

9. MOTION - OTTAWA STADIUM – AGREEMENT OF PURCHASE MOTION – STADE D’OTTAWA - CONVENTION D’ACHAT ET DE VENTE

COMMITTEE RECOMMENDATIONS

That Council approve:

- 1. That, should the Ottawa Champions enter into an agreement of purchase in sale, staff be mandated to:**
 - a) Meet with the prospective purchasers of the team to review the financial viability of their proposal to continue baseball at the Ottawa Stadium and to ensure protection of Ottawa taxpayers, including:**
 - i. The new ownership group’s capacity to enter into a long-term lease (7 to 10 years);**
 - ii. The new ownership group’s capacity to cover any and all prior arrears which may have accrued at the end of the 2019 season;**
 - iii. Include in lease negotiations the City’s ability to redevelop strategic parts of the Stadium lands once LRT is fully implemented;**
 - iv. Identify the appropriate cost recovery and revenue sharing model that minimizes costs to taxpayers;**
 - v. Delegate to staff the authority to negotiate a lease agreement in time for the 2020 season; and**
 - vi. Report back to the Finance and Economic Development Committee and Council for approval of the lease before the start of the 2020 season; and**
- 2. That staff be directed to work with all interested members of Council, local and national community groups and stakeholders to identify opportunities**

for increased community usage of the Ottawa Stadium, including opportunities to increase public and community usage of the facility, including the opportunities for increased community usage outside of the baseball season and opportunities to attract a more diverse mix of sport uses, including increased college and university access, lacrosse, cricket and other community sport options.

RECOMMANDATIONS DU COMITÉ

Que le Conseil approuve :

- 1. Si les Champions d'Ottawa concluent une convention d'achat et de vente, que le personnel se voit confier les tâches suivantes :**
 - a) rencontre les acheteurs potentiels pour évaluer la viabilité financière de leur proposition de maintenir le baseball au stade d'Ottawa tout en protégeant les contribuables d'Ottawa, en veillant notamment à :**
 - i. évaluer la possibilité pour le groupe de propriétaires de signer un bail à long terme (de 7 à 10 ans);**
 - ii. déterminer la capacité du groupe de propriétaires à rembourser les arriérés qui auraient pu s'accumuler à la fin de la saison 2019;**
 - iii. négocier, avant la signature du bail, la possibilité pour la Ville de réaménager stratégiquement une partie des terrains du stade suivant la mise en service du train léger;**
 - iv. définir le modèle de recouvrement des coûts et de partage des recettes qui minimisera les coûts pour les contribuables;**
 - v. déléguer au personnel le pouvoir de négocier un contrat de location avant la saison 2020;**
 - vi. rendre compte de ses démarches au Comité des finances et du développement économique et au Conseil en vue de faire approuver le bail avant le début de la saison 2020;**

2. **Que l'on demande au personnel de travailler avec tous les membres du Conseil concernés, les intervenants et les groupes communautaires locaux et nationaux qui le souhaitent en vue de cerner les possibilités d'élargir les utilisations communautaires du stade d'Ottawa, notamment les utilisations publiques et communautaires en dehors de la saison de baseball, ainsi que les possibilités d'attirer des activités sportives diversifiées, comme la crosse et le cricket et l'accès pour les collèges et les universités.**

CARRIED

DIRECTION TO STAFF:

Planning, Infrastructure and Economic Development staff to provide a report to the Finance and Economic Development Committee regarding an analysis on additional use of the stadium during the baseball off season.

INSTRUCTIONS AU PERSONNEL

Le personnel de la Direction générale de la planification, de l'infrastructure et du développement économique soumettra au Comité des finances et du développement économique un rapport d'analyse sur les différentes possibilités d'utilisation du stade en dehors de la saison de baseball.

DOCUMENTATION/DOCUMENTATION

1. Finance and Economic Development Committee's report, dated 19 September 2019 (ACS2019-OCC-FED-0002).

Rapport du Comité des finances et du développement économique, daté le 19 septembre 2019 (ACS2019-OCC-FED-0002).

