

Edmonton Football Club Agreement Extension

Recommendation

That the amendment to the license agreement between the City of Edmonton and the Edmonton Football Club, as outlined in Attachment 1 of the August 11, 2021, Citizen Services report CS00660, be approved, and that the agreement be in form and content acceptable to the City Manager.

Executive Summary

The Edmonton Football Club and City of Edmonton entered into a license agreement in 2007, an extension until 2021 was approved in 2011. The expiry date for that agreement is December 31, 2021. Due to the cancellation of the 2020 Canadian Football League season, the Edmonton Football Club requested an extension of the agreement by one year to make up for the lost season. The shortened 2021 season will run from August to December. Extending the agreement by one year will allow for a more complete review of the league and the team operations and revenue generation opportunities when negotiating the terms of a new agreement.

Report

In 2007, the City of Edmonton and the Edmonton Football Club entered into an agreement for all team operations and events at Commonwealth Stadium and Clarke Stadium. On May 18, 2011, City Council approved an extension to the end of that agreement. The agreement is set to expire on December 31, 2021.

Due to the COVID-19 global pandemic, the 2020 Canadian Football League season was cancelled. In 2021, the team will return to Commonwealth Stadium; however, the season will be shortened with the regular season running from August to November and attendance may be limited due to concerns about returning to mass gatherings in the city. Administration and the Edmonton Football Club are requesting an extension to the existing license agreement to allow for more time to demonstrate the revenue and earning potential in preparation for negotiations for a new agreement in future years. Administration will work with the Edmonton Football Club to develop a new license agreement by the end of 2022, to be in place and completed prior to the start of the 2023 season.

Budget/Financial Implications

The extension of the existing agreement will not impact the 2022 budget as it reflects the existing terms of the expiring agreement. Actual amounts received through the agreement in 2022 may be impacted by the rate of recovery from COVID-19.

Public Engagement

Public engagement was not conducted as the agreement was previously approved by City Council.

Corporate Outcomes and Performance Management

Corporate Outcome: The City of Edmonton has a resilient financial position.			
Outcome	Measure	Result	Target
Revenue generation from different sources for the City	Branch revenue variance	2020: \$539,000	Positive revenue variance
Corporate Outcome: Edmontonians are connected to the city in which they live, work and play.			
Outcome	Measure	Result	Target
Edmontonians participate in vibrant experiences	Niche and major event attendance	2019: 3.25 million	Maintain or increase over prior period

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
If recommendation is approved						
Commercial	Estimated revenues from the agreement are lower than anticipated.	2 - Unlikely	2 - Moderate	4 - Low	Work with the team on promotional opportunities to increase attendance at the event.	
Commercial	Terms of the agreement negatively impact the City before the contract expires.	2 - Unlikely	2 - Moderate	4 - Low	Continuously meet with the team to ensure the contract terms are being met.	
If recommendation is not approved						

Public Perception	Perception that the City does not support professional sports teams.	4 - Likely	2 - Moderate	8 - Medium	Continue to work with the team to keep the team in the city and be successful.	
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Attachment

1. Edmonton Football Club License Agreement Amendment - Key Terms and Conditions

Others Reviewing this Report

- C. Owen, Deputy City Manager, Communications and Engagement
- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- K. Fallis-Howell, Acting City Solicitor