

License Agreement Renewal at Saskatoon Field House – Saskatchewan Track & Field Association

ISSUE

The City of Saskatoon (City) has a long-term license agreement with the Saskatchewan Track & Field Association (STFA) for office space at the Saskatoon Field House (Field House). The current license agreement is set to expire on September 30, 2023, and there are no further extension options in the agreement. This report provides details on the proposed terms and conditions and seeks approval for a renewal agreement.

RECOMMENDATION

That the Standing Policy Committee on Finance approve:

1. The renewal of a license agreement between the City of Saskatoon and the Saskatoon Track & Field Association, from October 1, 2023, to September 30, 2026, for use of space in the Saskatoon Field House in accordance with the terms set out in this report; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

BACKGROUND

Since 1988, the City has had a licence agreement with STFA for the use of 950 square feet of general office space in the Field House. This space has been used as an administrative office by STFA to promote the sport of athletics by facilitating the development and maintenance of programs and services. These programs and services assist with development of athletes, coaches, officials and volunteers.

Some of the local members and affiliates of STFA which use the Field House include Saskatoon Track and Field Club, University of Saskatchewan, Greater Saskatoon Catholic School Division, Saskatoon Public School Division and various other organizations that host track and field events. Direct programming may not be offered by STFA, specifically at the Field House; however, its members and affiliates do offer programs and events which complement the services and activities offered by the Recreation and Community Development Department.

The term of the most recent agreement was for five years, which commenced October 1, 2018, and is set to expire September 30, 2023. The current license fee rate for STFA is \$21,223.00 annually, \$1,768.58 per month, plus applicable taxes. This rate also includes both base fee and occupancy costs of utilities, including water, gas and power.

DISCUSSION/ANALYSIS

Proposed Terms of the Renewal Agreement

All terms and conditions from the existing agreement will remain the same in the renewal agreement, except for:

- The term of the proposed agreement is for three years, commencing October 1, 2023, and ending September 30, 2026. Administration is also seeking approval to provide for an additional optional three-year extension, from 2026 to 2029, subject to the parties' agreement upon the license rate based on fair market value.
- STFA shall pay the proposed annual fees to the City as follows:
 - a) \$21,223.00 (\$1,768.58 per month), plus applicable taxes, for 2023/24;
 - b) \$21,223.00 (\$1,768.58 per month), plus applicable taxes, for 2024/25; and
 - c) \$21,223.00 (\$1,768.58 per month), plus applicable taxes, for 2025/26.

In consultation with the Real Estate Manager, Saskatoon Land, the proposed fee, of \$22.34 per square foot, reflects and is based on fair market value; therefore, there will be no increase over the three-year term. The terms in this agreement will be those in any similar office license/lease of commercial space, except the available hours will be aligned to operating hours of the Field House. Direct programming specific to the Field House may not be offered by STFA; however, its members and affiliates do offer programs which complement services and activities of the Recreation and Community Development Department, resulting in approximately \$120,000 additional rental revenue from members of STFA for events, programs and meetings hosted at the Field House.

Representatives from STFA have participated in negotiations and review of the terms and conditions, including proposed fees and terms for a renewal agreement, and are in agreement to proceed with the renewal.

The proposed terms and conditions are in accordance with [Council Policy C03-039, Leasing and Licensing City-Owned Buildings to Outside Organizations Policy](#).

FINANCIAL IMPLICATIONS

The financial terms of the Agreement are described above. The earned license revenue will continue to be reflected as revenue in the operating budget for the Field House.

OTHER IMPLICATIONS

There are no privacy, legal, social or environmental implications identified.

NEXT STEPS

Following approval from the Standing Policy Committee on Finance, the Office of the City Solicitor will be requested to develop the renewal agreement, to be signed by the Mayor and the City Clerk. Administration will proceed to implement the agreement based on the terms and conditions noted.

APPENDICES

1. Map of the Saskatoon Field House Showing License Space for STFA

REPORT APPROVAL

Written by: Darren D. Spelay, Recreation Services Manager

Reviewed by: Jody Hauta, Recreation Facilities and Programs Manager
Andrew Roberts, Director of Recreation and Community Development

Approved by: Lynne Lacroix, General Manager, Community Services Division

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