Minutes – Executive Policy Committee – November 16, 2005

REPORTS

Minute No. 20 Winnipeg Soccer Complex Development Proposal
File S-7

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee laid over consideration of the matter to its January 18, 2006 meeting.

DECISION MAKING HISTORY:

Moved by Councillor Clement,

That consideration of the matter be laid over to the Executive Policy Committee meeting on January 18, 2006.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 2005, the Executive Policy Committee referred the matter to the Administration for report back in 60 days, with the following instructions:

- Investigate similar soccer facilities being constructed in other Cities;
- Explore alternative building types, including capital and operating costs;
- Investigate methods of financing utilized for other projects, including exploring public/private partnership opportunities;
- Explore the management of other facilities, including consideration of guaranteed prime time hours.

REPORT

Re: **Winnipeg Soccer Complex Development Proposal**

For submission to: **Executive Policy Committee**

Original report signed by: **Chief Administrative Officer**

Report date: June 24, 2005

Recommendation(s):

1. That the concept of a redeveloped Winnipeg Soccer Complex to comprise a 4 field indoor complex together with professional standard outdoor pitches and amenities as outlined in the Winnipeg Soccer Federation's Development Proposal dated March 2005 and attached as Appendix A be supported.
2. That, subsequent to funds being secured for the project, a transition plan be developed to move the Winnipeg Soccer Complex from its current location at Waverley and Wilkes to a new location comprising City-owned land in the near vicinity, subject to such land being declared surplus by the City of Winnipeg.
3. That, subsequent to the securing of a new location, the administration be directed to negotiate a long-term lease agreement between the City of Winnipeg and the Winnipeg Soccer Federation for the development and management of the Winnipeg Soccer Complex on City property in a manner consistent with their Development Proposal, subject to Council approval and with a fully executed lease agreement required before development can proceed.
4. That, subsequent to the execution of a lease agreement, By-law No. 89/2005, Assessment Treatment of Community Groups in City Facilities, be amended to acknowledge the new location of the Winnipeg Soccer Complex and the role of the Winnipeg Soccer Federation as the body responsible for managing the complex, thereby extending municipal and school tax exemption to the new location.
5. That the administration be directed to provide an analysis of the Winnipeg Soccer Federation's request for a loan guarantee of $4 M and report back to Executive Policy Committee through the Standing Policy Committee on Fiscal Issues.
6. That the Proper Officers of the City of Winnipeg be authorized to do all things necessary to implement the intent of the foregoing.

REPORT SUMMARY

Key Issues:

- Making outdoor fields financially sustainable. Professional quality outdoor soccer pitches are an asset to the City not only in serving the needs of the local soccer population but in attracting major national and international tournaments and events as well. However, it has been demonstrated that outdoor facilities, especially those with natural turf, struggle with financial sustainability. The revenue generated cannot cover the associated operating and maintenance costs even with significant in-kind contributions by volunteers. Indoor soccer,

on the other hand, can be financially sustainable from an operating and maintenance perspective if assistance is provided with the up-front capital costs. One way for the Winnipeg community to benefit from both indoor and outdoor facilities, without having to provide ongoing operating support for the outdoor facilities, is to combine both facilities within a not-for-profit soccer complex with total revenues used to support the operations of the entire complex. That is what is being proposed.

