

Appendix B

Pre-Consultation Understanding

PRE-CONSULT FILE: PC 2016-017
 PRE-CONSULTATION UNDERSTANDING

OWNER: 1915696 Ont. Ltd.

Requirements (Senior Planner to confirm if required on OPA, ZBL, SUB and CONDO)
 (Subdivision/Site Plan Engineer to confirm if required on Site Plan)

REPORTS AND PLANS	OPA	ZBL	SITE PLAN	SUB	CONDO
REPORTS					
Application Form	X	X			
Arborist Report					
Archaeological Assessment					
Draft Official Plan Amendment	X				
Draft Zoning By-law Amendment					
Environmental Impact Study (Full-Site) * See notes	X	X			
Environmental Impact Study (Scoped)					
Functional Servicing Study					
Geotechnical/Soils Report					
Heritage Impact Assessment					
Hydrogeologic Study					
Mine Hazard Study					
Noise Study					
Parking Study					
Phase I Environmental Site Assessment					
Planning Justification Report	X				
Public Consultation Strategy	X	X			
Servicing Options Report					
Source Protection Plan Section 59 Application	X	X			
Stormwater Management Report					
Sun/Shadow Study (6 storeys or greater)					
Traffic Impact Study (update)	X	X			
Transportation Demand Management Plan					
Vibration Study					
Wind Study (6 storeys or greater)					
PLANS					
Comprehensive Development Plan					
Concept Plan	X	X			
Construction Erosion and Sediment Control Plan					
Draft Plan of Condominium					
Draft Plan of Subdivision					
Elevation Plans (if available)		X			
Grading Plan					
Landscape Plan					
Legal Survey Plan					
Off-Site Servicing Plan					
Photometric Exterior Lighting Plan					
Site Plan					
Servicing Plan					
Other Reports/ Plans(s) - Specify					
1.					
2.					
3.					
Agencies to be Contacted by Applicant					
	OPA	ZBL	SITE PLAN	SUB	CONDO
Canada Post					
Canadian National Railway					
Canadian Pacific Railway					
Greater Sudbury Utilities					
Hydro One					
Ministry of Municipal Affairs					
Ministry of Natural Resources and Forestry	X	X			
Ministry of the Environment and Climate Change					
Ministry of Transportation Ontario					
Nickel District Conservation Authority					
Sudbury District Health Unit (SDHU)					
Sudbury East Planning Board					
Others - Specify					
1.					
2.					
3.					

PRE-CONSULTATION UNDERSTANDING

Planning Services Notes

- Need to confer with MURF w.r.t. length of time current studies are valid for.
- OPA required for place of amusement (casino) appears to
- Sketch incorporates City property. Revise to exclude or secure authorization from City to act as agent for rezoning/OPA
- 10% parking lot landscaping
- Consider pedestrian walkways every 48m.
- Development Engineering - need new peak sanitary + water flow. Where is swm pond block on draft plan (now parking lot) going? (remain in same location, see pond on sketch).

Name: Alex Singh

Date: Nov-16, 2016

PRE- CONSULTATION UNDERSTANDING

1. Official Plan Designation: General Industrial

Conformity with Official Plan designation YES NO

If "No" what is the nature of the amendment needed? Site specific amendment to add a place of amusement in the form of a casino

2. Existing Zoning: MI-1 ~~MI-1~~

Compliance with the City's Zoning By-law? YES NO

If "No" what is the proposed zoning or amendment required? MI-1 Special to permit a place of amusement in the form of a casino and an assembly hall.

3. Related File No.(s): _____

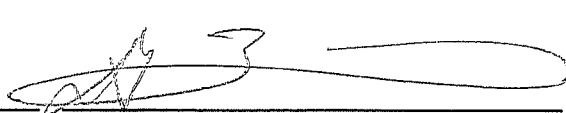
4. Additional Information: _____

Acknowledgement by Owner/Agent

The owner acknowledges that this form in no way confirms support or non-support by the City of the presented proposal, is based on the agreed processing and submission requirements discussed.

By signing below, I acknowledge that, subject to any appeals, the drawings, report(s) and other information requirements indicated on the above chart, must be submitted along with a completed application form, any information or materials prescribed by statute, the required application fees and this executed Pre-consultation Application Form to be considered complete. All comments and direction offered by City staff and outside agencies is preliminary and based solely on the information available at the time of the meeting. Once an application has been submitted, deemed complete and circulated for comments additional information or consultation meetings may be required during the processing of the application. In addition, I have read, understood, and agreed to all of the notes listed on this form.

DARIO ZULICH.



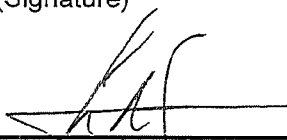
Dec 1 / 16

Owner/Agent (Print)

Owner/Agent (Signature)

Date

Alex. Singh



1 Dec 2016

Greater Sudbury Planning Services Staff (Print)

Greater Sudbury Planning Staff (Signature)

Date

Appendix C

Growth Plan for Northern Ontario (2011) - Policies

Driven by innovation and entrepreneurship, the digital economy is creating new career paths for youth, expanding access to health, education and other services, and capitalizing on a bilingual workforce for back-office firms.

The North is home to advanced manufacturing industries, including steel and equipment manufacturing, that gain advantage, in part, from proximity to resources and the shipping channels of the Great Lakes.

The health sciences sector is capitalizing on the region's innovations in health delivery and its renowned medical research and science facilities. To bridge the region's vast geography, a strong transportation and aviation sector has also emerged.

Combining the region's natural assets and strong reputation for environmental stewardship generates opportunities in *renewable energy*, water technologies, and other environmental technologies.

Each of these sectors has an important role to play in the growth of the northern economy. Across all of these sectors, this Plan emphasizes the value of innovation, collaboration, entrepreneurship, research, and environmental stewardship. A forward-thinking approach also includes labour market planning to prepare the workforce for emerging opportunities.

2.2 AN ECONOMIC ACTION PLAN FOR NORTHERN ONTARIO

2.2.1 The Province will collaborate with the federal government, as well as business and industry, municipalities, Aboriginal communities and organizations, the education and research sectors, and community organizations on economic development strategies for *existing and emerging priority economic sectors* as set out in Policies 2.2.2, 2.2.3 and 2.2.4. This collaboration will include ongoing policy research related to northern economic and community development.

2.2.2 The Province will focus economic development strategies on the following *existing and emerging priority economic sectors* and the distinct competitive advantages that Northern Ontario can offer within these sectors:

- a) advanced manufacturing
- b) agriculture, aquaculture and food processing
- c) arts, culture and creative industries
- d) digital economy
- e) forestry and value-added forestry-related industries
- f) health sciences
- g) minerals sector and mining supply and services
- h) *renewable energy* and services
- i) tourism
- j) transportation, aviation and aerospace
- k) water technologies and services.

2.2.3 Economic development strategies for *existing and emerging priority economic sectors* will examine opportunities to:

- a) strengthen networks and collaboration among businesses, industry, the education and research sectors, economic development organizations and northern communities
- b) attract investment
- c) grow and retain existing competitive businesses, including export development activities and diversification into value-added business opportunities
- d) respond to labour market needs and opportunities through education, training and entrepreneurship supports

- e) support research tailored to the Northern Ontario context to inform business development and infrastructure planning
 - f) improve the clarity and efficiency of the provincial regulatory and legislative framework
 - g) integrate sector considerations in labour market and infrastructure planning.
- 2.2.4 The Province will bring an integrated approach to these economic development strategies through the creation of regular, five-year economic action plans for Northern Ontario that address:
- a) the emergence and development of the *existing and emerging priority economic sectors*
 - b) *existing and emerging priority economic sectors* that should be the focus of economic development efforts for the next five-year period.
- 2.2.5 Industry will be encouraged to participate in the development and implementation of the Province's five-year economic action plans and *regional economic plans*.
- 2.2.6 The Province will work to attract investment to Northern Ontario through:
- a) integrated and timely one-window response to investment opportunities
 - b) measures to address barriers to investment, such as *information and communications technology* infrastructure, energy costs, labour and transportation
 - c) working with other orders of government to co-ordinate approvals and address complex interjurisdictional issues.

2.3.10 Tourism

1. Efforts by the Province, industry and, where appropriate, other partners, to grow and diversify the tourism sector should include:
 - a) investing in strategic public infrastructure and the provincial parks system to improve the competitiveness of the tourism industry and enhance the visitor experience
 - b) improving training and skills development in strategic areas such as e-technology, marketing, business planning and customer service to enable the tourism industry to better serve domestic and international travelers
 - c) encouraging regional co-operation to expand and diversify Northern Ontario's tourism offerings and increase tourism visitation and receipts
 - d) encouraging regions and communities to undertake cultural planning that identifies opportunities for promoting tourism, including Aboriginal niche tourism opportunities, and building on the presence of a strong Francophone community to tap into French-speaking markets
 - e) encouraging new, flexible and high-quality tourism products for domestic and international visitors
 - f) linking Northern Ontario tourism to provincial and national marketing campaigns and promoting the uniqueness of the Northern Ontario experience.

