April 16 Event Centre Report: City Council Questions and Answers

1. If we choose to proceed with the new event centre to be completed in 2028, what repair and maintenance costs would we expect for the intervening 4 years?

Generally, any planned expenditures would be minimized to maintain life safety and operating requirements. Of course, components may also fail on an unplanned basis and prompt emergency repairs. Those are inherently unpredictable and, when they occur, subject to a decision about what's required to keep the facility operating until the replacement becomes available.

Our operating budget for the Sudbury Community Arena anticipates a repair and maintenance budget of $100,000 per year over the next four years to maintain the building.

2. How much money is currently set aside over the next several years in maintenance and repairs on the old arena and do we have to spend all of it if we approve a new one and it is ready in 2028?

The four-year operating budget includes approximately $100,000 per year to maintain the building. Our asset management plans, and 10-year capital outlook call for approximately $20 million in capital spending on the Sudbury Community Arena, which includes approximately $11 million that staff moved out of the current four-year capital plan and into the ten-year forecast.

For clarity, a decision to construct a new Event Centre results in $20 million in capital cost avoidance for the existing arena. If a decision to refurbish the existing arena is made, these costs would be part of the refurbishment plan.

3. I don't see any federal or provincial funding. Is there nothing available to help with some of the enhanced accessibility or CEEP?

There may be funds available, but at this early point it is premature to identify specific values to include in a financing plan. Our plan anticipates up to $135 million in additional debt financing. We always look for alternative funding sources, such as funding from senior governments, to reduce our own financing requirements.

We will do so in this example, should Council direct us to proceed. We pursue any senior government funding opportunities that will minimize our total amount of borrowing and requirements for funding from the tax levy.

4. In 2023 the MAT revenue was $2,648,000 and it is at 4% so why would we only get another $600,000 if it is increased to 6%?

Provincial legislation requires us to share 50 per cent of the net MAT revenues with an eligible tourism entity. The City's portion is half of the increase in MAT tax, although the Greater Sudbury Development Corporation could be requested to contribute its half of the increase to support the Event Centre.

The regulation can be found here: https://www.ontario.ca/laws/regulation/170435. The City does not have a destination marketing program as defined in the act, therefore we fall under Section 5.

5. **From your email of Feb 27, how much of the MAT tax $2,648,000 went to debt in 2023, how much went into the tax rate stabilization fund and how much went to the GSDC?**

CGS Share: Event Centre Debt $800,000
CGS Share: Tourism event support $145,000
CGS Share: Contribution to Reserve $368,000 (so, at Council's direction, this could be used to support Event Centre debt payments)
GSDC Share: $1,313,000

6. **I don't see anything in the future funding for money we currently get from the Wolves, the Five or any other groups that use the arena. I see the ticket surcharge but nothing about rental fees, cost sharing, concessions, advertising, etc. Are there no future rental and users fees that can be used to cover some of the payments? Am I correct that right now all Arena advertising revenue goes to the Wolves?**

Current agreements with any tenant of the Sudbury Community Arena would not be transferred to a new or renovated Event Centre. New agreements would be negotiated for use of a new or renovated facility. We would only realize any additional lease or user fee revenue after debt repayments have begun. These revenues would be used to offset the facility's annual operating costs, reducing the impact on the tax levy.

The Sudbury Wolves contract has always included advertising revenue on and in the Sudbury Community Arena.

7. **For example, based on the information from your email from February 7, when it comes to the Wolves, the City gets a ticket fee of $1.77 and a concession fee of $1.64 and a minimal game fee and we get no advertising revenue or even a dime from beer sales. How old is this agreement and when does it expire?**

The current agreement between the City and SWSE for the Sudbury Community Arena expires on May 31, 2024 and includes three additional one-year extension terms. Staff will return to Council for direction prior to commencing negotiations.

8. **Wolves game with 3,500 in attendance and based on an average ticket price of $25 brings in $87,500 in gate fees plus concessions and advertising to the Wolves and all the City gets from this is less than $13,000 based on these numbers. This is not a very good**

agreement for the taxpayers especially if they are about to be asked to spend $200 million on a new home for the Wolves. Just by increasing our fees to the Wolves to a flat $30,000 per game, for example, would generate over $500,000 per year of additional revenue. We should not, in my opinion, be giving all the advertising revenue (such a naming rights) in our new arena away to the Wolves so there is money to be had there too.

