

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf. 05-00-0045
Your File/V/Réf.

DATE 27 June 2000

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Planning and Development Approvals Commissioner

SUBJECT/OBJET **MANAGEMENT OF LANSDOWNE PARK**

DEPARTMENTAL RECOMMENDATIONS

That the Corporate Services and Economic Development Committee recommend Council:

- 1. Direct staff to manage Lansdowne Park in a business like manner designed to maximize the long term physical and financial viability of the Park;**
- 2. That in the event that a subsidy is required for a particular use, event or tenant, funding for any such subsidy be provided through a budget that is separate from Lansdowne's Operating and Capital budgets;**
- 3. Develop a vision and business plan to guide long term decisions for the future use and development of Lansdowne Park, in consultation with stakeholders, to be completed in 2001;**
- 4. Direct staff to negotiate an agreement with Field Turf as the sole supplier for the provision and installation of a new artificial playing surface in Frank Clair Stadium, to be executed by the Region's Chief Administrative Officer;**
- 5. Direct staff to negotiate an agreement for the provision of an air supported bubble over all or part of the playing field in Frank Clair Stadium at no cost to the taxpayers and that the Chief Administrative Officer be delegated the authority to execute the agreement;**

6. **Promote increased community use of the site to include a new natural grass community sports field, adjacent to the Driveway to be developed and managed in accordance with Recommendation 2,**
7. **Direct staff to implement a traffic and parking management program to include paid parking, in accordance with a parking study completed by Delcan, with a targeted start-up date of September 5 and authorize the CAO to enter into a management agreement for the provision of parking management services;**
8. **Complete a Transit Study designed to identify options for the improvement of public transit during major events;**
9. **Direct staff to enter into a marketing agreement with the Ottawa 67's to negotiate a revenue generating naming rights agreement for the Civic Centre for a period of ten (10) years;**
10. **Develop a marketing strategy for Lansdowne Park designed to maximize revenues flowing from major events and to increase community based activities on the site;**
11. **Direct staff to enter into negotiations with major tenants including the CCEA, suppliers and sponsors in order to reflect current conditions and requirements of the Park and promote increased business activity at Lansdowne through enhanced marketing and building renovations;**
12. **Direct any revenues in excess of expenses arising from Lansdowne Park operations, be retained in a separate capital reserve fund for ongoing maintenance, repairs and equipment renewals.**

PURPOSE

The purpose of this report is to provide Regional Council with a summary of activities at Lansdowne Park since it's transfer to the Region on January 1,2000, to identify challenges, to outline changes implemented to date and to seek the endorsement of Regional Council for next steps.

BACKGROUND

The Central Canada Exhibition began administering Lansdowne Park in 1888 and operated the site until 1973 when management was assumed by the City of Ottawa. A variety of proposals were put forward for changes at Lansdowne Park. Debate about the future of Lansdowne continued through the 1990s leading ultimately to a proposal by the City to redevelop the site. In October1999, Regional Council approved a recommendation that in recognition of the regional character of Lansdowne Park, the Region of Ottawa-Carleton assume responsibility for the facility. The transfer of ownership occurred as of January 1, 2000.

This 40 acre site is improved with the:

- 30,000 seat Frank Clair Stadium;
- 10,500 seat Civic Centre;
- 40,000 sq. ft. Aberdeen Pavilion ,designated as a National Historic Site;
- 28,000 sq. ft. Coliseum Building;
- 20,000 sq. ft. Sprung Building;
- 40,000 sq. ft. McIlroy Building;
- 8,000 sq. ft. Friel Building;
- 15,000 sq. ft. Horticultural Building (designated by LACAC);
- 2,200 parking spaces in support of activities in these facilities.

Lansdowne is home to the Central Canada Exhibition, the Ottawa 67's Hockey Team and as noted in a companion report to Committee and Council, may be home to a new Ottawa CFL team in 2001. The site provides a critically important venue for trade shows in this region as well as hosting a variety of special events and community driven activities. In July 2001, Lansdowne will host Les Jeux de la Francophonie, the largest French language international sporting event in the world.

As debate over the future of Lansdowne continued through the 1980's and 1990's, the Park fell into disrepair. Uncertainty about the future affected both the Park and Park users. The condition of facilities deteriorated and funding was reduced. Users were becoming disillusioned and dissatisfied. At the same time, competition grew as new facilities were built or rejuvenated across the region.

What Regional Council assumed in January 2000 was a tired property, but a large, centrally located property in one of the most desirable areas of the City. Buildings are large in scale and would be costly to reproduce. The site offers enormous potential to serve the needs of business and the community. Reaction in the community to the decision to revitalize Lansdowne Park has been extremely positive.

Objectives

1. To implement a short term plan to address the most pressing needs of Lansdowne.
2. Initiate a visioning process to develop the long term role and objectives of Lansdowne.
3. To operate Lansdowne Park as a business in order to secure it's long term financial, business and community viability.