2.3.11 Transportation, Aviation and Aerospace

1. Efforts by the Province, industry and, where appropriate, other partners, to grow and diversify the transportation, aviation and aerospace sector should include:
 - a) capitalizing on Northern Ontario's extensive knowledge and experience in air transportation to rural and *remote communities*
 - b) encouraging the development and application of innovative aviation technologies, training and infrastructure.

4.2 LONG-RANGE PLANNING FOR ALL COMMUNITIES

4.2.1 All municipalities should, either individually, or collaboratively with neighbouring municipalities and Aboriginal communities, prepare long-term community strategies. These strategies should support the goals and objectives of this Plan, identify local opportunities to implement the policies of this Plan, and be designed to achieve the following:

- a) economic, social and environmental sustainability
- b) accommodation of the diverse needs of all residents, now and in the future
- c) optimized use of existing infrastructure
- d) a high quality of place
- e) a vibrant, welcoming and inclusive community identity that builds on unique local features
- f) local implementation of *regional economic plans*, where such plans have been completed.

4.2.2 Municipalities and planning boards are encouraged to:

- a) align their official plan policies with their long-term community strategies developed in accordance with Policy 4.2.1
- b) employ the use of available tools to support and facilitate land-use planning that implements their long-term community strategies.

4.2.3 The Province will encourage collaboration with Aboriginal communities in land-use planning in accordance with the Policies in 7.5.

4.3 ECONOMIC AND SERVICE HUBS

4.3.1 The Minister of Infrastructure will work with the Minister of Northern Development, Mines and Forestry and other ministries to identify *economic and service hubs* in consultation with municipalities and other parties, as appropriate.

4.3.2 *Economic and service hubs* should be designed to:

- a) accommodate a significant portion of future population and employment growth in Northern Ontario
- b) function as service centres that deliver important region-wide public services to the broader surrounding regions
- c) function as economic hubs linking Northern Ontario with other significant economic regions in Ontario and beyond.

4.3.3 *Economic and service hubs* shall maintain updated official plans and develop other supporting documents which include strategies for:

- a) developing a diverse mix of land uses, an appropriate range of housing types, and high quality public spaces; and providing easy access to stores, services and recreational opportunities
- b) maintaining up to a 20-year supply of lands, or as otherwise provided by a provincial policy statement, for a variety of employment uses in appropriate locations to support economic development objectives
- c) improving access to public services by local residents and by residents of surrounding communities
- d) encouraging a significant portion of future residential and employment development to locate in existing downtown areas, *intensification corridors*, *brownfield sites*, and *strategic core areas*
- e) providing for a range of transportation options
- f) enhancing community identity, vibrancy and cultural amenities.

4.3.4. *Economic and service hubs* shall be focal areas for investment in regional transportation, energy, *information and communications technology*, and *community infrastructure*.

4.4 STRATEGIC CORE AREAS

4.4.1 The following municipalities contain *strategic core areas*:

- Greater Sudbury
- North Bay
- Sault Ste. Marie
- Thunder Bay
- Timmins.

4.4.2 Municipalities that contain *strategic core areas* are encouraged to plan for these areas to function as vibrant, walkable, mixed-use districts that can:

- a) attract employment uses and clusters, including office and retail
- b) accommodate higher densities
- c) provide a broad range of amenities accessible to residents and visitors including vibrant streetscapes, shopping, entertainment, transportation connections, lodging, and educational, health, social and cultural services.

4.4.3 Municipalities that contain *strategic core areas* should develop in their official plans and other supporting documents a revitalization strategy that includes:

- a) delineation of the *strategic core areas*

- b) targeted approaches to support the revitalization and *intensification* of the *strategic core areas*, including:
 - i) identification and prioritization of opportunities for the redevelopment of *brownfield sites* within the *strategic core areas*
 - ii) a minimum target for the *intensification* of the *strategic core areas*.

4.4.4 *Strategic core areas* with a revitalization strategy in place and incorporated into an official plan should be the preferred location for major capital investments in:

- a) postsecondary education and training
- b) regional hospitals and/or specialized health care
- c) major redevelopment projects
- d) research and innovation centres
- e) major cultural institutions and entertainment facilities
- f) integrated public *transportation systems*.

4.5 REGIONAL ECONOMIC PLANNING

4.5.1 The Province will identify *regional economic planning areas* as an inclusive, collaborative mechanism for long-term economic development, labour market, and infrastructure planning that crosses municipal boundaries.

4.5.2 The Province will help strengthen the capacity of Northern Ontario communities to plan for economic development by supporting the development of strategic *regional economic plans* for each *regional economic planning area*. *Regional economic plans* will, at minimum:

- a) involve collaboration among municipalities, Aboriginal communities, Francophone communities and their institutions, business and industry, education and research sectors, and community organizations

Appendix D

Provincial Policy Statement (2014) - Policies

Part V: Policies

1.0 Building Strong Healthy Communities

Ontario is a vast province with urban, rural, and northern communities with diversity in population, economic activities, pace of growth, service levels and physical and natural conditions. Ontario's long-term prosperity, environmental health and social well-being depend on wisely managing change and promoting efficient land use and development patterns. Efficient land use and development patterns support sustainability by promoting strong, liveable, healthy and resilient communities, protecting the environment and public health and safety, and facilitating economic growth.

Accordingly:

1.1 Managing and Directing Land Use to Achieve Efficient and Resilient Development and Land Use Patterns

1.1.1 Healthy, liveable and safe communities are sustained by:

- a) promoting efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term;
- b) accommodating an appropriate range and mix of residential (including second units, affordable housing and housing for older persons), employment (including industrial and commercial), institutional (including places of worship, cemeteries and long-term care homes), recreation, park and open space, and other uses to meet long-term needs;
- c) avoiding development and land use patterns which may cause environmental or public health and safety concerns;
- d) avoiding development and land use patterns that would prevent the efficient expansion of *settlement areas* in those areas which are adjacent or close to *settlement areas*;
- e) promoting cost-effective development patterns and standards to minimize land consumption and servicing costs;
- f) improving accessibility for persons with disabilities and older persons by identifying, preventing and removing land use barriers which restrict their full participation in society;
- g) ensuring that necessary *infrastructure*, electricity generation facilities and transmission and distribution systems, and *public service facilities* are or will be available to meet current and projected needs; and
- h) promoting development and land use patterns that conserve biodiversity and consider the impacts of a changing climate.

- 1.1.2 Sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of up to 20 years. However, where an alternate time period has been established for specific areas of the Province as a result of a provincial planning exercise or a *provincial plan*, that time frame may be used for municipalities within the area.

Within *settlement areas*, sufficient land shall be made available through *intensification* and *redevelopment* and, if necessary, *designated growth areas*.

Nothing in policy 1.1.2 limits the planning for *infrastructure* and *public service facilities* beyond a 20-year time horizon.

1.1.3 Settlement Areas

Settlement areas are urban areas and rural settlement areas, and include cities, towns, villages and hamlets. Ontario's settlement areas vary significantly in terms of size, density, population, economic activity, diversity and intensity of land uses, service levels, and types of infrastructure available.

The vitality of settlement areas is critical to the long-term economic prosperity of our communities. Development pressures and land use change will vary across Ontario. It is in the interest of all communities to use land and resources wisely, to promote efficient development patterns, protect resources, promote green spaces, ensure effective use of infrastructure and public service facilities and minimize unnecessary public expenditures.

- 1.1.3.1 *Settlement areas* shall be the focus of growth and development, and their vitality and regeneration shall be promoted.

- 1.1.3.2 Land use patterns within *settlement areas* shall be based on:

- a) densities and a mix of land uses which:
 1. efficiently use land and resources;
 2. are appropriate for, and efficiently use, the *infrastructure* and *public service facilities* which are planned or available, and avoid the need for their unjustified and/or uneconomical expansion;
 3. minimize negative impacts to air quality and climate change, and promote energy efficiency;
 4. support *active transportation*;
 5. are *transit-supportive*, where transit is planned, exists or may be developed; and
 6. are *freight-supportive*; and
- b) a range of uses and opportunities for *intensification* and *redevelopment* in accordance with the criteria in policy 1.1.3.3, where this can be accommodated.

