

The Board of Governors on September 11, 2009 approved the recommendations embodied in this report, and FURTHER that the following be APPROVED and included in the recommendations to City Council:

Whereas Report No. 17, entitled “Upgrades to BMO Field at Exhibition Place and Allan Lamport Stadium” proposes amendments to the current Management Agreement (January 1, 2007) between the Board, City and Maple Leaf Sports & Entertainment Ltd. (MLSE) and to the Team Licence and User Agreement (January 1, 2007) between the Board, MLSE and MLS Canada U.L.C; and

Whereas the draft Letter of Intent (LOI) attached as Appendix “A” to Report No. 17 currently contemplates in section 5(d) that the agreement for Allan Lamport Stadium shall contain a provision allowing for the periodic review of the operation of the facility based on continued relevance and community need (subject to the requirements of the provincial and federal governments);

Be it resolved that there is no intent that amendments proposed in the above- noted report will amend or have any effect on the terms and conditions set out in either the Management Agreement and Team Licence and User Agreement that provide for the opportunity to expand the Soccer Stadium (BMO Field) to allow for professional football at the Stadium; and

Be it further resolved that section 5(d) of the LOI be revised to include a provision to allow the City to, at its sole option, include in its review the potential use of Allan Lamport Stadium as a site for professional football, subject to satisfying any requirements for continuing community use.

A recorded vote was requested with respect to the foregoing motions wherein the following members voted in favor – Joe Pantalone, Brian Ashton, Mona ElSayed, Gloria Lindsay Luby, Mark Grimes, Rocco Maragna, Jim Melvin and Gord Perks.

John Weatherup voted in the negative.

On motion duly made by Mark Grimes, seconded and CARRIED, it was RESOLVED that Mr. Danny Dichio, Toronto FC player, who was retiring from the team, be applauded for his efforts.

September 9, 2009

To: The Board of Governors of Exhibition Place

From: Dianne Young, CEO, Exhibition Place

Brenda Patterson, General Manager, Parks, Forestry & Recreation

Subject: **Upgrades to BMO Field at Exhibition Place and Allan Lamport Stadium**

Summary:

This report provides the principal terms and conditions of agreements to be entered into with Maple Leaf Sports & Entertainment Ltd. (MLSE), the City and the Board of Governors of Exhibition Place (Board) and agreements with MLSE, the City and the Toronto District School Board (TDSB) with respect to:

- (a) Replacement (by and at the sole cost of MLSE) of the current Field Turf field at BMO Field with a natural grass field at an estimated cost of \$3.5M;
- (b) Commitment of \$2.0M by MLSE for community sports facilities in the form of:
 - (i) the construction (by and at the sole cost of MLSE) of the necessary installations at Allan Lamport Stadium (Lamport) to allow for the relocation and erection of a

- winter bubble (the bubble presently used at BMO Field) at a cost of approximately \$1.2M with a licence to MLSE to use that part of Lamport as determined by Parks, Forestry and Recreation to operate the winter bubble community soccer operations only for the period of November 1st to April 30th in each year of the licence term which term will be co-terminus with the management agreement term for BMO field which expires on December 31, 2027; and
- (ii) a commitment of approximately \$0.8M for the construction/installation of a Field Turf field at Lakeshore Collegiate Institute in Etobicoke (subject to an agreement between the City and the TDSB for use of such field for July and August of each year) or upgrades to such other sports facility in Ward 6 as determined by the General Manager, Parks, Forestry and Recreation Department in consultation with the Ward 6 Councillor.

All costs of construction (totaling \$5.5M) of the grass field at BMO Field; the winter bubble at Lamport; and the Field Turf field at Lakeshore Collegiate Institute will be solely at the cost of MLSE. In addition, MLSE will guarantee that there will be no lost income whatsoever to the BMO Field/Exhibition Place operations because of the conversion of BMO Field from field turf to natural grass which guarantee has a minimum value of \$0.182M each year.

Furthermore, at a minimum, MLSE is guaranteeing that MLSE will pay the City an amount of \$50,000 annually (escalated by CPI annually) to a Lamport Capital Reserve Fund to be set up by the City for replacement of the bubble and field turf at Lamport. In addition, the City will share with MLSE 50% of the net profits from Lamport which are estimated to be approximately \$22,000 annually. Finally, the Lakeshore Collegiate Institute site (or equivalent outdoor sport facility) has the potential of earning \$18,000 annually in rental revenues for the City based on the number of hours proposed to be booked in July and August each year as set out in Appendix "B" to this report.

