

Committee of the Whole (2) Report

DATE: Tuesday, March 19, 2024

WARD(S): 2

**TITLE: WOODBRIDGE SOCCER UNSOLICITED DONATION
PROPOSAL**

FROM:

Nick Spensieri, City Manager

ACTION: DECISION

Purpose

To seek Council direction on an unsolicited donation proposal from the Woodbridge Soccer Club (WSC). WSC is offering to purchase and install custom bleachers at Vaughan Grove Sports Park in Ward 2 in the first week of April 2024.

Report Highlights

- Woodbridge Soccer Club (WSC) has submitted a written proposal dated February 27, 2024 (Attachment 1) that offers the donation of custom bleachers for field #2 at Vaughan Grove Sports Park. The value of the donation is approximately \$200,000 CAD (\$111,804 USD for the equipment. Installation covered by WSC is valued at \$40,947 CAD).
- Subject to Council approval to accept the proposed bleacher system, WSC satisfies the policy-outlined criteria to accept a donation.
- Within this Term of Council staff do not expect to incur significant operational impacts because of the WSC bleacher system.
- If this donation is accepted, the City of Vaughan and WSC will need to finalize a donation agreement that outlines roles and responsibilities.

Recommendations

1. THAT the Director of Parks, Forestry, and Horticulture Operations, in consultation with the Director of Economic Development, be authorized negotiate and execute a donation agreement with Woodbridge Soccer Club containing the terms outlined in this Staff Report, in a form satisfactory to Legal Services.

Background

The Woodbridge Soccer Club (WSC) is offering to donate a bleacher system for Vaughan Grove Sports Park.

The value of the donation is approximately \$200,000; WSC have offered to not only pay for the purchase of the bleachers and their installation, but also cover the cost of repairs and replacement parts for the lifespan of the bleachers, as well as any required insurance. WSC have indicated their interest in having the bleachers installed in time for the Umbro Spring Classic, hosted by WSC at Vaughan Grove Sports Park on April 12, 2024.

In accordance with the City's Incoming Sponsorship and Donation Policy, although Staff have the authority to approve unsolicited donations, there are certain instances, such as this, where Council approve should be sought.

Given that there are potential operational impacts should WSC be unable to fulfill future undertaking to pay for ongoing maintenance, repair and replacement, Staff are seeking Council's direction.

For the reasons set out below, Staff are recommending that they be directed to accept the donation and that the Director of Parks, Forestry, and Horticulture Operations, in consultation with the Director of Economic Development, be authorized to negotiate and execute a Donation Agreement containing the terms outlined in this Staff Report, in a form satisfactory to Legal Services.

Previous Reports/Authority

[Incoming Sponsorship and Donation Policy](#)

Committee of the Whole (2), February 13, 2024

Analysis and Options

WSC has submitted a written proposal dated February 27, 2024 (Attachment 1) that offers the donation of custom bleachers for field #2 at Vaughan Grove Sports Park. The value of the donation is approximately \$200,000 CAD.

The custom bleachers on offer would replace existing stainless-steel benches with new stadium seating (individual bucket seats) (see Attachment 2). This represents service above city standards.

The total capacity of the new bleacher system will be 484 seats. The capacity of the existing system is approximately 250 spectators.

WSC is offering a system provided by *sixFive Stadium Experience Inc.* The asset lifespan and warranty are as follows:

- Delivery and Parts Warranty - one year from the Installation Date.
- Grandstand - lifespan is a minimum of 40 years with a 10-year warranty.
- Seating - lifespan of approximately 30+ years with a 5-year warranty, (note that fading of the seats is not included).

WSC's proposal asks for the City to be responsible for the daily routine maintenance of the new bleachers and field. WSC is offering to purchase and pay for and coordinate the installation of the new bleachers, inclusive of any building permits, delivery fees, etc.

In addition, WSC will pay for and coordinate repairs and replacement parts of the bleacher system to the City's satisfaction for the lifespan of the asset. WSC is also covering the required insurance costs and has provided the city with proof of property and liability insurance indemnifying the City and covering loss or damage on an annual basis.

The value of *sixFive's* system being offered by WSC is \$111,804 USD for the equipment. Installation covered by WSC is valued at \$40,947 CAD.

WSC is motivated to have the new bleachers available for their April 12, 2024, Umbro Spring Classic. The tournament will host more than 300 teams in Vaughan and Mississauga.

