



CITY OF HAMILTON
COMMUNITY & EMERGENCY SERVICES DEPARTMENT
Recreation Division

TO:	Chair and Members Emergency & Community Services Committee
COMMITTEE DATE:	June 22, 2015
SUBJECT/REPORT NO:	National Slo-Pitch Athletics Enterprises of Canada – Field Rental Rates (CES15031) (Ward 7) (Outstanding Business List Item)
WARD(S) AFFECTED:	Ward 7
PREPARED BY:	Steve Sevor (905) 546-2424 ext. 4645
SUBMITTED BY:	Joe-Anne Priel General Manager Community & Emergency Services Department
SIGNATURE:	

RECOMMENDATION

- (a) That the City of Hamilton enter into a five (5) year Contribution Agreement with the National Slo-Pitch Athletics Enterprises of Canada (NSA Canada) that will result in NSA Canada hosting three national championships per year in the City of Hamilton for the next five years. The City of Hamilton will provide reduced field rental fees to NSA Canada over the five-year Agreement totalling an estimated \$82,750, which will result in an additional pressure on the Recreation Division's budget from 2015 to 2019. The reduced field rates will be contingent on the following:
- (i) NSA Canada will reinvest a total of \$64,000 from the \$82,750 in fee reductions to offset costs associated with capital upgrades at eight ball diamonds in Turner Park, and:
 - (ii) NSA Canada will receive a 10% reduction from the total field permit fees paid over the five-year Agreement, estimated at \$18,750;
- (b) That the proposed 2015 fee reduction in the amount of \$19,750 be funded from departmental surplus;
- (c) That the proposed fee reductions in the amount of \$63,000 total for years 2016 to 2019 be incorporated into the Recreation Division Operating Budget;
- (d) That the Mayor and City Clerk be authorized and directed to execute a Contribution Agreement between the City of Hamilton and NSA Canada in a form satisfactory to the City Solicitor;

- (e) That the General Manager of Community and Emergency Services or designate be granted the delegated authority to approve any changes to the Contribution Agreement between the City of Hamilton and NSA Canada and to execute any related or ancillary documentation as may be required to give effect thereto, in a form satisfactory to the City Solicitor; and,
- (f) That the outstanding business item identified as National Slo-Pitch Athletics Enterprises of Canada be removed from the Outstanding Business List.

EXECUTIVE SUMMARY

On July 7, 2014, the General Issues Committee approved the following motion:

- (a) That the total field rental fees required for the Canada Ontario Provincial Co-ed World Series Championships and the Ontario Provincial Men's & Women's World Series Championships Canada tournaments at Turner Park in 2014 be reduced from \$30,000 to \$23,000;
- (b) That staff be directed to enter into negotiations with the National Slo-Pitch Athletics Enterprises of Canada (NSA Canada) on the understanding of reaching a formal agreement to host the three tournaments at Turner Park for an additional five years and to partner with NSA Canada to offset costs associated with capital upgrades to Turner Park over a five year period; and
- (c) That staff report back to the Emergency and Community Services committee with recommendations for a potential agreement with the NSA Canada.

This motion was precipitated by the expiry in 2014 of a five-year agreement that Tourism Hamilton had entered into with NSA Canada to host some of their slo-pitch events in Hamilton.

An agreement in principle has now been reached with NSA Canada that will be of long term benefit to NSA Canada, the City, and other users of the ball diamonds at Turner Park. The proposed agreement would commit NSA Canada to hosting their three annual tournaments in Hamilton for the next five years. This will generate an estimated \$1.2M in economic impact/benefit to the City in each year of the five-year agreement. The City will agree to reduce the annual ball diamond permit fees by \$16,000 in each of the first four years of the Agreement (from total annual permit fees currently estimated at approximately \$37,500 in 2015). NSA Canada, in turn, will invest the \$16,000 in annual savings in each of the first four years of the Agreement to offset the costs of installing permanent outfield fences in eight of the ball diamonds at Turner Park (currently NSA Canada currently installs temporary fencing annually at the park for their events).

Recognizing the level of economic impact that the events brings to the City, staff are also recommending an additional discount of 10% from the annual total value of permits booked by the NSA in each year of the five-year term of the Agreement (e.g. 10% reduction would be \$3,750 in 2015 based on total permit value of \$37,500).

Staff is recommending that the Contribution Agreement be approved based on the terms identified above. A formal agreement will then be executed between the City and NSA Canada so that the terms can take effect in 2015.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

The cost to fence one ball diamond is \$8,000. The City of Hamilton, through the Parks Maintenance Division, will provide the upfront funding in each of the first four years of the Agreement to construct two fences per year over four years; totalling eight diamonds at a cost of \$64,000. The funding from Parks Maintenance Division will come from account #55916-4401549107. NSA Canada will, in turn, reinvest the \$16,000 they saved from permit fee reductions in each of the first four years of the Agreement to offset the costs of installing the fences.

Staff are also recommending an additional 10% reduction from the total value of the permits booked in each of the five years of the Agreement. (e.g. 10% reduction would be \$3,750 in 2015 based on total permit fees of \$37,500). This is consistent with the support that the City had provided in the previous five-year agreement and provides an incentive to NSA Canada to commit to holding their events in Hamilton for another five years.

