, cooperative or not-for-profit ownership,
 - engage local community leaders and other stakeholders to determine if they can assist in the property's redevelopment,
 - develop parameters, terms and conditions for the public RFP process. This would involve "suggested" uses that could still be variable depending on proposals received, and
 - undertake a public RFP process to solicit expressions of interest to (i) locate a credible party/parties to redevelop the property, and (ii) negotiate the terms and conditions of any redevelopment, sale or disposition of the property.
- The Development Board will:
 - be comprised of three community members with one member being a current member of the Task Force and the remaining two members chosen by the task Force,
 - have an initial budget of \$50,000 to engage a consultant(s) to assist with the project. Any additional funds will require the prior approval of Council,

Step 1 – Create a Development Board, cont'd

- have access to the staff at the Municipality to assist with its function,
 - have complete and open access to the public (including through social media means) for ongoing community consultation and to all information the Municipality has with respect to Talisman, and
 - update Council on a regular basis and any final redevelopment will be subject to approval by Council.
- Appointees to the Development Board should have experience in one or more of the following areas:
 - Property and Land Development preferably for Green projects
 - Legal
 - Financial
 - Public Sales Process
 - Community and Economic Development
 - Rural or Recreational Planning
 - Potential appointees will have to be:
 - independent of any parties that may have an interest in developing the property,
 - a resident, property owner or business owner in the Grey Highlands Municipality, and
 - able to dedicate significant time to this project.

Step 2 – Public use of the Talisman Property

- The Development Board should consider and, if deemed appropriate, recommend to Council public use of the Talisman Property in the interim period until the property is disposed of or redevelopment undertaken. These steps should be undertaken:
 - Cordon off areas of potential hazard (including the existing buildings) and allow the community to use the rest of the property for low impact activities such as walking/hiking, biking, snowshoeing, cross country skiing and picnics.
 - Consider allowing community clubs to bring recreational facilities, such as the tennis court, into use.

Step 3 – Consider selling Remaining Assets

- The Municipality should consider selling the remaining chattels and building materials remaining on site and the proceeds from such sale should be used by the Development Board in discharging its mandate.
- The Municipality should take into consideration the cost of undertaking such sale, the potential proceeds and whether such sale would negatively affect the value of the property.

Step 4 - Engage Specialized Consultant(s)

- Engage a specialized consultant(s) that has experience in the development of properties to be used for recreational purposes in rural settings. The consultant(s) will assist the Development Board by:
 - researching potential for non-governmental organization or government (federal / provincial) funding to assist in this redevelopment project,
 - researching how other recreational resorts in North America have been revitalized in current economic conditions,
 - supporting the Development Board in refining the Vision and Guiding Principles based on information and analysis received from the consultant,
 - researching what would be economically sustainable and feasible for the property, and
 - recommending how best to market the Talisman property to ensure Municipality receives fair market value for the property.

Step 5 – Undertake a Public RFP Process

- The Development Board will undertake a public RFP process:
 - Engage an appropriate party to market the property.
 - Utilize publicly available information regarding zoning applications and development permits from the previous Talisman resort.
 - All proposals will be judged against the Vision and Guiding Principles and the parameters, terms and conditions set out by the Development Board.
 - Contractual restrictions should be entered into with the successful party/parties requiring the property be developed: (1) within a reasonable time frame, and (2) in a manner consistent with the Vision and Guiding Principles of the RFP.
- Any developer(s) should be assessed against these criteria:
 - Experience developing a facility consistent with the Vision and Guiding Principles.
 - Experience operating a facility consistent with the Vision and Guiding Principles.
 - Proven financial capability to complete the proposed redevelopment.