DISCUSSION

In December 1999, the Planning and Development Approvals Department retained Graham Management Consultants (Graham) to assess all areas of Lansdowne operations and identify areas where expenditures could be decreased and revenues increased so as to maintain a break-even financial position. This report summarizes the consultant's findings and recommendations as well as our own, identifies steps already taken as well as those to be implemented. Council's attention is drawn to the fact that the time frame during which this report was completed was of necessity very short. That said,

we are satisfied that the recommendations provided are well founded and the report has proven to be a significant tool in decision making to date.

Drawing on published reports, current contracts, and interviews with Lansdowne and Regional staff, tenants, and the business community, the consultant made recommendations in the areas of facility management and administration; marketing, existing contractual arrangements, new revenue opportunities building condition and potential uses. The full text of the consultant's report contains specific recommendations on negotiation strategies and revenue opportunities and which might be achieved through re-negotiation of existing contractual arrangements and negotiation of new contracts. In view of the content of the report, it will not be made public.

Park Management

Based on his discussions with a number of stakeholders, the Graham Report addressed the issue of management of Lansdowne Park. Political involvement in the day-to-day operations has always been a problem. Decisions have not always taken into consideration the long term viability of the park. In order to address this issue, Graham has recommended that Lansdowne be managed as a business and that it be administered by an independent Board comprised of business leaders, representatives of groups such as OTCA, Board of Trade or others depending on the ultimate direction of the Park. An improved business environment with a view to the long-term financial viability of the site, should produce an immediate and significant impact on overall operations. Political decisions to subsidize selected events or activities should be accounted for separately and funded from other sources as those costs are not truly part of the cost of operating Lansdowne Park.. Since taking over responsibility for the management of Lansdowne, staff have taken the position that rents are applicable to all park users.

Running Lansdowne Park as a business is the only way to provide the direction necessary to secure it's future. The creation of an independent management Authority may be one means of achieving that objective however, we believe completion of the visioning process in order to determine the overall direction of the Park should be completed and then a decision made as to how it is administered. For the time being, the Park will continue under the direction of the Commissioner of Planning and Development Approvals, subject to any organizational changes directed by the Transition Board

It is our recommendation that Lansdowne Park be managed as a business unit under the direction of the Commissioner of Planning and Development Approvals and that other options be considered as part of the visioning process. There may be other sites within the municipal inventory which might also be managed by a Board however we are not sufficiently informed to make any specific recommendations at this time.

Building Condition and Uses

The Civic Centre, built between 1965 and 1967 includes the arena and salons, or exhibition area. The Ottawa 67's are the primary tenant of the arena, but the Men's Travellers Hockey league is the largest user of ice time. The exhibition area is used primarily for consumer and trade shows. The Civic Centre needs a new roof, some upgrades to common areas and an overall facelift.

Frank Clair stadium has been used primarily for recreational use in recent years. The field surface is in immediate need of replacement and the stadium itself is in poor to fair condition. The consultant recommends that the stadium be maintained, with no major changes, except for resurfacing the field and some work on the south side stands, until after the Les Jeux de la Francophonie. Graham identified the need to secure a major sports team or tenant in order to justify the continued existence of the facility. We believe the advent of CFL football as well as the potential for other sports such as soccer will justify the retention of the stadium itself. The resurfacing of the field offers significant long term potential for both professional sports and community uses. This aspect will be discussed later in the report. The Region is committed to hosting Les Jeux de la Francophonie in 2001. This commitment includes the resurfacing of the playing field as well as a number of improvements to this and other buildings.

The Aberdeen Pavilion is a large exhibition space used primarily by the Central Canada Exhibition, consumer shows, agriculture fairs and commercial sales events. It has limitations for hosting events. The heating system is marginal, it is not air-conditioned and, like the Civic Centre, allows too much light to permit audio-visual presentations. The roof leaks. The consultant identified one option, to consider upgrading heating and cooling systems in the building but noted the cost of utilities would be high. He recommended analysis of seasonal options for the building, such as ice-skating or boat and car storage in winter with trade shows in spring and summer which is currently the case. It might also be used for a year-round farmers' market or flea market. This building is designated as a National Historic Site and has been the subject of much debate. While operating costs will be high and uses limited, it is our view that this building should be protected and efforts made to maximize revenue opportunities and uses to offset costs.

The Friel Building was constructed to house the team requirements of the Ottawa Rough Riders in 1986 and is integral to the operation of Frank Clair Stadium provided a major team(s) is a tenant. The consultant recommended that this building be leased until such time as professional sports returns or a new use found.

It is our view that the Civic Centre, Frank Clair Stadium, the Friel Building and Aberdeen Pavilion represent the core facilities at Lansdowne at this point in time. Decisions around these four buildings should be made with a view to the long term. Decisions on the long term viability of the remaining buildings will be made after the visioning process is complete.

