

Cairns Field Upgrades and Lease Agreement: Gordie Howe Sports Complex Management Incorporated

ISSUE

Gordie Howe Sports Complex Management Inc. collaborated with Sask Entertainment Group to establish and launch a baseball franchise within the Western Canadian Baseball League, beginning in the 2024 season. The new franchise has requested to operate out of the Gordie Howe Sports Complex, with Cairns Field serving as its home field. Sask Entertainment Group is requesting approval to lease space at the Cairns Field facility, which requires City of Saskatoon (City) approval.

RECOMMENDATION

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. That the request by Gordie Howe Sports Complex Management Inc, to enter into a ten-year license agreement with an option to renew, with Sask Entertainment Group and permit Sask Entertainment Group to operate a baseball franchise from Cairns Field, be approved, subject to the administrative conditions outlined in this report;
2. That the request of Sask Entertainment Group, to install a modular building to serve as a baseball clubhouse at the Gordie Howe Complex, be approved as a lease, subject to administrative conditions outlined in this report;
3. That Sask Entertainment Group be granted limited marketing rights inside Cairns Field on the scoreboard and infield signage, subject to review and approval by Administration; and
4. That the City Solicitor be requested to prepare the appropriate agreement(s) and the City Manager and the City Clerk be authorized to execute the agreement under the Corporate Seal.

BACKGROUND

City Council, at its Regular Business meeting on October 22, 2018, approved the creation of Gordie Howe Sports Complex Management Inc (GHSC) as a City-owned, non-profit, charitable corporation that would be responsible for ensuring the smooth operation of the Gordie Howe Sports Complex (Complex). The GHSC could own assets required to operate facilities and would be responsible for promoting the Complex for sporting events and activities. Additionally, the City Solicitor's Office was authorized to prepare the appropriate documents for the establishment of GHSC and an operating agreement.

The agreement with GHSC for the operations of the Complex include ensuring continued community access and the requirement of City approval for any improvements to the facilities. In this area, GHSC has made tremendous strides and is pleased to announce to City Council that a baseball franchise has been arranged to

begin in the 2024 season. A great deal of work has been undertaken by GHSC over the last few months to support this initiative.

DISCUSSION/ANALYSIS

In collaboration with GHSC, Sask Entertainment Group (SEG) plans to establish a baseball franchise within the Western Canadian Baseball League, with games beginning in the 2024 season. To support the new franchise, SEG has also requested to make capital improvements and to lease space at the Cairns Field baseball facility.

REPORT

A ten-year license agreement with SEG has been requested by GHSC, permitting SEG to operate a baseball franchise from Cairns Field. Cairns Field is located within the Complex and is one of the facilities operated by GHSC. Administration is supportive of the request and is recommending City Council consent to the agreement, subject to the administrative condition that community organizations will continue to have access to the Cairns Field facility. All other conditions of the agreement will be managed by GHSC, as the managers of the Complex.

A request by GHSC was submitted to the City, which outlined SEG's proposal to lease a portion of the facility to install a modular building intended to serve as the team's clubhouse and locker room facility. Under the Dedicated Lands Regulations related to the lease of park lands, City Council is able to approve 5 year agreements with options to renew, so the agreement will be based this requirement. All costs associated with purchasing the building and installing appropriate infrastructure to serve the clubhouse would be the responsibility of SEG. Further, SEG will be responsible for all operating costs associated with the clubhouse. The estimated total cost for the building project is \$750,000.

Other upgrades that would be funded entirely by SEG and include the following:

- Construction of an outside deck area adjacent to the concession, to support concession and beverage sales. The deck will be an above-grade, temporary structure. Again, the City would not be responsible for installation costs, maintenance, repair or replacement.

In consultation with the City Solicitor's Office, the installation of the modular clubhouse building is best addressed through a lease agreement between the City and SEG. The lease agreement would allow SEG to place the building on City land, at Cairns Field, for no fee.

Subject to City Council's approval, the key terms and conditions reflect the City's standard lease agreement, including the following:

- The term of the Agreement would be five years with options to renew, beginning in 2023;
- Costs of any improvements, fixtures, desired renovations, utilities as well as building repair, replacement or removal, will be the sole responsibility of SEG;

- The facility shall be used by SEG as only a clubhouse and locker room for the team and it will be appropriate in terms of size and suitability;
- The City requires SEG to provide prior written notice of its intention to do any renovations or improvements to the facility;
- At the conclusion of the agreement, or in the event the franchise ceases operations, SEG will be responsible to remove the building and restore the site to an acceptable condition, at their own cost; and
- The responsibility will be SEG's to obtain appropriate permits and approvals for any work done and to ensure all approved work is undertaken.

