

STAFF REPORT TO COUNCIL

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: April 21, 2023

TO: MAYOR AND COUNCIL

NAME AND TITLE: Blake McIntosh, Director of Civic Operations

SUBJECT: Kodiaks Football Club – Training Facility

ATTACHMENT(S): Kodiaks Future Site Plan at leased facility.

RECOMMENDATION(S):

THAT Council RECEIVES FOR INFORMATION the report dated April 21, 2023 from the Director of Civic Operations titled “Kodiaks Football Club – Training Facility”.

PURPOSE:

For council information and direction regarding the Kodiaks Football Club ask of a \$600,000 loan from the City of Prince George to assist in the development of a proposed new training facility at the former Heather Road ball fields location that was previously leased to the Kodiaks Football Club.

BACKGROUND:

At the March 13th, 2023 open council meeting, Mayor and Council directed administration to return a report to Council, in consultation with the Prince George Kodiaks Football Club, on options regarding the development of a practice facility for the club in the Hart.

The Kodiaks Football club had their inaugural season in the BC Football Conference in 2022, practicing and playing games at Masich Place Stadium. The Kodiaks have worked closely with City parks and recreation staff in the past to schedule practice space, coordinate game days and share their vision of a sustainable junior football team in Prince George. Masich Place Stadium is a premiere track and field and synthetic turf sport field complex. It is in high demand and is shared among key stakeholders, community user groups and the public. Unfortunately, it is not able to meet the hours of practice and storage needs desired by the junior football club.

To further support the program development, operations and practice needs, the Kodiaks signed a lease in 2021 to occupy the former Heather Park ball diamonds with the intent to build a practice facility. The lease agreement gave the Kodiaks organization control of the site with no impact to City operations. The lease agreement provides the Kodiaks with the right and responsibility for construction/site improvements, use, booking and maintenance of the lands as a practice facility.

Civic Operations staff met with Kodiaks representatives on March 28th, 2023, following their presentation to Council, to further discuss their request and receive more details on the overall vision. The Kodiaks organization is seeking a capital injection from the City of Prince George to allow

the Kodiaks to access federal, provincial grants and leverage local sponsors, donors and gifts in kind.

STRATEGIC PRIORITIES:

This report supports Council's strategic priority for focus on meaningful communication and relationship development.

FINANCIAL CONSIDERATIONS:

The Kodiaks Football Club have suggested the funds required to start up their facility could range from \$150,000 - \$600,000, to be provided as a loan from the City of Prince George and propose that this funding could be amortized into the lease for the space and repaid over 25 years.

The City has provided small loans to a few non-profit organizations in the past. Examples include a loan to PGX (now BCNE) for \$45,000, and a loan to the Prince George Symphony Orchestra for \$50,000. However, as a local government the City is not an institution that traditionally provides loans. Common practice of the City is to provide financial assistance to non-profit organizations through permissive tax exemptions, low-cost leases and grants.

The City has experienced difficulty receiving prompt repayment of previous loans in the past. When this has occurred, there were attempts at collections, meetings with the organization to restructure the terms of the agreement, and requests to Council for forgiveness of the loan.

Given the City's previous experience as a lender to not-for-profits, the amount of the request far exceeding previous loans given, as well as the uncertainty that comes with a loan of this long of a duration, Administration would view this as an extremely high-risk loan and does not recommend entering into a loan agreement with the Kodiaks. Should Council wish to still enter into an agreement, Administration would recommend taking a more official stance as a lender and review the following before considering approval:

- previous history with borrowed funds (credit rating);
- ability to pay (review of their financials such as income, liquidity of assets, debt-to-income ratio, etc.);
- potential requirement to provide collateral; and
- potential requirement of a down payment.

Options

If Council wishes to provide the requested loan or provide other forms of assistance, options include the following:

1. Direct administration to investigate a municipal funding source to provide the requested loan with a repayment schedule as requested by the Kodiaks Football Club and return the proposed loan agreement to Council for consideration; or
2. Direct administration to add a capital project for Council's consideration to a future capital plan for a centralized location within the existing recreation corridor at Carrie Jane Gray. This option would be managed and planned by the City; or
3. Direct administration to provide a letter of support to the Kodiaks Football Club signed by the Mayor to assist the club with its external funding applications.

SUMMARY AND CONCLUSION:

The Kodiaks Football Club is seeking a funding agreement from the City of Prince George to support the construction of a practice facility for their football program. The existing lease provides the Kodiaks organization control of the site with no impact to City operations. Should Council support this request, a funding source and payback model would need to be established and the existing lease agreement would require revision to reflect current changes and a new commitment from both the City and Kodiaks Football organization.

RESPECTFULLY SUBMITTED:

Blake McIntosh, Director of Civic Operations

APPROVED:

Walter Babicz, City Manager

Meeting Date: 2023/05/08

ATTACHMENT(S):

Kodiaks Future Site Plan at leased facility.

PRINCE GEORGE KODIAK FOOTBALL CLUB SITE PLAN WITH AERIAL PHOTO



REV 10 September 2021