The McElroy building was initially constructed in 1956 as a curling facility and now is used for about 20 event days annually, mostly related to the Central Canada Exhibition (CCEA). The building is used for winter Automobile storage and general storage for Lansdowne. The building requires extensive capital improvements if it were to remain. The consultant recommends that it be demolished after the CCEA lease expires in 2001. A final decision should await the completion of the visioning exercise.

The Coliseum Building generally pays its way, containing the offices of the '67s and CCEA and a privately operated indoor sports facility. This space is also used for trade shows and exhibitions. The upper floor at the front of the building has been closed for many years due to deterioration but may offer future opportunities.

The Horticulture Building, which has a City of Ottawa Architectural designation on the front section, has not generated enough revenues to cover its costs for many years. It is used for cold storage by the CCEA during their off season and as event space during the CCEA run. The consultant recommends that other uses be sought for the building such as residential conversion. If none can be found, the building should be considered for demolition.

The Sprung structure is a temporary building installed by the City in 1990. It is not insulated and is expensive to operate in winter. It has been used in the past in the winter for indoor soccer and touch football. Alternate uses, such as winter storage or ice rinks, should be considered. The exterior skin is in need of replacement. The CCEA has asked for its removal from the site. Relocation to another municipal site for recreational purposes is one possibility. There has been interest expressed by outside interests to purchase and relocate the building.

The McElroy, Coliseum, Horticulture and Sprung Buildings have a less obvious future. They are generally in poorer condition and with the exception of the Coliseum, generate little revenue. While we agree that they do not appear to offer as much potential as the other four, we are not prepared to make any recommendation until such time as the visioning process is finalized and a more comprehensive analysis completed than that done to date. It is our expectation that viable uses will be found for some but perhaps not all.

Long Term Vision

The consultant emphasized that while major changes at Lansdowne are not feasible until after Les Jeux de la Francophonie in 2001, work must begin now to develop a vision for Lansdowne, the results of which will guide decisions around increased community uses, renovations and new developments. It will guide the marketing and customer relations of the park and increase its appeal to commercial users.. It is recommended that staff initiate the visioning process now with a view to completing the process in early 2001.

In the meantime, completion of a capital improvement program to upgrade certain components can begin and opportunities to re-negotiate existing contracts and initiate new ones can continue.

Capital Program and Canderel

The transfer of Lansdowne Park from the City of Ottawa to the Region carried with it a requirement for an annual payment from the City, to the Region, of \$675,000 for a period of fifteen (15) years. This future payment has been used for the creation of a \$7.8 million capital account designed to address deferred maintenance work as well as some site improvements. A list of some of the projects involved is attached as Annex 3. The capital program will address a number of the life cycle and major maintenance requirements, the replacement of some event equipment and the general need to refresh the site. In the short term, a renewed Lansdowne Park will be presented to an international audience via Les Jeux de la Francophonie. Longer term, Lansdowne will return to a role of local prominence and be better positioned to generate new business as a financially viable complex.

The task of managing the capital program will fall to Canderel Lansdowne Park Management Corporation. Canderel was awarded this assignment as part of the negotiations for the transfer of Lansdowne Park. The draft agreement for project management and construction management services related to the *existing* capital program is being finalized now.

The bigger commitment to Canderel is for a period of eight (8) years during which time they will provide project management services related to the longer term redevelopment of the Park in whatever form that might take. The development of an agreement for their longer term role has yet to be developed in light of the pressure to get the existing capital improvement program underway. This agreement is expected to be completed by August 2000.

Field Replacement: Frank Clair Stadium

The existing playing field in Frank Clair stadium is well past its functional life. The field must be resurfaced now both to meet the needs of Les Jeux de la Francophonie in 2001 and to provide a viable field for both commercial and community activities. Staff looked at the relative merits of replacing the existing Astroturf, building a natural turf surface and building a relatively new trend in artificial surfaces in stadiums, artificial grass.

Astroturf is a relatively hard surface compared to natural turf. The trend in stadiums is to move away from this product in favour of a more natural surface. The cost of Astroturf is also a factor. Natural grass offers certain advantages over artificial products. Normal grass comes at a lower capital cost however maintenance costs and long term care requirements restrict usage and quickly eclipse initial savings. High end natural grass surfaces (Stathayr and ITM) were also considered however, high capital costs and uncertainty about the durability of the product make this product less attractive.

In our view, artificial grass offers the advantages of combining a more “natural” playing surface with durability and reduced operating expenses. Capital cost falls between conventional and high end natural surfaces. The number of events possible on an artificial surface is far greater than natural surfaces (the City moved from natural to an artificial surface 16 years ago for these reasons). The change in turf management away from the use of herbicides and pesticides can only increase the difficulties associated with maintaining a quality natural surface. Staff believe that artificial grass is the appropriate product for Frank Clair Stadium.