Based on the anticipated NSA Canada permit revenues for their tournaments in 2015 (\$37,500) the impact on total revenues after the reductions are applied is estimated at \$82,750 over the five-year term of the Agreement (based on value of permits booked and estimated costs in 2015).

Estimated Impact (based on 2015 fee schedule and estimated costs)

	2015	2016	2017	2018	2019	Total over 5 years
Fees paid by NSA	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	
Reduction for Fencing (2 fences per year)	\$16,000	\$16,000	\$16,000	\$16,000	n/a	
Additional 10% Reduction	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	

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Total Reduction	\$19,750	\$19,750	\$19,750	\$19,750	\$3,750	\$82,750
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There are no offsets available in the Recreation Division's budget to cover the fee reductions that will be applied as a result of the Agreement. The resulting reduction in revenue will create a pressure on the Recreation Division's budget from 2015 to 2019. It should be noted however that indirect offsets will be realized through the estimated \$6.0M in economic benefit that the events will generate for the City over the life of the Agreement and through the capital investment (\$64,000) to be made at Turner Park.

Staffing: There are no staffing implications associated with Report CES15031.

Legal: Legal Services will review the draft Agreement and any subsequent amendments to the final Agreement.

HISTORICAL BACKGROUND

NSA Canada is a for-profit organization and is one of the largest adult slo-pitch organizations in Canada. NSA Canada has been hosting a number of slo-pitch tournaments in Hamilton since 2009. NSA Canada entered into an agreement with Tourism Hamilton in 2009 to bring in the Men's and Women's World Series Tournament to Hamilton (specifically to Turner Park). In 2012, NSA Canada brought the Co-ed Provincials and the Men's & Women's Provincials to Turner Park in Hamilton as well. The three tournaments involve the participation of over 3,000 players, more than half of whom reside forty kilometers or more outside of Hamilton. The tournament has continued to grow in participation since coming to Hamilton in 2009. Tourism Hamilton made financial contributions that supported the NSA Canada tournaments in Hamilton in the amount of \$35,691 from 2009 through to 2014.

Tourism Hamilton is no longer able to provide the level of support to NSA Canada. Before 2012, Tourism Hamilton had been operating as an incorporated not-for-profit entity. In 2012, Tourism Hamilton was transitioned into a municipal entity within the Tourism and Culture Division. The bonusing provisions of the *Municipal Act* preclude cash or grant contributions from a municipality to a for-profit organization. In 2014, Tourism Hamilton was able to purchase \$3,000 of advertising in NSA Canada's event programs and Council approved an additional \$7,000 in permit fee reductions to the support the three NSA Canada events. In 2014, Council directed staff to negotiate a new agreement between the City and NSA that would keep the events in Hamilton and be of mutual benefit to both parties.

Based on the Sport Tourism Economic Assessment Model (STEAM) methodology, these events will generate approximately \$1.2M in economic impact annually. It is anticipated that the economic impact will grow in future years given the consistent growth in participation in the events since 2009.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

No corporate policies are affected if council approves the recommendation.

RELEVANT CONSULTATION

Tourism Hamilton: Tourism Hamilton recognizes the benefits that the NSA Canada hosted events bring to the City of Hamilton and are supportive of any efforts that allow the three hosted events to stay within the City.

Parks Maintenance Division: The Manager of Parks Maintenance has been involved in negotiations with NSA Canada. Parks Maintenance staff are supportive of continuing a relationship with NSA Canada and of partnership to make capital upgrades to Turner Park.

Turner Park User Groups: In 2012, the user groups of Turner Park were surveyed to ascertain their level of support for the temporary fencing that was erected during NSA Canada events. User groups were asked if they had any objection to NSA Canada leaving the temporary fencing up from their August event through September. All user groups agreed to that arrangement. Through annual pre and post-season meetings conducted by Recreation Sport Development staff, user groups continue to support the need for additional fencing at the ball diamonds.

Legal: Legal Services has reviewed the report and confirmed that the terms of the recommended Agreement are in compliance with the User Fees and Charges for Services, Activities or The Use of Property By-Law and do not violate the bonusing provisions of the *Municipal Act*. Legal Services has provided guidance and advice and their comments have been incorporated into this report.

Finance: Finance and Administration, Corporate Services, reviewed the report and requested additional information on costs and revenue implications. This information has been added to the report.

ANALYSIS AND RATIONAL FOR RECOMMENDATION

The proposed agreement will provide opportunities for both the City of Hamilton and NSA Canada. The City will be able to enhance the ball diamonds at Turner Park through the installation of outfield fencing at eight ball diamonds. This will not only benefit participants in NSA Canada events but also regular users of the diamonds throughout the season. Hamilton will also benefit from the economic activity generated from the NSA Canada tournaments over the five-year life of the agreement and position the City well in terms of attracting other events. The NSA Canada will gain certainty over the location of their events and the permit fees they will be paying for their events over five years. In addition, they will save incrementally over the five year life of the Agreement on the costs of installing temporary fencing.

ALTERNATIVES FOR CONSIDERATION

None

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner

APPENDICES AND SCHEDULES ATTACHED

None