

Governance, Organization and
Finance Review of the
Rouge Park Alliance
Executive Summary



Submitted to the

Rouge Park Alliance
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StrategyCorp – Hemson Consulting

Executive Summary

The Rouge Park is as remarkable environmental asset. Yet, it is even more remarkable for what it could be: a gateway to wilderness park experiences within an hour's drive of almost 7 million Canadians – and accessible by public transit.

To realize this vision, change is required. The Rouge Park needs new funding commitments and a new structure to give it a proper leadership and accountability structure.

In our view, the best means of resolving the need for land, funding and better governance would be to designate the Rouge Park as Canada's first "near urban" National Park.

1. Background

In August 2009, the Rouge Park Alliance retained StrategyCorp Inc. in collaboration with Hemson Consulting Ltd. to undertake this review of the Rouge Valley Park. The purpose was to make recommendations on options for its future leadership, financing and organization, with a view to fulfilling the Vision of the Park. This study is the product of five months of focused effort involving the Rouge Park Alliance and its team of professionals. This study considers how a redesign of park governance and funding arrangements could help make Park Vision come to reality.

The consulting team approached this study with a keen awareness that the Park is not in need of an academic study about what "might be". It is much more important to provide a model that could be implemented.

The participants recognized this when they rated "ability to create (or get agreement on) a new "Founding Deal" among Alliance members" as the most important attribute of a reform package.

Thus, in addition to the objective realities of the Park, we also sought to understand as fully as possible the subjective political dimensions of the Park, with a view to defining the key political enablers and the barriers to success.

The Rouge Park was borne out of activism and a political response to a compelling concept and opportunity. Since its creation, the efforts of the Alliance have further defined and consolidated the opportunity.

Even today, however, the basic discussion about what the Rouge Park could or should be remains unresolved. There is still no universal shared definition of the "Rouge Park" – even among Alliance Members.

Perhaps because of this, the Rouge Park is still without many of the fundamental features or benchmarks of a successful park. It does not have:

- a consolidated, well defined land base
- a comprehensive master plan
- a funded implementation strategy

- a functional governance model
- an articulated park brand (what it is, what it does, and who it is attracting).

A map of the lands covered in this study is attached as Figure ES.1. Collectively, these lands are described as the “Rouge Park Governance Report Study Area”. A detailed description of the Study Area is provided in Chapter 2 of this report.

2. Funding

The Study Process assessed the current level of operating and capital funding, with a view to determining the adequacy of current funding levels.

In terms of the operating budget, it is clear that the existing level of funding is inadequate.

Using conservative approximations of costs per hectare, it is estimated that an annual operating budget of approximately \$4 million is required to ensure the sustainability of Blocks 1 and 2 of the Park. The annual cost would be higher were a portion of Little Rouge East area to be allocated to non-agricultural uses.

In regard to the capital budget, depending on the specifics of the Master Plan, it is reasonable to project that bringing the facilities in the Park up to a level that is more in keeping with the scale and significance of the Park could easily require a capital investment of more than \$40 million over a period of 10 years.

No detailed plans have been prepared for the lands in Block 3. Accordingly, it is very difficult to project either a capital or operating budget for the area. Were it to remain in agricultural uses, additional capital requirements would likely be modest and operating costs minimal. If, however, parts of the area were to be reforested and/or converted to more substantial park-type uses, capital cost at a minimum of \$10,000 and likely \$13,000 per hectare would be required. Annual net operating costs would also increase at between \$300 and \$650 per hectare approximately.

The Report recommends that the Rouge Park Alliance seek a commitment to adequate, secure funding to allow it better meet its needs.

3. Limitations of the Existing Governance Model

The Rouge Park Alliance was originally created to provide temporary leadership during the creation of the new park. In its structure, it delivered broad stakeholder representation to the Park while it was in its infancy, and, under its leadership, many important milestones have been reached. Nevertheless, the Report concludes that the existing structure of the Alliance faces several key limitations:

- It is an unincorporated “Alliance” and does not have legal “natural person powers”. Accordingly, it is unable to own land or contract in its own name. This is a severe limitation to its ability to directly manage and be accountable for the Park

- Secondly, with the exception of the Chair, appointees to the Rouge Park Alliance sit in a representational capacity, whereby they represent the organization that appointed them. The Alliance is an Advisory Body, and not a true decision-making board of directors for the Rouge Valley Park.