The University of Ottawa has conducted extensive studies into the selection of a playing surface for their new facility. They made a decision to select artificial grass as their surface of choice. They approached the Region last year asking that we consider selecting a playing surface for Lansdowne compatible with the product they selected. They undertook extensive comparisons between three artificial grass surfaces and conducted a tender process to select the product for the University. The product selected is Field Turf. We have reviewed their analysis and agree with its conclusions. The product was also the lowest bid in their tender process.

From the point of view of athlete safety, it was the University's opinion that the development of two identical surfaces would open the door to accommodating larger scale sports events in the City while avoiding potential risks to athletes that they felt would exist if players were asked to change from one type of artificial surface to another.

Staff propose to exploit this opportunity which could arise from a strategic alliance with the University of Ottawa. Suggested areas of business include cross-promotion and referrals for turf rentals, continued accommodations for varsity football and joint efforts to promote Ottawa as a sports tourism destination at all levels, including intercollegiate sports. Immediate benefits are to be derived by providing identical sports surfaces for participants in Les Jeux de la Francophonie.

Field Turf is a Canadian product which is receiving rave reviews from around the world as a premier sports surface. The product has received technical approval from the International Hockey Federation (field hockey) and Major League Baseball. The product has received positive reviews from the international governing body for soccer (FIFA). The product is currently in use in several NCAA football facilities and many elite club facilities in Europe. Staff have reviewed all of the available materials, spoken with Field Turf users and visited an indoor facility in Kingston, Ontario. In addition, staff have taken advantage of a technical evaluation of Field Turf and competitive products completed by the University of Ottawa.

As a result, staff have concluded that Field Turf is uniquely positioned to meet the operating demands of Frank Clair Stadium and offers the greatest potential for developing new business. A summary comparison of Field Turf versus Natural Grass is attached as Annex 3. We are satisfied that this product is the most appropriate surface for Frank Clair Stadium and propose to negotiate an agreement directly with Field Turf for the installation of this product, perhaps as early as August 2000.

FIFA will not sanction any field until approximately two months prior to the games. In order to provide a high level of comfort to both the Region and to Les Jeux de la Francophonie, Field Turf has committed to installing their product and guaranteeing the approval of the playing field for Les Jeux de la Francophonie. They are confident that their product will be sanctioned but have committed to the provision of a natural turf installation over top of Field Turf, at their expense, should FIFA for any reason not sanction their product.

Bubble Frank Clair Stadium Field

Expanded uses of the stadium field includes a possible partnership with the private sector to create a major indoor soccer facility for recreation programming throughout the winter months. The facility could also be used to accommodate exposition events, some new and some expanded, helping to alleviate some of the programming pressure on the Civic Centre Arena and related facilities. A proposal to do just that has been received and is being evaluated by staff. This project promises to be a commercial success and a great asset to the recreational community. A decision to follow this course will have to be made in time to install a base ring at the same time the new field is being installed.

Greening

As part of the discussion around the transfer of Lansdowne to the Region, the need to increase the amount of green space on the site was recognized. In our view the ultimate greening plan for the site must flow from the visioning exercise as discussed above. At the same time, we believe a modest beginning can be initiated by the spring of 2001 at the latest but possibly as early as the fall of 2000. In order to provide some greening which would provide a direct benefit to the community, we are exploring costs for the provision of a small soccer pitch to be constructed near the north entrance to the Queen Elizabeth Driveway. This pitch would have a natural grass surface. We are attempting to minimize costs and parking impact as part of this process.

There will be an impact on parking availability, albeit the most remote in the Park. Current zoning requires the provision of 2,200 spaces within the park. We are currently in compliance with this requirement but the soccer pitch is expected to reduce this number by up to 200 spaces. A variance to the zoning by-law will be required. It should be noted that we see this as a temporary shortfall, pending the resolution of other development issues. The demolition of some buildings will offer opportunities to replace the parking.

The development of community related sports facilities such as the proposed soccer pitch should be considered in the context of the underlying business principle noted above, that is to say, the use of the pitch would be administered by others and operating costs will be borne by them. In the context of the new City of Ottawa, staff would expect to charge the recreation program for the use of the facility.

The proposal to construct a playing field for community use is seen as an interim decision only. The visioning process is expected to identify greening objectives in the context of the long term plan for Lansdowne.

Parking Charge

Implementation of a parking charge is the single largest potential new revenue generator for Lansdowne. While parking charges have been levied at various times in the past, parking at Lansdowne for the most part has been provided free of charge. Most parties interviewed by Graham understood the need for such a charge and agreed that a reasonable fee could be managed from a client perspective. The consultant recommended that any parking charges be phased in and that the Region consider a tiered approach, such that the method of collection and the appropriate fee (including waiver of the fee) could be varied depending on the type of event.

Potential new gross revenues from parking were estimated by Graham at about \$590,000 annually - about two-thirds of the total potential new revenues identified by the consultant.

