



24

EXHIBITION PLACE

February 27, 2008

To: The Business Development Committee

ACTION REQUIRED

From: Dianne Young
Chief Executive Officer

Subject: **Licence with Maple Leaf Sports & Entertainment Ltd. for use of Team Practice Field by Toronto FC**

Summary:

For the 2007 season, the Toronto FC soccer team (the "Team") practiced at BMO Field however, the Team owners, Maple Leaf Sports & Entertainment Ltd. ("MLSE"), have determined that it is important to train as much as possible on a regular grass field and the Team approached Exhibition Place and the CNE staff to explore the possible use of the baseball field behind Medieval Times.

The baseball field west of the Medieval Times building is presently only used during the CNE period for the Lions' Baseball Tournament and CNE parking. While the City Parks, Recreation & Forestry Division have not used the area for many years for its baseball leagues it is an ideal location for a practice field for the Team. While it is not the size of a regular soccer field, that is not a problem for practices. More important is the condition of the grass field itself and the ability to practice on a grass on a regular as needed basis. The outdoor open location will also help the Team to attract the local community to watch the team practice. Moving the practices outside BMO Field will allow for more rentals and community use of BMO Field which is also a positive to the grounds and community. In addition, the Team has agreed to work cooperatively with Exhibition Place and the local community to allow for some use of the grass practice field.

With respect to the CNEA, the terms of the proposed licence agreement requires the Team to convert the soccer field back to a baseball field for the CNE Pee-Wee Tournament at the Team's cost and to reimburse the CNEA for lost parking revenues. Mr. Bednar, GM, CNEA Program has been part of the negotiations and is in agreement with the proposed licence.

This report recommends a three year licence agreement with the Team for use of the baseball field on the terms and conditions set out in this report.

Recommendation:

It is recommended that the Committee recommend that the Board approve the execution of a licence agreement with Maple Leaf Sports & Entertainment Ltd. (as owners of the Toronto FC soccer team) for use of part of the baseball field west of the Medieval Times

THE BOARD OF GOVERNORS OF EXHIBITION PLACE



building as a soccer practice field for a period of three-years commencing April 1, 2008, on the terms and conditions outlined in this report, and such other terms satisfactory to the CEO and City Solicitor.

Financial Impact:

This licence agreement with the Team will provide a financial return to the Board of approximately \$42,000.00 and \$45,000.00 to the CNE over the three years.

Decision History:

At its special meeting of October 19, 2005, the Board approved of entering into a Letter of Intent with Maple Leaf Sports & Entertainment Ltd. (MLSEL) and the Canadian Soccer Association (CSA) to recommend to City Council the funding and construction of a 20,000-seat soccer stadium at Exhibition Place. Following approval, an agreement was entered between the Board, the City, Maple Leaf Sports & Entertainment Ltd. and MLS Canada U.L.C. regarding the use of BMO Field by the Toronto FC soccer team (the "Team") which agreement includes the opportunity for the Team to lease other areas of Exhibition Place for use by it in association with its soccer team activities.

Issue Background

For the 2007 season, the Team practiced at BMO Field however, the Team owners have determined that it is important to train as much as possible on a regular grass field and have approached Exhibition Place and the CNE staff to explore the possible use of the baseball field behind Medieval Times.

Comments

The baseball field west of the Medieval Times building is presently only used during the CNE period for the Lions' Baseball Tournament and CNE parking. City Parks, Forestry & Recreation Division have not used the area for many years for its baseball leagues as there are plenty of neighbourhood baseball diamonds in the community without resort to this one which has limited access because of summer events at Exhibition Place such as the Grand Prix, Caribana and the CNE.

This field though is an ideal location for a practice field for the Team. While it is not the size of a regular soccer field, that is not a problem for practices. More important is the condition of the grass field itself and the ability to practice on a grass on a regular as needed basis. For these reasons the Team requires control over the licenced area during the practice season in order to maintain it in the best condition possible and the Team will be undertaking several improvements (at its cost) to upgrade the field. The other benefit of the practice field in the open at Exhibition Place is that the Team hopes to attract the local community to watch the team practice. Moving the practices outside BMO Field will allow for more rentals and community use of BMO Field which is also a positive to the grounds and community. In addition, the Team has agreed to work

cooperatively with Exhibition Place and the local community to allow for some use of the grass practice field.

