

Committee of the Whole (2) Report

DATE: Tuesday, June 18, 2024

WARD(S): ALL

TITLE: DOMED SOCCER FACILITY AT NORTH MAPLE REGIONAL PARK

FROM:

Vince Musacchio, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

To seek Council authority to execute agreements necessary to allow a third party, the Vaughan Soccer Club (VSC), to design, build, operate and maintain a domed soccer facility at North Maple Regional Park (NMRP).

Report Highlights

- In 2023, VSC submitted a request to design, build, operate and maintain an artificial turf field and soccer dome at NMRP to help address the demand of their growing club for indoor facilities in Vaughan.
- Through discussions with VSC, key terms of an arrangement have been identified for Council's consideration that would meet club needs as well as provide for community use of the proposed soccer facility.
- In April 2024, based on the coordination and analysis completed to date, including a third-party peer review, and to further advance the park vision for NMRP, Council directed staff to continue negotiations with VSC to finalize key terms of agreement.
- Based on negotiations with VSC and consultation with internal departments, staff recommend proceeding with executing agreement(s) necessary to allow VSC to design, build, operate and maintain an artificial turf field, air-supported dome, and related facilities on a portion of land at NMRP.

Recommendations

1. THAT the Deputy City Manager, Infrastructure Development or designate be authorized to execute a lease agreement with Vaughan Soccer Club (VSC), or a wholly-owned subsidiary company to be incorporated by VSC, and any ancillary agreements necessary for the design, build, operation, and maintenance of an artificial turf-field, air-supported dome and related facilities by the club, all in a form satisfactory to Legal Services, and to take any other actions necessary or ancillary to entering into the agreements. The lease shall be in accordance with terms referenced in Confidential Attachment 2; and
2. THAT the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer or designate be authorized to execute a loan guarantee for Vaughan Soccer Club's financial loan for the project, which includes the key terms further described in this report, in a form satisfactory to Legal Services, and to execute any additional agreements or take any other actions necessary or ancillary to entering into this agreement.

Background

The 900-acre North Maple Regional Park (NMRP) is the City's most ambitious park development to date with a vision to create a nationally significant signature park and legacy project for future generations.

Key objectives for implementing the NMRP vision are focused on activities related to restoring nature, sharing culture, promoting active living and building community. Three key pillars are emerging to guide work on this amazing park: RESTORE, ENGAGE, PLAY.

Over the last number of years, staff have been exploring potential partnership opportunities for the development of park facilities and programs at NMRP to support implementing the park vision and to meet identified needs within the community. Staff have explored business terms for potential partnership/lease arrangements and return on investment opportunities for community use of facilities as well as revenue generating opportunities for the City that align with the expanded NMRP park vision.

In 2023, VSC submitted a request to the City to help address the demand of their growing club for indoor soccer training facilities in Vaughan with development of an indoor dome soccer facility as the immediate short-term priority.

The request from VSC identifies both a short-term and long-term phasing strategy for facility development at NMRP. The immediate short-term needs of VSC involve the development of a new 11 vs. 11 artificial turf field with an air-supported dome to provide

year-round programming. VSC is committed to fully funding the design, construction, operation, and maintenance of this facility.

The VSC long-term vision includes the expansion of additional turf fields at NMRP with fieldhouse, administration offices and washrooms. Staff will continue to have discussions with VSC on their vision and details of the long-term plan.

VSC is a Community Service Organization (CSO) that has provided the community of Vaughan youth and adult recreational and competitive soccer programs since 1982. VSC is experiencing significant growth and has become one of the largest soccer clubs in York Region.

Previous Reports/Authority

[PARTNERSHIP UPDATE AT NORTH MAPLE REGIONAL PARK APRIL 2024](#), Item 3, Report No. 15 of the Committee of the Whole (Closed Session) April 16, 2024
[NORTH MAPLE REGIONAL PARK PROGRAM UPDATE SEPTEMBER 2023](#), Item 2, Report No. 35 of the Committee of the Whole (Working Session) September 13, 2023
[NORTH MAPLE REGIONAL PARK PROGRAM UPDATE FEBRUARY 2023](#), Item 7, Report No. 9, of the Committee of the Whole (2) February 14, 2023

Analysis and Options

VSC is eager to finalize the necessary agreements with the City as soon as possible to enable a fully operating indoor domed field for the winter season of 2025/2026.

