



## STAFF REPORT ACTION REQUIRED

### Proposed Government of Canada Enhancements to the Toronto Track and Field Centre

<b>Date:</b>	April 7, 2014
<b>To:</b>	Executive Committee
<b>From:</b>	Acting General Manager, Parks, Forestry and Recreation
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2014\Cluster A\PFR\EX41-042314-AFS#19341

#### SUMMARY

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This report advises of a proposal from the Government of Canada - Department of Canadian Heritage, Sport Canada ("Canada") for a fully funded high performance centre to be built as an extension to the City-owned Toronto Track and Field Centre ("TTFC") located on the York University ("York") campus. This project ("Project") is a product of discussions between Canada, the Toronto Organizing Committee for the 2015 Pan American and Parapan American Games ("TO2015"), Athletics Canada, York, and the City of Toronto.

The TTFC will undergo \$3.6 million of refurbishment for its use during the 2015 Pan and Parapan American Games ("2015 Games"). These refurbishments are being funded by Canada and the City of Toronto on a 56% and 44% basis, respectively. In order to enhance the legacy condition of the TTFC beyond the originally agreed upon scope, Canada has agreed to increase its commitment to expand the TTFC at its sole cost of up to an additional \$5 million. As owner of the facility, authority is sought to accept this contribution.

Canada's funding is conditional upon the City leasing space in the high performance centre to Athletics Canada for nominal rent. Athletics Canada has committed being a tenant for 20 years and to funding all operating costs for their dedicated space together with monies to be paid to the City in respect of future capital maintenance costs.

The City owns the TTFC; however, it leases the property upon which the TTFC is built from York pursuant to a ground lease, dated September 15, 1983, but effective December 21, 1976 (the "Lease"). The lease between the City and York must be amended to allow

for the proposed extension. Authority is sought to amend the Lease with York to permit construction of the extension and the sub-tenancy in the high performance centre by Athletics Canada. York is in agreement.

This matter is urgent in nature because, in order to minimize the disruption to TTFC users and to allow for project management by TO2015, Project construction must commence by August 2014, coordinated around the original 2015 Games refurbishment construction.

## **RECOMMENDATIONS**

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**The General Manager of Parks, Forestry and Recreation recommends that, subject to receiving approval from York University for the proposed additions and renovations:**

1. City Council authorize the City to accept from the Department of Canadian Heritage - Sport Canada Branch, a financial contribution in the amount of approximately \$5,000,000.00 for the entirety of the proposed addition and enhancements to be constructed at the City-owned Toronto Track and Field Centre, leased from York University.
2. City Council authorize the City to enter into a funding agreement and any necessary ancillary agreements and documents with the Department of Canadian Heritage - Sport Canada Branch, upon terms and conditions satisfactory to the City Manager, the General Manager, Parks, Forestry and Recreation and the City Solicitor.
3. City Council authorize the City to enter into a project agreement and any necessary ancillary agreements and documents with the Toronto Organizing Committee for the 2015 Pan American and Parapan American Games and York University, in respect of the proposed additions and renovations, upon terms and conditions satisfactory to the City Manager, the General Manager, Parks, Forestry and Recreation and the City Solicitor.
4. City Council authorize the Toronto Organizing Committee for the 2015 Pan American and Parapan American Games, as and if required, to make any necessary planning and building applications on behalf of the City in relation to the proposed additions and renovations.
5. City Council authorize the City to enter into the following agreements related to the Lease with York University, as landlord, dated September 15, 1983, as amended, in respect of the Toronto Track and Field Centre, upon terms and conditions satisfactory to the City Manager, the General Manager, Parks, Forestry and Recreation, and the City Solicitor:
  - (a) a lease amending agreement to confirm York University's consent to the construction of the proposed improvements and the entering into by the City of a sublease with the Athletics Canada in respect of proposed addition;

- (b) a long-term sublease with Athletics Canada as subtenant in respect of the proposed addition, being approximately 12,000 square feet, as required and stipulated as a condition of the funding being provided by the Government of Canada, on the basis of nominal rent and the requirement that the subtenant to be responsible for any and all operating and capital maintenance costs together with such other terms and conditions to be negotiated; and
  - (c) such other ancillary agreements and documents as may be required to effect the intent and requirements of the Toronto Track and Field Centre project, the terms of which shall be consistent with the intent set out herein and the financial commitments approved by Council.
6. City Council authorize and direct the appropriate City Officials to take the necessary actions to give effect thereto.

## **Financial Impact**

The original capital project for the refurbishment of TTFC for its use during the 2015 Pan and Parapan American Games (“2015 Games”) has a project cost of \$3.628 million. These refurbishments are being funded by TO2015 (Government of Canada) and the City of Toronto on a 56% and 44% basis, respectively.

The expansion of the TTFC to build a high performance centre at additional cost of up to \$5 million will be covered by the Government of Canada (see Appendix A). In addition, Athletics Canada indicated its commitment to be a long-term sub-tenant in the high performance centre and to pay nominal rent and capital maintenance costs, as well as all operating costs that would be generated as a result of the TTFC expansion (see Appendix B).