1.1.3.3 Planning authorities shall identify appropriate locations and promote opportunities for *intensification* and *redevelopment* where this can be accommodated taking into account existing building stock or areas, including *brownfield sites*, and the availability of suitable existing or planned *infrastructure* and *public service facilities* required to accommodate projected needs.

Intensification and *redevelopment* shall be directed in accordance with the policies of Section 2: Wise Use and Management of Resources and Section 3: Protecting Public Health and Safety.

1.1.3.4 Appropriate development standards should be promoted which facilitate *intensification*, *redevelopment* and compact form, while avoiding or mitigating risks to public health and safety.

1.1.3.5 Planning authorities shall establish and implement minimum targets for *intensification* and *redevelopment* within built-up areas, based on local conditions. However, where provincial targets are established through *provincial plans*, the provincial target shall represent the minimum target for affected areas.

1.1.3.6 New development taking place in *designated growth areas* should occur adjacent to the existing built-up area and shall have a compact form, mix of uses and densities that allow for the efficient use of land, *infrastructure* and *public service facilities*.

1.1.3.7 Planning authorities shall establish and implement phasing policies to ensure:

- a) that specified targets for *intensification* and *redevelopment* are achieved prior to, or concurrent with, new development within *designated growth areas*; and
- b) the orderly progression of development within *designated growth areas* and the timely provision of the *infrastructure* and *public service facilities* required to meet current and projected needs.

1.1.3.8 A planning authority may identify a *settlement area* or allow the expansion of a *settlement area* boundary only at the time of a *comprehensive review* and only where it has been demonstrated that:

- a) sufficient opportunities for growth are not available through *intensification*, *redevelopment* and *designated growth areas* to accommodate the projected needs over the identified planning horizon;
- b) the *infrastructure* and *public service facilities* which are planned or available are suitable for the development over the long term, are financially viable over their life cycle, and protect public health and safety and the natural environment;

- c) in *prime agricultural areas*:
 - 1. the lands do not comprise *specialty crop areas*;
 - 2. alternative locations have been evaluated, and
 - i. there are no reasonable alternatives which avoid *prime agricultural areas*; and
 - ii. there are no reasonable alternatives on lower priority agricultural lands in *prime agricultural areas*;
- d) the new or expanding *settlement area* is in compliance with the *minimum distance separation formulae*; and
- e) impacts from new or expanding *settlement areas* on agricultural operations which are adjacent or close to the *settlement area* are mitigated to the extent feasible.

In determining the most appropriate direction for expansions to the boundaries of *settlement areas* or the identification of a *settlement area* by a planning authority, a planning authority shall apply the policies of Section 2: Wise Use and Management of Resources and Section 3: Protecting Public Health and Safety.

1.1.4 Rural Areas in Municipalities

Rural areas are important to the economic success of the Province and our quality of life. Rural areas are a system of lands that may include rural settlement areas, rural lands, prime agricultural areas, natural heritage features and areas, and other resource areas. Rural areas and urban areas are interdependent in terms of markets, resources and amenities. It is important to leverage rural assets and amenities and protect the environment as a foundation for a sustainable economy.

Ontario's rural areas have diverse population levels, natural resources, geographies and physical characteristics, and economies. Across rural Ontario, local circumstances vary by region. For example, northern Ontario's natural environment and vast geography offer different opportunities than the predominately agricultural areas of southern regions of the Province.

1.1.4.1 Healthy, integrated and viable *rural areas* should be supported by:

- a) building upon rural character, and leveraging rural amenities and assets;
- b) promoting regeneration, including the redevelopment of *brownfield sites*;
- c) accommodating an appropriate range and mix of housing in rural *settlement areas*;
- d) encouraging the conservation and *redevelopment* of existing rural housing stock on *rural lands*;
- e) using rural *infrastructure* and *public service facilities* efficiently;
- f) promoting diversification of the economic base and employment opportunities through goods and services, including value-added products and the sustainable management or use of resources;

1.2.6 Land Use Compatibility

- 1.2.6.1 *Major facilities and sensitive land uses* should be planned to ensure they are appropriately designed, buffered and/or separated from each other to prevent or mitigate *adverse effects* from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term viability of *major facilities*.

1.3 Employment

- 1.3.1 Planning authorities shall promote economic development and competitiveness by:

- a) providing for an appropriate mix and range of employment and institutional uses to meet long-term needs;
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
- c) encouraging compact, mixed-use development that incorporates compatible employment uses to support liveable and resilient communities; and
- d) ensuring the necessary *infrastructure* is provided to support current and projected needs.

1.3.2 Employment Areas

- 1.3.2.1 Planning authorities shall plan for, protect and preserve *employment areas* for current and future uses and ensure that the necessary *infrastructure* is provided to support current and projected needs.
- 1.3.2.2 Planning authorities may permit conversion of lands within *employment areas* to non-employment uses through a *comprehensive review*, only where it has been demonstrated that the land is not required for employment purposes over the long term and that there is a need for the conversion.
- 1.3.2.3 Planning authorities shall protect *employment areas* in proximity to *major goods movement facilities and corridors* for employment uses that require those locations.
- 1.3.2.4 Planning authorities may plan beyond 20 years for the long-term protection of employment areas provided lands are not designated beyond the planning horizon identified in policy 1.1.2.

1.6.6.4 Where *municipal sewage services* and *municipal water services* or *private communal sewage services* and *private communal water services* are not provided, *individual on-site sewage services* and *individual on-site water services* may be used provided that site conditions are suitable for the long-term provision of such services with no *negative impacts*. In *settlement areas*, these services may only be used for infilling and minor rounding out of existing development.

1.6.6.5 *Partial services* shall only be permitted in the following circumstances:

- a) where they are necessary to address failed *individual on-site sewage services* and *individual on-site water services* in existing development; or
- b) within *settlement areas*, to allow for infilling and minor rounding out of existing development on *partial services* provided that site conditions are suitable for the long-term provision of such services with no *negative impacts*.

1.6.6.6 Subject to the hierarchy of services provided in policies 1.6.6.2, 1.6.6.3, 1.6.6.4 and 1.6.6.5 planning authorities may allow lot creation only if there is confirmation of sufficient *reserve sewage system capacity* and *reserve water system capacity* within *municipal sewage services* and *municipal water services* or *private communal sewage services* and *private communal water services*. The determination of sufficient *reserve sewage system capacity* shall include treatment capacity for hauled sewage from *private communal sewage services* and *individual on-site sewage services*.

1.6.6.7 Planning for stormwater management shall:

- a) minimize, or, where possible, prevent increases in contaminant loads;
- b) minimize changes in water balance and erosion;
- c) not increase risks to human health and safety and property damage;
- d) maximize the extent and function of vegetative and pervious surfaces; and
- e) promote stormwater management best practices, including stormwater attenuation and re-use, and low impact development.

1.6.7 Transportation Systems

1.6.7.1 *Transportation systems* should be provided which are safe, energy efficient, facilitate the movement of people and goods, and are appropriate to address projected needs.

1.6.7.2 Efficient use shall be made of existing and planned *infrastructure*, including through the use of *transportation demand management* strategies, where feasible.

1.6.7.3 As part of a *multimodal transportation system*, connectivity within and among *transportation systems* and modes should be maintained and, where possible, improved including connections which cross jurisdictional boundaries.

1.6.7.4 A land use pattern, density and mix of uses should be promoted that minimize the length and number of vehicle trips and support current and future use of transit and *active transportation*.

1.6.7.5 Transportation and land use considerations shall be integrated at all stages of the planning process.

1.6.8 Transportation and Infrastructure Corridors

1.6.8.1 Planning authorities shall plan for and protect corridors and rights-of-way for *infrastructure*, including transportation, transit and electricity generation facilities and transmission systems to meet current and projected needs.

1.6.8.2 *Major goods movement facilities and corridors* shall be protected for the long term.

1.6.8.3 Planning authorities shall not permit *development in planned corridors* that could preclude or negatively affect the use of the corridor for the purpose(s) for which it was identified.

New *development* proposed on *adjacent lands* to existing or *planned corridors* and transportation facilities should be compatible with, and supportive of, the long-term purposes of the corridor and should be designed to avoid, mitigate or minimize negative impacts on and from the corridor and transportation facilities.

1.6.8.4 The preservation and reuse of abandoned corridors for purposes that maintain the corridor's integrity and continuous linear characteristics should be encouraged, wherever feasible.

1.6.8.5 When planning for corridors and rights-of-way for significant transportation, electricity transmission, and *infrastructure* facilities, consideration will be given to the significant resources in Section 2: Wise Use and Management of Resources.

