

# Sponsorship Agreement Termination

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## **Recommendation**

That the March 20, 2018, Financial and Corporate Services report, CR\_5777, be received for information.

## **Previous Council/Committee Action**

At the February 27, 2018, City Council meeting, the following motion was passed:

That Administration prepare an agreement between the City and Edmonton Arena Corp. based on the Memorandum of Understanding among the City, Oilers Entertainment Group, and Edmonton Arena Corp. dated September 11, 2017, (Attachment 2 of the February 22, 2018, Urban Form and Corporate Strategic Development report CR\_5464), confirming permanent closure of the Coliseum in exchange for termination of the City's Sponsorship Agreement obligations, and that the agreement be in form and content acceptable to the City Manager.

## **Executive Summary**

In accordance with Council's direction at the February 27, 2018, City Council meeting, Administration prepared an agreement with Oilers Entertainment Group confirming permanent closure of the Coliseum in exchange for termination of the Sponsorship Agreement that is now ready for formal execution.

## **Report**

As part of the Downtown Arena project, the City entered into a number of agreements with Edmonton Arena Corp., an affiliate of Oilers Entertainment Group, regarding the financing, construction, and operation of Rogers Place. One of these agreements is the Sponsorship Agreement, which committed the City to contributing \$20 million to the Oilers Entertainment Group in exchange for certain promotional benefits.

Over the past year, Council directed the negotiation of the surrender of the Northlands site by Edmonton Northlands and dispatched the City Manager to negotiate with Oilers Entertainment Group regarding the Sponsorship Agreement. In September 2017, the

City, Edmonton Arena Corp., and Oilers Entertainment group entered into a Memorandum of Understanding where the parties agreed in principle that if the Coliseum was permanently closed, the Sponsorship Agreement would be terminated, relieving the City of its remaining \$17 million obligation. (Attachment 1).

At the February 27, 2018, City Council meeting, Council approved a motion directing the City Manager to negotiate a formal agreement confirming the Memorandum of Understanding in a legally binding form acceptable to the City Manager.

Following that direction, Administration presented a draft Termination Agreement to the Oilers Entertainment Group that aligns with the Memorandum of Understanding and Council's motion. A final draft was received back from the Oilers Entertainment Group and is included as Attachment 2.

This agreement is within the authority granted to the City Manager and will now be fully executed.

### Corporate Outcomes and Performance Management

<b>Corporate Outcome(s): The City of Edmonton has a resilient financial position.</b>			
<b>Outcome(s)</b>	<b>Measure(s)</b>	<b>Result(s)</b>	<b>Target(s)</b>
Fully relieving the City of its remaining obligations under the Sponsorship Agreement.	Formal execution of the termination agreement.	TBD	Q1 2018

### Attachments

1. Memorandum of Understanding (September 2017)
2. Termination Agreement

### Others Reviewing this Report

- C. Campbell, Deputy City Manager, Communications and Engagement
- L. McCarthy, Deputy City Manager, Urban Form and Corporate Strategic Development