

CITY OF FORT SASKATCHEWAN

High Performance Sports Field Grandstand and Press Box

Recommended Motion:

That Council approve construction of a 1,000 seat capacity grandstand and press box at the High Performance Sports Field with \$431,905 to be funded from the Capital Projects Reserve, of which \$290,000 is to be repaid to the reserve.

Purpose:

To provide Council information on the cost to construct a grandstand and press box at the High Performance Sports Field and the proposed funding of the project.

Background:

The 2015 Recreation Facility and Parks Master Plan Update identified the High Performance Sports Field as one of the community's top priorities for recreation development. The High Performance Sports Field was included in the 2016 Budget, subject to a detailed analysis of the capital and operating costs. Approval to proceed with construction was granted through Resolution R66-16, passed at the April 26, 2016 regular Council Meeting.

The High Performance Sports Field was designed with basic needs to be constructed immediately and with the ability to adjust the scope of the project depending on project costs. The base cost estimate did not include the grandstand and press box. However, they were included in the tender package.

Options for the grandstand and press box, included in the tender package, are:

Option 1:	500 seat capacity	\$437,241
Option 2:	1,000 seat capacity	\$580,440

As part of the project, a naming rights package was created to allow industries, businesses, service clubs, community groups and individuals an opportunity to purchase the naming rights of the High Performance Sports Field. Revenue generated for the naming rights is to be applied to the capital cost of the project.

Sponsorship for the naming rights of the High Performance Sports Field has successfully been negotiated and is being finalized in the amount of \$300,000 for a 10 year term. Of the sponsorship funding, \$10,000 has been committed towards the cost of signage, with the balance of \$290,000 available to go towards the cost of the grandstand and press box.

Project 16032 High Performance Sports Field is progressing well from a budget perspective and is on schedule for September completion. The project has \$148,535 available in contingency for construction of the grandstand and press box.

Proposed funding for each option is as follows:

Option 1 – 500 seat capacity grandstand and press box - \$437,241

Sponsorship Revenue	\$290,000
Project 16032 Contingency	<u>\$148,535</u>
Total Funding	\$438,535

There is sufficient funding from sponsorship revenue and Project 16032 contingency funding to cover the cost of construction of the 500 seat capacity grandstand and press box. No further funding would be required, however, as the sponsorship funding will not be paid in a lump sum, it is proposed that funds be borrowed from the Capital Projects Reserve (formerly known as the Self Financing Infrastructure Reserve) upfront, with the funds to be repaid over the 10 years of the sponsorship.

Option 2 – 1,000 seat capacity grandstand and press box - \$580,440

Sponsorship Revenue	\$290,000
Project 16032 Contingency	\$148,535
Capital Projects Reserve	<u>\$141,905</u>
Total Funding	\$580,440

Sponsorship revenue from the High Performance Sports Field and Project 16032 contingency funding is insufficient to cover the cost for an additional 500 seats. To gain the efficiencies of economy of scale, an additional \$141,905 would be required and is proposed to be funded from the Capital Projects Reserve. Further, as the sponsorship funding will not be paid in a lump sum, it is proposed that \$290,000 be borrowed from the Capital Projects Reserve upfront and be repaid to the reserve over the 10 years of the sponsorship.

It should be noted that if Council were to approve construction of the grandstand and press box, completion of this construction would take an additional two to three months beyond the current Project 16032 High Performance Sports Field construction completion date in September. Although not the final design, a picture of a grandstand and press box is provided below.



** Not final design.

Two benefits of including the 1,000 seat capacity grandstand and press box during construction of the High Performance Sports Field are:

1. a savings of approximately \$30,000, as the contractors are already on site; and
2. a future interruption to the sports season would be avoided.

Financial Implications:

\$431,905 to be borrowed from the Capital Projects Reserve, with \$290,000 to be repaid to the reserve over the 10 years of the sponsorship.

Alternatives:

1. That Council approve construction of a 500 seat capacity grandstand and press box at the High Performance Sports Field with \$290,000 to be funded from the Capital Projects Reserve and to be repaid to the reserve.
2. That Council approve construction of a 1,000 seat capacity grandstand and press box at the High Performance Sports Field with \$431,905 to be funded from the Capital Projects Reserve, of which \$290,000 is to be repaid to the reserve.
3. That Council not proceed with construction of a grandstand and press box at the High Performance Sports Field.

Recommendation:

That Council approve construction of a 1,000 seat capacity grandstand and press box at the High Performance Sports Field with \$431,905 to be funded from the Capital Projects Reserve, of which \$290,000 is to be repaid to the reserve.

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Approved by:	Brenda Rauckman General Manager, Community & Protective Services	Date: June 29, 2017
Reviewed by:	Troy Fleming Acting City Manager	Date: July 4, 2017
Submitted to:	City Council	Date: July 10, 2017