From a community sports use perspective, the proposals noted above increase the potential community use by over one thousand (1,000) hours (with Lamport and BMO Field) as shown in Appendix "B" and by 2,849 hours if one adds the annual use of Lakeshore Collegiate Institute Field (or equivalent facility). In addition to this community use at BMO Field on natural grass, there will still be a right to use BMO Field by the City for 14 days, Ontario Soccer Association (OSA) for 6 days, Canadian Soccer Association (CSA) for 6 days, and the annual CNE for 18 days. The conversion of BMO Field to natural grass will be seen as a very positive direction by both the CSA and OSA for attracting major international teams to play in Toronto and also to attract premier FIFA competitions as stated by these organizations in letters attached as Appendices "C" and "D".

Recommendation(s):

It is recommended that:

1. **The Letter of Intent (LOI) between the Board, the City and MLSE attached as Appendix "A" be approved:**
 - (a) **by the Board, subject to approval of City Council, as such LOI amends the Management Agreement (between MLSE, the City and the Board with respect to BMO Field) and Team Licence Agreement (between MLSE, the City and the Board with respect to BMO Field) substantially on the terms and conditions outlined in Sections A and D of the LOI and such other terms and conditions as**

- required by the Deputy City Manager & Chief Financial Officer, the CEO of Exhibition Place and the City Solicitor;
- (b) by City Council, as such LOI addresses the upgrades and uses of Lamport and a licence agreement for Lamport Stadium to MLSE substantially on the terms and conditions outlined in Sections B and D of the LOI and such other terms and conditions as required by the Deputy City Manager & Chief Financial Officer, the General Manager of Parks, Forestry & Recreation and the City Solicitor; and
 - (c) by City Council, as such LOI addresses the upgrades and uses of Lakeshore Collegiate (or such other City or TDSB property located in Ward 6) substantially on the terms and conditions outlined in Sections C and D of the LOI and such other terms and conditions as required by the Deputy City Manager & Chief Financial Officer, the General Manager of Parks, Forestry & Recreation and the City Solicitor;
2. City Council approve of the amendments to the Contribution Agreement between the City, the Province of Ontario and Government of Canada substantially on the terms and conditions outlined in paragraph 8 of the LOI between the Board, the City and MLSE attached as Appendix “A” to this report and such other terms and conditions as required by the Deputy City Manager & Chief Financial Officer and the City Solicitor;
 3. City Council approve of establishing an obligatory interest bearing reserve fund, called the “Allan Lamport Stadium Reserve Fund” to provide a source of funding for capital improvements for Lamport and the \$50,000 annual payment from MLSE to the City be paid into this Reserve Fund;
 4. The approval of the Board and City Council be expressly subject to receipt of approval from the TDSB (if required), the Province of Ontario and the Government of Canada and in the event that these preconditions are not satisfied and are not waived, the parties shall each have a right to terminate the LOI in which event, the parties shall remain responsible for their own costs incurred to the date of termination; and,
 5. That City Council declare the proposed upgraded Lamport Stadium to be a municipal capital facility for the purposes of the municipality and public use pursuant to section 252 of the *City of Toronto Act, 2006*, and pass a by-law to authorize the entering into of an agreement for the provision of the facility, and request the City Clerk to give notice of the municipal capital facility by-law as required under the *City of Toronto Act, 2006*.

Financial Impact:

The recommendations in this report will result in a capital investment of \$5.5M solely by MLSE in the Exhibition Place site, Lamport Stadium and Lakeshore (Etobicoke) Collegiate Sports Field (or other sport facility within Ward 6) for upgrading all three venues in the specific amounts as noted above in this report.

On the basis of the financial proformas provided by MLSE, the upgrades to be installed will result in minimum additional income of \$50,000 for the City to be paid into the Lamport Capital Reserve Fund and additionally, there is the potential that the City (Parks, Forestry and Recreation Department) will earn approximately \$22,000 from its 50% share of net profits from Lamport

community use. In addition, the City Parks, Forestry and Recreation Department has the potential of earning \$18,000 from summer rentals of a upgraded field either at Lakeshore Collegiate or another sports facility within Ward 6.

MLSE has guaranteed that the proposed amendments in the Board agreements will have no negative financial impact on Exhibition Place revenues which guarantee has a value of \$182,000 annually. The change to natural grass at BMO Field has the potential of positive revenues to Exhibition Place from BMO Field operations of 50% of \$75,000 if just one major international soccer event is booked at BMO Field each year.

Decision History:

At its meeting of October 2005, the Board approved of entering into a project (construction) agreement, a management agreement and facility usage agreements between the Board, the City and MLSE.

At its meeting of October 26, 27, 28 and 31, 2005, City Council approved of Clause No. 36 of Report No. 9 of the Policy & Finance Committee which basically adopted the report and recommendations of the Board. In accordance with the Council authority, the Board, City, MLSE (as manager) and MLSE (as owner of Toronto FC) entered into a Management Agreement and Team Licence Agreement with respect to BMO Field.

Comments:

At its meeting of October 2005, the Board approved of entering into a project (construction) agreement, a management agreement and facility usage agreements between the Board, the City and MLSE.

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