



City of Moose Jaw

COMMUNICATION # CC-2021-0125

TITLE: Lease and Operating Agreement - Golden Ticket Sports Inc.

TO: City Council

FROM: Department of Parks and Recreation

DATE: April 28, 2021

PUBLIC: PUBLIC DOCUMENT

RECOMMENDATION

THAT the Lease and Operating Agreement between the City of Moose Jaw and Golden Ticket Sports Inc. for the operation the Hillcrest Sports Centre be approved substantially in the form attached; and,

THAT the Mayor and City Clerk be authorized to execute the Agreement on behalf of the City of Moose Jaw; and,

THAT the City of Moose Jaw establish a Hillcrest Sports Centre Capital Reserve Fund for the annual capital contributions made by Golden Ticket Sports Inc.

EXECUTIVE SUMMARY

The purpose of the report is to obtain authorization from City Council to execute a 5-year Lease and Operating Agreement with Golden Ticket Sports for the operation of the Hillcrest Sports Centre.

The Agreement provides the City an opportunity to maximize community access to the Hillcrest Sports Centre while providing much-needed indoor gymnasium space in the community. Golden Ticket Sports will invest over \$300,000 into the facility over the next few months.

The City's responsibility is to ensure the building remains structurally and mechanically functional which will require capital investments into the renewal of the Facility. Golden Ticket Sports will also assist with capital contributions by providing 5% of annual revenues up to a maximum of \$25,000 annually to a Hillcrest Sports Centre Capital Reserve Fund.

BACKGROUND

At the November 23, 2020 meeting of the Executive Committee, an update was provided to City Council regarding the notice of termination provided by Gymtastiks of Moose Jaw regarding the Hillcrest Sports Centre Lease Agreement.

During the 2021 City budget deliberations, a resolution was passed that an Expression of Interest for the future use of the Hillcrest Sports Centre be advertised in January of 2021.

An Expression of Interest seeking detailed information from organizations interested in the future use of the Hillcrest Sports Centre was released on January 8, 2021 and closed February 19, 2021. Three (3) submissions were received from proponents interested in the long-term lease and operation of the Facility and six (6) submissions were received from proponents interested in renting specific areas of the facility.

Additional information was requested and a report was presented to the April 12, 2021 In-Camera meeting of the Executive Committee where the following resolution was passed:

“THAT Administration negotiate a 5-year Lease and Operating Agreement with Golden Ticket Sports Inc. with an option for a five-year extension for the operation of the Hillcrest Sports Centre effective June 1, 2021; and

THAT the negotiated Lease and Operating Agreement be presented for review and approval at an upcoming meeting of the Executive Committee.”

DISCUSSION

Golden Ticket Sports has submitted a very detailed business plan and has a strong community-focused vision for the Hillcrest Sports Centre. (See Attachment A for a copy of their proposal) They also have valuable experience in recreation facility operations and programming and will make a significant initial investment into the Hillcrest Sports Centre to improve what the facility can provide to the community.

Initial improvements include:

- Hardwood gymnasium floor to accommodate activities such as basketball, volleyball, and pickleball. (90' x 110')
- 4 basketball net systems and 2 portable hoops
- 2 volleyball net systems
- Gymnasium scoreboard
- Interior and exterior painting
- Washroom and changeroom fixture replacements
- New reception desk
- Beach volleyball area

The facility improvements will commence immediately upon approval of the Agreement so that community programming can begin by early July.

Golden Ticket Sports is committed to affordable rental rates with discounts for prime tenants and non-profit groups and are willing to work with the existing tenants and other interested groups on long-term rental agreements.

A summary of the key items negotiated in the Agreement with Golden Ticket Sports is included as *Attachment B* and the full Agreement is included as *Attachment C*.

FINANCIAL IMPLICATIONS

Future Operating Budgets

- Beginning in 2022, the Parks and Recreation Department will budget approximately \$10,000 annually for facility maintenance and inspections.

2021 Capital Budget

- The \$50,000 in approved 2021 Hillcrest Sports Centre capital funding is dedicated to the following capital repairs prior to June 1, 2021:
 - Remediation and air quality improvements
 - Leak repairs – roof and exterior patio
 - Boiler repairs and maintenance
 - Emergency exit upgrades
 - Roof condition assessment

Future Capital Budgets

- The Parks and Recreation Department will add the Hillcrest Sports Centre capital upgrades to its 5-year capital plan.
- The largest expense will be the roof replacement which will be prioritized in 2025 or 2026 as part of its regular capital budget allocations.
- The Department will consider other capital expenditures identified by the parties within the Department's existing Capital budget allotment. Capital projects will continue to be prioritized based on risk, need, and community impact.
- The Department will also explore Federal funding opportunities for capital improvements as many of the capital projects identified will align with upcoming Federal Government Climate Plan Infrastructure Programs.

**It is also important to note that all capital improvements made into the Facility over the next 5 years will enhance the property's re-sale value should that option be considered upon expiry of the lease.*

OPTIONS TO RECOMMENDATION

City Council may table the approval of the Agreement and direct Administration to re-negotiate any terms of the Agreement that are not agreeable.

COMMUNICATION PLAN

The Parks and Recreation Department will work with the Communications Manager and Golden Ticket Sports on the distribution of a media release following the approval of the Agreement. The City will also provide ongoing promotional support of the programming activities offered at the Hillcrest Sports Centre.

STRATEGIC PLAN

The report supports the City's long-term strategies of improving core amenities and services and entrepreneurial civic Administration by exploring opportunities to retrofit an existing building to meet an immediate need.

OFFICIAL COMMUNITY PLAN

The report aligns with the following objective of the Official Community Plan for the City of Moose Jaw:

- 13.1 (c) *To provide parks, open space and recreational program delivery at a level that aids in the attraction and retention of young families to and in the City.*

PRESENTATION

Mr. Jim Puffalt, City Manager will introduce the report and Mr. Derek Blais, Director of Parks and Recreation will be available to provide a brief overview of the proposed Agreement.

ATTACHMENTS

- A. Golden Ticket Sports Hillcrest Sports Centre Proposal
- B. Agreement Summary
- C. Lease and Operating Agreement – Golden Ticket Sports Inc.

REPORT APPROVAL

Written by: Derek Blais, Director of Parks and Recreation
Reviewed by: Tracy Wittke, Assistant City Clerk
Approved by: Jim Puffalt, City Manager
Approved by: Fraser Tolmie, Mayor

To be completed by the Clerk's Department only.

Presented to Regular Council or Executive Committee on _____.

Resolution No. _____

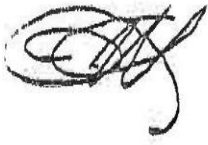
Report Approval Details

Document Title:	Golden Ticket Sports Inc. - Lease and Operating Agreement - CC-2021-0125.docx
Attachments:	- Attachment A - Golden Ticket Sports Proposal.pdf - Attachment B - Agreement Summary.pdf - Attachment C - 2021 Lease and Operating Agreement - Golden Ticket Sports.pdf
Final Approval Date:	May 5, 2021

This report and all of its attachments were approved and signed as outlined below:



Tracy Wittke



Jim Puffalt

**No Signature - Task assigned to Fraser Tolmie was completed by assistant
Caroline Dreger**

Fraser Tolmie