Naming rights are separate and distinct from advertising revenue. Although the arena does not have a sponsor with naming rights today, it could be included in a financing plan for a new Event Centre. Similar OHL facilities charge between $100 and $200 thousand per annum for such rights.

9. What are the estimated operating costs of the new arena compared to the current one?

Generally, we anticipate operating costs will be like current levels.

The 2024 budget reflects net operating costs of $651,810 for the current arena. The most recent business plan by PwC in June 2021 reflects a net operating cost of $655,700 in the first year, increasing to $825,200 by year five. https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=40189

These estimates will be revised/confirmed once designs are finalized.

10. We are looking to borrow $135 million on top of existing debt. Are there any other anticipated borrowing requirements over the next 3 years? If so, how much and what are they for.

The four-year capital budget approved in December 2023 calls for an additional $124 million of debt to maintain assets and undertake Phase One of the Community Safety Station Revitalization Plan.

Taken together, the planned debt remains below Council's own policy limit and well below the province's policy limit for municipal debt levels.

11. When we borrowed the $204 million I believe that was a debenture through the national bank correct so will we be going back to the same bank or which bank will we be dealing with, and what if the interest rate isn't 4% and it's upwards of what you indicated how does this affect us to repaying the loan do we go to the levy or non-taxable revenues and how much leeway do we have.

We would undertake a market solicitation to determine which financial institution we would work with to secure this debt. At the time of writing this report, a 4 per cent interest rate is a reasonable estimate based on current and anticipated market conditions. Given the project timelines, it is anticipated the additional debt would be required likely in 2026. If interest rates are higher than the anticipated 4 per cent at the time the debt is secured, than an additional ongoing funding source will be required to support the increased cost.

Staff's report provided two options for funding the annual debt repayment: a) a reallocation of funds from the special capital levy in 2028, or b) a phase in approach that increases the tax levy each year so that the full repayment amount is available when it would be required.

12. Assuming that the Federal Government is coming through with what we expect for the Cultural Hub at TDS, how much of the money we borrowed for the original Junction East is left over and what are the plans for that?

All available debt related to the Junction has been applied to the Cultural Hub at Tom Davies Square. If we receive federal financial support, staff will seek Council's direction on the use of any remaining debt proceeds, ensuring borrowed funds remained aligned with the purpose established for them when the funds were borrowed.

13. So, if approved the new arena would be started before we had a new agreement in place with the Wolves?

The City and SWSE established term sheets for Sudbury Wolves and Sudbury Five operations with the previous iteration of the Event Centre project (Kingsway Entertainment District).

These term sheets described how various revenue streams would be shared between the team and the building, including revenue from sources such as advertising and food and beverage, as well as the length of the lease. The terms were not associated with a specific location for a new Event Centre. They were based on anticipated revenues and operating expenditures described in the PwC Sports and Entertainment Centre Feasibility and Business Case Assessment.

Staff anticipate that with direction from Council to build a new Event Centre, we would negotiate lease terms with SWSE using these term sheets as a foundation.

Previous reports on the Event Centre project indicated new lease agreements with the Sudbury Wolves and Sudbury Five should be in place prior to issuing a Request for Proposal for a venue operator. This would provide potential operators with details about financial arrangements with the respective clubs so proposals can be submitted and compared.

14. How can we even make any decisions with any of the resolutions as we don't have any lease agreements with the Wolves/Sudbury 5 for this new arena event centre as the previous council directed staff to cancel all contracts, so this is huge because without a signed agreement this has a financial impact if we don't have a major tenant then we definitely don't need a new arena. I would want to see the new agreement and terms before giving any direction on this matter.

Staff believe there is a very low likelihood a new facility will be without major tenants.