The Report recommends that the Rouge Park Alliance seek a new governance model, to improve its ability to manage and be accountable for the Park.

This is true, whether or not the Park achieves a new funding arrangement.

It is axiomatic that in the design of governance, “form follows function.” Accordingly, the specifics of the new arrangements should wait for a resolution of the funding question. There are many different ways of achieving this basic structure, and it can be customized to meet the mix of funders, donors of land, and their mix of accountability expectations and requirements.

Both of these goals require a new “Founding Deal,” whereby:

- one or more government entity undertakes to be the funder, and
- the accountability needs of the funder are built into the new governance model.

4. Towards a New Founding Deal

The enthusiasm of the champions of the Park has created significant political momentum for a new Founding Deal and an enhanced Rouge Valley Park.

The Founding Deal must set out in clear terms how the Park can co-exist and be managed within the adjacent urban landscape. Further, it must also provide a framework by which to manage the diversity of uses within the Park area.

Thus, the Founding Deal must address both:

- The core deliverables needed to improve the park.
- The needs of the partners, ranging from corporate goals to political imperatives.

To address the strengths and weaknesses identified through the process, the Founding Deal would have to address the following:

1. Vision: what is the role of the Park?
2. Land: what will the boundaries be?
3. Funding: what entities will fund and to what level?
4. Governance and transitional arrangements.

There are four main barriers to achieving a new Founding Deal:

1. Finding a funder(s)
2. Resolving ambiguities
3. Resolving issues
4. Resolving Boundaries.

Firstly, there was widespread recognition and agreement among Study participants that the biggest challenge will be to secure a willing funder (or funders) in the current economic climate.

Secondly, in discussions with study participants, it became apparent that there are many details about these four components that are insufficiently defined, and that need to be fleshed out in order to reach a new Founding Deal. It should not be assumed that these details constitute areas of disagreement, so much as areas where further elaboration is required.

Thirdly, there are three major unresolved issues which, if left unresolved, could be a barrier to concluding a new Founding Deal. They all relate to the diversity of the land, and the need of the park to accommodate diverse interests within or near its boundaries.

1. Municipalities are concerned that the Rouge Park could have a negative impact on:
 - The ability to plan regional infrastructure corridors passing through the Rouge Park lands
 - Municipal ability to plan and deliver on the requirements of such provincial legislation as the *Places to Grow Act*
2. Many stakeholders could not support the Park if it were not implemented in a way that was compatible with sustainable agricultural practices
3. Members of the Alliance do not have a common understanding of what the boundaries of the Rouge Park can or should be.

In regard to boundaries, an expanded Rouge Park could provide a connecting link between Lake Ontario and the Oak Ridges Moraine. The consulting team believes that this is a very compelling vision. To achieve it, it would be necessary to include the area described as Blocks 1, 2 and 3 in the Rouge Park. As noted above, there is as of yet no well defined plan for how the lands in Block 3 could be integrated into the Park. In light of the significant work that remains to be done with respect to planning for Block 3, in our view, the most pragmatic course at present would be a phased approach:

- The Founding Deal for a new Rouge Park should address the existing Park Boundaries (described herein as Blocks 1 and 2), exclusive of City of Toronto lands in operation as the Toronto Zoo and closed Beare Sanitary Landfill site
- A determination to include some or all on the Federal lands in Block 3 should be the subject of discussions during the Founding Deal process, including consideration of the lands to be set aside for park purposes in Markham and final decisions regarding the preservation of agricultural land.

All participants in the study process were in favour of achieving an enhanced park of *some* description. In the opinion of the consulting team, there is a general agreement that the Park must coexist and be viable with its diverse neighbours. While there remains considerable work to be done to reach a full agreement, the consulting team believes that the areas of difference should not be overestimated. We believe that through the proper process of fleshing out implementation details, there could be an agreement reached on these issues.

5. Considering Park Models

The Report evaluates eight park models against the following three criteria:

- Funding: Ability to secure sufficient fiscal resources
- Control of Land: Ability to concentrate land ownership
- Authority and expertise: Gives operating agency sufficient authority and expertise over the Park.