Additionally, SEG has requested it be granted limited marketing opportunities inside Cairns Field. The following are the details of the components covered in the marketing request:

- Cairns Field Scoreboard; two scoreboard panels, measuring 3 feet by 7 feet;
- Five scoreboard panels, measuring 4 feet by 4 feet; and
- 17 Home Run Fence Signage Boards, measuring 7 feet by 14 feet.

All costs associated with these marketing opportunities would be assumed by SEG, including the replacement of any damaged signage, as required.

In addition to the improvements described above, SEG, in partnership with GHSC, has agreed to concession services and upgrades to support equipment which does not require City Council approval and falls within the authority of GHSC under the operating agreement. The concession will be operated by SEG in the existing K+S Potash Multi-Sports Centre. Funding will be provided 100% by SEG for the concession equipment to ensure the concession is fully operational for the beginning of the 2024 baseball season, including meeting all Food Safety Regulations and requirements. Projected budgetary estimates range between \$80,000 to \$120,000.

The concession equipment will become the property of GHSC who will receive revenue in the form of commission. Further, SEG and GHSC will be partnering on improvement of the Cairns Field Batting Cages, which will remain the property of GSHC.

Administration has reviewed and supports the request by SEG. The project aligns with the operating agreement between GHSC and the City, specifically in the areas of:

- The proposed addition of a baseball team for Cairns Field meets the purpose statement for the operating agreement, as it is promoting the development of athletics in Saskatoon;
- Improvement or alterations to the Complex can be made by GHSC, subject to approval by the City; improvements then become the property of the City;
- Cairns Field is one of the aspects of the Complex that GHSC is to manage; and
- Subletting of any portion of the Complex requires the prior written consent of the City.

Although these items were not considered during the creation of the master plan for the Gordie Howe Management Area, these are valuable additions to the Complex and beneficial to the greater community. Administration is supportive of SEG's request, in collaboration with GHSC, to provide additional amenities, subject to SEG meeting the following conditions:

- Submitting a final detailed design to the City for approval; and
- Securing all compliance reports and permits as part of the construction process.

Administration consulted with Meewasin on the project, as the Complex is inside the Meewasin development zone. As this project involves an area that has already been developed and modified from its natural state, formal developmental review is not required. If City Council agrees with this approach, SEG would assume responsibility for all aspects of the design, procurement and construction of all outlined additions, which would be overseen by GHSC.

This project aligns with the City's Strategic Goal of ensuring recreational facilities are both physically and financially accessible and meets community needs. Administration has confirmed with GHSC that community organizations will continue to have access to the Cairns Field baseball facility through the same booking process that currently exists. It is estimated the use of the facility by SEG will account for 30% or less of the facility's availability, with community organizations continuing to have access to the remaining times. The agreement with GHSC only provides SEG with first right of booking Cairns Field. The usage of Cairns Field will be coordinated by GHSC, so as not to negatively impact other users of the Complex.

FINANCIAL IMPLICATIONS

There are no financial implications to the City. A preliminary project budget of \$750,000 to install the modular building has been submitted by SEG, who would be responsible for all capital costs associated with the project. The responsibility will continue to be on GHSC for all operating costs of the Complex, and GHSC will receive the rental revenue generated from Cairns Field. The revenues collected by GHSC from operations of the Complex are utilized to cover operating costs, minimize future rate increases and support capital reserves.

OTHER IMPLICATIONS

Public notice, pursuant to Section 3(j) of Council Policy C01-021, Public Notice Policy, is required before City Council considers leasing park lands. A copy of the Public Notice for this matter can be found in Appendix 1.

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

NEXT STEPS

Pending consideration of the requests by the Standing Policy Committee on Planning, Development and Community Services, approval for both the licence agreement between GHSC and SEG, as well as the lease agreement between the City and SEG, will be considered by City Council, at its meeting scheduled for August 30, 2023. If the

requested approval to the agreement between GHSC and SEG is provided, the City Solicitor will prepare the appropriate license agreement for the use and renovations to Cairns Field. Should the request to lease be approved, the City Solicitor will prepare a formal lease agreement with SEG for a site at Cairns Field that will be used for the proposed clubhouse. Subject to approvals and conditions, SEG anticipates beginning site preparation in fall of 2023, continuing into spring of 2024, to be completed and ready for the 2024 season.

APPENDICES

1. Public Notice – Lease of Land beside Cairns Field

REPORT APPROVAL

Written by: Andrew Roberts, Director of Recreation and Community Development
Reviewed by: Darryl Dawson, Development Review Manager
Jodi Manastyrski, Senior Solicitor, City Solicitor’s Office
Approved by: Lynne Lacroix, General Manager, Community Services

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