
Home Ice Campaign and University of Saskatchewan – Terms of the Contribution Agreement for Additional Funding

Recommendation

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

1. That the proposed terms of the amending agreement to the existing Contribution Agreement, related to the additional \$3.0 million capital contribution to Merlis Belsher Place on the University of Saskatchewan property, as presented within this report, be approved;
2. That the City Solicitor be requested to prepare the appropriate amending agreement to the current Contribution Agreement with the University of Saskatchewan, based on the approved terms of the agreement; and
3. That His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

Topic and Purpose

This report provides an overview of the proposed terms for the amending agreement to the existing Contribution Agreement with the University of Saskatchewan to address an additional \$3.0 million in capital funding for Merlis Belsher Place, a new facility including a twin ice facility and gymnasium space. The report also outlines the recommended funding plan to provide the additional funding.

Report Highlights

1. Merlis Belsher Place, including the new twin pad arena and gymnasium facility at the University of Saskatchewan (University) will add benefit to the broader community through community access to the arena and potential opportunities to access the gymnasium.
2. The proposed terms and conditions of the amending agreement to the Contribution Agreement with the University are focused on long-term access for the community to the arena and gymnasium, acknowledgement of the City's contribution, and maximum benefit to the community.

Strategic Goal

Under the Strategic Goal of Quality of Life, this report relates to the long-term strategies of supporting community building through direct investment and ensuring existing and future leisure centres and other recreational facilities are accessible, physically and financially, and meet community needs.

Background

At its April 25, 2016 meeting, City Council resolved:

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“That the Administration be authorized to negotiate a contribution agreement wherein the City of Saskatoon would provide a \$1.0 million capital contribution to a twin pad ice facility on the University of Saskatchewan property, based on the contribution agreement recognizing ongoing community access to the facility.”

At its July 21, 2016 meeting, City Council approved the key terms of the Contribution Agreement with the University.

An overview of the key terms and conditions, and the spirit of intent for the Contribution Agreement are listed below. It should be noted that the Contribution Agreement was deliberate in not identifying a specific number of hours for community use. In exchange for the \$1.0 million contribution, the University would provide:

- a) access by community ice user groups to rent the arena to support the growing program needs;
- b) access by community ice user groups to rent space for tournaments and special events;
- c) opportunities for drop-in public skating to address the community’s expressed need for more leisure ice time;
- d) opportunities for ice-related programs that support basic skill development in a variety of ice sports (i.e. learn to programs);
- e) opportunities for dryland sports, such as indoor lacrosse and ball hockey, in the off seasons; and
- f) community-based rental activities throughout the year.

During its January 30, 2017 meeting, the Standing Policy Committee on Planning, Development and Community Services (Committee) considered a report of the General Manager, Community Services Department, on the proposed request for \$3.0 million additional funding and further information from the Home Ice Campaign Committee. The matter was forwarded to City Council for further consideration.

At its February 27, 2017 meeting, City Council resolved:

- “1. That the Administration be directed to negotiate a contribution agreement with the University of Saskatchewan for an additional \$3 Million for the construction of a twin ice facility, to ensure:
 - a) long-term access for the community;
 - b) access to the new gymnasium facility;
 - c) longer-term acknowledgement of the City’s contribution;
 - d) maximum benefit to the community;
2. That the Administration report on options for funding the \$3 Million, with a phased-in approach over six (6) years;
3. That the information be received; and
4. That further information from the U of S/Home Ice Campaign/Nustadia regarding any additional unscheduled hours in the facility as a whole, that could be used for public access as part

of an expanded partnership agreement with the City of Saskatoon be provided to the appropriate committee as soon as possible.”

Report

Community Benefits Attributed to the University’s New Arena/Gymnasium Facility

The finalized plan for the expanded facility, Merlis Belsher Place, now includes two ice surfaces; spectator seating for 2,650 plus standing room for 250, with the space for future expansion to 3,450 seats plus standing room for up to an additional 250; and gymnasium space. Also the final design of the facility, in order to accommodate more year-round and broader usage, has air conditioning added to the spectator side for off-season events, and riggings for lighting and sound associated with events and celebrations, such as convocations.