The Report concludes that no model is perfect, and no matter what model is chosen, some legislative “hybridization” is likely to be required. This terminology has been used to describe the modifications to an existing governance model that might be required to allow it to meet the unique governance needs of the Rouge Park. In some cases, such hybridizations could require legislative change. In other case, they might only require regulatory change. In either case, it is the assumption of this study that to be a plausible hybrid, the changes would be limited in nature, and preserve the overall integrity of the model and legislative framework.

The National Park and Provincial Park models appear to best meet the three criteria of ability to deliver funding, control of the land and authority and expertise. Indeed, both would be very strong models which could meet all the requirements at a high level.

The consultant team then applied a final criterion relating to the likelihood of the model to deliver a Founding Deal. This is not a function of the Formal Evaluation process, but rather a subjective judgment having regard to the ability to achieve a Founding Deal. In the view of the consultant team, the National Park model is the most promising model insofar as we are aware that Parks Canada is interested in opportunities to better connect its mandate and programs to the Greater Toronto Area. In this context, a near urban park would be a good opportunity to reach this audience with close-to-market nature and park experiences.

It is important to stress that each of the other models *could* be made to work for the Rouge Park. Properly executed, each would still deliver better governance characteristics than the Rouge Park Alliance currently has with its limited model. To be made to work, however, they would appear to require the expenditure of significant political will and effort to work around financial and technical challenges.

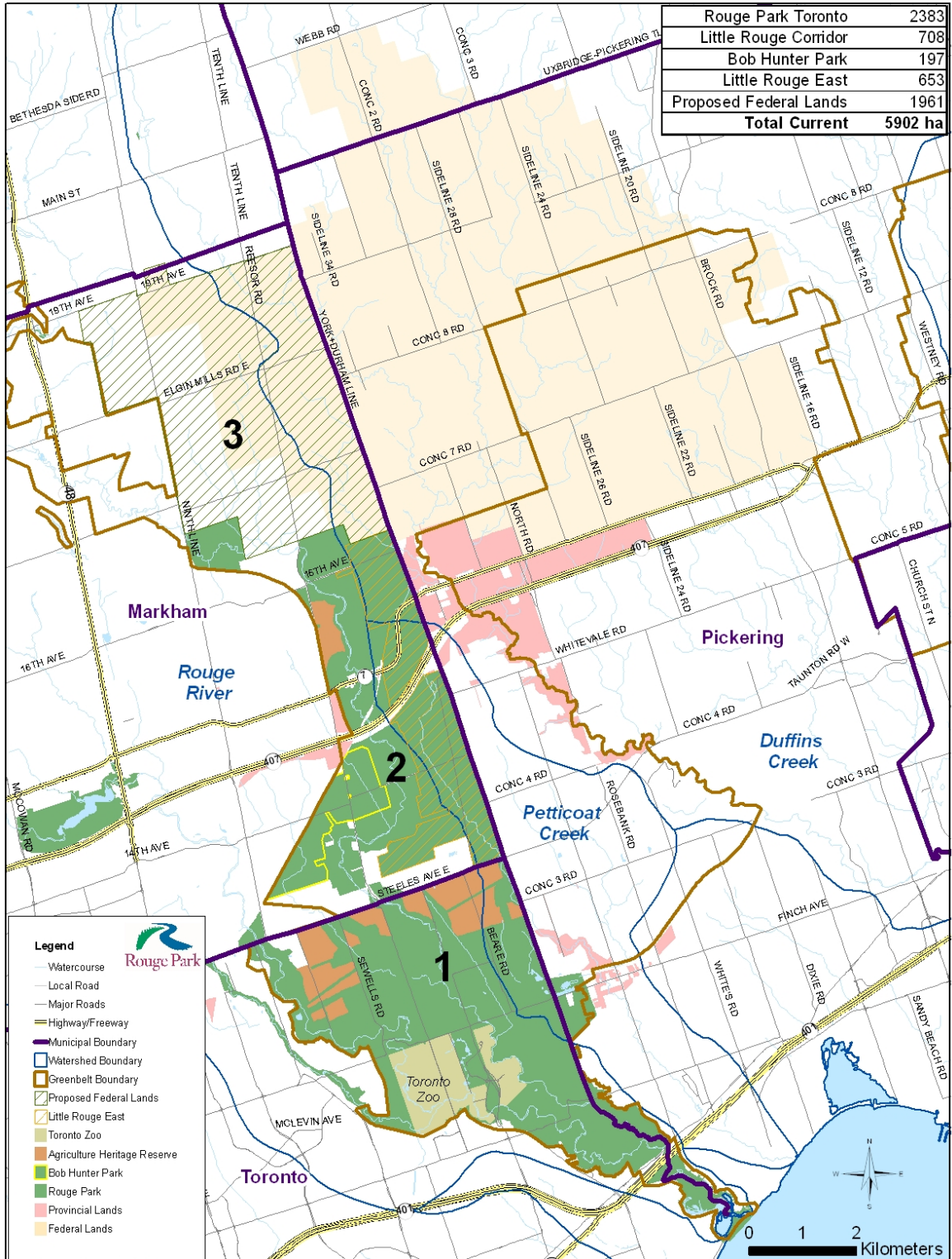
Given the analysis, we recommend the creation of a Rouge National Park.