The licence terms and conditions also address the CNE issues requiring the Team to convert the soccer field to a baseball field for the CNE Lions' Baseball Tournament and to reimburse the CNEA \$15,000 each year for lost revenues from parking.

Accordingly, Exhibition Place staff are recommending that the Board enter into a licence agreement with the Team on the terms and conditions of the Standard Licence Agreement which include the specific terms below and any other terms and conditions satisfactory to the CEO and City Solicitor:

- (a) The Team agrees to execute the Board's Standard Licence Agreement prior to taking possession of the Licenced Field Area.
- (b) Licenced Field Area: Subject to item (g) below, the Team will have exclusive use of the area within the coloured lines as shown on Schedule "A" attached and a non-exclusive right to use the park area forming a perimeter around the Licenced Field Area and an area for equipment storage as determined by the parties.
- (c) Permitted Use: The Licenced Field Area will be used by the Team as a practice field for the Team for approximately seven (7) months of the year generally commencing on April 1st and finishing on October 31st each year.
- (d) Term: Three (3) years commencing April 1, 2008 and ending on March 31, 2011, providing that the Licence Agreement will automatically terminate in the event that the main Licence and User Agreement is terminated during this Term.
- (e) Licence Fee: The Team shall pay the following on an annual basis:
 - (i) Monthly Licence Fee: CDN\$2,000.00 (plus GST) for each month (or part thereof) that the Team is actively using the Licenced Field Area as a practice field.
 - (ii) Replacement Parking Fee: CDN\$15,000 (plus GST) payable to the Canadian National Exhibition Association (CNEA) in a lump sum on August 1st of each year of the Term which amount compensates the CNEA for lost parking revenues from the Licenced Field Area.
 - (iii) Additional Rent, as required. For the purposes of this Licence Agreement, "Additional Rent" means all costs of renovation/construction of the Licenced Field Area to be paid by the Team; all costs of utilities and supplies for the Licenced Field Area, including electrical power and all costs of operation, maintenance, replacement and repair of the Licenced Field Area; and all costs, expenses and charges incurred in and about the operation and management of the Licenced Field Area.
- (f) Improvements: The Team accepts the Licenced Field Area "as is", and agrees that it shall be solely responsible for the cost of construction of any improvements or structures required for the purposes of its use and occupation of the Licenced Field Area, subject to the prior approval of the Board.
- (g) Shared Use by the Board/CNEA:

- (i) The CNEA shall have the right to use the Licenced Field Area for the CNE Baseball Tournament and the Team shall, at its sole cost, undertake all necessary work required by the CNE, acting reasonably, to allow for its use as a baseball field.
- (ii) The Team shall work with the Board and the City of Toronto Parks, Forestry & Recreation Division to allow for use of the Licenced Field Area by the local community for periods when the Team is not using it for practice purposes.
- (iii) The Board will be able to use the perimeter area outside the Licenced Field Area for storage as needed.
- (h) All collective agreements between the Board and all Labour/Trade Unions having jurisdiction at Exhibition Place must be recognized and complied with for all work at Exhibition Place. In addition, the Team shall acknowledge that the City of Toronto Parks, Forestry & Recreation Division manages the landscaping at Exhibition Place and the Team must reach an agreement with the City on landscaping of the Licenced Field Area.
- (i) The Team shall have rights to install identification (but not commercial or third-party advertising) signage only on the exterior of the fenceline for the Licenced Field Area, and all such signage shall be subject to the approval of the Board.

Contact:

Dianne Young

CEO

Tel: (416) 263-3611

Fax: (416) 263-3640

Email: dyoung@explace.on.ca

Submitted by:


Dianne Young
Chief Executive Officer

Schedule A
Proposed Soccer Practice Field



