

Municipality of Chatham-Kent
Infrastructure and Engineering Services
Parks, Recreation & Cemeteries

To: Mayor and Members of Council
From: Rob Pollock, Director, Parks, Recreation and Cemeteries
Date: October 28, 2022
Subject: Intercounty Baseball League Team Agreement

Recommendations

It is recommended that:

1. The five-year agreement between the Intercounty Baseball League (IBL) team and the Municipality of Chatham-Kent be approved.
2. The 2023 Capital requirements of \$195,500 be funded from the Hydro One Community Benefit Contribution Reserve.
3. Operating and lifecycle costs pre-approved for funding in the 2024-2027 multi-year budget.
4. The Clerk and the General Manager of Infrastructure and Engineering Services be authorized to sign the agreement.

Background

In February 2020, Dom Dinelle, owner of the IBL team approached administration to present the project of establishing an IBL baseball franchise in Chatham-Kent. Details of the owner and the team can be found in Appendix A. Due to the COVID-19 pandemic the project was put on hold and administration started investigating this proposal again in early 2022.

Established in 1919, this Canadian Amateur Baseball League has players that have played in major professional leagues as well as elite NCAA college baseball players.

Composed of eight teams in Ontario, the League operates under rules similar to Major League Baseball (MLB). Many players that have played in this League have made it to MLB including Chatham's own Ferguson Jenkins.

At the June 20, 2022 Council meeting, administration provided a report to allow for negotiations between the Municipality and the IBL team. The following recommendations were approved:

1. The General Manager of Infrastructure and Engineering Services be authorized to negotiate a multi-year agreement with an Intercounty Baseball League team to play out of Fergie Jenkins Field in the Community of Chatham starting in the summer of 2023, on the terms and conditions described in this report and subject to approval of the form of the Agreement by the Director, Legal Services.
2. Capital, lifecycle, and operating costs be deferred to the 2023 budget process.

Comments

The Chatham Minor Baseball Association is in support of the IBL team coming to Chatham. The agreement ensures that if an IBL team is to come to Chatham, it would work with our current baseball user groups.

The five-year agreement explains all conditions associated with the team playing at Fergie Jenkins field. This is a private organization that will be operating for-profit, and this was taken into consideration during the negotiation process.

The agreement provides the following details:

- Commitment of certain times of use of Fergie Jenkins Field for games, promotional activities, clinics and practices in coordination with Chatham Minor Baseball
- Use of locker rooms, laundry, medical room and storage within Memorial Arena
- The baseball club shall have the right to sell food and alcohol, subject to obtaining necessary permits and inspections
- The baseball club shall have a right to sell advertising for various parts of the field and stands
- The parties may perform certain facility improvements, after negotiations are completed, with current capital improvements described below in the “Financial Implications”
- The baseball club will have a right to request a multi-year renewal of the agreement, but the terms shall be open to negotiation
- Field maintenance, insurance, compliance with laws and various standard legal provisions

Capital costs of \$195,500 are required to be purchased in advance in 2023 to be installed prior to the 2024 baseball season. Operating and lifecycle costs will be included in the 2024 budget as the team would not start play until April of 2024.

The current process for other similar for-profit and not-for-profit organizations is for the sports team or community group to raise all or most of the funds needed for capital improvements and the Municipality would budget for operational and lifecycle cost increases. This process has worked to ensure the user group requesting the additional recreational infrastructure is invested in the project and is willing to fundraise the capital

costs. In this situation, the current process is not being followed as the Municipality will be paying the capital expenditures.

Benefits to the Community

Currently, there is no IBL team within Chatham-Kent and the closest team plays in London, Ontario. This creates a large population that could become fans of the team, as there is little competition in the area for this level of baseball.

Potential benefits of acquiring a local amateur and/or professional sports team include:

- It can create a sense of identity for the community by giving the residents a team to support.
- Allows for more social benefits of attending the games and events.
- Creates a positive influence on young sports players and youth in the community.
- Positive economic impact related to increased tourism with teams coming to play in Chatham-Kent and fans coming from out of town as they will shop at local businesses and eat at local restaurants. The total economic impact is currently unknown.
- It could showcase the Municipality as a growing and vibrant community which may attract families to move here to enjoy the IBL team along with other sports teams already established within Chatham-Kent.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:
Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community
- Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

- Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

- Financial Services has reviewed the report and the financial implications.
- Legal Services developed the legal agreement and reviewed the report.