15. Could you also tell me who gets the online ticket fee that is charged with every Wolves ticket that is sold?

There are various handling fees charged on tickets issued through the existing Sudbury Community Arena box office. The ticket handling fee, approved by Council as part of the corporation's budget, is calculated on the base ticket price using a sliding scale. See User Fees Schedule "CD-15" Ticket Charges – Sudbury Community Arena (page 610) www.greatersudbury.ca/city-hall/budget-and-finance/2024-2025-budget/proposed-budget1/proposed-2024-2025-budget/

The City of Greater Sudbury retains 100 per cent of the ticket handling fee. This is part of the Sudbury Community Arena's operating revenues.

There is a second online processing fee that is charged for online ticket sales. This fee is charged by our online ticketing software vendor (Tickets.com) which retains a portion of the fee, and the City receives the remainder as per the service agreement with the vendor.

16. How big was the original arena on the Kingsway (KED) square feet/seating, so what's being reduced in this new design?

The original project was estimated on a cost per seat basis, and we continue to work with Council's approved list of required features. Before detailed design could start, we understand schematic design to be approximately 226,000 sf. (21,000 m²). As a partnership, the KED project had additional out of scope and additional features, such as Festival Square and a restaurant, that influenced the total square footage requirements.

17. Could you please supply all contractors/agents and or consultants that are involved from the beginning to now.

The following companies had contracts or service agreements with the cancelled KED project. This does not include vendors that had billings less than $10K.

- Aird & Berlis LLP
- Bot Engineering & Construction ltd
- Cumulus Architects Inc.
- Dillon Consulting Limited
- Gowling Wlg (Canada) LLP
- Ian Mckay Architect Inc.
- JL Richards & Associates Limited
- KPMG LLP
- Overtheatlantic Interactive Limited
- Price Waterhouse Coopers LLP
- RFP Solutions Inc.

- Watt G Stephen
- Willms & Shier Environmental Lawyers LLP
- WSP E&I Canada Limited

18. Could you please supply all contractors/agents and or consultants that are involved from the beginning to now.

See above.

19. Why are we not or no longer recommending a progressive build design and where are our exit points moving forward with this as it was recommended in our previous term?

In the present economic climate, versus two to three years ago when the KED initiative was developed, design-bid-build is the best way to ensure maximum competition, the project's quality, and to incorporate cost effective design. The design-bid-build process is more conventional and would be familiar to builders in the business of constructing publicly owned event centre spaces. This approach normally involves sending completed documents out for tender, so the scope of work is clearly understood by all parties.

Contractors typically take on less risk in this approach and build in the cost of conventional contract management only, like builder's insurance and weather. As with the progressive design build approach, similar exit points are built into the anticipated design-bid-build process. During key milestones in design (60 per cent, 90 per cent, pre-tender) a quantity surveyor will provide updated opinions of probable cost. These opinions will inform the detailed design and allow changes to be made that adjust scope or budget.

The ultimate decision point will be when the tender closes, and a bid price is received.

20. Page 2 of report under Financial Implications: Were the 200 hours in staff time charged to the Event Centre Project Capital Budget. And will future staff time spent on this project (if approved) be charged to the capital project?

Only staff assigned 100 per cent to the corporation's Large Projects are charged to the Event Centre Project Capital Budget. Other staff across the corporation, using time-tracking in COMPASS, will continue to report their time to support the Large Projects, but will be funded from their respective operating budgets.

21. Under "Budget Summary- New Build": Can you provide an overview of what the additional Sustainability investments to address CEEP outcomes would be for our $6M to $8M of additional investment. Same question for Accessibility $2M to $3M?

To determine the optimum approach for energy efficiency features and enhanced accessibility features, Council may consider a Net Zero and Sustainable Design Feasibility Study and an

Event Centre Accessibility Plan to better understand how the new event centre might achieve Council's goals and objectives respectively.

For example, the former Junction East project considered roof top photovoltaic panels and ground source heat pumps, electric boilers and triple glaze windows to meet Community Energy and Emission plan objectives. Similarly, enhanced accessibility features included tactile guidance systems, hearing loop capabilities, a digital app that assists with navigation within the facility, charging stations for mobility devices, and service dog relief areas.

22. Can you describe the nature of the work included in the capital cost avoidance estimate of $20M for a new Event Centre?