1.6.9 Airports, Rail and Marine Facilities

1.6.9.1 Planning for land uses in the vicinity of *airports, rail facilities* and *marine facilities* shall be undertaken so that:

a) their long-term operation and economic role is protected; and

- b) *airports, rail facilities and marine facilities and sensitive land uses* are appropriately designed, buffered and/or separated from each other, in accordance with policy 1.2.6.

1.6.9.2 *Airports* shall be protected from incompatible land uses and development by:

- a) prohibiting new residential *development* and other sensitive land uses in areas near *airports* above 30 NEF/NEP;
- b) considering redevelopment of existing residential uses and other sensitive land uses or infilling of residential and other sensitive land uses in areas above 30 NEF/NEP only if it has been demonstrated that there will be no negative impacts on the long-term function of the *airport*; and
- c) discouraging land uses which may cause a potential aviation safety hazard.

1.6.10 Waste Management

1.6.10.1 *Waste management systems* need to be provided that are of an appropriate size and type to accommodate present and future requirements, and facilitate, encourage and promote reduction, reuse and recycling objectives. Planning authorities should consider the implications of development and land use patterns on waste generation, management and diversion.

Waste management systems shall be located and designed in accordance with provincial legislation and standards.

1.6.11 Energy Supply

1.6.11.1 Planning authorities should provide opportunities for the development of energy supply including electricity generation facilities and transmission and distribution systems, to accommodate current and projected needs.

1.6.11.2 Planning authorities should promote *renewable energy systems* and *alternative energy systems*, where feasible, in accordance with *provincial and federal requirements*.

1.7 Long-Term Economic Prosperity

1.7.1 Long-term economic prosperity should be supported by:

- a) promoting opportunities for economic development and community investment-readiness;

- b) optimizing the long-term availability and use of land, resources, *infrastructure*, electricity generation facilities and transmission and distribution systems, and *public service facilities*;
- c) maintaining and, where possible, enhancing the vitality and viability of downtowns and mainstreets;
- d) encouraging a sense of place, by promoting well-designed built form and cultural planning, and by conserving features that help define character, including *built heritage resources* and *cultural heritage landscapes*;
- e) promoting the redevelopment of *brownfield sites*;
- f) providing for an efficient, cost-effective, reliable *multimodal transportation system* that is integrated with adjacent systems and those of other jurisdictions, and is appropriate to address projected needs to support the movement of goods and people;
- g) providing opportunities for sustainable tourism development;
- h) providing opportunities to support local food, and promoting the sustainability of agri-food and agri-product businesses by protecting agricultural resources, and minimizing land use conflicts;
- i) promoting energy conservation and providing opportunities for development of *renewable energy systems* and *alternative energy systems*, including district energy;
- j) minimizing negative impacts from a changing climate and considering the ecological benefits provided by nature; and
- k) encouraging efficient and coordinated communications and telecommunications infrastructure.

1.8 Energy Conservation, Air Quality and Climate Change

1.8.1 Planning authorities shall support energy conservation and efficiency, improved air quality, reduced greenhouse gas emissions, and climate change adaptation through land use and development patterns which:

- a) promote compact form and a structure of nodes and corridors;
- b) promote the use of *active transportation* and transit in and between residential, employment (including commercial and industrial) and institutional uses and other areas;
- c) focus major employment, commercial and other travel-intensive land uses on sites which are well served by transit where this exists or is to be developed, or designing these to facilitate the establishment of transit in the future;
- d) focus freight-intensive land uses to areas well served by major highways, *airports*, *rail facilities* and *marine facilities*;
- e) improve the mix of employment and housing uses to shorten commute journeys and decrease transportation congestion;
- f) promote design and orientation which:

Appendix E

City of Greater Sudbury Official Plan - Policies

Many of these can be supported by the land use policies contained in the Official Plan, while others are addressed by City initiatives including the *City of Greater Sudbury Human Services Strategy 2015*, and *Coming of Age in the 21st Century: An Economic Development Strategic Plan for Greater Sudbury 2015*.

1.3.2 Economic Development

Economic development is essential to the future of this community and an important building block of a Healthy Community.

The Official Plan must provide a policy framework which supports economic development initiatives and facilitates the implementation of the Economic Development Strategic Plan.

Quality of place has been identified as a main factor in attracting and retaining community talent. The Official Plan plays an important role in influencing and improving the natural, cultural and lifestyle amenities of Greater Sudbury. Among other matters, this Plan establishes land use policies that will protect and enhance the City's natural environmental assets, as well as urban design guidelines that are intended to improve the quality of our built environment.

The City's economic development strategy focuses on five engines for growth:

- The best mining and supply services in the world;
- A city of the creative, curious and adventuresome (providing a quality of life to attract a diverse population);
- One of Ontario's top four destinations (capitalizing on our natural assets and history to attract residents and visitors);
- A leader in health innovation and biotechnology; and,
- A model for eco-industry and renewable energy.

Four igniters have been identified as necessary to develop the engines:

- Investing in infrastructure (including the look and image of the city);
- A culture of continuous learning;
- Technological-readiness; and,
- Developing quality of place.

This Plan endeavours to support these initiatives through the establishment of straightforward, concise policies that balance the demands of development with the protection and enhancement of the natural and built environments.

1.3.3 Sustainable Development

A healthy and prosperous future depends on Greater Sudbury being a sustainable community.

Our Common Future, the landmark U.N. report presented by the Bruntland Commission in 1987, defines sustainable development as “meeting the needs of the present generation without compromising the ability of future generations to meet their needs.”

Becoming a sustainable community involves adopting a long-term view in assessing options and making choices. It also means recognizing the value of healthy ecosystems, using resources efficiently, and enhancing a locally based economy. Bringing all parts of the community together to meet the goal of sustainability can be accomplished by encouraging and facilitating partnerships among the government, private and non-profit sectors.

The Official Plan recognizes the interdependencies that exist in the natural environment and introduces a watershed-based approach to planning. It provides land use policies which protect our natural resources to support long-term economic growth, including mining, aggregate and agricultural lands. The Plan also recognizes the importance of energy conservation by facilitating alternative modes of transportation, encouraging energy efficient urban design, and anticipating renewable energy projects.

4.0 Employment Areas

Diversification forms the foundation of the City's approach to economic development, and it remains essential to our future growth prospects. While mining continues to function as our core economic activity and primary export generator, Greater Sudbury has diversified over the last three decades to evolve as a regional centre of education, health care, government, business, retail, and tourism services. The establishment of several important advanced institutions and research facilities, combined with the City's growth as a retail and tourism destination, has contributed to a local economy now focused on a full range of services production.

The evolution of the service economy has also impacted the mining sector. The maturation of the mineral extraction industry, combined with entrepreneurship, technological advancement, and locally-based education and research, has led to the creation of a robust mining services sector that supports the existing mining complex and presents excellent opportunities for the development of tradable exports. To bolster our position as a leader in the mining industry, this Plan will protect the use of natural resources and provide for future resource development, while accommodating economic activities related to the provision of products and services to the global mining sector.

Employment Area designations acknowledge Greater Sudbury's changing economy and labour force, and are intended to help implement the City's long-term strategic planning goals. These designations encompass lands where people presently work and lands where employment opportunities will be provided in the future. *Employment Area* designations are shown on *Schedules 1a, 1b and 1c, Land Use Map* and can be grouped into four broad categories:

Commercial: To service Greater Sudbury's broad market base and high-order service activities, three types of *Centres* are established in this Plan including *Downtown*, *Regional Centres*, and *Town Centres*. *Mixed Use Commercial* allows a balance of mixed uses including commercial, general industrial, institutional, residential, and parks and open space. *Resort and Shoreline Commercial Uses* are addressed in Section 5.2.6.





Institutional: The important contribution of the City’s institutions and their role in community-based initiatives is acknowledged by creating an *Institutional Areas* designation within the hierarchy of *Employment Area* land uses. In order to harness the potential of the institutional sector in the form of research and product development, *Institutional Areas* that form a concentration of advanced Education, Health & Research activity are identified. Certain compatible uses are permitted in order to facilitate economic development initiatives linked to our post-secondary institutions, hospitals and research facilities.

Industrial: Two broad industrial designations, *General Industrial* and *Heavy Industrial*, are established to support economic activity in the industrial sector. *General Industrial* includes activities such as manufacturing and processing facilities, while the *Heavy Industrial* designation encompasses core infrastructure needs such as water and wastewater treatment plants and landfill sites.

Mining and Aggregate: Reflecting the importance of natural resources to the local economy, separate land use designations are created for the extraction and processing of mineral and aggregate resources. The Plan designates areas to be included as part of the *Mining/Mineral Reserve* and *Aggregate Reserve*.

