

OTTAWA-CARLETON ULTIMATE ASSOCIATION

Capital Improvements Project Goals

1. To establish a capital fund, using the equity currently enjoyed in the “excess” area in UPI.
2. To obtain input from the membership about interests in capital projects to guide the Ottawa-Carleton Ultimate Association Board of Directors (BoD) in its decisions.
3. To establish firm timelines for the same.

The Plan

Stage One: Inform membership and solicit input in writing on whether to establish capital Fund. The deadline for member input is **March 10, 2021**

Stage Two: By-video consultation “Town Hall” - **March 11-14, 2021, precise date TBD**

Stage Three: Board of Directors Meeting and Decision: **March 16, 2021**

Stage Four: Resolution at 2021 Annual General Meeting: **April 24, 2021**

Message To Membership

Consultation about Capital Improvements Fund

The Ottawa-Carleton Ultimate Association Board of Directors is seeking the input of the members on three questions:

1. Whether to sell the “excess” land that forms part of UPI to form a capital improvements fund.
2. Whether, alternatively, to explore other development options for the unused land.
3. What capital improvements, if any, OCUA should pursue with any capital acquired.

Background

UPI is located at 1295 Manotick Station Road and consists of two parts. The first part comprises the playing fields, parking lot, irrigation pond, and gathering area to the north-east of the playing fields (where the BBQ tent is set up, for example). This playing area comprises approximately 41 acres. **The proposal is not to sell the playing area.**

The second part is a 68-acre parcel of land that is currently unused. **The proposal is about this area.**

When Project Callahan was commenced in 2015, UPI Inc. and OCUA jointly obtained an appraisal of the value of that unused land. The appraisal estimated the value of the land at between \$340,000 and \$680,000, depending upon whether the land remains inaccessible (i.e. whether there is road access). An informal offer was made in 2015 at the higher end of that range.

OCUA currently does not have a dedicated reserve fund. OCUA makes capital acquisitions out of normal revenues and amortizes the cost of those improvements as required by Generally Accepted Accounting Principles.

Proposal

OCUA would like to explore selling the excess 68 acres adjacent to the playing fields at UPI. If an appropriate purchase price can be agreed upon, OCUA would use the proceeds to create a capital improvement fund. OCUA would then spend the capital improvement fund on appropriate capital improvements.

Input Sought

OCUA would like the input of its members on two issues:

1. Should OCUA attempt to sell the excess 68 acres at UPI, and with what conditions? Alternatively, should OCUA attempt to develop the land on its own?
2. If so, what are the types of capital improvements that OCUA should invest in? The capital improvements that have been considered include:
 - a. A permanent structure at UPI (clubhouse, etc.);
 - b. Improved online presence for OCUA;
 - c. Acquiring an ownership interest in a dome;
 - d. A giant tower of frisbees; and/or
 - e. A capital improvement fund to use at a later date.

Timetable

Stage One: Written Consultations on Question One

OCUA requests written comments on the two proposals (to sell the excess acres and, if so, how to spend the money) by **March 10, 2021**, by sending them by e-mail to upisale@ocua.ca.

This e-mail address address is not going to be actively monitored. It is designed to collect written comments, and it is not designed to answer questions or for discussion. If you have questions, please send the questions to ed@ocua.ca instead.

Stage Two: Online Town Hall

OCUA will hold a video-meeting on a date and time to be announced shortly, but between March 11th and 14th, 2021. The time and date of the meeting will depend upon the volume and nature of the written feedback.

Stage Three: Member Vote at AGM

If there is broad support for establishing a capital improvement fund, there will be a resolution prepared for the AGM to be held in April, 2021 about whether to sell the excess land.

Stage Four: Implementation

If the decision is to sell, the Board will be empowered to negotiate the terms of that sale.

Stage Five: Use of Capital Improvement Fund

When the sale is close to a reality, there will be a second consultation exercise (similar to the first) about what use OCUA should make of the capital improvement fund.

Frequently Asked Questions

1. Is a capital improvement fund necessary from a financial point of view?

No, OCUA remains in a sound financial position. However, OCUA is currently not able to make large capital investments.

2. So why do it?

Think of it this way: if OCUA had approximately \$340,000 in spare cash (to use the lower-end estimate from the 2015 valuation), would you want OCUA to buy the land adjacent to UPI and leave it undeveloped? Additionally, the timing is advantageous with the adjacent properties being developed.

3. What are the downsides?

There are three downsides that OCUA has identified. First, the land may appreciate in value greater than any investment OCUA could make. Second, the land may be used for purposes that impede OCUA's use of the ultimate fields. For example, if the value of the land truly doubled with road access, OCUA may consider granting a right-of-way to the new owner through the parking lot or some other transaction that cuts off part of the parking lot. Third, the land may not be severable for legal reasons.

4. Is this related to COVID-19?

No. OCUA remains in a sound financial position. This initiative would be worthy of pursuit regardless of COVID-19.

5. Why would OCUA think about building a clubhouse?

It is premature to discuss the actual merits of any use of the capital improvement fund; these ideas are provided as examples only. Besides, there is a universally-acknowledged fact that clubhouses are cool. It would also provide a space if OCUA developed child-care arrangements for UPI.

6. What are the downsides to a clubhouse?

We already told you that it is premature to discuss the actual merits of the use of the capital improvement fund. However, since you asked, OCUA only uses UPI for a portion of the year. There is a fair bit of vandalism that takes place at UPI each year; there is a concern that any permanent structure would require significant repairs every Spring. Any permanent structure would require some re-zoning or other planning permission that may ultimately not be granted.

7. Can't we do an improved online presence without a capital improvement fund?

Yes, but this project would be a way to improve OCUA's online presence (and increase membership) without increasing league fees or taking money away from other initiatives.

8. Why would we build a tower of frisbees?

There is literally no reason not to do this.

9. How tall a tower are we talking about?

At \$10 per frisbee, this is 34,000 frisbees with an average height of 3cm - so 1020 meters in height. But we have to factor in a modest cost of glue to hold them together. But no other costs or mechanics are involved, we're sure that's how engineering works.

10. How can you joke about a half-million dollar decision?

We take the project seriously, but we never take ourselves seriously.