Financial Implications

The following are capital costs proposed for funding from the Hydro One Community Benefit Contribution reserve.

Estimated 2023 Capital Costs

Item	Purpose	Comments	Estimated Cost
Wind Screening	Reduce sight lines to ensure ticket sales.	Perimeter fence tarp around the stadium.	\$7,000
Hitters Eye	Dark contrast behind pitcher for batters when hitting.	Requested the Municipality to install.	\$4,500
Portable Backstop	Safety for players and fans, retains foul balls.	Storage within the Chatham Minor Baseball shed during winter months.	\$8,500
Grooming Equipment	Allocated groomer for maintenance of the ball diamond.	To ensure proper maintenance of the field as there will be an increased demand on other diamonds due to reallocation of booking times. Current equipment will need to be utilized at those fields.	\$30,000
Bleachers	Increased seating capacity to meet demand for IBL games.	Two bleachers with approximately 250 seating capacity each.	\$120,000
Estimated Costs			\$170,000
Contingency (15%)			\$25,500
Total Capital Costs			\$195,500

The IBL team would be charged \$1,500 per month for 6 months use of the field, dressing rooms, storage rooms and other arrangements for a total of \$9,000 annually.

Operating costs would be approved by Council in this report and funded in the 2024-2027 multi-year budget and are detailed in the table below.

Estimated Net Annual Operating Costs 2024-2028

Expense Item	2024	2025	2026	2027	2028
Employee Costs	\$51,308	\$52,847	\$54,433	\$56,066	\$57,748
Equipment and Maintenance	\$27,264	\$28,082	\$28,925	\$29,793	\$30,686
Contingency of 15% - Equipment and Maintenance	\$ 3,619	\$ 3,728	\$ 3,840	\$ 3,942	\$ 4,060
Total Annual Expenses	\$82,191	\$84,657	\$87,198	\$89,801	\$92,494
Total Annual Rental Revenues	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Net Annual Operating Expenses	\$73,191	\$75,657	\$78,198	\$80,801	\$83,494

Annual lifecycle costs of \$9,775 will also be funded in the 2024-2027 multi-year budget.

Prepared by: Rob Pollock, Director, Parks, Recreation & Cemeteries

Reviewed by:

Chris Thibert, Acting General Manager, Infrastructure and Engineering Services

Consulted and confirmed the content of the consultation section of the report by:

Dave Taylor, Director, Legal Services

Matt Torrance, Director, Financial Services

Attachments:

Appendix A – Details of Owner and the Team

Appendix B – Letter of Support from Fergie Jenkins

Appendix C – Letter of Support from Bill Atkinson

Municipality of Chatham-Kent
Infrastructure and Engineering Services
Parks, Recreation & Cemeteries

To: Mayor and Members of Council
From: Rob Pollock, Director, Parks, Recreation & Cemeteries
Date: June 6, 2022
Subject: Intercounty Baseball League Team Proposal

Recommendation(s)

It is recommended that:

1. The General Manager of Infrastructure and Engineering Services be authorized to negotiate and enter into a multi-year agreement with an Intercounty Baseball League team to play out of Fergie Jenkins Field in the Community of Chatham starting in the summer of 2023, on the terms and conditions described in this report and subject to approval of the form of the Agreement by the Director, Legal Services.
2. Capital, lifecycle and operating costs be deferred to the 2023 budget process.

Background

The Intercounty Baseball League (IBL) is a Canadian amateur baseball league. The league is currently comprised of 8 teams (Barrie, Brantford, Guelph, Hamilton, Kitchener, London, Toronto, and Welland) and is comprised of college and former professional players from North America and around the world.

The league was formed in 1919 and operates under rules similar to Major League Baseball (MLB). There are 42 games each team will play between May to August. The champions each year are awarded the Jack and Lynne Dominico Cup.

There have been many players that have played in this league that have made it to the MLB including Chatham's own Ferguson Jenkins who played for the London Majors of the Intercounty Baseball League before playing in the MLB for the Philadelphia Phillies, Chicago Cubs, Texas Rangers and Boston Red Sox. He was also inducted into the National Baseball Hall of Fame in 1991.

