

Sports Dome lease renewed as bubble still lies in ruins

By Brock Weir

Its remains might still lie where it fell after an early May windstorm ripped it to pieces, but when the Aurora Sports Dome rises again, it will be secure on-site with a new lease agreement with the Town.

Council signed off on executing an early lease renewal on the Aurora Sports Dome, a venture owned by Terry Redvers on municipally-owned land last week. According to a report before Council, the collapse of the dome as a result of the windstorm instigated the need for immediate action on the lease renewal which was supposed to come up in 2020.

During the windstorm of May 4, the air dome portion experienced significant damage resulting in the need to replace the air dome, said John Firman, Aurora's Manager of Business Support. While the field and clubhouse remain in good condition, the operator has advised that it will cost approximately \$700,000 to replace the air dome. With only two years remaining in the existing lease agreement and no obligation on the Town's part to renew the agreement, the Aurora Sports dome cannot reasonably anticipate being able to recover the \$700,000 replacement cost within the timeframe of the existing agreement.

In order to guarantee the ability to recover the cost of replacing the air dome through the course of normal business operations, the Aurora Sports Dome needs to secure a minimum 12 year lease agreement. Therefore, the operator has requested an early renewal of the agreement for a 10 year term. This would extend the lease to September 30, 2030, which would have been the end date if the existing lease [was] renewed in accordance with the two five-year renewal options already available.

Council gave the thumbs-up to the lease renewal despite Councillor Wendy Gaertner's motion to send the matter back to staff for a further report outlining the tax exempt status of the Aurora Sports Dome, which was made a tax exempt municipal capital facility earlier in this Council term because the existing lease agreement has the Town responsible for paying property taxes on the land. She also requested the lease's true cost to the taxpayer be reflected in the new lease.

Councils have directed [the parties] to explore ways to mend the lease to find opportunities speaking with the owner and operator that would eliminate any payment in taxes and operation costs to the Town, even trying to declare it a municipal capital facility, said Councillor Gaertner. We had advice from our solicitor a while back that that was not possible because we hadn't put that in the lease [when] we struck the lease.

In the meantime, we have paid on behalf of the region and the school board, conservatively \$400,000 - \$500,000. That came from the taxpayer, for all intents and purposes. With respect to the Town's portion, we did something interesting which I am sure is okay, we counted the Town's tax portion as an expense and we used the income from the dome to balance it as a revenue. That revenue that we got from the Sports Dome could have gone to our bottom line.

This is a really unfortunate situation and we need to help the owners of the dome. Who could have imagined this could have happened? But in the meantime we also have to be fair to our taxpayers and I believe that by declaring this for municipal purposes about a year ago we did it because we were trying to save the taxpayer money until the end of the lease. Now we're in a situation where we're looking at a new lease and I would ask Council we have a fiscal responsibility. If we keep this the way it is now, taxpayers are not going to receive any money from this.

Her motion, however, failed to get traction around the Council table.

Speaking against it, Councillor Paul Pirri said that while he recognized Councillor Gaertner's position, he believed the Aurora Sports Dome did indeed operate as a municipal facility.

This facility operates as a municipal facility. Yes, somebody is making money, that is how public private partnerships work, he said. There is some trade-off for other people assuming risk, and so the third party is assuming risk. I do think that ultimately this site operates very similar to how our facilities operate, so I disagree with the intent.

Supporting this view was Mr. Firman, who responded to questions from Councillor John Abel, who supported Councillor Gaertner's motion.

Mr. Firman said the agreement allows the Town of Aurora 15 hours a week in free space for recreation programs during the indoor soccer season and from May to September, when the soccer season moves outside, this number is multiplied to 88 hours a week for municipal programming.

But Councillor Abel still supported a review, citing Mr. Redvers' second deal with the Town on the tennis bubble at Stewart Burnett Park, which operates under a very different lease agreement with the operators paying taxes to the municipality.

I am going to vote for [my motion] because I believe we have disadvantaged the taxpayer for eleven years because of this lease, said Councillor Gaertner. The commercial operator has received the benefit of it. We're in a very difficult situation. We want the

dome up and running for September, but it is just wrong to continue a tax-exempt status for the life of the dome is about 15 to 20 years.?