- Public versus private. The City is currently served by 2 publicly-supported indoor soccer pitches (Gateway Community Centre and Garden City Community Centre) and 3 privately-run indoor soccer pitches (Soccer Spectrum, Winter Club, and Court Sports and Fitness Club). A fourth private facility is located just outside Winnipeg in Headingley (Cover-All Sports Plex). What is the best model to serve the needs for indoor soccer? The financial analysis suggests that in either instance public sector support would be required to assist with the initial capital costs. As for the operations and management of the facility, it is reasonable to assume that the WSF is in the best position to represent the interests of the soccer community in that it officially represents the Manitoba Men's Major Soccer League, the Winnipeg Women's Soccer League, and the Winnipeg Youth Soccer Association. As a not-for-profit corporation with charitable status, the WSF is intent on ensuring that all funds raised in relation to the Winnipeg Soccer Complex remain within the sport to further the interests of its partners. Furthermore, the WSF can facilitate the provision of community volunteers and, as outlined in its business plan, will ensure the provision of both indoor and outdoor facilities to professional standards.
- Finding an appropriate location. The Waverley and Wilkes site was acquired many years ago by the Water and Waste utility to meet its long term infrastructure needs for the provision of water to the south-west quadrant of the City. An unused portion of the site was intended for future reservoir expansion. In the interim, it was agreed that this land could be used to serve the needs of the soccer community. Rapid development in the south-west quadrant of the City together with more stringent standards for water quality have accelerated the need to build the additional cell, possibly within 10-20 years. This is too short a duration to accommodate the needs of the WSF as identified in their business plan. A new location for the WSF will be needed but the transition could happen over time. Appropriate alternative sites continue to be explored.

Implications of the Recommendation(s):

General implications:

	None
X	**For the organization overall and/or for other departments**
X	**For the community and/or organizations external to the City of Winnipeg**
X	**Involves a multi-year contract**

Comment(s):

The recommendations include authorization to prepare a long-term lease for the lands agreement associated with the Winnipeg Soccer Complex. The lease will require Council approval.

Policy implications:

	No

[X] **Yes**

Comment(s):

The WSF is requesting a $4.0 million loan guarantee. The administration recommends that this request be reviewed and that a report be provided through Fiscal Issues Committee. The $4.0 million amount is beyond the current Council limit of $1.0 million. In the past, Council has made exceptions to this policy.

Environmental implications:

[X] **No**

[ ] **Yes**

Comment(s):

Human Resources implications:

[X] **No**

[ ] **Yes**

Comment(s):

Financial implications:

[X] **Within approved current and/or capital budget**

[ ] **Current and/or capital budget adjustment required**

Comment(s):

Although broken into two phases, the full proposal could require $9 M in cash funding together with a $4 M loan guarantee from the City of Winnipeg. Subject to ongoing negotiations, the $9 million is expected to be cost-shared by the 3 levels of government together with fundraising efforts on the part of the soccer community. Applications have been made under the Municipal Rural Infrastructure Fund and the Canada/Manitoba Infrastructure Agreement. The commitment of these funds is not part of this report.

Should the recommendations of this report be adopted, the request for a $4M loan guarantee from the City of Winnipeg will be addressed in a subsequent report.

REASON FOR THE REPORT:

At its "In Camera" meeting of October 20, 2004, Executive Policy Committee concurred in the administration's recommendation that the Director of Planning, Property and Development be authorized to request the Winnipeg Soccer Federation to provide a detailed Financial Plan, along with all supporting information, relative to its proposal for the redevelopment and operation of the Winnipeg Soccer Complex and report back.

HISTORY:

The Winnipeg Soccer Complex was moved from Alexander Park to the current Wilkes and Waverley site in 1989. The Winnipeg Soccer Association was granted a ten-year use agreement to manage the facility.

Since the expiration of the use agreement in 1999, the Administration has had ongoing discussions with the Winnipeg Soccer Association regarding the redevelopment and continued use of the Winnipeg Soccer Complex.

On December 27, 2001, representatives of the Manitoba Soccer Association met with the incumbent Mayor to discuss the future of the Winnipeg Soccer Complex. It was agreed that a long-term plan was needed.

During the period between April 2002 and December 2003, representatives of the Manitoba Soccer Association and the Administration met to discuss the expectations related to the possibility of entering into a long-term lease agreement after which time the Manitoba Soccer Association engaged the services of Bob McMahon to assist in formulating a Master Plan for the site and to develop a Business Plan.

The Winnipeg Soccer Federation was created under the auspices of the Manitoba Soccer Association in early 2004 to develop a Site and Business Plan for the Winnipeg Soccer Complex.

