Recommendation
That Council approve in principle the request to engage the Canada Summer Games Host Society and other prospective capital / operating partners to pursue the establishment of the Canada Summer Games Sport and Ability Centre; and

That Council approve $8.72 million of funding in addition to the original amount of $1.28 million for a maximum funding commitment of $10 million towards the Canada Summer Games Infrastructure Plan subject to the satisfaction of the following pre-conditions:

- funding approval from upper levels of government and other partners, satisfactory to fund the full capital cost of the Games;
- partnership contribution commitments from the City of Thorold, Regional Municipality of Niagara, Brock University and Canada Summer Games Host Society, which together with the City of St. Catharines commitment are satisfactory to fund the full capital costs of the Canada Summer Games Sport and Ability Centre; and
- a terms and conditions of an operating agreement and model to be approved by City Council. FORTHWITH

Summary
Niagara’s plan for the 2021 Canada Games calls for upgrades to existing sport facilities and the development of new sport infrastructure and equipment. Much of that new sport infrastructure and equipment is to be located at a new site (Canada Games Park) that will be located adjacent to Brock University. In addition, the plan is to build a Rowing Centre (with accessible change rooms, medical room, and training facilities) at the Henley Rowing Course for the 2021 Canada Games.

The Canada Summer Games Sport and Ability Centre has featured prominently in the Arena Strategy’s consultations. Stakeholders, City Staff and members of the public have expressed favourable viewpoints and concerns with potential involvement in such a project. The purpose of the report is to request Council support in principle the capital contribution towards the Canada Summer Games Infrastructure Plan conditional upon
three key factors: federal funding support; local partnership support including funding; and a formal operating agreement signed off by all partners.

**Background**

On [February 8, 2016](#), Council supported the Niagara Sport’s Commission’s investigation of a regional bid application to host the Games and also requested the Niagara Region endorse those efforts.

On [December 19, 2016](#), Council approved the following motion:

- That Council approve the request to waive fees associated with the 2021 Canada Summer Games; and
- That Council authorize the allocation of $320,000 of requested capital funding for the 2021 Canada Summer Games over the next four years (2018, 2019, 2020, and 2021), should the bid be successful; and
- That Council provide early budget approval in the amount of $320,000 in the 2018, 2019, 2020, and 2021 Capital Budgets; and
- That the Mayor and Clerk be authorized to execute a Memorandum of Understanding with the 2021 Canada Summer Games Bid Committee; and
- That the City Solicitor be directed to prepare the necessary by-law and; Further, that the City Clerk be directed to make the necessary notifications.

FORTHWITH

On March 30, 2017 Niagara was selected to host the Canada Summer Games in August 2021. Much of that new sport infrastructure and equipment is to be located at a new site (Canada Games Park) which will play host to many of the sport competitions at the 2021 Canada Games – athletics, wrestling, lacrosse, mountain biking, beach volleyball and rugby. In addition, Niagara 2021 Host Society’s plan is to build a Rowing Centre (with accessible change rooms, medical room, and training facilities) at the Henley Rowing Course.

**Report**

Niagara’s plan for the 2021 Canada Games calls for upgrades to existing sport facilities and the development of new sport infrastructure and equipment. Much of that new sport infrastructure and equipment is to be located at a new site (Canada Games Park – Sport and Ability Centre) that will be located adjacent to Brock University. In addition, the plan is to build a Rowing Centre (with accessible change rooms, medical room, and training facilities) at the Henley Rowing Course for the 2021 Canada Games.

The Sport and Ability Centre has been featured prominently in the Arena Strategy’s consultations. Stakeholders, City Staff and members of the public have expressed favourable viewpoints and concerns with potential involvement in such a project.
The Sport and Ability Centre has been proposed at the Canada Summer Games Park located east of Highway 50, south of Brock University’s main campus. The design for the facility is based around a twin pad arena – including a spectator rink – and quadruple gymnasium, along with an indoor track and administrative / educational spaces that could potentially house components of Brock University’s Faculty of Applied Health Sciences (notably its Recreation and Leisure Studies program), the Brock-Niagara Centre for Health and Well-Being, and/or a national or provincial agency / institute for sport. Outdoor recreational components in the Canada Summer Games Park would include a 400 metre outdoor track with a field, volleyball courts, biking facilities, and an accessible playground. The Canada Summer Games Host Society is approaching the design to be one that leaves a year-round, multi-faceted legacy to become a community destination for the future.

There is extensive community interest and support for including men’s and women’s box lacrosse in the 2021 Canada Games. This includes the strong support of the Six Nations of the Grand River and Niagara’s large lacrosse community. To ensure that lacrosse has the greatest opportunity for success at the 2021 Canada Games, Niagara plans to host lacrosse competition at the new twin-pad ice-box in the Sport and Abilities Centre at Canada Games Park.

In addition to the Canada Games Park and Henley Rowing Centre, there are other capital projects associated with the 2021 Canada Games. The chart in Appendix 1 identifies the various capital projects.