As outlined in the July 11th Event Centre Update report to Council in Appendix A - Appendix A-_Updated Detailed Assessment of Sudbury Community Arena.docx (escribemeetings.com) (p. 2), the $20 million in anticipated capital investments include but are not limited to:

- Roof replacement
- Structural deficiencies to accommodate snow load
- Refurbishment of structural steel columns and beams (currently in fair condition)
- Replacement of the catwalk above the surface of the ice
- Foundation repair (experiencing water infiltration)
- Building Automation System upgrades
- Dehumidification upgrades
- Partial seating replacements, and
- Refrigerant system compressor replacements

23. Resolution #2: By passing this is Council giving complete control over the entire Event Centre project and all future decisions on the South District Redevelopment (including land sales, development agreements, Event Centre third party contracts such as future agreements with the Wolves), to you (CAO) and the Mayor and current and future councils (and the public) will receive quarterly reports for information purposes only with no opportunity for input or direction?

The idea behind this motion is that once Council makes a decision about the direction it wants to take, it delegates authority to the Mayor and CAO to expedite the decisions required to achieve the desired outcome. This delegated authority means executing agreements and awarding contracts could be done with the Mayor and CAO's approval where otherwise Council approval would have been required.

The intention is for the delegated authority to apply to the work required to construct the Event Centre and South District Redevelopment. Operating agreements, such as with the Wolves, would not be part of this authority.

Council can always provide additional direction, and it retains the ability to make decisions concerning the matter it has delegated. It would continue to have input and could provide more direction as it deemed necessary.

24. Resolution #2: Would this authority also include making decisions on the various financing options in the report and/or additional debt or tax increases or will the financing options be coming back to Council?

Choices about financing options would be part of budget deliberations, not part of this delegated authority.

25. Resolution #2: Could this authority be revoked in the future and if so, how?

This authority could be revoked. As with any reconsideration, a 2/3 majority vote would first be required to revisit the decision.

26. Resolution #2: What is meant by "non-competitive purchases" and is the city still bound by our Purchasing By-law 2014-1 for this project and the South District Redevelopment?

Non-competitive purchases are defined in our Purchasing By-law. Our Purchasing By-law would continue to apply.

27. Resolution #2: What would the process for Council oversight and direction look like going forward if this resolution was not passed?

It would look similar to what we are doing now, where Council approval is sought as required. The agreements required to put development plans into effect would require Council's approval instead of the Mayor's/CAO's approval.

Questions and Answers Received After April 12:

28. How Was BBB Selected?

Staff followed the guidance provided by the Purchasing Bylaw. BBB was hired as the lowest compliant bid using the Request for Quotation method.

The RFQ is attached to this email. You will note Project Now was specifically referenced in the issued RFQ.

3rd Line was invited to provide a quote as part of this process, and it did so.

29. Levy of incremental 0.4% starting in 2025- translates into how much per / for 4 years -what happens after 4 years?

A 0.4% levy increase is worth approximately $1.45 million in 2024 and will compound every year to ensure that the taxation levy has increased sufficiently so it is equivalent to the anticipated $7.8 million annual debt repayment, net of increased MAT (Municipal Accommodation) tax revenues. After four years, sufficient funds should exist in the operating budget to support the anticipated debt repayment.

30. 4-year capital levy for roads in 2028 =28 million -expand please?

In the 2024 – 2027 Capital budget, Council approved the four-year 1.5% special capital levy. The approved four-year capital plan invests these additional funds in municipal assets such as roads and community safety stations, but they are not allocated beyond the four years. At the end of the four-year plan, this additional contribution to capital would form part of the base capital budget to be used for asset renewal. Council can direct a portion of these funds towards the annual debt repayment for renewal of the Sudbury Community Arena without increasing the property tax levy.

31. At 6 percent, the Municipal Accommodation Tax would generate almost $4 million per year in revenue – could all of this be used to pay the debt on the arena loan?

Current legislation states that the MAT revenue, net of any costs associated with administering the program, will be shared equally between the municipality and the eligible tourism entity. The City has entered into an agreement with GSDC as the eligible tourism entity. Based on 2023 results, the municipal portion is being used as follows:

CGS Share: Previous Event Centre Debt $800,000
CGS Share: Tourism event support $145,000
CGS Share: Contribution to Reserve $368,000

If these funds were redirected to offset debt obligations, we would need another funding source for these commitments.