2. Extract of draft Minutes, Finance and Economic Development Committee, 10 September 2019.

Extrait de l'ébauche du procès-verbal, Comité des finances et du développement économique, le 10 septembre 2019.

**Report to
Rapport au:**

**Council
Conseil**

25 September 2019 / 25 septembre 2019

**Submitted on September 19, 2019
Soumis le 19 septembre 2019**

**Submitted by
Soumis par:**

**Finance and Economic Development Committee /
Comité des finances et du développement économique**

Contact Person

Personne ressource:

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Ward: Rideau-Rockcliffe (13)

File Number: ACS2019-OCC-FED-0002

SUBJECT: MOTION - Ottawa Stadium – Agreement of Purchase

OBJET: MOTION – Stade d'Ottawa - Convention d'achat et de vente

REPORT RECOMMENDATIONS

That Council approve:

- 1. That, should the Ottawa Champions enter into an agreement of purchase in sale, staff be mandated to:**
 - a) Meet with the prospective purchasers of the team to review the financial viability of their proposal to continue baseball at the Ottawa Stadium and to ensure protection of Ottawa taxpayers, including:**

- i. The new ownership group's capacity to enter into a long-term lease (7 to 10 years);
 - ii. The new ownership group's capacity to cover any and all prior arrears which may have accrued at the end of the 2019 season;
 - iii. Include in lease negotiations the City's ability to redevelop strategic parts of the Stadium lands once LRT is fully implemented;
 - iv. Identify the appropriate cost recovery and revenue sharing model that minimizes costs to taxpayers;
 - v. Delegate to staff the authority to negotiate a lease agreement in time for the 2020 season; and
 - vi. Report back to the Finance and Economic Development Committee and Council for approval of the lease before the start of the 2020 season; and
2. That staff be directed to work with all interested members of Council, local and national community groups and stakeholders to identify opportunities for increased community usage of the Ottawa Stadium, including opportunities to increase public and community usage of the facility, including the opportunities for increased community usage outside of the baseball season and opportunities to attract a more diverse mix of sport uses, including increased college and university access, lacrosse, cricket and other community sport options.

RECOMMANDATIONS DU RAPPORT

Que le Conseil approuve :

1. Si les Champions d'Ottawa concluent une convention d'achat et de vente, que le personnel:
 - a) rencontre les acheteurs potentiels pour évaluer la viabilité financière de leur proposition de maintenir le baseball au stade d'Ottawa tout en protégeant les contribuables d'Ottawa, en veillant notamment à :

- i. évaluer la possibilité pour le groupe de propriétaires de signer un bail à long terme (de 7 à 10 ans);
 - ii. déterminer la capacité du groupe de propriétaires à rembourser les arriérés qui auraient pu s'accumuler à la fin de la saison 2019;
 - iii. négocier, avant la signature du bail, la possibilité pour la Ville de réaménager stratégiquement une partie des terrains du stade suivant la mise en service du train léger;
 - iv. définir le modèle de recouvrement des coûts et de partage des recettes qui minimisera les coûts pour les contribuables;
 - v. déléguer au personnel le pouvoir de négocier un contrat de location avant la saison 2020;
 - vi. rendre compte de ses démarches au Comité des finances et du développement économique et au Conseil en vue de faire approuver le bail avant le début de la saison 2020;
2. Que le personnel travaille avec tous les membres du Conseil, les intervenants et les groupes communautaires locaux et nationaux qui le souhaitent en vue de cerner les possibilités d'élargir les utilisations communautaires du stade d'Ottawa, notamment les utilisations publiques et communautaires en dehors de la saison de baseball, ainsi que les possibilités d'attirer des activités sportives diversifiées, comme la crosse et le cricket et l'accès pour les collèges et les universités.

