

Town of Whitby

Staff Report

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Report Title: Soccer Dome Replacement

Report to: Committee of the Whole

Date of meeting: April 3, 2023

Report Number: FS 16-23

Department(s) Responsible:

Financial Services Department
Community Services Department

Submitted by:

Fuwing Wong, Commissioner, Financial
Services/Treasurer;
John Romano, Commissioner,
Community Services

Acknowledged by M. Gaskell, Chief Administrative Officer

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1. Recommendation:

1. That a new 2023 Capital Project be approved, for the Soccer Dome Replacement Project, in the amount of \$250,000 funded from the Whitby Soccer Dome Reserve Fund;
2. That the Whitby Iroquois Soccer Club (operating as the Whitby Football Club ("WFC")) be authorized to proceed with the coordination and procurement of the soccer dome replacement project; and,
3. That staff be authorized to reimburse the WFC within 30 days of receipt and acceptance of payment information, as outlined in Report FS 16-23, for WFC costs in excess of \$400,000.

2. Highlights:

- A new capital project is recommended to financially support the replacement of a 14-year-old soccer dome located at 683 Rossland Road West;

- The Whitby Football Club estimates the total project cost to be \$650,000, has confirmed that they have financial capacity to fund \$400,000 and requested the Town to contribute \$250,000 towards the dome replacement;
- Subject to Council approval, the Town's \$250,000 contribution will be funded from the Whitby Soccer Dome Reserve Fund, a reserve established for the soccer dome, artificial turf, and major mechanical component asset replacement.

3. Background:

On March 29, 2023, Town Staff met with the Mr. Bill Sidsworth, Executive Director of the Whitby Iroquois Soccer Club (operating as the Whitby Football Club ("**WFC**")). According to WFC:

- The first soccer dome at the facility is 14 years old and requires replacement before the next winter;
- Snow is sticking to the dome fabric rather than sliding down/off the fabric. The weight of the snow has and may cause dome collapses;
- The estimated cost to replace the Soccer Dome is \$650,000 of which the WFC has the financial capacity to fund \$400,000;
- The WFC is looking for the Town to contribute \$250,000 towards the Soccer Dome replacement; and
- The WFC paid \$675,000 in March 2023 for the replacement of the artificial turf at this soccer dome without any financial contribution from the Town.

The WFC entered into a licensing agreement (the "**Agreement**") with the Town of Whitby on July 16, 2008 for the use of the Town-owned lands and premises at the Soccer Park located at 695 Rossland Road West (the "**Facility**"). The term of the Agreement is twenty (20) years (ending September 30, 2028) and includes the following payments from the WFC:*

- A monthly licensing fee, estimated at \$19,000/month*, representing:
 - Repayment (over 20 years) of Town's costs of up-fronting approximately \$3 million in capital costs for the construction of the soccer dome, artificial turf, clubhouse, and servicing costs; and
 - For use of the Facility
- All taxes, including business taxes and property taxes (if applicable);
- An additional monthly fee, \$2,975/month* at the time, representing:
 - A contribution to an asset replacement reserve fund for the Facility;
 - The Town established a Reserve Fund to fund the anticipated replacement of the dome fabric, artificial turf, and major mechanical components of the Facility;
 - The additional monthly fee was to be reviewed at the end of the fourth, eighth, twelfth, and sixteenth years to ensure that sufficient funds would be in the reserve for the replacement of the components noted above.

*Note: figures noted in this report are from the original July 16, 2008 Agreement. Due to time constraints (e.g., the time between meeting with WFC on March 29 and having a draft available to be published on Friday March 31 as part of the addendum agenda

package), research on amendments and updates from 2008 to 2023 has not been completed.

4. Discussion:

The Town's Capital Budget Management and Control Policy (F 170) provides for delegated authority to staff to approve unbudgeted/unanticipated capital projects during the year that are Emergency or Urgent. Urgent projects are defined as any unplanned situation / project deemed important to the Corporation, where quick action is required and must be commenced in the current fiscal year. Information from the WFC regarding the Soccer Dome would qualify as Urgent under Policy F 170. However, the delegated authority limit for staff to approve in-year unbudgeted/unanticipated capital projects is \$100,000. Accordingly, it is recommended that Council approve a new 2023 capital project, for the Soccer Dome Replacement, in the amount \$250,000 funded from the Whitby Soccer Dome Reserve Fund.

The License Agreement notes that the Town shall be fully responsible for the coordination, procurement, and replacement of the dome fabric, artificial turf, and major mechanical components of the Facility. However, the WFC has the experience, expertise, and resources to complete this project, (e.g., replace the soccer dome, within the 2023 year) and the Town has had a successful partnership with the WFC over the approximately 15+ years. Accordingly, it is recommended that the WFC coordinate and procure the replacement of soccer dome and the Town will reimburse the WFC subject to the Town's receipt of the following information to the satisfaction of the Commissioner of Community Services and the Commissioner of Financial Services/Treasurer:

- 1) Written quote(s) for the work; and
- 2) Confirmation of payments

The Town will reimburse WFC, to an upset limit of \$250,000, within 30 days of receipt and acceptance of the above information once WFC has incurred more than \$400,000 in costs for the project. For clarity, WFC will upfront all payments and Town will reimburse within 30 days after receiving and accepting payment information in excess of \$400,000 (WFC's Financial commitment towards the Dome Replacement project). Throughout the dome replacement project, Town staff will provide support to the WFC and will visit the site to monitor the progress of the work.

5. Financial Considerations:

The balance of the Whitby Soccer Dome Reserve Fund is currently \$364,349 comprised of WFC contributions (i.e., "additional monthly fees") based on the Agreement and interest.

Due to COVID-19 Pandemic restrictions, recreational facilities were closed or opened with reduced capacities in accordance with physical distancing requirements.

Accordingly, all Agreement payments from the WFC were suspended in 2020. As programming has restarted, the Town will be working with WFC on re-starting monthly

licensing fee payments in 2023 (representing repayment of the Town's \$3 million investment). Further, the Town will work with WFC on calculating revised additional monthly fee payments (e.g., contributions to the Whitby Soccer Dome Reserve Fund) based on a dome replacement in 2023 and a recent artificial turf replacement.

6. Communication and Public Engagement:

N/A

7. Input from Departments/Sources:

This report was prepared in consultation with the Mr. Bill Sidsworth, Executive Director, Whitby Football Club.

8. Strategic Priorities:

N/A

9. Attachments:

N/A