32. What was the total casino revenue received by the City in 2023?

In 2023 the Municipality received $1.77 million from OLG (Ontario Lottery and Gaming). These funds support our capital budget. If these funds were to be redirected, the capital budget would need to be reduced by an equivalent annual amount, or another funding source would be required to sustain the commitments in the capital budget.

33. What will our total debt be after we borrow $135 million for the event centre and $124 million for the capital plan? What are the specific projects included in the $124 million four-year capital plan borrowing?

Outstanding debt issued prior to 2020: $42 million
2020 Debt Issuance: $200 million
2022 Debt Issuance: $103 million

Approved Debt: $124 million (approved in 2024-2027 capital budget)
Proposed Event Centre Debt: $135 million

If approved, the total debt would be $604 million.

Page 370 of the 2024-2025 budget document provides the following list of projects for the $124 million debt:

- Pioneer Manor bed redevelopment $15.7 million
- Community Safety Station Revitalization $52.7 million
- College St. Underpass $25 million
- Frobisher Salt/Sand dome $15 million
- Vermillion System WTP Upgrades $16 million

34. If we do get money from the Federal Government for TDS (Tom Davies Square), then can any money left over that we borrowed be used for the new arena with Council direction?

If an alternate funding source for the Cultural Hub is identified that results in a lower debt financing requirement, borrowed funds can be reallocated to another project listed within the by-law including the Arena/Event centre project.

35. If the existing term sheets are going to be the foundation of the new agreement with SWSE, what was the total estimated annual revenue for the City for each of the shared revenue streams? What was the length of the contract with SWSE in these term sheets?

The report presented February 9, 2021 included an update to the PwC 2017 Business Case Assessment Report that included the following:

Figure 3 – Projected Operations, proposed Greater Sudbury New Events Centre

	Year 1	Year 2	Year 3	Year 4	Year 5
FACILITY REVENUES					
Sudbury Wolves	$ 282,500	$ 289,600	$ 296,800	$ 304,200	$ 311,800
Other events	403,100	413,200	423,500	434,100	445,000
Net concession revenue	233,900	239,700	245,700	251,800	258,100
Net merchandise revenue	57,500	58,900	60,400	61,900	63,400
Advertising and Sponsorships	397,300	402,900	408,600	414,400	420,400
Suites / Loge Box license revenue	328,100	328,100	328,100	328,100	328,100
Club seat license revenue	153,100	153,100	153,100	153,100	153,100
Ticket surcharge	574,800	589,200	603,900	619,000	634,500
Box office revenue	109,700	112,400	115,200	118,100	121,100
Ice rental revenue	69,300	71,000	72,800	74,600	76,500
Total Revenues	**$ 2,609,300**	**$ 2,658,100**	**$ 2,708,100**	**$ 2,759,300**	**$ 2,812,000**
FACILITY EXPENSES					
Personnel costs	$ 1,590,000	$ 1,629,800	$ 1,670,500	$ 1,712,300	$ 1,755,100
Utilities	500,000	520,000	540,800	562,400	584,900
Operations, maintenance & repairs	250,000	256,300	262,700	269,300	276,000
Marketing	75,000	76,900	78,800	80,800	82,800
Insurance	100,000	102,500	105,100	107,700	110,400
Other miscellaneous expenses	175,000	179,400	183,900	188,500	193,200
Event costs	200,000	205,000	210,100	215,400	220,800
Total Expenses	**$ 2,890,000**	**$ 2,969,900**	**$ 3,051,900**	**$ 3,136,400**	**$ 3,223,200**
Net Cash Flow Before Management Fees / Capital Reserve	**$ (280,700)**	**$ (311,800)**	**$ (343,800)**	**$ (377,100)**	**$ (411,200)**
Management fee	175,000	179,400	183,900	188,500	193,200
Capital Reserve	200,000	205,000	210,100	215,400	220,800
NET CASH FLOW	**$ (655,700)**	**$ (696,200)**	**$ (737,800)**	**$ (781,000)**	**$ (825,200)**

Source: PricewaterhouseCoopers Real Estate Inc., 2017 (p.63)

The term sheets were for 15 years, plus an option to renew for an additional 15-year term.