WSC is a long-standing non-profit organization in Woodbridge, one of Vaughan's CSOs that permits the fields at Vaughan Grove Sports Park, and an active lessee for their clubhouse on premises. Note: this unsolicited donation is a separate and distinct issue from their lease agreement. One issue shall not prejudice the other.

WSC, established in 1976, is a long-standing non-profit organization in the Woodbridge community. The goal and objective of the club is to build and encourage sportsmanship among youth by fostering and teaching the game of soccer.

WSC has an approximate membership of 3,200 between their competitive and recreation leagues. These participants make up roughly 40 competitive teams along with various house league/recreation programs.

WSC hosts various tournaments throughout the year, including the Umbro Spring Showcase and the Woodbridge Fall Classic. These tournaments draw teams from across Canada and the United States.

The Woodbridge Soccer Club is a recognized CSO with the City of Vaughan. Among the various permits they undertake with the city for the use of various outdoor fields, they also maintain an active lease for their clubhouse. The donation and lease agreements are separate and distinct issues. One shall not prejudice the other.

Vaughan Grove Sports Park features premium soccer fields and baseball diamonds in proximity to the Ontario Soccer Centre. Vaughan Grove is a community hub for club training and league play.

The outdoor sports park facility includes 2 Bocce courts, 4 premium baseball diamonds (including 2 hardball diamonds) and 5 soccer fields.

In 2023, Field #2 was upgraded from natural turf and replaced with synthetic turf which will require less maintenance and increase the playing season. The customized bleachers that WSC wishes to donate would be an enhanced level of service that is above the city's allocated capital budget.

The stainless-steel bleachers at field #2 at Vaughan Grove Sports Park are in good working order and have a remaining life of more than five years with ongoing annual costs to operations.

Given the life expectancy of the existing bleachers, removal and relocation to another field at Vaughan Grove Sports Park should be considered at an approximate cost of \$1,432, to be covered by the existing Public Works budget.

The current annual cost to maintain the existing bleachers is \$1,822 (based on 2023 operational considerations) which includes litter cleanup, graffiti removal and inspections. The costs to maintain the new bleachers is roughly the same at \$1,832 and may vary based on the litter issues throughout the season.

In February 2024, Council adopted a new Incoming Sponsorship and Donation Policy which provides the strategic framework for all staff when accepting and implementing monetary or in-kind Sponsorships and/or Donations in support of City initiatives. WSC's proposal falls under this policy as an unsolicited in-kind donation.

The purpose of the policy is to welcome and encourage sponsorships and donations from organizations or individuals to; assist in the provision of city services and projects fairly and transparently, to safeguard the city's corporate vision, image, assets, and interests while securing non-taxation revenue, and to establish a consistent city-wide approach for Sponsorship and Donations.

The city may consider unsolicited in-kind donations but has no obligation to accept them. The City reserves the right to refuse any unsolicited offer for Sponsorship or Donation for any reason, after conducting a review of the proposal.

According to the policy, a "donation" is a philanthropic contribution or gift in which cash or in-kind goods or services are voluntarily transferred by a third party ("donor") to the city without expectation of return. A donation tax receipt can be issued if it meets the Canada Revenue Agency (CRA) charities giving regulations/criteria set out in section 118.1 in the *Income Tax Act* and, in the case of in-kind, the fair market value of the donation can be proven.

In the case where the in-kind donation is unsolicited, staff must conduct due diligence to:

- Identify if the unsolicited donation is from a reputable Organization and not in violation of the City's vision, mission, and values;
- Outline the operational impacts of accepting the in-kind product or service;

- Assess the need for the donation by consulting with internal stakeholders;
- Consult with Procurement Services to make sure the organization is not currently actively pursuing a bid or tender;
- Consult with Legal Services and Risk Management Services to ensure the organization is not in litigation with the city or in financial arrears; and
- Consult with Bylaw and/or Recreation to learn the status of their business license or non-profit status as a CSO.

The Policy provides authority for Staff to accept both solicited and unsolicited donations in accordance with the approval matrix provided at Appendix B to the Policy, however, there are instances where Staff might seek Council direction, in accordance with section 3.5.6.4 of the procedures.

Subject to Council approval of the proposed bleacher system, WSC satisfies the policy-outlined criteria to accept a donation.

There are benefits the City can realize with the proposed new bleacher system.

Some benefits of the new bleacher system, if accepted, include:

- An improved spectator experience.
- The offset of a future bleacher replacement cost.
- The improvement of facility for other users. WSC is the primary user but does not have exclusive rights.
- Increased viability of Field #2 as a venue for tournaments.