The Administration received a proposal from the Winnipeg Soccer Federation in the spring of 2004 for the future development and operation of the Winnipeg Soccer Complex.

DISCUSSION:

Proposal Summary

The Winnipeg Soccer Federation proposes that the Winnipeg Soccer Complex at Waverley and Wilkes should become home to Winnipeg's first multi-field indoor complex (4 fields) while maintaining two outdoor fields. The indoor fields are deemed necessary to meet the growing demands of the sport. It is also proposed that the south outdoor field be resurfaced with artificial turf thus increasing the number of games that can be played as well as providing extended access to other outdoor sports such as high school football and lacrosse. The proposal includes enhanced bleachers and press box thereby creating a top quality (FIFA standard) facility capable of hosting major tournaments.

The building of an indoor complex will ensure that the Winnipeg Soccer Complex can operate 52 weeks a year while making more effective and efficient use of infrastructure. Furthermore, by combining indoor and outdoor fields as part of an integrated set of facilities, the complex is projected to be financially sustainable, a goal that cannot be achieved with outdoor fields alone. The complex would be managed and operated by the Winnipeg Soccer Federation.

In its present location at the corner of Waverley and Wilkes, the cost of the development is estimated to be $11.6 M. The WSF proposes to carry and repay a $4 M loan, guaranteed by the City, and the remaining $7.6 M is requested in the form of grants from the three levels of government with the possibility of WSF fundraising contributing to this amount. (If the facility were to be relocated to a new site, which the administration deems is necessary over time, it is estimated that an additional cost of $1.4 M could be required, bringing the total cost of the project to $13 M.)

To assist in its fundraising efforts the WSF has obtained charitable status. As such, the WSF would be able to issue tax receipts for contributions toward the construction of the facility as well as contributions toward ongoing maintenance. The City of Winnipeg would retain ownership of the property, granting use of it to the WSF through a long-term lease agreement.

The facility would service the needs of the Winnipeg soccer community as represented by the WSF's stakeholders, namely, the Winnipeg Youth Soccer Association, the Manitoba Major Men's Soccer League, and the Winnipeg Women's Soccer League. The new facility would be the home of soccer year-round. A critical factor in the plan is that money generated by the sport stays within the sport for the betterment of the players, coaches, and officials under the auspices of a not-for-profit organization operating the facility.

In their Development Proposal, the WSF makes the case:

- that in its current form (3 outdoor fields with natural turf) the Winnipeg Soccer Complex cannot be operated without ongoing funding assistance;
- that there is a large and growing demand for indoor soccer facilities;
- that a soccer complex comprising a 4 field indoor complex together with a FIFA standard outdoor field can be financially sustainable if funding assistance is provided to cover a considerable portion of the initial capital costs of development; and
- that the WSF is in the best position to manage and operate the Winnipeg Soccer Complex as they represent the interests of organized soccer.

Each of these points is addressed in further detail below followed by a summary of the administrative recommendations.

<u>The Current Situation</u>

The property at Wilkes and Waverley has been made available for use by the Winnipeg Soccer Association on a temporary basis since 1989. The site comprises approximately 17 acres. It has three full size grass fields and one warm up, practice field. One field has top rated, broadcast quality lighting; another has adequate lighting. The first field has bleachers for 2600 spectators, a small press box, and an electronic scoreboard. There is a 6000 sq ft clubhouse with a canteen, administration area, dressing rooms with showers, and a referee's room. There is a storage shed for field maintenance equipment and a parking lot for an estimated 380 cars.

The cost of operating the facility based on market rates is estimated to be in excess of $100,000 per annum while actual costs have been reduced through the use of volunteers to a range of $50,000 to $70,000 per annum. Revenue opportunities are limited given the nature of grass fields (which require “healing” time between games) and the market rate charged by other owners\operators to use their fields. A number of pricing options have been instituted and have generally ranged from $150 to $200 per game with a maximum number of games around 200 per season. The total revenue that can be generated including field rentals and admissions is less than $40,000 per annum.