4.1 OBJECTIVES

It is the objective of the Employment Area policies to:

- a. ensure that an adequate supply and variety of serviced employment land exists throughout Greater Sudbury in accordance with the settlement pattern, allowing for the expansion and diversification of the employment base;
- b. ensure that a broad range of commercial opportunities are provided for residents, employees and tourists;
- c. promote the intensification and revitalization of commercial, industrial and institutional areas;

- d. ensure adequate institutional facilities, such as educational, health care and social service facilities and services, are provided at suitable locations to meet the evolving needs of residents of all ages and physical capabilities in the City;
- e. promote the development of the *Downtown* as an employment and business centre for the City;
- f. ensure that existing industrial lands are used efficiently and promote the development and redevelopment of existing, underutilized, or unused sites;
- g. promote environmentally sound industrial practices and mitigate conflicts with sensitive uses;
- h. ensure that new developments do not preclude future extraction of known or potential mineral or aggregate deposits;
- i. ensure that mining and aggregate operations are located, designed and developed so as to minimize impacts upon the social and natural environment; and,
- j. embrace new technologies to harness emerging areas of growth.

4.2 CENTRES

Centres essentially form nodes of retail, tourism, business, education and government services. Depending on their location, *Centres* may service a large regional market, or a smaller local neighbourhood. It is the intent of this Plan to provide sufficient lands in appropriate locations to ensure that all consumer and service needs can be addressed by the market.

4.2.1 Downtown

Downtown Sudbury forms the historic core of the amalgamated City, retaining its important function as a centre of retail, arts & culture, government and business services. The *Downtown* services a large catchment area that extends beyond Greater

5. To ensure pedestrian safety and streetscape integrity, drive-throughs are not permitted in the *Downtown*.

Programs

1. The City shall continue its program of streetscape improvements and work towards improving pedestrian linkages to surrounding urban amenities and *Living Areas*.
2. The innovative use of new environmental technologies will be promoted, including the development of green buildings, the utilization of alternative heating and cooling methods, and the re-invention of public spaces utilizing recent advancements in eco-sensitive design.

4.2.2 Regional Centres

Regional Centres service a large catchment area that extends beyond the City of Greater Sudbury. Acknowledging the City's evolving role as a retail and tourism destination, three *Regional Centres* are designated based on the existing pattern of development as indicated on *Schedules 1a and 1b, Land Use Map*:

- Kingsway at Barry Downe Road / Second Avenue;
- Lasalle Boulevard and Barry Downe Road; and,
- the Four Corners in the City's South End.

Traditionally linked to retail and business services, *Regional Centres* may expand to include other uses such as medium and high density residential, as a means of utilizing existing infrastructure and achieving increased urban intensification.

Policies

1. Permitted uses in *Regional Centres* may include retail, service, institutional, recreational, entertainment, office and community-oriented activities.

2. When considering rezoning applications for new or expanded employment uses in *Regional Centres*, Council shall have regard to the following criteria:
 - a. Off-street parking can be adequately provided.
 - b. A traffic impact study may be required to identify any necessary improvements to upgrade the transportation network to ensure that traffic-carrying capacity of the road is not significantly affected.
 - c. No new access to Arterial Roads is permitted where alternate access is available. In general, entrances shall be kept to a minimum and at locations with the least impact on traffic flow. The use of joint entrances will be encouraged.
 - d. Pedestrian walkways will be included, with linkages to transit stops and other modes of active transportation including sidewalks and trails.
 - e. Sewer and water services must be adequate for the site.
3. Medium and high density residential development may be considered as a means of promoting urban redevelopment and achieving residential intensification targets.
4. *Regional Centres* may be appropriate locations for certain light industrial uses which are conducted entirely indoors provided that appropriate landscaping and buffering can be established to shield any adjacent sensitive uses. Outside storage is not permitted unless it is for the purpose of displaying goods for retail sale.

4.2.3 Town Centres

The City of Greater Sudbury is known for its diverse collection of Communities spread across a wide geographic area. Linked to the historical development of the region, each has developed a distinct character, providing a range of alternative lifestyle and housing options for residents. The existing and historic commercial centres of

- b. educational and research facilities and related residential facilities;
and,
 - c. accessory business uses.
4. Smaller scale institutional uses that are compatible with the residential function of neighbourhoods are not shown on *Schedules 1a, 1b and 1c, Land Use Map as Institutional*. The precise location of these institutional uses will be determined on a site-specific basis by amendment to the Zoning By-law.
5. Rezoning applications related to the conversion of surplus institutional buildings and the rezoning of vacant lands held by institutions shall be considered based on the following criteria:
- a. the need for such lands or buildings for other public uses, and their long-term value to the community;
 - b. the compatibility of the proposed uses with surrounding land uses and the intent of the policies in this Official Plan with respect to the proposed uses; and,
 - c. for conversion to residential uses, the appropriateness of the proposed density.
6. Existing institutional uses not designated in this Plan will be recognized in the Zoning By-law.

4.5 INDUSTRIAL AREA DESIGNATIONS

Given Greater Sudbury's strong industrial base, the designation of sufficient lands to accommodate existing and potential industrial uses is essential. The adequate provision of industrial lands, including the creation of additional Industrial and Research Parks, is closely aligned with the City's long-term strategic planning goals related to economic development.

Two broad industrial designations are established by this Plan. *General Industrial* allows a range of industrial activities, such as manufacturing and processing facilities. *Heavy Industrial* permits all industrial uses, including core infrastructure facilities such as water and wastewater treatment plants and landfill sites. Any expansion to these areas will require an amendment to the Zoning By-law.

4.5.1 General Industrial

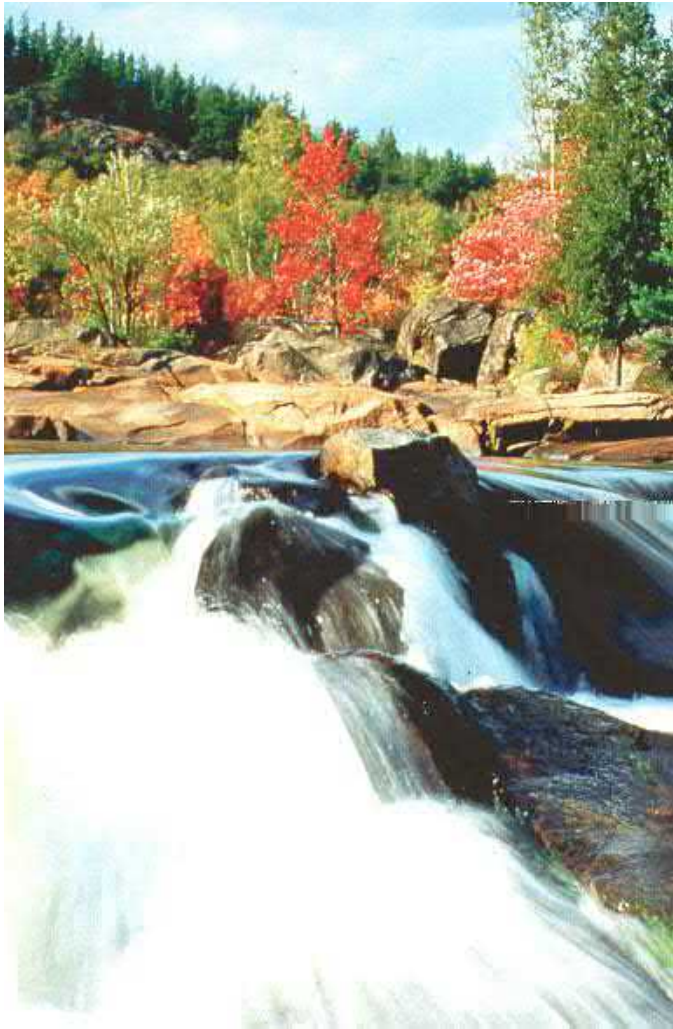
Policies

1. Permitted uses may include manufacturing, fabricating, processing and assembling of industrial and consumer products, repair, packaging and storage of goods and materials, and related industrial activities.
2. Complementary uses, such as administrative offices, which do not detract from, and which are compatible with, the operation of industrial uses are also permitted.
3. *General Industrial* uses must have minimal environmental impacts. Any use which may impact surrounding areas and cause nuisance will be appropriately buffered and screened.
4. Where development occurs in areas that are not fully serviced, only dry industries that generate less than 4,500 litres of wastewater a day may be permitted.
5. Heavy industrial uses may also be permitted by rezoning.

