

Use of Telus Field Capital Reserve

Recommendation

That capital profile CM-12-0000 Facility: Service Delivery - Renewal be increased by \$373,776.85 in 2020 with funding from the Telus Field Capital Reserve to fund the work required to investigate and resolve the drainage issue at RE/MAX Field.

Executive Summary

Administration has identified drainage issues at RE/MAX Field. Similar issues have been repaired on several occasions in the past. To ensure a more permanent repair, Administration is proposing to investigate and resolve the drainage prior to the proposed replacement of the infield turf by the new facility operator before the 2021 baseball season.

The Telus Field Capital Reserve, established in 2004, was intended to pay for structural repairs at the facility. Administration is proposing using the remaining funds in this reserve to complete the work.

Report

The Telus Field Capital Reserve was established in 2004 as part of the licence agreement between the City of Edmonton and the Northern League in Edmonton Incorporated (subsequently assumed by Katz Baseball Corporation) who operated out of the ballpark, which was named Telus Field at the time. The agreement stated that the license fees earned from the agreement be held in a separate account, resulting in the creation of the Telus Field Capital Reserve. This reserve was intended to pay for structural repairs at Telus Field (now RE/MAX Field) for the term of the agreement. Upon expiry or termination of the agreement, the funds remaining in the reserve were to be released to general City revenue, subject City Policy C217D Revenue and Equity Accounts. The City and Katz Baseball Corporation agreed to terminate the licence agreement effective March 31, 2016. Following a review of the reserve in 2018, Administration decided to maintain the reserve should future structural work be required at the ballpark.

Administration has identified long-standing and ongoing drainage issues at RE/MAX Field. For example, water does not drain properly in the field and bleacher areas, resulting in water damage to the home plate lounge and suite areas. The cause of the drainage issue is currently unknown and the City has repaired the water damage on multiple occasions in the past.

The new facility operator is proposing to replace the infield turf prior to the 2021 baseball season. Administration views this as a timely opportunity to investigate and resolve the drainage issue prior to new turf being installed. The capital investment and correction of overland drainage and elimination of building flooding is the City's responsibility and resolving the drainage issue will reduce operating costs. The project will be subject to available funding within lifecycle management profile(s) and the Telus Field Capital Reserve.

Budget/Financial Implications

The Telus Field Capital Reserve balance is \$373,776.85. This amount would be added to CM-12-0000 Facility: Service Delivery - Renewal and used for the proposed drainage project. Initially this funding would be used to further investigate the issue and develop an appropriate solution. If necessary, additional non-reserve funding from within profile CM-12-0000 Facility: Service Delivery - Renewal would be allocated to support remaining capital work.

Public Engagement

Public engagement was not undertaken for this report as citizen input would not have influenced the decision to request and use reserve funds to perform required structural work at a City facility.

Corporate Outcomes and Performance Management

Corporate Outcome: The City of Edmonton has sustainable and accessible infrastructure			
Outcome	Measure	Result	Target
The outstanding balance of the reserve is used for required maintenance and improvements	Dollars in the reserve	2020: \$373,776.85	2021: \$0

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
If recommendation is approved						

Financial	The funds from the identified funding sources are inadequate to cover the cost of repairs forcing the City to find other funding sources	3 - Possible	2 - Moderate	6 - Low	Reprioritize capital projects within the lifecycle management composite to address the gap in funding sources	
If recommendation is not approved						
Financial	Other funding sources would need to be utilized but these sources may not be available due to COVID-19 and other budgetary constraints	4 - Likely	3 - Major	12 - Medium	Reprioritize capital projects within the lifecycle management composite to provide the needed funds	
Public Perception	The new operator perception and relationship with the city would be negatively impacted, jeopardizing the viability of the partnership and their investment	3 - Possible	3 - Major	9 - Medium	Work with the partner to maintain a positive relationship and identify alternative funding sources to support their requirements	

Others Reviewing this Report

- G. Cebryk, Deputy City Manager, City Operations
- C. Owen, Deputy City Manager, Communications and Engagement
- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- J. Meliefste, Acting Deputy City Manager, Integrated Infrastructure Services
- B. Andriachuk, City Solicitor