**Legacy Opportunity**

The Canada Games is one of the largest multi-sport events in the world and creates lasting legacies in the community including physical, economic, social and cultural benefits that impact participants, volunteers, spectators and the community. The goal is to ensure that the City of St. Catharines and our municipal and regional, provincial and federal partners are prepared to welcome the nation to our city, showcasing our identity, world class venues, and welcoming and inclusive community.

The 2021 Canada Games Host Society has been formed and a budget has been prepared to achieve Niagara’s plan for the Games. That budget projects an operating cost for hosting the 2021 Canada Games of approximately $35 million. The projected capital cost of Niagara’s sport infrastructure plan for the 2021 Canada Games is approximately $98.8 million.

The Ontario and Federal Governments have each committed to contribute $10.35 million towards the 2021 Canada Games - $7.35 million towards the operating cost, and $3 million towards the capital cost. The funding committed by the Ontario and Federal Governments towards the operating cost of the 2021 Canada Games ($7.35 million each) will, together with the additional funding committed or anticipated from Niagara sources, be sufficient to meet the projected $35 million operating cost for the Games.
However, the funding committed by the Ontario and Federal Governments towards the capital cost of the 2021 Canada Games ($3 million each) will not be sufficient to meet the projected $98.8 million capital cost for the Games. In March 2018, the Ontario and Federal Governments completed an Integrated Bilateral Agreement for the Investing in Canada Infrastructure Program (ICIP) and Niagara was encouraged by the federal Minister of Infrastructure and Communities to look to this program for funding. As a result, the 2021 Canada Games Host Society will apply for $49.5 million to the Federal Government for capital funding support for the capital projects associated with the Games. The remaining capital is being requested of local partners including City of St. Catharines, City of Thorold, City of Niagara Falls, Township of Wainfleet, Town of Lincoln, Township of West Lincoln, Regional Municipality of Niagara and Brock University. The major funding requests are specific to Niagara Region, Brock University, City of Thorold and City of St. Catharines as the majority of infrastructure projects are associated with the partners.

From a perspective of capital cost of construction, there are strong merits for the City to consider involvement in the project. The Federal Government would fund a majority share of the cost (understood to be in the range of 50% to 66%) while the Region of Niagara, including local area municipalities that have Games venues would share within the balance of funding. Brock University would contribute land and funds, thereby saving purchase costs.

In August 2018, the Conference Board of Canada reported that Niagara can expect its economic growth to slow somewhat 2019. Canada Summer Games capital project and improvements are critical investments that will help keep Niagara’s regional economy thriving.

The operating considerations may also present benefit to St. Catharines since the arenas would be available to local residents, however, the degree to which guaranteed ice times are dedicated to St. Catharines citizens would need to be determined and governed by a subsequent operating agreement. In addition, it should be noted that the facility will be located on Brock University lands bordering the City of Thorold.

An important point to consider, however, is that there will be operating and maintenance costs that will be incurred for decades to come. Depending upon the course of action set out, municipalities typically operate and maintain these facilities on their own, partner with others to operate them, or contract operations and management to third parties (examples could include the Toronto Pan Am Sports Centre where the City of Toronto and University of Toronto co-own and operate a legacy from the 2015 Pan Am Games, and the St. Catharines Meridian Centre where a third party operates / manages this event facility on the City’s behalf). Operating implications to the City of St. Catharines, City of Thorold and Brock University will depend upon the operating model chosen, associated operating costs, distribution of revenues, and cost sharing obligations for renewal and maintenance, among other factors. The complexity of shared assets and operating agreements requires time and expertise to ensure the City’s interests are protected and related risks are managed. Staff are currently working
with local partners on the development of an operating model that satisfies the needs of each party.

**Connection to Arena Strategy**

On August 13, 2018, Council directed staff to work with the Recreation Master Plan Advisory Committee to develop a strategy for the future provision of ice/dry floor usage. On January 14, 2019, Council approved the awarding of the Arena Strategy Development Request for Proposal to Monteith Brown Planning Consultants Ltd.

The Draft Arena Strategy (Appendix 2) is being developed to ensure the long-term operating sustainability and health of the City’s arena system. The Arena Strategy is intended to establish the number of ice/dry floor pads required in St. Catharines to meet current and future needs of all users.

The planning process was initiated in January 2019 and is scheduled to be completed by June 2019 in order to inform decisions prior to the 2019/2020 arena season. Community input, capital and operating information, player / skater registrations of local arena users, arena utilization data, national and provincial trends, and demographic characteristics have informed the recommendations.

Currently the draft strategy is available for public feedback and commenting. Once completed, City Council will be presented with the draft arena strategy for review and will consider the recommendations.

The Arena Strategy’s implementation options hinge upon participation in the proposed Canada Summer Games’ Sport and Ability Centre. The draft arena strategy assumes two options with respect to the pad complement: one that includes the Canada Games Sport and Ability Centre and one that does not include the Canada Games centre.