36. Would our negotiating position with our major tenants not be weakened if we committed to building a new arena for them before having a long-term agreement with them if we are taking out a 30-year loan?

The previously agreed term sheets align with the original business case for the new event centre. Staff previously shared the key points of the term sheet to Council in a closed meeting on February 13, 2018. Among other details, this presentation demonstrated the agreed terms were within industry standards.

37. Financing Option 2 – if the incremental 0.4 percent is chosen, does that mean in 2028 the arena levy would be 1.6% and what would the total of all special levies be in 2028 if this were approved?

No. The intention behind Option 2 is to have an incremental 0.4% tax levy change each year for four years ending in 2028. Once that occurs, there are sufficient funds built into the operating budget to support the anticipated debt repayment. The report illustrates annual debt repayments of $7.8 million, less an increase in MAT tax of $600,000 (municipal portion).

38. How has all of the past work and costs for the cancelled KED project helped us this time around and does it mean that the project is already quite far along and can quickly go to tender if approved?

A great deal of work has been done to understand the functional requirements necessary to meet Council's approved list of required event centre features. As a result, we anticipate there are schedule efficiencies in the project's Schematic Design Phase.

39. If the Mayor and CAO (Chief Administrative Officer) are given the delegated authority asked for in Resolution 2, does that mean that Council will no longer have any control over the financing plan for the new arena or will a plan with all available options, including a new agreement with SWSE, come back to Council for approval before the arena contract is awarded?

No. Please refer to the responses provided to questions 23-27, included in this document.

40. Why is it necessary for the rest of the South District Redevelopment to be included in this delegated authority?

As we engage with the private sector, delegated authority ensures we can maintain a project schedule and coordinate where required with potential neighbouring private developments. The authority is sought now because it provides timely decision making and signals consistency and alignment with strategic priorities. South district growth will require collaboration and negotiation with external stakeholders and, like the event centre construction, it will require timely, consistent responses from the corporation. Several processes exist to support Council's continued oversight.

41. Am I correct that Page 50 of the budget shows total outstanding debt as of December 31, 2023, of $347,840,000 so if we borrow another $135 million for the arena and $124 million for the four-year capital plan this puts the total debt at $606 million by 2028 minus any principal payment made between now and then?

The chart below provides an update to the total amount of debt outstanding at the end of 2028 including the $124 million approved debt in the 2024-2027 capital budget, and the proposed $135 million for the event centre.

Debt Financing ($000s)					
Project Name	Term (Start Date - End Date)	2024 External Debt Payment	Total Outstanding as of Dec 31, 2024	2028 External Debt Payment	Total Outstanding as of Dec 31, 2028
External Debt (000's)					
Pioneer Manor	2004-2024	818	-	-	-
Purchase of Falconbridge wells from Glencore (Xstrata)	2009-2025	181	44	-	-
Purchase of Onaping wells from Glencore (Xstrata)	2010-2029	173	726	173	150
1160 Lorne Street	2015-2035	940	8,360	940	5,464
Biosolids Plant	2015-2035	3,456	29,016	3,456	19,314
2020 Sinking Fund Debt		9,036	200,000	9,036	200,000
2022 Sinking Fund Debt	2022-2052	6,205	103,000	6,205	103,000
2024 Capital Budget		-	-	8,180	124,358
Proposed Event Centre Financing		-	-	7,800	135,000
	Total	20,809	341,146	35,790	587,286

42. Page 64 shows a debt to reserve ratio of 1.30 in 2021 compared to the BMA average of 0.60 in 2021. What is this ratio now for us and what is it estimated to be after all this borrowing?

Debt to reserve balances are estimated to be 7.57 in 2028. This reflects the completion of capital projects that include funding from reserves as part of their financing plan.

43. Page 64 shows outstanding debt as a percent of own source revenues of 53.5% compared to the BMA average of 35.8%. What is the ratio now and what will it be after all this borrowing?

Debt outstanding as a percentage of own source revenue is anticipated to increase to 90.9% in 2028, reflecting the expectation that municipal revenue sources (i.e. property taxation, user fees, and water/wastewater rates) will not have significant increases.