The recurring budget shortfall has meant that no money has been set aside for regular maintenance. As a result the facility has fallen into disrepair and has not been used since 2002. It is estimated that a capital investment of approximately $180,000 is required to get the fields back into playable state, most of this is targeted toward the rebuilding of Field 2. Furthermore, an ongoing annual operating grant in the minimum range of $25,000 would still be required to run the facility.

The Demand for Indoor Soccer

The Winnipeg Soccer Federation makes the case that the Winnipeg Soccer Complex should be reconfigured to comprise a combination of outdoor fields together with a 4 field indoor complex. The growing demand for indoor soccer and the ability to use indoor facilities on a year-round basis leads to revenue projections sufficient to support the ongoing operations of the entire complex.

In Winnipeg, the total number of registered players has risen from 8,700 in 1992 to 17,800 in 2004, an increase of over 100%. There have been increases at all levels with the most dramatic increase being shown in female participation. The segment showing the least amount of growth is in male youths although there was a substantial increase in 2004 and there are strong indications that many young players are choosing to continue to play once they advance to the senior ranks. Senior men’s registration has increased by 78% since 1992. Essentially a greater number of players are choosing to extend their playing time to the senior level.

The Canadian Soccer Association provides registration statistics across the country. Their figures show that, in spite of the registration increases in the past decade or so, the ratio of players to population in Manitoba is still among the lowest in the country. In 2002, registered soccer players constituted 1.66% of the Manitoba population as compared to figures of 2.28% in Saskatchewan, 3.00% in Alberta, and 2.63% as a national average. This supports projections of continued growth in the sport in Manitoba and suggests that the lower ratio may be due to the limitation of facilities.

Other Prairie cities have identified the rising demand for indoor soccer facilities and have invested in facilities. Edmonton, for example, has three indoor four-plexes. Saskatoon, with a population of approximately 200,000, has one indoor four-plex and another is in progress. Saskatoon has 274 youth soccer teams compared to Winnipeg’s 343. At the same participation level, Winnipeg would have 880 youth teams. With a population 3 times greater than Saskatoon, the market demand in Winnipeg should be able to maintain 12 to 24 indoor soccer fields.

The City currently has five indoor soccer pitches: two publicly-supported facilities (Gateway Community Centre and Garden City Community Centre) and three privately-run facilities

(Soccer Spectrum, Winter Club, and Court Sports and Fitness Club). A fourth private facility is located just outside Winnipeg in Headingley (Cover-All Sports Plex).

The WSF stress this point by saying that the limited number of facilities as compared to Edmonton, Saskatoon and Calgary – and soon Regina – has restricted the growth in the game to such an extent that the Winnipeg Youth Soccer Association (WYSA) does not advertise or promote the program because each winter season the available limited time slots are fully subscribed without any advertising or promotion.

This analysis indicates that soccer participation in Winnipeg has increased significantly over the last decade but still lags behind most other provinces and in particular the western provinces. It is anticipated that the increase in facility inventory generated by the construction of a 4 field indoor complex can be filled by youth players alone and still not impact the operational viability of the existing public and private facilities. While the proposed 4-plex would go a long way toward meeting the needs of the soccer community, it is likely that demand would still outweigh supply.

A Proposal for Financial Sustainability

By operating a joint indoor/outdoor facility, economies of scale would be generated together with revenue streams that do not presently exist. While funding assistance is required initially to develop the facility, ongoing operations are projected to be self-sufficient and financially sustainable over time. The WSF has provided a 25 year projection of revenue and expenditures. This represents the duration of time over which the $4 M loan would be repaid.

The projections show that the indoor facility can be run profitably with average annual revenue over the first five years projected to be $1.17 M against average expenses projected to be $1.01 M. The bulk of revenues (80%) are generated from field rentals, the remaining 20% is derived from concessions, a lounge, advertising, pro shop rentals, and special functions. The outdoor fields, however, cannot be run profitably. The average annual revenue over the first 5 years is projected to be $87,000 with average expenses projected to be $90,000. In this case, field rentals account for only 55% of revenues with the remaining 45% coming from concessions, a lounge, and advertising. (Details of these figures are provided in Appendix B.)