The agreement between the Region and the City of Ottawa on the transfer of ownership required that the Region complete a study before any charge is implemented. In addition to the review by Graham, Impark was retained to look at specific business scenarios for Lansdowne paid parking and Delcan has completed a Parking Operations Study. The Delcan study includes recommendations for parking and traffic management on site as well as measures to reduce any impacts on local streets.

Parking charges should be implemented as soon as possible and a company sought to manage that process, with the fundamental philosophy being that everyone pays, all of the time. The consultant states that a professional parking operator should be retained for parking management services at Lansdowne Park. The company would be responsible for managing, scheduling and administering all operational aspects of the site parking. In order to meet the recommended start-up date of September 5, 2000, staff further recommend an expansion be granted to the contract of Impark to implement and manage Lansdowne's move to paid parking until May 15, 2001. At that time, the Lansdowne parking operation could be re-considered in the context of all parking operations of the new City of Ottawa.

A tiered parking rate structure is recommended in order to accommodate the wide variety of users and to help ensure smooth, cost-effective operations. An event parking rate of \$5 is recommended, accompanied by a pay-and-display system for non-event periods, a monthly fee for commuters and a reduced, phased-in fee for recreation users and exhibitors for up to one year.

Transit Services

While public parking at Lansdowne is extensive, it cannot meet the needs of event operators as they become more and more successful. The variety of facilities and the number of events puts a severe strain on the Park's resources. In order to improve access to Lansdowne, improved transit access is seen as a necessity. OC Transpo and Transportation staff are now reviewing options for improved service to Lansdowne to accommodate major events or groups of events. Transit will need to part of a comprehensive parking and traffic management program at Lansdowne to ensure the efficient movement of people and minimizing the impacts on the surrounding neighborhood.

Naming Rights

The consultant recommended that a firm be engaged to promote and sell the naming rights to Lansdowne Park. The change in ownership at Lansdowne and a revitalized image in the community create an opportunity for a change in name for the entire park and specific buildings within it. The names "Lansdowne" and "Civic Centre" could be replaced for an annual fee, charged over a 10-year term with an option for renewal for an additional 10 years. The naming rights holder could potentially develop a new logo for the facility plus the sponsor's name would appear within the facility, on signs at the site, and on all letterheads and promotional materials. The sponsor could also have use of a suite, special passes and access to on-site facilities.. Given the historic significance of the name Lansdowne, staff believe the preferred solution is to market the name of the Civic Centre only.

Staff have received an unsolicited proposal from the Ottawa 67's to partner on a naming rights strategy for the Civic Centre only. The hockey club is uniquely positioned for access to a large inventory of potential investors, and by virtue of their high visibility in the community, the club brings instant credibility and good will into the partnership.

Staff are pursuing this initiative and will report back to Council with a final proposal for a long-term deal. Community standards will be imposed, prohibiting the use of tobacco or alcohol brands and the use of brands known for human exploitation.

Marketing

Lansdowne Park is a key site for the local trade show industry. Trade shows, meetings, and conventions are the major source of revenues at Lansdowne Park now. Annual revenues exceed \$700,000 with six major shows contributing more than half of the revenue generated. The consultant recommends both increased, aggressive marketing of the facility as well as strategic improvements to freshen up the facilities and make sure that they meet the industry's requirements. Such improvements are needed not only to expand the facility's client base, but also are essential if Lansdowne is to retain its established clients.

Years of uncertainty about the future of the facility have led to a poor image in the community and a lack of direction in marketing and management, which further contributed to financial losses. Recent marketing efforts have been limited to industry and event-specific strategies. The improved facilities and services will benefit from a more concentrated effort in the marketing and promotion of the facilities utilizing local, national and international resources.

During the years of uncertainty about the future of Lansdowne, marketing was limited and staff booked the facilities primarily by responding to inquiries rather than by seeking out clients. Lansdowne marketing staff now need the training and resources to begin networking in the business community and promoting the availability of space for meetings, conferences and trade shows. A website and new marketing materials are needed, along with a targeted plan and a customer relations program. Regular news releases, a calendar of events, and various media contacts should be used to increase the profile of Lansdowne in the community and help build a niche for it, especially between the National Arts Centre, Congress Centre and the Corel Centre.

In addition, there is an immediate need to upgrade areas that now appear dull and uninviting. The consultant recommends hiring an interior designer to review building interiors and recommend relatively inexpensive refurbishment. These could include, for example, painting the ceilings of the salons in the Civic Centre white to increase the sense of space and covering walls with lighter and brighter materials. Main entrances should be upgraded to become more welcoming, and signage improved everywhere.

Problems arising from the exterior glazing of the Civic Centre concourse should also be addressed. There is too much light in the building to allow for clear audio-visual projections onto screens or clear presentations on computer monitors, both staples of the trade show and convention/meeting industry. This area also becomes uncomfortably warm.