44. Page 63 shows debt per household in 2022 of $4,466 compared to just $1,027 in 2017. What is the debt per household now and what will it be after all this borrowing?

Debt per household is anticipated to increase to $7,447.

Questions and Answers Received After April 15:

45. What is the cost on an average home-what is the increase? So this would be an automatic .4% added when we get to 2028 and continues on?

Estimates of the value of a 0.4% tax levy in 2028, based on our long term financial plan forecasts, would have the following 2028 cost for households as follows:

Households with an assessed value of $250,000: approximately $18 per year
Households with an assessed value of $350,000: approximately $27 per year

Households with an assessed value of $450,000: approximately $35 per year

Our long term financial plan does not anticipate continuing dedicated levy increases after 2028. Council can elect to keep such levies in place, if it wanted to do so.

46. What if the new Council of 2026 does not support this? The 2027 budget will be deliberated in 2027, so could it be rescinded for both 2027 and 2028?

The next Council can take a different direction than the one chosen by its predecessors. If the 0.4% special levy was rescinded in 2027 and 2028, an alternate funding source would be required to finance the debt obligation.

47. What's the current fire flow in this district and will be up grading the underground infrastructure?

Staff do not have any concerns with having sufficient fire flow to the downtown site. There are sufficiently sized pipes and looping of the system in this area to sustain a new event centre.

In terms of sanitary sewer, there are some pipes downstream that may need to be upsized, however, the infrastructure in question is aged and the upgrading required would be completed as part of regular asset renewal work. Further, with the redevelopment of the South District, there may be underground infrastructure that will need to be relocated to accommodate the final design of the area and the pipes would be upgraded at that time.

This information is in line with what was considered in 2017 as part of the arena site selection report completed by PWC (https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=8338). On Page 30 of the pdf, under Ease of Development for the Downtown Site, the report noted that “Existing in-ground services will require modest upgrades.”

We have attached the Geotech Report for Minto to Paris and Brady to Van Horne. The report is comprised of historical Geotechnical Data that EXP and CGS had with some newer (current) boreholes.

48. What's the geotechnical soil reports showing?

The Geotech Report discussed deep foundations on Page 10 6.1 Micro-pile Foundations and Page 11 6.2 Cast-In-Place Concrete Caissons which would be the likely foundations for a building of this size.

49. Do we know how far down the piles need to go to hit bedrock?

Drawing A-2, Page 26 of 52, shows the historical and current BHs drilled in the area. The legend also explains the depth in meters of either: where the BH stopped in till, hit rock refusal, or confirmed bedrock. Drawing A-3, Page 27 of 52 shows the approximate dividing line of areas where deep foundations are anticipated to be founded on till (north of the line) or on bedrock (south of the line). Bedrock is approximately 105ft to 125ft in the areas south of the line.

50. What's the load capacity that these lands can withstand.

Staff anticipate the foundation of a facility this size will require micro-piles to bedrock/refusal or concrete caissons. The underlying native silty clay layer from ~3.5m depth to ~23m depth had field vane tests performed to determine an undrained shear strength ranging from 36kPa to greater than 100kPa (very soft to very stiff).

51. At 6 percent, the Municipal Accommodation Tax would generate almost $4 million per year in revenue – could all of this be used to pay the debt on the arena loan? Is it possible for 100% of the hotel tax beginning in 2027 be used to pay the arena loan including the 50% currently received by the GSDC?

If the municipality and the designated tourism entity agree, and if there is an alternate funding source identified for the costs currently supported by MAT revenue, Council could elect to use these revenues for funding event centre debt obligations.

52. Where will the money to replace the interest income come from once the borrowed money sitting in the bank gets spent?

There will be a gradual decline in investment income as funds are used for the projects they're intended to support. Managing a fluctuating revenue stream, like investment income, is part of our routine financial management processes.

Where the funds continue to be required to support operations, an alternate source will be identified, all in accordance with our long term financial plan and Council's future directions about desired service levels. Alternate sources include the property tax levy, user fees, or funding from senior governments. Council could also elect to change service levels, as it regularly does, to align our capacity to address service needs with funds required to pay for them. Finally, as staff regularly do, we can identify process changes that generate efficiency improvements and reduce net costs.