All funds for the Project will be transferred directly from the Government of Canada to TO2015, which will manage the project and pay for all expenses from those funds. Therefore, the Project will have no financial impacts on the City.

The expansion of the TTFC will not have an impact on the level of City programming delivered at the TTFC.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

In December 2008, City Council endorsed the City's participation in a bid for the Pan Am Games to be held in Toronto and the Greater Golden Horseshoe.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2008.EX26.6>

In February 2009, City Council approved investments totalling \$49.5 million in six City-owned assets to be used as training, competition or festival venues during the Games.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.EX29.10>

In February 2011, City Council approved additional funding of up to \$47 million and three additional projects, for a total City investment of up to \$96.5 million in a total of nine Pan Am Games capital projects.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.EX2.5>

## **ISSUE BACKGROUND**

Toronto is the official host city of the 2015 Games, and a signatory to the Pan Am Games Multi-Party Agreement (the “MPA”), which defines the rights and responsibilities of TO2015; the Canadian Olympic and Paralympic Committees; and the City, Provincial and Federal governments regarding the governance, financing and delivery of the Games.

In 2011, City Council approved a capital project called Toronto Track and Field Centre Retrofit, which included refurbishments to the TTFC for use during the 2015 Pan and Parapan American Games (“the 2015 Games”). The approved TTFC Retrofit project budget is \$3.628 million, \$1.596 million of which represents the City's contribution. During the 2015 Games, the refurbished TTFC will work in concert with a new \$45.5 million Athletics Stadium which is currently being built across from the facility on the York campus. In accordance with the MPA, the costs for these 2015 Games facilities are shared between Canada and the respective owners on a 56% and 44% basis.

This additional Government of Canada contribution will allow for an expansion of the facility to allow for significantly enhanced programming for our national team track program administered by Athletics Canada. The resulting combination of the new outdoor stadium and the proposed enhancements to the TTFC will provide a world class daily training environment for our most talented track athletes, while, at the same time, continuing to provide opportunities for local and university level athletes to train and compete.

As currently proposed, the enhancements to the facility will include an extension to the existing indoor straightaway and a new dedicated high performance training centre (“Proposed Enhancements”). The high performance centre will include strength and conditioning space, recovery and regeneration space, change rooms, office space, a therapy room, and an athlete lounge for use by Athletics Canada and national high performance athletes.

## **COMMENTS**

### **1. Project Benefits**

The benefits of the Proposed Enhancements are many. First, it will bring added prominence to the region as there are very few indoor 100m straightaways in North America and quite possibly no others in Canada. There is potential for specialty meets to be held on the extended track.

Second, community and track club members as well as high school and university students will benefit from being able to train and compete 100m indoors, during the winter months and during inclement weather.

Finally, the extended straightaway and the high performance centre will have a dramatic and significant impact on Athletic Canada's National Team program. With the 100m training straightaway, members of Canada's sprinting team will not have to spend time away from their studies, family and friends to train in warmer climates over the winter months. The features contained within the high performance centre will enhance the coach-athlete experience, enable the national program to be more responsive to athlete needs and will play a key role in making the TTFC a National Team "hub" for developing, training and retaining Canada's highest performers.

## **2. Funding Conditions**

Canada sets out a number of conditions upon which the funding for the Project is contingent (Appendix A). Two of those conditions require Council authorization.

### *(i) Agreement Between Parties*

Canada has stipulated that a tripartite agreement between the City, York and TO2015 must be completed and executed no later than June 15, 2014. The agreement will detail the terms and conditions of the Project and will govern the conduct of the parties.

### *(ii) Lease Amending Agreement*

As a result of an agreement struck between the City and York in the 1970s, the City owns both the indoor and outdoor facilities at the TTFC, but York owns the land upon which they are built. The Lease, as amended, outlines the terms and conditions of that arrangement and governs the conduct of the parties.

Specifically, section 4(xii) of the Lease provides that the City must obtain prior approval from York to construct improvements on the property. Further, section 7 of the Lease provides that the City must obtain York's approval to enter into a sublease with a third party. As a result, the lease between the City and York must be amended to permit the contemplated Project and to comply with Canada's condition of providing sub-tenancy in the high performance centre to Athletics Canada for nominal rent. York is in agreement with this.

## **3. Project Timing**

The timing of this project is critical. The most economical way for Canada to complete the Project is for TO2015 to project manage it. With the 2015 Games soon taking place, the window for project management by TO2015 is small. Also important is the impact of the Project's construction on TTFC users. If construction on the Project begins by August 2014, then much of the construction can take place during a time when the facility is

already closed for the TTFC Retrofit Project. This will minimize the inconvenience to the community members, students and high performance athletes who use the TTFC. The Project will also augment the 2015 Games legacy for Track and Field participants in the City and in the region.

## **CONTACT**

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## **SIGNATURE**

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Richard Ubbens  
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## **ATTACHMENTS**

Appendix A – Letter from TO2015 Proposing TTFC Enhancements  
Appendix B – Letter from Athletics Canada Supporting TTFC Enhancements