Ticket Sales

The contract with Admission Network Inc. included a provision for termination upon transfer of ownership of unsatisfactory performance. The contract required that the company retain 15 outlets in the Ottawa area but as of January 2000, it had only nine. Although management of Lansdowne has provided considerable latitude to the ticket agent since it began providing services in September 1998, the company failed to meet the terms of the agreement. Given the lack of local outlets and the limited

marketing of the company, staff took advantage of the termination provision and ended the contractual arrangement with Admission Network Inc.

Ticketmaster, the previous agent for Lansdowne and the largest ticket agent in Ontario and operating throughout North America, has now undertaken this service for Lansdowne Park. Ticketmaster has since completed negotiations to purchase Admission Network Inc. outright and its sister company Microflex. The Admission brand will remain in use in Quebec and in some international markets despite the change in ownership but marketing of tickets for Lansdowne events will now be done under the Ticketmaster banner. Staff see this as a positive move. Ticketmaster was already the ticketing agent of choice of the 67's and the CCEA.

Rental Rate Changes

Lansdowne management has implemented a 5% rental rate increase for 2000 for use of the facilities by trade shows, meetings and conventions. A rate reduction has been implemented for use of the playing field and ice in off peak hours to ensure Lansdowne is competitive with other municipal facilities offering similar amenities.

Major Tenant Leases

Current contractual arrangements between Lansdowne and the Ottawa '67s, its major tenant, and the Central Canada Exhibition should be re-negotiated to improve Lansdowne's financial position and formalize changes that have been implemented over the past few years. The management consultant is optimistic that a new lease with the Ottawa 67's, which would include facility rental rates, suite revenues, ticketing, concessions and shares of new parking fees, can be re-negotiated to both parties' advantage.

The Central Canada Exhibition lease expires at the end of 2001. The full cost of holding the fair at Lansdowne is not covered by the CCEA and Graham recommends that this issue be revisited. Staff will discuss this issue further with the CCEA.

The consultant considered revenue potential arising from new tenants. The return of professional football can occur only if the potential new ownership group can meet certain conditions, such as securing corporate sponsors and achieving season ticket sales targets. The consultant recommends that any lease agreement with the football club cover the cost of its operations at Lansdowne, plus provide Lansdowne with a percentage of revenues over a certain revenue level. This is seen as a potential once the new team is established and successful. The consultant cautions that little net revenue is likely to flow directly from this potential tenant.

The Canadian Soccer Association is another potential tenant at the stadium but the CSA requires a playing field approved by FIFA (the international governing body for soccer) in order to host championship sanctioned matches. Currently, natural turf is universally accepted whereas artificial surfaces may be approved only on a game-by-game basis and only for certain levels of competition. An artificial surface is suitable for most levels of play that might utilize the field on a regular basis.

Food/Beverage Concessions

The current food and beverage agreement between Lansdowne and Ogden Entertainment expires in May 2002. Graham recommends reviewing this agreement now, with a view to extending the contract for an additional five years on terms more favorable to Lansdowne. Staff agree with this recommendation and will initiate the process.

Major Sponsor Agreements

The consultant proposes a review of agreements with major sponsors and right holders for beer, soft drinks, and ATM supply, with possibilities for increased revenues in each of these areas. This is tied to the food/beverage concessions as noted above.

Operations Services

With respect to contract services and operations, the consultant recommended a review of utilities and service contracts at Lansdowne. Buildings should be reviewed from the standpoint of energy efficiency and a program developed to reduce energy requirements.

In response to these recommendations, an energy audit is being initiated at Lansdowne with a view to accessing some funding through FCM for the completion of the study. Other funding sources may be available to assist in implementation. If as a result of this study, major operating savings can be identified, staff propose to redirect some of the capital funding already in place to address these opportunities. Staff will keep Council informed as this process evolves.

The Lansdowne security contract is held by the same firm responsible for security at Ottawa-Carleton Centre. The consultant recommended a review of both contracts to see if efficiencies and savings are possible. This was identified early in the transfer process and opportunities to improve service quality. The existing provider (Wackenhut), may be reconsidering their Ottawa operation. Given the somewhat unique needs of Lansdowne, staff intends to move forward with a tendering a new contract for the Park which will better address these needs. This will ensure that a contract is in place for the major 2001 events.

A Threat and Risk analysis has been completed by the Regional Security Coordinator in order to identify security issues as well as service improvements. There is more to be done in this area.

Priorities

The current priority is to ensure that the park is in good shape to accommodate Les Jeux de la Francophonie in 2001 and that a visioning process is initiated to ensure that Council is in a position to decide on next steps after the games in July 2001 and the CCEA in August 2001. At that point, based on current arrangements, Lansdowne will have a relatively clean slate on which to build.

FINANCIAL IMPLICATIONS

Lansdowne Park has been running a deficit for many years, estimated at \$1,200,000 annually at the end of 1999.

With the implementation of the recommendations in this report, staff expect to reduce the net cost of operations by approximately half, to an estimated \$650,000. The full year effect of the recommendations will be to bring Lansdowne operations to a break-even position.