There are some drawbacks associated with the proposed new bleacher system.

Some drawbacks of WSC's proposed system include:

- Increased need for maintenance and cleaning because of increased use.
- An increased operational demand on City resources concerning bleacher inspection, cleanup, and graffiti removal for individual seating.
- Vaughan Grove Sports Park's increased service level may lead to demands for the city to provide similar services at other fields across Vaughan.

Within this Term of Council staff do not expect to incur significant operational impacts because of the WSC bleacher system.

Staff have reviewed current and proposed operational impacts. Relevant departments have concluded that the proposed agreement conditions will result in a neutral budget impact. Any new maintenance costs caused by the new bleachers can be offset in the

short term by savings realized due to the 2023 conversion of Field #2 from natural to synthetic turf.

Option 1: accept the donation as presented by WSC.

If this option is approved, staff and WSC will need to finalize a donation agreement that outlines the following roles and responsibilities.

WSC pays for the acquisition, installation, and ongoing repairs/replacements (to the end of the asset's service life) of the asset including:

- Satisfying all necessary building permit requirements.
- Liability and property insurance indemnifying the city, to the city's satisfaction.
- Parts and equipment purchase and replacement, including seats, to the satisfaction of the city.
- Seasonal inspections of the asset with a report back to the city.
- Storage of additional seats, tools, and equipment associated with repair and replacement of the asset.
- Transferring ownership of the asset to the City of Vaughan.
- Ensure compliance with Ontario Building Standards and relevant AODA regulations.
- The unsolicited donation is a separate and distinct issue from their lease agreement. One shall not prejudice the other.

City of Vaughan is responsible for:

- Seeking Council approval and subsequently presenting and executing a donation agreement with WSC for the lifecycle of the asset.
- Issuing a building permit assuming all requirements have been met.
- Removing and relocating current bleachers (one-time).
- Litter and waste clean-up and graffiti removal.
- Providing a tax receipt for the value of the product (if requested by WSC).

Option 2: reject the donation.

The City of Vaughan does not accept the in-kind donation through Council's rejection of the recommendation in this report.

Financial Impact

The acceptance of WSC’s donation will result in a higher capital replacement cost when the new Field #2 bleachers are due for change. However, the replacement will be further in the future than the existing bleachers would require.

There is minimal financial impact associated with operations. At present, staff budget is \$1,822 to maintain the current bleachers. The new system would require a maintenance budget of roughly the same amount of \$1,832. Public Works will absorb the additional operational costs for litter and waste clean-up and graffiti removal and a one-time relocation cost due to the savings from the conversion to the artificial turf field.

	<u>Current System</u>	<u>Proposed System</u>
Annual Operational Costs (chained to 2023 value)	\$1,822 (inspection, litter and waste cleanup and graffiti removal).	\$1,832 (litter and waste cleanup and graffiti removal)
One-time take down and relocation cost of current bleachers	n/a	\$1,432
Replacement Capital Costs (chained to 2023 value)	\$150,000	Estimated \$200,000 based on the purchase and installation costs of: \$111,804USD for the equipment. Installation is valued at \$40,947CAD.
Asset lifespan and expiry date	30 years (Replacement required in 5-10 years).	10 plus years with estimate of 40 plus years.

Operational Impact

Primarily, operational impact for the maintenance of the new system will be taken on by Public Works.

The acceptance of the donation and installation of the new bleachers will require input from Building Standards, Legal Services, Parks, Forestry and Horticulture Operations, and Economic Development.

Broader Regional Impacts/Considerations

Accepting the WSC donation will better position Vaughan to host regional soccer tournaments. It will also help WSC raise its profile.

Conclusion

If Council directs staff to accept WSC's donation (Option #1), staff will present a donation agreement to the donor and support installation when and where appropriate. Support and finalization will be subject to WSC entering into the donation agreement outlining responsibilities listed above, including receiving all building permits, etc.

For more information, please contact Raphael Costa, Director Economic Development ext. 8891.

Attachments

1. WSC Proposal, February 27, 2024
2. WSC Stadium Seating and Installation Quote, Northstar Access Corp., November 23, 2023
3. WSC Purchase Agreement with SixFive Stadium Experience Inc, November 13, 2023

Prepared by

Cristina Prinzo, Program Manager, Municipal Partnerships and Corporate Initiatives
Raphael Costa, Director Economic Development
Shanon Kalra-Ramjoo, Director Parks Forestry Horticulture Operations
Carmine Mainella, Manager Parks Operations

Approved by



Nick Spensieri, City Manager