BACKGROUND

The Finance and Economic Development Committee, at its meeting of September 10, 2019, approved the following motion to add to the agenda pursuant to 89(3) of the Procedures By-law (being By-law no. 2019-8):

WHEREAS there have been published reports that the Ottawa Champions are in discussions to sell the team; and

WHEREAS the Ottawa Stadium is an important facility for sport and community usage, attracting over 100,000 participants in 2019 from all areas of the City,

including Ottawa Champions baseball games, University of Ottawa and Carleton University baseball activity and community events and championships; and

WHEREAS it would be prudent and beneficial for the City to assess the impact of the launch of the Confederation Line and of the Stage 2 expansion on the continued viability of this centrally located sport and community facility; and

WHEREAS staff are of the opinion that the lands located adjacent to the Ottawa Stadium should see a significant increase in value once Stage 2 is completed; and

WHEREAS Council has already carried a report that identified the Ottawa Stadium as a redevelopment opportunity in the next 7 to 15-year timeframe;

THEREFORE BE IT RESOLVED THAT Finance and Economic Development Committee recommend Council approve that, should the Ottawa Champions enter into an agreement of purchase in sale, staff be mandated to:

- a) Meet with the prospective purchasers of the team to review the financial viability of their proposal to continue baseball at the Ottawa Stadium and to ensure protection of Ottawa taxpayers, including:
 - i. The new ownership group's capacity to enter into a long-term lease (7 to 10 years);
 - ii. The new ownership group's capacity to cover any and all prior arrears which may have accrued at the end of the 2019 season;
 - iii. Include in lease negotiations the City's ability to redevelop strategic parts of the Stadium lands once LRT is fully implemented;
 - iv. Identify the appropriate cost recovery and revenue sharing model that minimizes costs to taxpayers;
 - v. Delegate to staff the authority to negotiate a lease agreement in time for the 2020 season; and
 - vi. Report back to the Finance and Economic Development Committee and Council for approval of the lease before the start of the 2020 season; and

BE IT FURTHER RESOLVED THAT Council direct staff to work with all interested members of Council, local and national community groups and stakeholders to identify opportunities for increased community usage of the Ottawa Stadium, including opportunities to increase public and community usage of the facility, including the opportunities for increased community usage outside of the baseball season and opportunities to attract a more diverse mix of sport uses, including increased college and university access, lacrosse, cricket and other community sport options.

DISCUSSION

This item was introduced at the Finance and Economic Development Committee meeting of September 10, 2019 and carried with the support of all present Committee members.

RURAL IMPLICATIONS

No rural implications have been identified.

CONSULTATION

The Finance and Economic Development Committee (FEDC) meetings are open to the public and anyone wishing to speak to an item may do so. No members of the public spoke to this item at the FEDC meeting on September 10, 2019.

COMMENTS BY THE WARD COUNCILLOR(S)

This item has been placed on the Agenda as a result of a Committee motion. No Ward Councillor Comment has been sought or provided.

ADVISORY COMMITTEE(S) COMMENTS

This item has been placed on the Agenda as a result of a Committee motion. No Advisory Committee Comment has been sought or provided.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

No Risk Management Implications associated with this motion.

FINANCIAL IMPLICATIONS

The City entered into a repayment agreement with the Ottawa Champions Baseball Club for a total of \$418,942. The first payment of \$10,000 was received. The second payment of \$90,000 was not received and the Ottawa Champions Baseball Club has been advised they are in default of the agreed terms. The City made a demand on the letter of credit totaling \$108,000, as the repayment agreement was in default. Once this is applied to the arrears, the balance outstanding will be \$300,942. Interest continues to accrue on the outstanding arrears.

Contracts for the use of the Stadium for the 2019 season and estimated parking revenues totaled \$162,844 and no payments have been received to date. Staff continue to follow up the arrears seeking payment from the Champions.

ACCESSIBILITY IMPACTS

No accessibility impacts associated with this motion.

TERM OF COUNCIL PRIORITIES

This item has been placed on the Agenda for information as a result of a Committee motion. There are no direct impacts on the Term of Council Priorities.

DISPOSITION

Staff will implement Council's decision(s), as directed.