Cost reductions will be achieved through restructuring the provision of services to the Park, eliminating purchasing mark-ups, staff reductions, a new ticket marketing service, adjustments to rental rates to make them competitive and close monitoring of expenditures. New revenues will be derived primarily from parking, naming rights and year-round turf operations.

In addition, discussions with the CFL are proceeding as well as efforts to attract or develop new business opportunities for Lansdowne Park. An annual operating surplus is a legitimate possibility, even in the short term.

Staff recommend that any future operating surplus be retained in a dedicated capital reserve fund for Lansdowne Park. This will enable staff in future, to undertake ongoing maintenance and upgrades, keeping the site and facilities continually refreshed and well-equipped to service its clients. This fund would be separate and apart from lifecycle renewal and new development.

PUBLIC CONSULTATION

In completing his assignment, Graham conducted interview with numerous staff, clients and stakeholders. Most significantly, key recommendations within this report include a commitment to public consultation, both current and on-going. As part of the parking study, the Community Association was consulted. The greatest opportunity for public consultation will be through the visioning process which is yet to come.

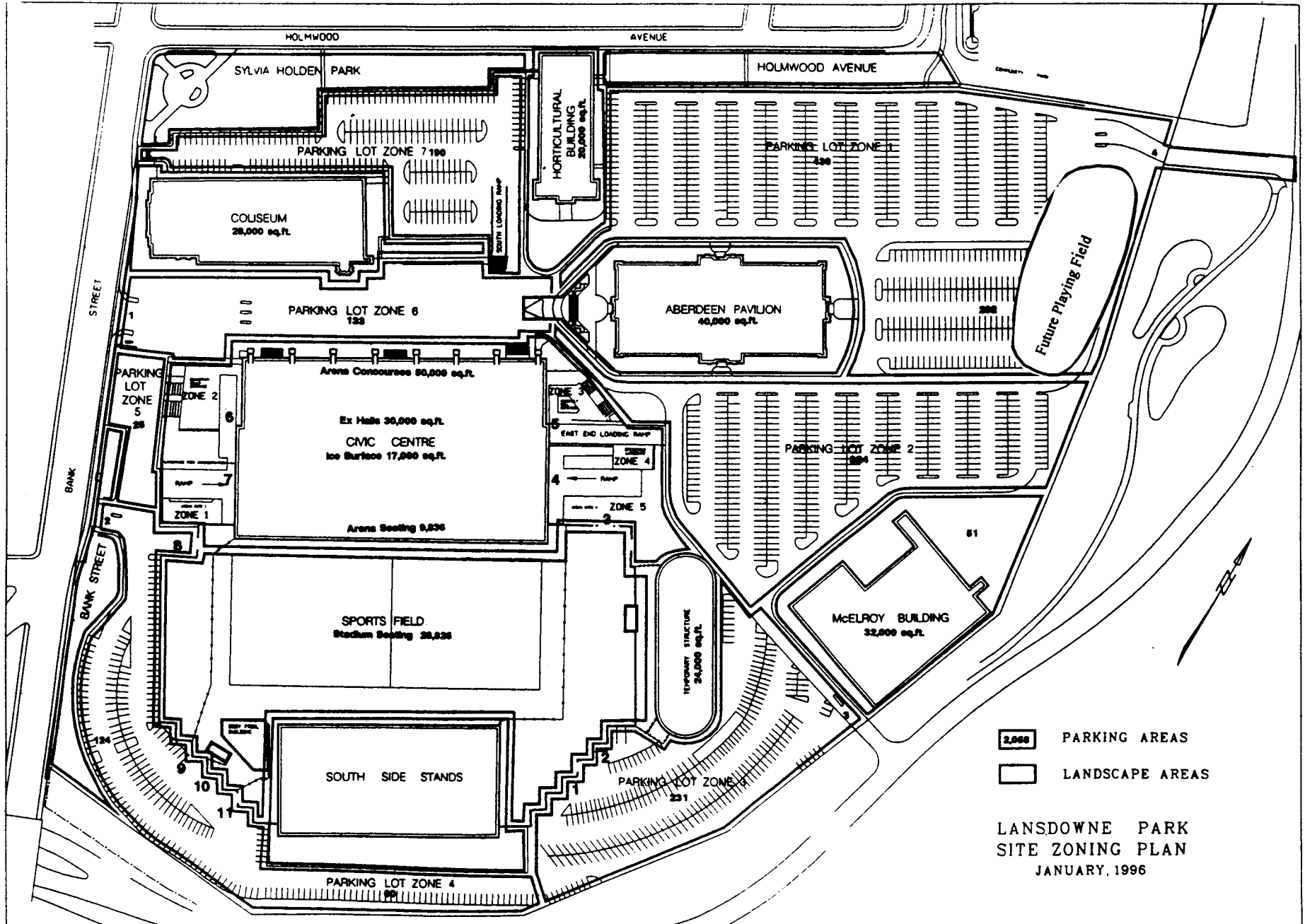
FINANCIAL STATEMENT

The purpose of this report is to seek Council direction to operate Lansdowne Park as a business unit. Immediate focus is on the short term requirements of addressing deferred maintenance items and to prepare for the 2001 Francophone Games. As well, a visioning exercise will be initiated to identify the long term role, business plan and overall direction of the Park. All of these efforts are directed to improving the long term financial security and viability of the Park.

