

# Tripartite Agreement with the Edmonton Federation of Community Leagues and Community Leagues

## Draft Changes

### Recommendation

That Community and Public Services Committee recommend to City Council:

That an amending agreement to the Tripartite Agreement between the City, the Edmonton Federation of Community Leagues, and Community Leagues, as set out in Attachment 1 of the December 2, 2020, Citizen Services report CS00194, be approved.

### Previous Council/Committee Action

At the November 13, 2020, Community and Public Services Committee meeting, the following motion was passed:

That Administration provide a draft for changes to the Tripartite agreement with the Edmonton Federation of Community Leagues and community leagues to allow leagues to lease out their halls to for-profit entities, including but not limited to recreation service providers.

### Executive Summary

Many community league licensed land falls under the Municipal Reserve designation. Under the *Municipal Government Act*, land designated as Municipal Reserve must be used for public recreation. Under the current Tripartite Agreement, recreation is broadly defined as recreational sports, social, community and cultural facilities and programs.

Administration has reviewed the agreement and has identified amendments that will make it possible for community leagues to provide public recreation programs on the land licensed to them by the City by:

- directly offering public recreation programs
- entering into sub-licence agreements with for-profit or non-profit entities to provide public recreation

### Report

Most community league buildings are located on lands designated as Municipal Reserve under the *Municipal Government Act*. The *Act* specifies that public recreation is an acceptable use of Municipal Reserve; however, it does not specifically prohibit a commercial entity from providing such public recreation.

The Tripartite License Agreement is a 10-year land-use agreement between the City of Edmonton, the Edmonton Federation of Community Leagues and each individual community league. Currently, 133 of the 161 community leagues in Edmonton have sites licensed through the current Tripartite Agreement.

While public recreation is not defined in the *Municipal Government Act*, there is a definition of recreation in the current Tripartite License Agreement. This definition allows for a broad range of public recreation uses by community leagues operating on land licensed to them by the City. The current Tripartite Agreement states that community league facilities on licensed land are to be used for recreation purposes suitable to the needs of the community and not for commercial purposes. The agreement allows a community league to rent its facility to non-profit groups and, with City approval, it may also sub-license space to non-profit groups. In order to allow community leagues to rent and/or sub-license space to for-profit recreation providers, amendments to the Tripartite Agreement would be required.

Pursuant to the *Municipal Government Act*, Municipal Reserve land cannot be disposed of by sale or lease unless the reserve designation is removed following the process set out in the *Municipal Government Act*. Given this restriction in the legislation, the City allows the use of Municipal Reserve land by the community leagues pursuant to a license agreement. Therefore, the community leagues may only offer sub-licenses to any entity wishing to use any of the community league's licensed areas, subject to City approval. Administration has identified several amendments (Attachment 1) to provide community leagues with the ability to provide public recreation programs on the land licensed to them by the City by directly offering public recreation programs or entering into sub-licence agreements with for-profit or non-profit entities to provide public recreation or other accessory uses.

If the amendments are approved, Administration would provide the Amending Agreement to the Edmonton Federation of Community Leagues and individual community leagues to begin the execution process. Administration would also develop an evaluation framework to measure the impact of these changes to the current agreement. The current Tripartite Agreement expires on December 31, 2021. Administration and the Edmonton Federation of Community Leagues are currently drafting a renewed agreement for the 2021-2031 term and will use the data collected

to determine what changes, if any, should be made for the renewed Tripartite License Agreement (2021-2031).

## Budget/Financial Implications

There could be taxation and business licensing implications which may affect the City budget. Impacts of these changes will be monitored in 2021 and any necessary changes or implications will be addressed in the new agreement being negotiated currently.

## Public Engagement

Public engagement was not conducted for this report.

## Corporate Outcomes and Performance Management

<b>Corporate Outcome(s):</b> Edmontonians are connected to the city in which they live, work, and play			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Edmontonians feel connected to their community	Membership in community leagues	2020: 35,613	Ongoing: increase year over year

## Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
<b>If recommendation is approved</b>						
Financial	Revenue streams do not meet expectations of leagues and the leagues / EFCL approach the City for further funding	3 - Possible	3 - Major	9 - Medium	Operating grants have not been impacted this financial year. This supports financial sustainability of leagues, especially during COVID-19.	The current funding agreement with EFCL expires at the end of 2021. Opportunity to consider funding formula.
Public Perception	Some businesses perceive the new space / support as unfair competition	4 - Likely	2 - Minor	8 - Medium		Discussion with business community
<b>If recommendation is not approved</b>						

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Public Perception	Administration may be viewed as resistant or unsupportive of leagues.	4 - Likely	3 - Major	12 - Medium	Further analysis and discussion to determine if and how commercial use could be included in the renewed draft for 2021-2031.	
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### Attachments

1. Draft Amending Agreement - Tripartite Licence Template

### Others Reviewing this Report

- S. McCabe, Deputy City Manager, Urban Form and Corporate Strategic Development
- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- B. Andriachuk, City Solicitor