Such a park would be the first near-urban national park of its kind, and would reflect the Vision and unique opportunity offered by these significant lands.

6. Recommendations

Based upon the review and analysis conducted through this study, it is recommended that the Rouge Park Alliance adopt the following:

1. Secure the agreement of the existing Alliance Members
 - support for a National Park
 - agree to the terms of a Founding Deal as set out below in table ES 2.
2. Call upon the Governments of Canada and Ontario to:
 - commence negotiations on a memorandum of Understanding to establish the Rouge National Park which would address the requirements of a Founding Deal, as set out below in table ES 2
 - address the opportunity to create a shared interpretive centre to anchor the Rouge Park and act as a gateway to the larger provincial and national park experience.
3. The Rouge Park Alliance prepare a public and stakeholder communications and branding strategy, to capitalize on the current political interest in the environment and the window of opportunity afforded by the international focus on the GTA that will arise from the Pan-Am Games and G20 meetings.
4. In the event that there is no progress on a new Founding Deal by December 30, 2010, it is recommended that the Rouge Park Alliance seek an initiative from the Government of Ontario that it be reconstituted as a not-for-profit arms-length agency with updated board and governance structures, and natural person powers, in order to address the governance weaknesses inherent in the existing alliance model.



ES2

Elements of a Founding Deal Required to Improve the Park	
Funding	<ul style="list-style-type: none"> • Park funding and number of funders • Previous contributions of operating and capital funding • Previous contributions (in kind) • Present/future contributions of on-going operating funding • Present/future contributions of capital funding • Present/future contributions (in kind)
Boundaries and land commitments	<ul style="list-style-type: none"> • Park Boundaries • Previous contributions of land • Present/future contributions of land
Vision	<ul style="list-style-type: none"> • The level of environmental protection the Rouge Park should deliver
Governance and transitional arrangements	<ul style="list-style-type: none"> • Governance conditions/requirements • Appointment of a transition park manager • Conversion of the Alliance to an advisory board • Creation of an interim transition entity with natural person powers and decision making authority • Transfer assets held by other entities on behalf of Rouge Park to new transition entity
The Needs of Existing Alliance Members	
Municipal Agriculture TRCA Stakeholders and Volunteers	<ul style="list-style-type: none"> • Define how the Park Master and Operating Plans will be used to accommodate the following issues in such a way as to allow for their co-existence, without diminishing the realization of the vision of the Park: <ol style="list-style-type: none"> 1. allow municipalities to meet legislated requirements under applicable provincial legislation and plans existing land uses, both inside and near its border 2. there is a need to develop an agricultural business strategy which becomes an integral component of the Park Master Plan and Operational Plan. This business strategy must address the issue of long term leases (50 yrs), investments in farm infrastructure, viable crop and business models, marketing, signage and land use compatibility issues such as the use of fertilizers, noise, dust etc. 3. provincial, inter-regional and municipal infrastructure 4. active recreational uses • Define an access plan, revenue generation plan, activity plan • Define the effect of the new governance model on existing Alliance Member organizations • provide for the on-going role of the TRCA in Watershed Planning and Management • Address the need of municipal partners which require lands for active recreation and other uses • Provide a means to link local green infrastructure to the park • Ongoing stakeholder and volunteer advice and participatory involvement through a “Friends of the Park” model