4.5.2 Heavy Industrial

Policies

1. Within areas designated *Heavy Industrial*, all industrial uses are permitted, including sanitary landfill sites, salvage yards, quarrying, and sewage treatment



8.0 Water Resources

Water plays a vital role in defining Greater Sudbury. Healthy surface water and groundwater ensure access to clean and plentiful drinking water. Hundreds of lakes, rivers, and streams also provide important opportunities for recreation, shoreline living, and fish and wildlife habitat. Addressing water-related issues from a watershed-based planning approach is a critical first step in protecting the City's water resources.

In general, policies contained in this section apply to all forms of development in all designations. Supplementary policies on land uses that have a direct impact on water resources are integrated throughout this Plan. Due to the added concerns posed by unserviced development and the impact of septic systems, additional policies on shoreline residential development and lot creation in *Rural Areas* are established in Sections 5.2.1 and 5.2.2. Chapter 9.0 *Natural Environment*, examines features such as wetlands and fish and wildlife habitat. Policies specific to flooding hazards are found in Section 10.2.

8.1 GENERAL PROTECTION OF WATER RESOURCES

The following general policies apply to protect water resources in the City:

1. Sensitive surface water features, sensitive groundwater features, and their hydrologic functions and linkages shall be determined through a watershed-based planning approach. Sensitive surface water and groundwater features are defined as areas that are particularly susceptible to impacts from activities or events including, but not limited to, water withdrawals, and additions of pollutants.
2. Development and site alteration shall be restricted in or near sensitive surface water features and sensitive ground water features such that these features and their related hydrologic functions and linkages will be protected, improved or restored.

3. Mitigative measures and/or alternative development approaches may be required to protect, improve and restore sensitive surface water features, sensitive ground water features, and their hydrologic functions.
4. Efficient and sustainable use of our water resources, including practices for water conservation, shall be promoted.

8.2 WATERSHED APPROACH - THE LINK BETWEEN LAND AND WATER

This Plan takes a broad perspective on the watershed approach, recognizing that at least three types of watershed-based plans may be developed in various areas of the City, each with a different focus. First, source water protection plans will use relatively large watersheds that include groundwater aquifers as well as all of the lakes and rivers connected in a system. Second, subwatershed plans typically address flooding and water quality due to stormwater using watersheds of moderate size. Third, lake-based recreational and habitat issues can, in some cases, involve only the watershed of the lake in question, which can be relatively small.

While watershed-based plans may differ in scope and issues, these plans will provide the necessary level of detail to identify and assess sensitive environmental features and functions critical to the health of our natural water systems. All agencies and stakeholders involved with water regulation and stewardship may be cooperatively involved in the development of watershed-based plans.

Policies

1. Regardless of the particular focus of the three types of watershed-based plans outlined above, all should fulfill the following requirements in a manner and scope appropriate to the type of plan:
 - a. identify the boundaries of the watershed and, where appropriate, those of its subwatersheds;
 - b. identify and assess human activities in the watershed, surface water features, hydrologic functions, natural heritage features and areas and,

where possible and appropriate, groundwater features, which are necessary for the ecological and hydrological integrity of the watershed; and,

- c. propose recommendations for protecting, improving or restoring vulnerable surface water and groundwater, sensitive surface water features and, where possible and appropriate, sensitive groundwater features, and their hydrologic functions.
2. Once a watershed-based plan is received and, where needed, approved by Council, the City will implement the recommendations of the plan where it has the ability to do so through existing programs, the development review process and other mechanisms, and will encourage other parties to do the same. Where necessary, this Plan will be amended to implement watershed plans.

Program

1. Council will work with key stakeholders to establish a Living With Lakes - Centre of Excellence in Freshwater Restoration in Greater Sudbury whose mission would complement and support City water quality initiatives and provide further recognition to Greater Sudbury as a City of Lakes.

8.3 DRINKING WATER RESOURCES

Drinking water is of paramount importance. Provincial legislation requires that source water protection plans be developed for Ontario's watersheds. The goal is to safeguard human health by ensuring that current and future sources of drinking water in Ontario's lakes, rivers and groundwater are protected from potential contamination and depletion.

Private and municipal drinking water supplies in the City are provided by both surface water and groundwater sources. This Plan recognizes that the waters of Ramsey Lake, Lake Wanapitei, Wanapitei River and Vermilion River, along with various groundwater sources, are and will be maintained as the main sources of drinking water for the City.

In addition to these municipal drinking water sources, numerous other lakes provide drinking water for households utilizing private systems.

Policies

1. Council will work cooperatively with other agencies to protect and, where necessary, improve or restore the quality of drinking water resources.
2. Council will support and take part in the development and implementation of watershed-based source water protection plans. These plans will fulfill the requirements outlined in Section 8.2, with an emphasis on identifying sensitive features of the City's drinking water resources as well as identifying measures required to protect, improve or restore these resources. Significant drinking water resources may include municipal Wellhead Protection Areas, significant groundwater recharge areas, and lakes and rivers used as drinking water sources.
3. Until such a time as source water protection plans are developed for an area, known sensitive drinking water resources in the City as shown on *Schedule 8, Municipal Drinking Water Protection* shall be protected from incompatible development and site alteration that could compromise the integrity of the resource. These features currently include:
 - a. Sensitive groundwater features: municipal Wellhead Protection Areas (WHPA) and Sensitive Areas for Groundwater Protection; and,
 - b. Sensitive surface water features: Lake Ramsey, Lake Wanapitei, Wanapitei River and Vermilion River.

8.4 GROUNDWATER RESOURCES

Groundwater use accounts for 21% of total water usage in the City. In some areas, it is an important source of water for domestic supply. Groundwater is also used extensively for commercial and industrial purposes, including mining, irrigation of golf courses, and aggregate washing. Finally, groundwater discharge contributes to

maintaining stream flows and therefore plays a vital role in protecting the integrity of certain aquatic ecosystems.

Particular attention is needed to ensure that municipal wellhead protection areas and sensitive areas for groundwater protection are not compromised during land development. Inappropriate land use in and around these features could lead to permanent damage of the drinking water resources for large numbers of citizens.

8.4.1 Sensitive Groundwater Features - Municipal Wellhead Protection Areas and Sensitive Areas for Groundwater Protection

A Wellhead Protection Area (WHPA) is the surface and subsurface area surrounding a municipal water well or well field from which the well draws water, and for which protective measures are required to ensure the long-term viability of the municipal water supply. Capture Zones are established around the well based on the estimated time needed for a contaminant to reach the well.

Sensitive Areas for Groundwater Protection consist of the primary recharge areas that include the Wanapitei Esker and the Valley East glaciofluvial deposits, and the glaciofluvial deposits extending from Dowling north to Levack. These areas encompass all WHPAs, contain substantial quantities of good quality groundwater, and are a valuable resource for long-term drinking water supplies and for sustaining local aquatic ecosystems. These areas consist of unconfined aquifers that are recharged directly from infiltration of precipitation and overland flow from surrounding bedrock areas.

Policies

1. Establishment of a new WHPA or modification of an existing WHPA will be subject to an amendment to this Plan and the Environmental Assessment process under the *Environmental Protection Act*. Minor modifications to the boundaries of a Sensitive Area for Groundwater Protection can occur without an amendment to this Plan.

2. Council shall work cooperatively with appropriate agencies to ensure that all abandoned, unused or 'dry' wells are properly decommissioned, especially in WHPAs and in Sensitive Areas for Groundwater Protection.
3. The Zoning By-law will restrict land uses that have the potential to cause contamination of the groundwater resource in areas identified on *Schedule 8* as WHPAs and Sensitive Areas for Groundwater Protection.
4. Only those portions of properties that are located within a WHPA will be subject to the restrictions described in the following policies.
5. Activities that may pose a risk to municipal water supplies are categorized from highest risk (Category A) to lowest risk (Category C), as outlined in Section 8.4.1.1. Category A activities are not permitted in the 0-***25*** year Capture Zone of a WHPA.
6. Category B activities are not permitted in the 0-2 year Capture Zone of a WHPA. A hydrogeological assessment, as outlined in Section 8.4.1.2, is required to support applications to locate Category B activities within the 2-***25*** year Capture Zone of a WHPA.
7. A hydrogeological assessment is required to support applications to locate Category C activities within the 0-***25*** year Capture Zone of a WHPA.
8. Manure storage areas and the creation of new lots requiring septic systems will not be permitted within the 0-2 year Capture Zone of a WHPA.

