

Rogers Centre Suite 311 and Blue Jays Season Tickets

Date:	December 8, 2010
To:	City Council
From:	City Clerk
Wards:	All
Reference Number:	

SUMMARY

The City of Toronto has a lease for Suite 311 at the Rogers Centre which requires the purchase of Blue Jays season tickets. City Council has previously voted not to purchase Blue Jays home games tickets for the 2008, 2009 and 2010 baseball seasons.

City Council can continue deciding every year not to purchase Blue Jays season tickets for four more years before the lease is deemed terminated. Alternatively, Council can choose to terminate the lease effective March 31, 2011.

This report seeks Council direction with regard to Suite 311 at the Rogers Centre. City Council can choose to terminate the lease to Suite 311 altogether, or just to not purchase Blue Jays season tickets for the 2011 baseball season.

RECOMMENDATIONS

The City Clerk recommends that City Council

1. Adopt Option A or Option B with regards to Suite 311 at the Rogers Centre:

Option A

That the City of Toronto terminate the lease to Suite 311 at the Rogers Centre, effective March 31, 2011.

Option B

That the City of Toronto not purchase 16 Blue Jays season tickets for Suite 311 for the 2011 baseball season.

Implementation Points

City staff will prepare a formal letter to Rogers Sports Holdings Inc. and Rogers Stadium Limited Partnership on Council's direction, once Council has made a decision.

Financial Impact

The budget for the Blue Jays season tickets has already been removed from the City Council operating budget in 2008. Approval of this report and adoption of Option A or Option B will not have any financial impact.

If Council chooses not to adopt either Option A or Option B, but instead, votes to resume purchasing Blue Jays season tickets for Suite 311 for the 2011 baseball season, there will be a budget pressure of \$104,500 on the City Council 2011 operating budget.

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

DECISION HISTORY

At its meeting on December 11, 13 and 13, 2007, City council adopted Report EX15.23 titled "Elimination of Blue Jay Ticket Purchases for Councillors" and voted not to purchase Blue Jays season tickets for Suite 311 for the 2008 baseball season.

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-12-11-cc15-dd.pdf>

<http://www.toronto.ca/legdocs/mmis/2007/ex/comm/communicationfile-4644.pdf>

At its meeting on October 28 and 29, 2008, City Council adopted Notice of Motion MM25.4 titled "Elimination of Blue Jay Ticket Purchases for Councillors" and voted not to purchase Blue Jays season tickets for Suite 311 for the 2009 baseball season.

<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-10-29-cc25-dd.pdf>

<http://www.toronto.ca/legdocs/mmis/2008/cc/bgrd/backgroundfile-16535.pdf>

At its meeting on October 26 and 27, 2009, City Council adopted notice of Motion MM41.8 titled "Elimination of Blue Jays Ticket Purchases for Councillors" and voted not to purchase Blue Jays season tickets for Suite 311 for the 2010 baseball season.

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-10-26-cc41-dd.htm>

<http://www.toronto.ca/legdocs/mmis/2009/mm/bgrd/backgroundfile-24531.pdf>

ISSUE BACKGROUND

The lease agreement for Suite 311

The City of Toronto and Rogers Centre/Toronto Blue Jays Baseball Club have an arrangement that originates from the construction of the Sky Dome (Rogers Centre) in 1994. At that time, the former Metro Toronto government contracted with the Stadium Corporation of Ontario Ltd. for the lease of Suite 311 for \$1 for the term of lease, under the condition that the City purchases 16 season tickets for all home games of the Toronto Blue Jays each baseball season. The term of lease commenced on January 1, 1994 and will end on June 2, 2088.

The lease agreement included an option for the City not to purchase Blue Jays season tickets for a given season by providing at least 30 days of notice prior to the beginning of the baseball season. Upon receipt of the notice from the City, Suite 311 reverts to the Rogers Centre for their use for that season.

The City needs to provide notice regarding the purchase of Blue Jays baseball season tickets every year.

If the City continuously chooses not to purchase Blue Jays season tickets for seven consecutive baseball seasons, the landlord has the right to provide the City 60 days of prior written notice and terminate the lease.

Alternatively, the City can terminate the lease on March 31 of any year if the City gives 60 days of prior written notice.

Discontinuation of Blue Jays Ticket Purchases

Prior to the 2008 baseball season, the City paid for an entire season of box-seat tickets for every Blue Jays home game and then assigned the tickets to individual councillor offices through a lottery system.

Councillors used these tickets for various purposes, including donation to local community organizations as fundraising prizes, reward for outstanding efforts of local constituents, networking opportunities with ward community leaders etc.

In December 2007, October 2008, and October 2009, City Council approved the discontinuation of the purchase of Blue Jays season tickets for the 2008, 2009 and 2010 baseball seasons, and provided notice to the Rogers Centre and the Toronto Blue Jays Baseball Club accordingly.

In 2007, the cost to the City was \$86,028.50 for purchase of season tickets and \$9,300 for the mandatory hostess for Suite 311. The total budget of \$95,328.50 was transferred out of the City Council 2008 Operating Budget when Council decided not to continue purchasing Blue Jays season tickets.

The 2011 baseball season includes 80 home games. The estimated cost to the City, if the City chooses to purchase the tickets, would be \$104,500, including \$94,500 for season tickets and approximately \$10,000 for mandatory hostess fees. This would be a pressure on the 2011 City Council Operating Budget.

COMMENTS

City Council has voted not to purchase Blue Jays season tickets for the 2008, 2009 and 2010 seasons previously. There has not been community expectation concerning the availability of Suite 311 and Blue Jays season tickets for community development purposes.

While City Council can choose to resume the purchase of Blue Jays season tickets for the 2011 baseball season, staff are not recommending this option as it represents a significant budget pressure on the City Council 2011 operating budget.

Staff are presenting two options for Council consideration and decision.

Option A

City Council chooses not to purchase Blue Jays 2011 baseball season home game tickets

City Council has voted not to purchase Blue Jays season tickets for the 2008, 2009 and 2010 seasons previously. The 2011 baseball season would be the fourth year of such notification. The City must provide notification to Rogers Sports Holdings Inc. and Rogers Stadium Limited Partnership 30 days prior to the start of the 2011 baseball season on April 1, 2011, i.e. no later than March 1, 2011.

City Council can vote every year not to purchase Blue Jays tickets and continuously do so for four more years (including the 2011 baseball season) before the lease is deemed terminated by the landlord. This means every year, a notice of motion or a report on the elimination of purchase of Blue Jays tickets for Councillors must come forward to City Council for decision.

This option provides City Council the flexibility of deciding to purchase Blue Jays season tickets again in the future, if Council so wishes.

Option B

City Council chooses to terminate the lease to Suite 311 effective March 31, 2011.

Rather than going through an annual decision not to purchase Blue Jays season tickets for four more years, Council can decide to terminate the lease to Suite 311 on March 31, 2011, by providing 60 days prior written notice to Rogers Sports Holdings Inc. and Rogers Stadium Limited Partnership. This means notice must be provided on or before January 29, 2011.

There are, therefore, two options included in the recommendation in front of Council.
Staff seeks Council approval of either Option A or Option B.

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SIGNATURE

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