In April 2024, based on the analysis completed by City staff, a third-party peer review, and given the VSC priority to develop this facility, Council authorized staff to continue to negotiate the terms of the agreements with VSC. Staff have engaged in extensive discussions with VSC and based on the status of these discussions, are recommending to finalize negotiations and execute agreements with VSC, in accordance with the key terms outlined in this report.

Key highlights of the terms include, but are not limited to:

- 20-year lease term for a parcel of land at NMRP to accommodate the proposed facility, and to align with the anticipated lifecycle of the dome structure. The lease will provide a mutual option to renew the lease term, exercisable on the 18th year of the lease;
- VSC to design, build and operate a domed turf field at their cost and to City standards;

- VSC will manage all facility permitting, operations and maintenance of leased space during the term of the agreement with the exception of community hours provided to the City;
- VSC will pay an annual base lease payment to offset the City's operating costs related to the proposed lease – further details provided in Confidential Attachment 2;
- VSC will provide an annual contribution to a capital maintenance fund for the facility to be maintained in a good state of repair over the life of the lease – further details provided in Confidential Attachment 2
- VSC will receive revenue from facility sponsorship/naming rights (naming to be approved by the City);
- Starting in the fourth year of operations, VSC will engage in a tiered revenue-sharing model with the City and provide audited financial statements annually to ensure accuracy and transparency – further details provided in Confidential Attachment 2;
- VSC will provide the City community use opportunities of the indoor soccer field and public washroom facilities – further details provided in Confidential Attachment 2;
- City will provide serviced land (includes servicing to the lease area limits, parking lot expansion, and utility connections), and standard level of service operations and maintenance of non-leased, common park areas;
- City will guarantee VSC's financial loan up to \$6M with a major Canadian bank; and
- VSC will execute the appropriate security documentation in favour of the City, in order to secure the City's obligations under the loan guarantee and provide the City with appropriate rights in the event of default.

Legal Agreements

Staff will work with Legal Services to identify the appropriate legal form of agreement(s) needed. Based on discussions to date, the agreement(s) will need to include terms related to the lease, site improvements, operations and maintenance of the dome, a robust governance framework to ensure VSC is meeting its contractual obligations and the revenue-sharing arrangement. Staff seek flexibility in the recommendation to allow Legal Services to implement the best framework to safeguard the City's interests.

Financial Impact

VSC has committed to fully funding the design, construction, operation and maintenance of the dome facility and requests that the City provides land servicing, outdoor maintenance and a loan guarantee for design and construction.

The proposed lease terms offer the City additional revenue over the term. Amounts payable under the lease will include an annual base lease amount to offset the City's operating costs and revenue sharing starting in year four to reflect the City's capital,

land and loan guarantee contributions. In addition, the City will be permitted up to 40 hours a week to program the facility and it is anticipated that those hours will drive significant additional revenue to the City while providing community use of the dome. Please see Confidential Attachment 2 for financial information as it pertains to the proposed lease.

Operational Impact

VSC assumes all responsibility within the perimeter of the leased area. There are no immediate operational impacts associated with the recommendations of this report. Completion of the NMRP project requires continued discussion and coordination with various departments supporting the vision of the park, namely Parks Operations and Recreation Services who are ultimately the project clients. Communication and collaboration with affected operating departments will occur regularly throughout this project and financial implications will be identified as required for consideration in future budget submissions.

Broader Regional Impacts/Considerations

Completion of the NMRP project requires continued discussion and coordination with a variety of external agencies and stakeholders, including communication plans and potential funding announcements, as applicable.

Conclusion

Staff have continued to engage a variety of potential partners over the past several years to help advance the NMRP vision. The addition of an indoor soccer dome at NMRP would serve as a valuable asset to the City by supporting year-round physical activity and social interaction for soccer and sports enthusiasts. Staff are seeking Council approval to finalize and execute the lease, loan guarantee and ancillary documents required to commence the development of a domed field on a portion of land at NMRP. Subject to approval to proceed, VSC can initiate coordination as early as June 2024 to prepare and be operational for winter 2025/2026.

For more information, please contact: Jamie Bronsema, Director, Parks Infrastructure Planning and Development, extension 8858

Attachments

1. Proposed Location of Domed Soccer Facility at North Maple Regional Park
2. Terms of Lease Agreement with Vaughan Soccer Club Inc. (Confidential)

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