(2007 MMAH Mod #9)

8.4.1.1 Risk Categories

For the purposes of categorizing the risks to groundwater quality, this Plan adopts a three-tiered ranking system of generic activities based on probable chemical usage (or leachate generated from contact with waste materials), and the availability of options to apply engineering Best Management Practices to reduce risks associated with these

materials where practical. These risk categories have been considered in developing land use policies in WHPAs and the Sensitive Areas for Groundwater Protection. The ranking system is as follows:

Category A	Category B	Category C
<ul style="list-style-type: none"> Use or generate large volumes of potentially hazardous liquid or soluble chemicals, and/or 	<ul style="list-style-type: none"> Use or generate lesser volumes of potentially hazardous liquid or soluble chemicals, and/or 	<ul style="list-style-type: none"> Use or generate small volumes, if any, of potentially hazardous liquid or soluble chemicals, and
<ul style="list-style-type: none"> Have no effective engineering measures to manage chemical usage, and/or 	<ul style="list-style-type: none"> Have engineering measures to manage chemical usage (or could retroactively engineer systems), and 	<ul style="list-style-type: none"> Have engineering measures to manage chemical usage (or could retroactively engineer systems), and
<ul style="list-style-type: none"> Cannot reasonably implement hazard prevention measures, and/or 	<ul style="list-style-type: none"> Can implement hazard prevention measures, and 	<ul style="list-style-type: none"> Can implement hazard prevention measures, and
<ul style="list-style-type: none"> Cannot be reasonably relocated. 	<ul style="list-style-type: none"> Can possibly be relocated. 	<ul style="list-style-type: none"> Can readily be relocated.

Category A activities may include mine tailings disposal sites; slag dumps; bulk storage of chemicals or hazardous substances; bulk storage of tires; and, lagoons for sewage treatment. Private septic tanks are not considered as a Category A activity.

Category B activities may include the manufacturing of agricultural, commercial and industrial machinery and, chemicals, resins, paints, varnish printing inks, adhesives, plastics and reinforced fiberglass plastic. Some of these activities could be considered as a lower risk (Category C) where smaller quantities are involved and appropriate engineering measures and management practices are applied.

Category C activities may include automated manufacturing of soft drinks and breweries; automated production of baked or canned goods, frozen goods, processed food and meat; and, machinery equipment rental outlets.

8.4.1.2 Hydrogeological Assessments

A hydrogeological assessment is required where a proposed development includes Category B or C activities that could pose a risk to the municipal aquifer in a WHPA, and for Category A, B or C uses proposed in Sensitive Areas for Groundwater Protection.

A hydrogeological assessment will:

- a. identify the existing groundwater quality and local hydrogeological setting, including:
 - i. the site-specific aquifer vulnerability index (ISI); and,
 - ii. the rate and direction of groundwater flow, water quality and water budget; and,
- b. identify and classify the nature of any predicted adverse impacts, the ability to eliminate or effectively mitigate these impacts and measures that will be taken.

Risk management/reduction measures are to be described, including engineering controls, management (emergency response plans) and monitoring programs. Council may require that a groundwater monitoring well be installed and sampled as part of this process.

8.5 SURFACE WATER RESOURCES - LAKES, RIVERS AND STREAMS

Greater Sudbury's numerous lakes, rivers and streams provide valuable water resources for shoreline living, recreation, wildlife and fish habitat, and, in some cases, drinking water (Section 8.3). Several lakes have been used for long-term monitoring of

aquatic ecosystem recovery (Clearwater, Lohj, Middle, Hannah, Swan, Joe, Nelson, Sans Chambre). Watershed-based plans incorporating accepted lake capacity models will identify the sensitive surface water features of individual watersheds and specific measures required to protect, enhance or restore these features. In areas where a watershed-based plan has not been prepared, the following policies outlined in Sections 8.5.1 and 8.5.2 shall apply.

8.5.1 Environmental Constraints on Development

Even when not used for drinking water, our lakes, streams and rivers are strongly identifiable with the City's quality of life. As such, it is important to maintain and enhance the water quality of these features by controlling not only water-based and shoreline activities, but also activities and land uses occurring within the watershed.

Policies

1. No new lots **or land use changes which result in a more intensive use** will be permitted on lakes that are considered 'at capacity' where on-site subsurface sewage disposal tile beds are closer than 300 metres from the shoreline of the lake or any watercourse flowing into the lake. Lakes considered 'at capacity' include, but are not limited to, the following: Bethel, McCharles, McFarlane, Minnow, Mud, Robinson, Simon, and Whitewater. *(2007 MMAH Mod #10)*
2. New development that fronts on a lake or watercourse which has recognized environmental constraints is prohibited unless detailed studies demonstrate that the problems associated with development in these situations can and will be mitigated. The onus for demonstrating that environmental constraints will be mitigated shall lie with the proponent of the development.
3. Recognized environmental constraints include, among others, some lake trout lakes, sensitive fish spawning areas, unique natural features, and lakes under 50 ha (120 acres) in size. Some but not all environmental constraints are indicated on *Schedule 3, Natural Heritage*. Additional constraints will be identified as part of the watershed planning process. An Environmental Impact

Study may be required for new development proposed in or adjacent to these features.

8.5.2 Vegetative Buffers

Vegetative buffers along shorelines and stream banks are essential to maintaining and improving water quality. Shoreline vegetation acts as a filter, protecting lakes, streams and rivers from urban runoff from lawns and roads. Vegetation also stabilizes the shoreline and helps prevent erosion from storm runoff, wave action and ice. Wildlife and fish also benefit from shoreline vegetation on land and in the water.

New shoreline and stream bank development, such as boathouses, docks or other accessory structures, will be integrated, where possible, into the landscape and maintain and enhance existing shoreline and stream bank vegetation to:

- a. protect the riparian and littoral zones and associated habitat;
- b. protect the quality of the water by preventing erosion, siltation and nutrient migration;
- c. maintain shoreline character and appearance; and,
- d. minimize the visual impact of development.

Policies

1. It is the intent of this Plan to maximize the amount of natural vegetation along shorelines and stream banks. As such, Council may implement controls on the removal of vegetation by establishing limits on clearing, changes to the grade, and the placement of impervious surfaces along shorelines and stream banks. These regulations will be based on achieving the following targets:
 - a. For residential uses, a maximum cleared area of 25% of the shoreline or stream bank frontage or up to 23 metres, whichever is the lesser;

- b. For Resort and Shoreline Commercial uses, 33% of the shoreline or stream bank; and,
 - c. Maintain shoreline buffer zones at a minimum of 12 metres from the high-water mark for all new and existing waterfront development. For existing properties, an educational outreach program shall be developed to encourage revegetation of shoreline buffer zones and upland areas in order to increase the amount of vegetation around shorelines.
2. Requirements for vegetative buffers will be implemented through the Zoning By-law, site plan control and a development permit system, where authorized.

8.6 STORMWATER

Stormwater can be a significant problem, especially in urban areas. Left unchecked, it can lead to increased risk of flooding hazards, increased erosion and pollution of rivers, streams and lakes, subsequent loss of recreation and habitat opportunities, and possible impairment of drinking water resources.

The management of stormwater, which includes water resulting from a storm event or a thaw, is as much about land management as it is about water management. Activities on the land will directly or indirectly determine the manner and intensity with which stormwater affects streams and lakes.

Urbanization increases impervious surface cover, such as roads, driveways and rooftops. These surfaces prevent infiltration of stormwater, which is forced to flow overland, creating significant erosion, pollution, or flooding problems. The purpose of managing stormwater is to control the quantity of stormwater runoff to reduce erosion and flooding, and to improve the quality of runoff to streams, rivers, lakes and groundwater.

8.6.1 Objectives

Stormwater management in the City is needed to:

- a. ensure that the constraints and opportunities associated with urban drainage are properly recognized and are integrated into community plans and designs;
- b. reduce, to acceptable levels, the potential risk of health hazards, loss of life and property damage from flooding;
- c. reduce, to acceptable levels, the incidence of inconvenience caused by surface ponding and flooding;
- d. ensure that the quality of stormwater reaching outlet-receiving lakes and rivers meets provincially accepted criteria;
- e. ensure that any development or redevelopment minimizes the impact of change to the groundwater regime, increased pollution, increased erosion or increased sediment transport, especially during construction; and,
- f. maintain the natural stream channel geometry, insofar as it is feasible while achieving the above objectives.

8.6.2 Subwatershed Plans

It is the intent of this Plan to ensure that proper stormwater management practices are undertaken to foster sustainability of the urban subwatersheds and provide opportunities for the enhancement of urban lakes and watercourses. Such plans will identify measures for stormwater quantity and quality control at a subwatershed scale in order to provide a coordinated strategy for stormwater management for all development within individual subwatersheds.