The primary community benefit of this new recreation facility includes the formal commitment for 1,200 to 1,500 hours of ice time access for the Saskatoon Minor Hockey Association. The University confirmed there will be community access in the off season for dry arena bookings (i.e. lacrosse and ball hockey), as well as community events where spectator seating is required. The private facility operator will aim to fill every available hour by reaching out to the community to book time at the facility. With the new gymnasium space, the University indicated potential for limited community access at Merlis Belsher Place.

Proposed Terms of Agreement for Additional Funding and Disbursement of Funds

The current Contribution Agreement is for \$1.0 million, of which \$500,000 was disbursed in early 2017, and \$500,000 will be disbursed upon substantial completion of the facility, which will be in 2018. This funding was approved as part of the 2016 Capital Budget under Capital Project No. P1665 – Ice Arena Partnerships.

City Council has subsequently approved an additional \$3.0 million in funding to the Home Ice Campaign and the University with funding to be phased-in over six years.

The proposed terms to be included in the amending agreement to the Contribution Agreement will be substantially in compliance with the terms outlined below:

- a) The University, through the facility operator, will work to optimize the use of all recreation space within Merlis Belsher Place, including the ice facilities and gymnasium space, in such ways as to maximize opportunities for the University and the community;
- b) The University will provide onsite, appropriate longer-term acknowledgement of the City’s contribution to the facility;
- c) Throughout the term of the amended Contribution Agreement, the University will provide the City, on an annual basis, with a summary report on the usage statistics of the various spaces within Merlis Belsher Place, with highlights on the usage by community-based organizations; and
- d) The new funding contribution would be considered a one-time capital contribution. The ongoing operating costs will be covered by the owner or

operator of the facility. There will be no ongoing operating impact to the City.

With the new funding of \$3.0 million, the proposed plan, as an extension to the current Contribution Agreement, is to disburse the funding in equal installments of \$500,000 over six years, beginning in 2019. The University has previously confirmed that payment over time can be managed internally and is acceptable. Payment over time would also allow the City to “check in” with the operators of the facility on an annual basis, to ensure reasonable public access is being maintained.

The sources of funding for the additional \$3.0 million contribution are as outlined in the Financial Implications section of this report.

Options to the Recommendation

City Council may choose to:

- a) not approve the terms of the amending agreement to the Contribution Agreement or the funding plan, as outlined in this report. Further direction would then be required; or
- b) provide further direction to the Administration on possible additions to the terms of the amending agreement to the Contribution Agreement.

Public and/or Stakeholder Involvement

After receiving City Council approval to proceed with negotiations on the Contribution Agreement for the additional funding, the Administration corresponded with University representatives to formalize the proposed terms for the amending agreement to the existing Contribution Agreement. Maximizing community access and benefit, as well as identifying longer-term access for the community and access to the gymnasium facility, was the focus.

Financial Implications

The financial implications and funding strategy are tied to the commitment to fund \$3.0 million over six years, beginning in 2019 and concluding in 2024. For the 2019 contribution of \$500,000, the Administration identified the Parks and Recreation Levies received as a result of the subdivision undertaken for the development at Preston Crossing and College Quarter. This proposed allocation does not impact the Parks and Recreation Levy rate.

For funding beyond 2019, the Administration will be reporting back in 2018 on a comprehensive funding plan for all Parks and Recreation partnership initiatives, including this future phase-in of the remaining \$2.5 million to the University.

As noted in the January 30, 2017 Committee report of the General Manager, Community Services Department, once the new arena is in operation, there will be a future impact to the Youth Sports Subsidy Program. This is a direct result of the youth ice user groups continuing to grow and require more ice rental time. The City provides a 40% subsidy on all eligible rental costs for youth sport organizations, whether they are

renting City-owned or privately-owned facilities. The actual Youth Sports Subsidy Program impacts associated with increased ice time would be subject to actual new usage hours, and would be determined at a later date.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations; a communication plan is not required at this time as the Home Ice Campaign Committee and the University will continue to create awareness of the project in the community.

Due Date for Follow-up and/or Project Completion

Pending Committee and City Council approval, the Administration and the City Solicitor would undertake to meet with University representatives to formalize and execute the amending agreement to the Contribution Agreement. In 2018, the Administration will also be reporting to Committee on the plan for funding beyond the 2019 contribution to the University for this project.

Public Notice

Public notice, pursuant to Section 3 of Public Notice Policy No. C01-021, is not required.

Report Approval

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