There are three key ingredients to making the proposal financially sustainable:1) the augmentation of revenues through fundraising efforts; 2) the commitment to managed care; and 3) the use of surplus revenue from the indoor facility used to offset losses from the outdoor facility.

Fundraising

The facility revenues are expected to be augmented by fundraising efforts, taking advantage of the WSF's charitable status and the strong community support for the sport. Annual fundraising targets have been set at $50,000 initially ($40,000 to support the indoor facility and $10,000 to support the outdoor component), a number that increases over time to comprise just over $141,000 in year 25 ($99,000 indoor, $42,000 outdoor). These are modest targets that are expected to be exceeded. Any additional revenue would be used to pay down the loan at a faster rate.

Managed Care

Built into these projections is a commitment to “managed care”. Managed care represents the recommended level of ongoing maintenance stipulated in the City’s newly adopted policy on Recreation, Leisure, and Library Facilities. Under a managed care commitment, the facility’s annual maintenance operating budget is set at 1.5% of the Current Replacement Value (CRV) for the years 1-10 and increases to 3.5% of CRV in years 11 and beyond. Under a managed care program, there should always be sufficient funds to meet the facility’s basic maintenance needs.

The financial projections for the indoor facility include an annual managed care allowance of approximately $129,000 for years 1-10, and approximately $300,000 for years 11-25. The outdoor facility includes an annual managed care allowance of approximately $20,000 for years 1-10 and approximately $47,000 for years 11-25.

Offsetting Losses

The total financial picture for the Winnipeg Soccer Complex shows that the indoor facility can more than offset the losses projected for the outdoor component of the complex (even with the commitment to managed care), provided that revenue targets are met. These targets appear reasonable in comparison with other facilities in western Canada and in consideration of recreation rates in Winnipeg.

The complex overall is expected to generate surplus funds for years 1-10 when the managed care commitment is set at 1.5% of CRV. The cumulative balance is projected to be $726,000 by year 10. This “reserve” diminishes over the next 15 years as the commitment to managed care increases to 3.5% CRV. By year 25, the cumulative balance is expected to have been reduced to $136,000. However, by then the $4 M loan will have been paid off, reducing ongoing operating expenses by approximately $336,000 annually and ensuring financial sustainability for the years ahead. (See pages 45, 46, and 47 of the Development Proposal attached as Appendix A.)

Management Responsibility

The Winnipeg Soccer Federation proposes to manage and operate the Winnipeg Soccer Complex. The WSF has officially been endorsed as the representative body for the Winnipeg Youth Soccer Association, the Manitoba Men’s Senior Soccer League, and the Winnipeg Women’s Soccer League. As recognized by these leagues, a critical factor in the plan is that money generated by the sport stays within the sport for the betterment of the players, coaches, and officials under the auspices of a not-for-profit organization operating the facility.

The Winnipeg Soccer Federation has been registered as a charitable organization and is therefore able to provide charitable tax receipts for donations. This is expected to greatly enhance its ability to fundraise to meet, and perhaps exceed, the targets established in its development proposal. Furthermore, as the body representing over 17,000 registered players, the Winnipeg Soccer Federation has access to a large number of potential volunteers that can assist in various efforts as required. However, the development proposal incorporates costs associated with the use of professional staff to run the day-to-day operations of the complex.

Overall Costs and Funding Breakdown

Capital costs for the redevelopment of the Winnipeg Soccer Complex have been broken down into two phases, the first resulting in the construction of the four field indoor complex with concessions, lounge, pro shop, physiotherapy, and viewing areas, and the second resulting in the conversion of one outdoor field to FIFA standards including the provision of artificial turf, and new press box, bleachers, washrooms, and concessions. Phase 1 is projected to cost $9.65 M while Phase 2 is projected to cost $1.95 M for a total capital expenditure of $11.6 M.