The June timing associated with the funding application for the Canada Sport and Ability Centre approval coincides with the period of public comment for the arena strategy. It is the intention that once a decision has been to proceed or not proceed with the legacy project the final Arena Strategy recommendations will coincide with the associated option.

**Current Estimated Capital Works related to City Arena’s**

As arenas advance well into or beyond their typical useful lives, greater maintenance costs can be expected year after year, there is a lower likelihood of attracting sport tourism events, and user satisfaction often declines. As is presently the case with the multi-million-dollar renewal cost for Rex Stimers Arena’s refrigeration plant alone, staff must make cost-benefit determinations about whether to invest substantial capital into aging arena structures or if that capital is better spent on new arena construction. It is estimated that there is up to $15.8 million in long-term capital requirements (anticipated over the next 15 years) for the City’s existing arenas for various structural, mechanical, functional and aesthetic renewal activities; nearly 45% of that renewal cost is attributable to the Garden City Complex.
Garden City Complex Major Components Anticipated for Replacement

Rink slab
Boards
TSSA-compliant ice plant (Rex Stimers)
Lighting
Aesthetic improvements

Through the decommissioning of the Garden City Complex, capital implications of this action would include saving all or most of the approximately $7 million identified for renewal activities. There may be costs associated with permanently decommissioning the ice plants. If Council declares the site to be surplus and divests itself of the property, there could be revenue gains received from the sale of land (less any costs of demolition / disposition).

Financial Implications

This report requests the approval of an additional $8.72 million for a maximum funding commitment of $10,000,000 towards the Canada Summer Games Sport & Ability Centre which includes $1.28 million already committed. This additional $8.72 million would be considered as an early budget approval from the City’s 2020 Capital Budget with the source of funding as a debenture.

If the City intends to continue to deliver at the existing level of service for prime ice time, significant capital investment is required in the next five years, which is outlined in the attached draft arena strategy. At this time, the most likely funding source would be debentures. Therefore, investing in this Canada Summer Sport and Ability Centre project may provide the current prime ice allocation at the lowest cost to the City. However, this option carries less certainty as the City may not be in sole control of the operation of this facility. As the City looks to provide services to our customers in innovative ways this concept is consistent with delivering shared municipal services.

Debt funding of either the CSG option or other options as outlined in Appendix 2 would put the City above Council’s current debt management policy which stipulates that debt servicing costs shall be a maximum of 10% of the City’s total expenditures. The debt servicing forecast is based on debenture issuance amounts included in the 2019 capital budget and four year forecast (2020 to 2023). This additional debt would still have the City well within compliance of the Provincial debt repayment limit.

Regardless of the option selected to maintain existing service levels related to prime ice time allocation, there are significant capital improvements/replacements required by the City in the next five years as detailed in Appendix 2.

For future Arena Strategy financial requests, staff will follow the recommendations and implementations outlined in the Arena Strategy and financial requests will be submitted to Council for approval through Council reports.
Relationship to Strategic Plan
The Canada Games 2021 supports the economic, social and cultural sustainability goals through work with Regional partners to support successful collaboration to support the development of our country’s amateur athletes by creating events that draw the community together, encourages local engagement and investment as well as attracting new visitors to the community to enjoy, support, and grow our local economy.

Participating in this partnership investment opportunity supports the following Strategic Plan Goal’s identified by Council:
- Economic Sustainability – develop partnerships to enhance the economic vitality of the community.
- Social Sustainability – connect people, places and neighbourhoods.
- Cultural Sustainability – support cultural festivals and events that build civic pride, encourage local engagements and attract people to the community.

Conclusion
Niagara’s plan for the 2021 Canada Games calls for upgrades to existing sport facilities and the development of new sport infrastructure and equipment.

The Canada Summer Games Sport and Ability Centre has featured prominently in the Arena Strategy’s consultations. As a result, staff is requesting Council support in principle for the capital contribution towards the Canada Summer Games Infrastructure Plan conditional upon three key factors including funding approval from upper levels of government, partnership contribution commitments from the City of Thorold, Regional Municipality of Niagara, Brock University and Canada Summer Games Host Society specific to Canada Summer Games Sport and Ability Centre, and an operating agreement and model agreed upon by all partners.

In an era of managing civic infrastructure priorities such as roads and sewers, parks, civic buildings, and more, having a plan in place for arenas is critical. An implementation strategy that addresses community needs in a fiscally sustainable manner will allow the City to direct resources in a way that optimizes the arena user’s experience and results in a healthy arena system. Considerable benefits could be attained in terms of an ability to meet community-level needs while providing infrastructure that could lead to a model of sport excellence, all while capitalizing on significant senior-level government funding for construction.

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Appendices:
  1) Canada Summer Games Infrastructure Program – Cost Summary
  2) Draft Arena Strategy