In 2019, the interested party contacted administration to discuss the possibility of having a team located in the Community of Chatham. Due to the COVID pandemic, this was put on hold and is now being examined again.

Comments

Currently, there is no Intercounty Baseball League team within Chatham-Kent and the closest team plays in London, Ontario. This creates a large population that could become fans of the team, as there is little competition in the area for this level of baseball.

There needs to be more consultation with Chatham Minor Baseball as the initial discussions occurred in 2019 before being put on hold by the COVID pandemic. This will ensure that if an IBL team is to come to Chatham, it would not disturb our current minor baseball association.

The IBL team is asking to work with the Municipality on a pilot project for two years, 2023 and 2024, with the hope to extend play for at least another three seasons. This is a private organization that will be operating for-profit and consideration of how the Municipality has dealt with similar requests from private and not-for-profit sport organizations will be taken into account during the negotiation process. Cost sharing for the partners involved will be negotiated and identified in the agreement.

The current process for other similar for-profit teams is for the sports team or community group to raise a significant amount or the whole amount needed for capital improvements and the Municipality would budget for operational and lifecycle cost increases. This process has worked to ensure the user group requesting the additional recreational infrastructure is invested in the project and is willing to fundraise the capital costs.

Operating costs and revenue from facility rentals have not been determined as an IBL team requires staffing levels at the games as well as increased ball diamond maintenance and other items. This will be determined during the negotiation process.

The current proposal is seeking an investment from the Municipality and the above issues need to be considered during negotiations. If the legal agreement was approved after negotiations, the agreement would not be signed until after consideration of the capital, lifecycle and operating costs during the 2023 budget deliberations.

There are some possible benefits of acquiring a local amateur and/or professional sports teams as it can create a sense of identity for the community by giving the residents a team to support. It also allows for more social benefits of attending the games and events, and it creates a positive influence on young sports players and youth in the community.

Chatham-Kent will benefit from the economic impact and increased tourism with teams coming to play in Chatham-Kent and fans coming from out of town as they will shop at local businesses and eat at local restaurants. The economic impact this team would create has not been estimated.

If an IBL team did come to Chatham-Kent it could show this Municipality as a growing and vibrant community which may attract families to move here to enjoy the IBL team along with other sports teams already established within Chatham-Kent.

The agreement will provide for the following rights and responsibilities of Chatham-Kent, Chatham Minor Baseball and the IBL:

- Commitment of certain times of use of Fergie Jenkins Field for games, promotional activities, clinics and practices, in coordination with Chatham Minor Baseball;
- Use of locker rooms, laundry, the medical room and storage within Memorial Arena;
- The baseball club shall have the right to sell food and alcohol, subject to obtaining necessary permits and inspections;
- The baseball club shall have a right to sell advertising for various parts of the field and stands;
- The parties may perform certain facility improvements, after negotiations are completed with current capital improvements described below in the “Financial Implications”;
- The baseball club will have a right to request a multi-year renewal of the agreement, but the terms shall be open to negotiation.

The agreement will also address field maintenance, insurance, compliance with laws and various standard legal provisions.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
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The recommendations in this report support the following critical success factors:

- Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors
- Neutral issues (does not support negatively or positively)

Consultation

Legal Services was consulted on the report and will be drafting the legal agreement between the Municipality and the IBL Team.

Financial Services reviewed the financial implications.

Financial Implications

The IBL team proposed capital costs to be funded by Chatham-Kent for the 2023 season are listed below and a detailed breakdown is shown in Appendix A. Capital, lifecycle and operating costs will be referred to the 2023 budget process once more information is gathered through further discussions and analysis. Cost sharing for future years would be determined through negotiations.

Below is a summary of the proposed capital costs for the 2023 season:

Year: 2023	Cost Estimate
Total Estimated Capital Costs	\$60,000
Contingency of 25%	\$15,000
Estimated Costs with Contingency	\$75,000

Prepared by: Rob Pollock, Director, Parks, Recreation & Cemeteries

Reviewed by:

Ryan Brown, Acting General Manager, Infrastructure and Environmental Services

Consulted and confirmed the content of the consultation section of the report by:

Dave Taylor, Director, Legal Services

Matt Torrance, Director, Finance Services

Attachment: Appendix A – IBL Team Proposed Capital Costs