Although the WSF maintains that its proposal is "transportable" in that it is possible to undertake the project on another site, doing so would augment the costs. The administration has estimated this increase to be in the range of $1.4 M bringing the total to $13 M. The additional costs are related to servicing the land and costs associated with the construction of a parking lot, signage, etc. These additional costs would be associated with Phase 1 bringing the Phase 1 total to just over $11 M with Phase 2 remaining at just under $2 M.

Funding support is requested from all three levels of government to assist with the capital costs. The WSF is proposing to carry and repay a $4 M loan (although a loan guarantee is requested from the City of Winnipeg) with remaining funds being requested in the form of capital grants from all three levels of government with the possibility of fundraising contributing to this amount.

Administrative Recommendations

Concept

It is recommended that the concept of a redeveloped Winnipeg Soccer Complex to comprise a 4 field indoor complex together with professional standard outdoor pitches and amenities as outlined in the Winnipeg Soccer Federation's Development Proposal dated March 2005 and attached as Appendix A be supported.

The proposal to develop a combined indoor/outdoor soccer complex managed by the Winnipeg Soccer Federation has merit. Not only would Winnipeg residents have access to much needed facilities for their use, having a top quality outdoor field, one that meets FIFA standards, provides Winnipeg with an amenity that can be used to attract national and international competitions (as was the case with the lost opportunity associated with the 2006 U-20 Youth World Championship).

There is significant evidence that Winnipeg has been under-serviced with regard to the provision of indoor soccer fields. Soccer, overall, has experienced rapid increases in registration over the last 10 to 15 years in Winnipeg and across Canada. These increases have been seen in all age groups and in both genders. Yet registration in Winnipeg, as a percentage of population, still lags behind most of Canada and in particular Western Canada. It has been estimated that Winnipeg could easily support 12 indoor pitches. There are currently 5 with an additional one just outside the City in Headingley.

Site Considerations

It is recommended that, subsequent to funds being secured for the project, a transition plan be developed to move the Winnipeg Soccer Complex from its current location at Waverley and Wilkes to a new location comprising City-owned land in the near vicinity, subject to such land being declared surplus by the City of Winnipeg.

The existing site at Waverley and Wilkes presents a problem given that the development proposal calls for a permanent facility to be built and that a long-term lease be granted. It has always been the intent of the Water and Waste Department to retain ownership of this land for the future expansion of its reservoir. It is anticipated that this expansion could be necessary within 10-20 years. As such, any use guarantee beyond a 10-year time frame would not be supported by the Water and Waste Department, nor would the development of a permanent facility on the site.

The WSF has stated that its proposal is transportable and is prepared to relocate if necessary. Through discussions with the Planning, Property and Development Department, appropriate alternative sites are being reviewed. The normal process of declaring City land as surplus through the Standing Policy Committee on Planning and Development will be followed. Subsequent to that approval, a transition plan will outline how the Winnipeg Soccer Complex will eventually move from its present location to the new site. This may be done in phases.

Management Agreement

It is recommended that, subsequent to the securing of a new location, the administration be directed to negotiate a long-term lease agreement between the City of Winnipeg and the Winnipeg Soccer Federation for the development and management of the Winnipeg Soccer Complex on City property in a manner consistent with their Development Proposal, subject to Council approval and with a fully executed lease agreement required before development can proceed.

It is further recommended that, subsequent to the execution of a lease agreement, By-law No. 89/2005, Assessment Treatment of Community Groups in City Facilities, be amended to acknowledge the new location of the Winnipeg Soccer Complex and the role of the Winnipeg Soccer Federation as the body responsible for managing the complex, thereby extending municipal and school tax exemption to the new location.

As outlined in their proposal, if the Winnipeg Soccer Complex is run by the WSF, the money generated by the sport stays within the sport for the betterment of the players, coaches, and officials. If the indoor 4-plex and outdoor fields are managed as a single complex, the venture can be self-supporting. If the components are separated, then the outdoor fields will require ongoing support. A for-profit corporation might choose to close the unprofitable portion of the complex, but the WSF, as a not-for-profit corporation with a mandate to promote the sport, will ensure that both remain operable. It is for these reasons that the WSF is supported by the major soccer leagues in Winnipeg and merit support for their proposal.

