



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
**Corporate Assets & Strategic Planning Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	May 4, 2016
<b>SUBJECT/REPORT NO:</b>	Lease Agreement - Hamilton Tiger Cats; Addition to 2016 Tim Hortons Field User Fees - 64 Melrose Avenue North (Ward 3) (PW16035)
<b>WARD(S) AFFECTED:</b>	Ward 3
<b>PREPARED BY:</b>	Delfina Duarte Manager, Facilities Planning & Business Support (905) 546-2424, Extension 6627 Rob Gatto Manager, Sports and Entertainment (905) 546-2424, Extension 5448
<b>SUBMITTED BY:</b>	Rom D'Angelo, C.E.T.; CFM Director, Facility Management & Capital Programs Public Works Departments (905) 546-2424, Extension 4617
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That a Lease Agreement between the City of Hamilton (Landlord) and the Hamilton Tiger-Cats (Tenant) for the use of additional space at Tim Hortons Field, 64 Melrose Avenue North, substantially based on the terms and conditions contained in Appendix A attached to Report PW16035, and such other terms and conditions deemed appropriate by the General Manager of Public Works, be approved;
- (b) That the Mayor and City Clerk be authorized and directed to execute all necessary documents, relating to the Lease with the Hamilton Tiger-Cats (the "Lessee") for space to be leased to the Lessee at Tim Hortons Field, 64 Melrose Avenue North, in a form satisfactory to the City Solicitor;
- (c) That Room 1E-501, as shown in Appendix D attached to Report PW16035 comprised of 1800 sq.ft., on the ground floor of the East Building, be added as a new fee to the proposed 2016 User Fees and Charges By-law in Appendix C to Report PW16035.

## **EXECUTIVE SUMMARY**

Tim Hortons Field was constructed to serve the needs of the community in providing long term social, health and wellness benefits to residents in the surrounding areas.

The new Stadium is intended to be a multi-use sports, community and event centre offering a wealth of community recreational opportunities. The Hamilton Tiger-Cats currently hold a 20 year License with the City to utilize Tim Hortons Field for the purposes of managing and exhibiting their Canadian Football League team and, additionally, the Tiger-Cats are also permitted to utilize the facility for exhibiting professional soccer. In order to conduct business related professional sports (soccer), the Tiger-Cats require additional office space within the Stadium.

The City is offering the use of two rooms as highlighted on the attached Appendix B attached to Report PW16035 (previously allocated to facility management/building operations) on the second level of the West building. The initial Term will be five (5) years, with the opportunity to renew the Lease for three (3) additional five-year Terms. The gross rental rate to be charged will be \$25.00 per square foot plus HST annually, for each of the first five (5) years. Renewal terms will be renegotiated at the then market rates for similar office space.

This report seeks Council's approval to authorize the General Manager of Public Works to enter into a new Lease agreement, as well as, subsequent renewals with Hamilton Tiger-Cats Football Club (2007) Corp.

In addition, Room 1E-501 comprised of 1800 sq. ft., of space on the ground floor of the East building was previously designated in the "Stadium License Agreement" between the City of Hamilton and the Hamilton Tiger-Cats Football Club (2007) Corp. (Licensee), as both the Owner's Facilities and the Licensee's Facilities. To date this room is unfinished and has remained empty. To clarify the operational usage of the space, it was agreed that both the City and the Licensee will continue to share usage of the space. The Tiger-Cats have agreed to finish the room (an estimated \$60,000 investment) for usage by its Alumni Association on game days. The City will use the room for public events/meetings and make the room bookable at consistent rates to other similar space within the Stadium. This report seeks council's approval to charge the public fees consistent with other spaces that are authorized for Owner's use throughout the Stadium.

***Alternatives for Consideration – See Page 4***

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The rental rate of \$25.00 per square foot will provide an annual gross revenue stream of \$29,325.00 and the User Fees will also provide additional revenues to offset the operating costs. Lease Revenues will be allocated to #46110-792284 and User Fees will be allocated to account #46075-792284

Staffing: There are no increases to staff levels associated with the recommendation in this report.

Legal: Legal Services were involved in the development of the Lease Agreement.

## **HISTORICAL BACKGROUND**

The Hamilton Tiger-Cats currently hold a 20-year License Agreement with the City of Hamilton for use of Tim Hortons Field, dated February 25, 2014. In addition to operating their Canadian Football League team, the existing Agreement also permits the Tiger-Cats to utilize the Stadium for the purposes of exhibiting professional soccer and as such, the Tiger-Cats would like to utilize additional office space for conducting business related to professional sports (soccer).

Tim Hortons Field currently has two rooms on the second floor that were originally designated for facility management/building operations. The Tiger-Cats demonstrated a need and are agreeable to paying market rates for the additional space.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The report recommendations are consistent with the City's Real Estate "Portfolio Management Strategy" as prepared by the consulting firm Metropolitan Knowledge International on June 15, 2004 and adopted by City Council on November 24, 2004.

## **RELEVANT CONSULTATION**

Internal consultation has taken place with staff from Facility Management & Capital Programs, Real Estate, Legal Services and Finance who have reviewed the Lease Agreement. All are in support of the report recommendation.

External consultation has taken place with the Hamilton Tiger-Cats and they have agreed that the two recommended rooms are of sufficient space and they are also in support of the report recommendation.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

This lease is beneficial to the City, to the Tenant and to the community as it supports the vision for the Stadium Precinct. With the approval of the Lease and subsequent renewals, City of Hamilton will continue to receive the financial benefit of rental income and utilize this space as effectively as possible.

## **ALTERNATIVES FOR CONSIDERATION**

Council may decide to deny the report recommendation and staff would continue to use the space for building operations. Taking into consideration that the Hamilton Tiger-Cats are already operating throughout the majority of the Stadium and they provide beneficial services to the residents of the City, it would be appropriate to allow them to utilize these rooms which are close in proximity to their current office space on the second floor of the west building. Therefore, staff do not recommend any alternatives to the report recommendation.

## **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**

- 1.1 Continue to grow the non-residential tax base.
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.
- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

### **Strategic Priority #2**

Valued & Sustainable Services

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

#### **Strategic Objective**

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.3 Enhance customer service satisfaction.

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" – Major Terms and Conditions of Lease

Appendix "B" – Location of Leased Areas –Room 2W-402 and 2W-333

Appendix "C" – Proposed 2016 User Fees and Charges to be added to proposed 2016 User Fees and Charges By-law – Corporate Assets and Strategic Planning - Tim Hortons Field

Appendix "D" - Location of Room 1E-501 within the East Building of Tim Horton's Field