

## COUNCIL REPORT

M&C No.	M&C 2019-134
Report Date	May 29, 2019
Meeting Date	June 03, 2019
Service Area	Finance and Administrative Services

His Worship Mayor Don Darling and Members of Common Council

***SUBJECT: Saint John Major Junior Hockey Club Agreement***

### ***OPEN OR CLOSED SESSION***

This matter is to be discussed in open session of Common Council.

### ***AUTHORIZATION***

Primary Author	Commissioner/Dept. Head	City Manager
<b><i>Ian Fogan</i></b>	<b><i>Kevin Fudge</i></b>	<b><i>John Collin</i></b>

### ***RECOMMENDATION***

It is recommended that Common Council

1. Accept the terms as drafted in the Agreement attached and,
2. Direct the Mayor and Common Clerk to execute the Agreement.

### ***EXECUTIVE SUMMARY***

The Sea Dogs organization has reached a new license arrangement with the Harbour Station Commission. The City is contributing to the operations of the Sea Dogs to help sustain a growing, vibrant City.

### ***PREVIOUS RESOLUTION***

Committee of Council, having met on May 6, 2019, adopted the following resolution:

RESOLVED that as recommended by the Committee of the Whole having met on May 6, 2019, that contingent upon securing a naming sponsor, the City of Saint John contribute a one time capital contribution of \$25,000, subject to an offsetting claw back if new revenues are identified through operational review and a \$17,500 grant to be paid annually towards the Sea Dogs license for 5 years and funded from the Growth Reserve Fund.

### ***REPORT***

The Saint John Sea Dogs have been a tenant of Harbour Station since 2004. The license between the Sea Dogs and The Harbour Station Commission outlines the responsibilities of both parties and the financial terms of the tenancy. The license outlines specifically the sharing of revenue from such items as concessions, parking, suite and ticket sales. The License has been amended four times since 2004 and the Harbour Station Commission has now secured a five year extension of their license with amendments (due to end in 2020).

This agreement exists outside of the license but is conditional upon the license being secured for five additional years and the securing of a naming rights partner. The City is contributing \$17,500 annually towards the sustainability of the hockey club as the club is the major tenant of Harbour Station and contributes positively to the operating deficit of the building.

There is also a one-time contribution of \$25,000 towards capital costs but subject to reduction should other operational items be found to contribute positively to the financial position of the Major Junior Hockey Club.

### ***STRATEGIC ALIGNMENT***

One of the Council's priorities is to promote a Vibrant, Safe City where "Residents celebrate our history, enjoy a variety of cultural and recreation activities, and appreciate our greenspaces and waterways."

### ***SERVICE AND FINANCIAL OUTCOMES***

The contribution will help secure a long term tenant for the facility and ensure a continued positive contribution to the operating deficit of the facility. The annual cost is \$17,500 with another \$25,000 subject to operational efficiencies that would serve to clawback the \$25,000 contribution. If the facility was left without a major tenant, the deficit increase would be far greater than the annual contribution as outlined in the agreement.

The Quebec Major Junior Hockey League has suggested that the economic impact to Cities that host a team to be in excess of 1.5 million. This figure is likely conservative for Saint John given that Saint John has higher than average Q-League attendance.

### ***INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS***

The agreement was drafted by the City Solicitor's office with input from Finance, City Manager and the Saint John Major Junior Hockey Club.

***ATTACHMENTS***

Saint John Major Junior Hockey Club Agreement.