NEW CITY IMPACT - TRANSITION BOARD

In accordance with Ottawa Transition Board Regulation 100/2000 - Financial Guideline No 1, Section 5.2e) this transaction requires the approval of the Transition Board.

Approved by Nick Tunnacliffe, MCIP, RPP



- 2,000 PARKING AREAS
- LANDSCAPE AREAS

LANSDOWNE PARK
 SITE ZONING PLAN
 JANUARY, 1996

Lansdowne Park Capital Program
2000 – 2001

Location/Description	Estimate
Civic Centre	
Replace arena scoreboard	\$225,000
Concrete topping replacement	\$460,000
Structural steel cleaning and painting	\$300,000
Various superstructure repairs	\$300,000
Concrete slab waterproofing	\$300,000
Interior fit-up, doors, walls, windows	\$350,000
Replace exposition electrical components	\$305,000
Re-caulking of pre-cast seating units	\$250,000
Arena re-roofing	\$200,000
Stair and handrail repairs/replacement	\$150,000
Mechanical system repairs/replacement	\$200,000
Replace event furniture/equipment	\$600,000
Masonry and cladding repairs	\$210,000
Upgrade arena dressing rooms	\$80,000
Upgrade arena washrooms	\$90,000
Rink slab crack repair	\$50,000
Waterproof hydro vault	\$30,000
Upgrade arena signage	<u>\$50,000</u>
Civic Centre Total	\$3,850,000
Stadium	
Replace artificial turf	\$800,000
Upgrade stadium sound system	\$100,000
Upgrade Stadium scoreboard	\$150,000
Re-roof north grandstand	\$350,000
North structural repairs	\$360,000
South superstructure repairs	\$370,000
Caulking of modular precast	\$300,000
Foundation repairs	\$20,000
Paint/repair railings	\$50,000
Replace concrete topping	\$120,000
South roof repairs	\$60,000
Repairs to masonry walls on ramps/stairs	\$100,000
Upgrade washrooms	\$65,000
Upgrade south side electrical	\$20,000
Complete seat coverings	\$50,000
Friel Building repairs	\$65,000
Upgrades to bubble for exposition use	<u>\$140,000</u>
Stadium Total	\$3,120,000
Coliseum	
Replace lobby doors and glazing	\$50,000
Electrical component replacement	<u>\$20,000</u>
Coliseum Total	\$70,000

Aberdeen Pavilion

Exterior Painting	\$150,000
Interior painting	\$65,000
Roof repairs	<u>\$40,000</u>
Aberdeen Pavilion Total	\$255,000

General Site

Line painting	\$55,000
Catch basin repair/replacement	\$50,000
Paint exterior – Horticultural Building	\$40,000
Parking lot repairs/reconstruction	<u>\$360,000</u>
General Site Total	\$505,000

Summary:

Civic Centre	\$3,850,000
Stadium	\$3,120,000
Coliseum	\$70,000
Aberdeen Pavilion	\$255,000
General site	<u>\$505,000</u>
Lansdowne Park Total	\$7,800,000

FRANK CLAIR STADIUM

Natural Grass VS FieldTurf

Year 2 Estimates

	<u>Good Grass</u>	<u>Premium Grass</u>	<u>FieldTurf</u>
Capital Cost	\$400,000-\$450,000	\$1,200,000	\$750,000-\$800,000
Annual Operating Cost*	\$124,630	\$124,630	\$108,015
Annual Revenue Potential	\$97,030	\$135,651	\$424,700
Net Revenue Potential	(\$27,600)	\$11,021	\$316,685
Operating Season	May to October	May-October	Year-round potential
Community Use	78 games per season	1,176 per season	2,548 per year

*

The annual operating costs include both base costs for maintaining the playing surface plus event-specific costs. The annual maintenance cost of grass is estimated to be \$112,000 versus approximately \$29,000 for Fieldturf.

PROS:	<ul style="list-style-type: none"> It's grass Multi-sport use Unlimited life span Environmentally friendly No cleaning required CSA preferred 	<ul style="list-style-type: none"> Next best thing to grass Multi-sport use All-weather surface Recycled materials Minimum grooming Low maintenance Year-round use Community use Increased revenues Les Jeux approved
CONS:	<ul style="list-style-type: none"> High maintenance Reduced access Weather sensitive Labour intensive Game-only use Ban on herbicides, etc. 	<ul style="list-style-type: none"> It's not grass Will it last?

Revised June 29/00