The WSF has made it clear in their proposal that ongoing public support will not be necessary. Their revenue and expenditure projections demonstrate that the management responsibilities associated with the complex can be carried out in a financially sustainable fashion. Comparable examples in other municipalities show that this is a reasonable expectation. Key to making this work is the WSF's charitable status which facilitates fundraising efforts. Given their strong volunteer base and the depth and breadth of their registration numbers, the WSF should be able to meet, and likely exceed, the fundraising targets set out in their plan.

By adding the WSF to the list of community groups identified under Bylaw 89/2005, Assessment Treatment of Community Groups in City Facilities, the WSF would be granted tax exemption consistent with other not-for-profit community groups responsible for the delivery of recreation

services to the Winnipeg community. This exemption is assumed in their Development Proposal.

Funding Support

It is recommended that the administration be directed to provide an analysis of the Winnipeg Soccer Federation's request for a loan guarantee of $4 Million and report back to Executive Policy Committee through the Fiscal Issues Committee.

As presented by the WSF, the capital costs associated with the construction of the indoor component of the project is estimated to be $9.65 M while the outdoor component is expected to cost $1.95 M for a total of $11.6 M.

Given that the project cannot proceed on the current site, additional costs have been included by the City of Winnipeg to accommodate the transfer of the project to another location yet to be determined. As such, the total capital costs associated with the construction of the new Winnipeg Soccer Complex can be broken down as follows:

- Site transfer (estimated by administration) $ 1,400,000 (Phase1)
  - Land cost
  - Utility connections
  - Site preparation
  - Parking lot
- Construction of indoor four-plex $ 9,650,000 (Phase 1)
  - 4 fields with scoreboards
  - Dressing rooms
  - Lounge, meeting rooms, washrooms
  - Concessions and entertainment area
  - Pro shop
  - Physiotherapy
  - Viewing areas
- Construction of outdoor improvements $ 1,950,000 (Phase 2)
  - FIFA approved artificial turf (1 field)
  - Bleachers for 8000-10,000
  - Press box for 10-20
  - Outdoor washrooms
  - Outdoor concessions

TOTAL $13,000,000

Funding for the capital costs could be as follows:

- Government grants plus fundraising $ 9,000,000
  - Municipal Rural Infrastructure Fund

- Canada/Manitoba Infrastructure Agreement

- Loan guarantee from the City of Winnipeg $ 4,000,000

TOTAL $13,000,000

The Winnipeg Soccer Federation has made application for funding under the Municipal Rural Infrastructure Fund and the Canada/Manitoba Infrastructure Agreement. Commitment of funds under these programs is not part of this report.

Assuming that funding is obtained, the WSF's proposal shows that it could carry a $4.0 M loan to be repaid over a 25 year time frame. A loan guarantee is requested from the City of Winnipeg. There is an administrative process in place to review applications for loan guarantees and it is recommended that the WSF's request be reviewed by the Finance Department with a separate report submitted to Executive Policy Committee through the Fiscal Issues Committee.

Financial Impact Statement

Date: May 8, 2005

Project Name:

Winnipeg Soccer Complex Development Proposal

First Year of Program: 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

There are no financial implications associated with approving this report.

Subsequent to the approval of this report, any financial implications related to the Winnipeg Soccer Federation's request for a loan guarantee of $4 million would be considered in a separate report.

(Orig. signed by C. Rempel for R. Abeyskera)

Manager of Finance & Administration
Corporate Services Dept.

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Community Services Department

Planning, Property and Development Department

Public Works Department

Corporate Finance Department

Water and Waste Department

Legal Services

THIS REPORT SUBMITTED BY:

CAO Secretariat
Division: Strategic Management
Prepared by: Gerry Couture
File #:

Appendix A



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Appendix B



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