Policies

1. Priority for subwatershed plan development will be based on existing stormwater problems, sensitivity of the receiving waterbody, and/or development pressure.
2. Subwatershed plans will be developed as funding permits for the following subwatersheds which are ranked in their order of priority:
 - a. Nepahwin/Robinson;
 - b. Ramsey Lake;
 - c. Whitson River;
 - d. Azilda;
 - e. Richard Lake;
 - f. Junction Creek;
 - g. Mud Lake;
 - h. Simon/McCharles Lake;
 - i. Chelmsford;
 - j. Whitson Lake;
 - k. Garson;
 - l. Meatbird Creek - Lively;
 - m. Coniston;
 - n. Wanapitei;
 - o. Dowling;
 - p. Copper Cliff; and,
 - q. Kelley Lake.

The priority ranking for subwatershed plans may change based on the results of the Source Water Protection process or in response to new information.

3. All subwatershed plans will incorporate the primary objective of no net increase in peak flow rates, unless a more stringent criterion has been identified. Subwatershed plans will also assess means of stormwater quality

control to ensure the protection of urban subwatersheds and provide opportunities to improve the quality of receiving waterbodies.

4. Existing watercourses will be left in their natural state whenever possible. The banks must be able to convey either the Regional or 100-year storm peak flow.

8.6.3 Site-specific Policies

The City's *Engineering Design Manual* will be kept current and will include Best Management Practices for stormwater management. The *Engineering Design Manual* will be utilized to determine appropriate stormwater management measures for each site, supplemented by the policies included in this section, and technical and procedural guidance provided in the current version of the Ministry of the Environment's *Stormwater Management Planning and Design Manual*.

These documents will provide guidance for stormwater management measures applicable to activities such as waterfront development and the implementation of stormwater quantity and quality control measures for new development, re-development and retrofit situations, including public infrastructure projects.

Policies

1. For all new developments, an overland flow route must be clearly defined to provide continuous overland drainage of major system flows to the nearest major watercourse. The overland flow route (major system) shall be entirely contained within the road right-of-way or easements. Conveyance of the 100-year or Regional design storm peak flow is required.
2. Applications for industrial development in areas where there are no municipal stormwater services will require a Stormwater Management Report.
3. Applications for draft plan approval of subdivisions and site plan approvals in areas where a subwatershed plan has been completed will demonstrate, through a Stormwater Management Report, how the proposed development will provide stormwater management in accordance with the subwatershed plan.

4. Applications for draft plan approval of subdivisions in areas where a subwatershed plan has not been finalized will include a Stormwater Management Report containing site-specific details as required by the City.
5. A Stormwater Management Report shall contain the following:
 - a. The overall drainage plan for the site, indicating upstream drainage areas conveyed across the site and the ultimate outlet (major overland flow route) from the site to the municipal drainage system;
 - b. A plan of proposed on-site stormwater quantity control measures that will satisfy downstream capacity issues. Post-development peak flow rates from the site will be limited to pre-development peak flow rates, unless detailed analysis shows that such storage is not required;
 - c. A plan for erosion control;
 - d. A description of the measures proposed to control stormwater quality on-site. In particular, special measures must be proposed where a site is intended for industrial development; and,
 - e. A general grading plan, illustrating conformance with the City's overall stormwater management objectives.
6. The City will identify opportunities where retrofits can be effectively utilized to remedy existing stormwater problems.
7. For areas where a subwatershed plan has not advanced in sufficient detail to define regional downstream stormwater management facilities or where a development will result in unacceptable peak flow increases downstream, on-site stormwater management (storage) facilities for peak flow control will be required.
8. For small sites where it is impractical to implement on-site stormwater management measures (due to size or local site conditions), Council may

collect cash-in-lieu of on-site stormwater management facilities to apply toward any regional stormwater facilities required.

9. Developers are required to construct, maintain and monitor the operation of all on-site quality ponds at their expense for a minimum period of two years after completion of housing. On-site stormwater management facilities will be designed in a manner that is compatible with the surrounding environment. Where appropriate, such facilities should be connected to recreational trails.
10. Maintenance will consist of annual monitoring of sediment accumulation in the pond forebay and quarterly inspections for trash removal as well as sediment removal and lawn mowing as required.
11. Stormwater management facilities for subdivisions will be on lands transferred at no cost to the City, in addition to any lands required to be dedicated for park purposes under the *Planning Act*.

9.0 Natural Environment



A healthy natural environment is critical to Greater Sudbury's quality of life. Our forests, wetlands, lakes, streams and wildlife are all part of a living system, contributing to clean air, soil, water, and to our overall well-being. Healthy and plentiful natural features **and areas** also attract people to live, work, visit and invest in our City. As such, significant natural features **and areas** and functions and their relationships must not be compromised in the growth of our City and will be protected for long-term use. The built environment is to be integrated with natural features **and areas** and functions in a manner respectful of the natural system's limits.

For the purposes of this Plan, the City's significant natural features **and areas** consist of:

- Significant Habitat of Endangered and Threatened Species;
- Wetlands;
- Fish habitat;
- Significant Wildlife Habitat;
- Significant Areas of Natural and Scientific Interest; and,
- Sites of Geological Interest.

9.1 OBJECTIVES

It is the objective of the *Natural Environment* policies to:

- a. ensure the continued existence of significant natural features **and areas** and their ecological functions in our City;
- b. protect and enhance the ecological integrity of natural features **and areas**;
- c. achieve a balanced relationship between development and the natural environment by preserving natural features **and areas**; and
- d. minimize the loss or fragmentation of natural features **and areas**.

the requirements for an EIS if sufficient evidence is available to show that there are no significant natural features **and areas** located on or adjacent to the subject property. (OPA #2)

3. Wherever an EIS is conducted, the City may request a peer review that will be paid for by the development proponent.

(2007 MMAH Mod #11)

9.2.2 Significant Habitat of Endangered Species and Threatened Species

Endangered species and threatened species are of particular significance due to their low numbers and likelihood of disappearance without protection. Often the disappearance of a particular species is closely linked to the loss of habitat. Loss of species and their habitats are growing problems worldwide, resulting in action by governments at all levels.

The City maintains records of endangered species and threatened species that are present in the municipality based on information provided by the Ministry of Natural Resources. The dynamic nature and sensitivity of these records prevent them from being displayed in the Official Plan.

Policies

1. Municipal staff will determine the potential for significant habitat of endangered species and threatened species at the application stage of any new development or redevelopment proposals.
2. Development and site alteration are not permitted in significant habitat of endangered species and threatened species.
3. Development and site alteration are not permitted on lands adjacent to significant habitat of endangered species and threatened species unless the ecological function of the adjacent lands has been evaluated and it has been demonstrated that there will be no negative impacts on the natural feature or

their ecological functions. Adjacent lands are considered to be within at least 50 metres of significant habitat of endangered species and threatened species. This area can be modified if justified by a study.

9.2.3 Wetlands

Wetlands cover nine percent of the City. Open wetlands, which include marshes, fens and treeless bogs, make up less than half of these lands. The remainder consists of forested wetlands, such as thicket swamps and treed swamps.

Wetlands require protection from incompatible development to protect the important water-related functions they provide. Wetlands filter pollutants and sediments and reduce shoreline erosion, functions which help keep our lakes clean and healthy. Wetlands can also have a role in groundwater recharge and discharge and help reduce flooding hazards. Finally, wetlands often provide important habitat for fish and wildlife.

Many of the environmental functions performed by a particular wetland are specific to the watershed within which the wetland is located. Wetland occurrence and sensitivity of individual wetlands will therefore be determined by the watershed planning process.

Provincially significant wetlands are identified and delineated by the Ministry of Natural Resources through the provincial Wetland Evaluation System. These wetlands merit special attention during land use planning to ensure that their significant features and functions are protected.

Policies

1. Watershed and subwatershed plans will determine the sensitivity of wetlands and establish appropriate land use policies.



7. The provision of public transit will be integrated into the long-term planning of future *Employment Areas*, including facilities for the convenience and comfort of transit users.

11.4 PARKING

The supply and cost of parking play a key role in the operation of the transportation network. These factors also influence the choices we make each day, on how we get to work and even where we shop. Parking policies may even impact preferences as to where we live, an important consideration in the promotion of residential uses in the *Downtown*.

Parking includes metered and unmetered spaces, private off-street lots, and general purpose off-street lots. The City operates a system of municipal parking lots at moderate short-term rates, most notably in the *Downtown* core. The majority of the parking supply, however, is provided by private operators who establish rates in accordance with market demand.

Policies

1. New developments generally must provide an adequate supply of parking to meet anticipated demands.
2. Based on a review of parking standards for various land uses in the City, parking requirements may be reduced in those areas that have sufficient capacity, such as the *Downtown* and other major *Employment Areas*.
3. Opportunities to reduce parking standards for mixed use projects or groups of uses that share parking facilities will be reviewed and implemented if feasible.
4. Payment-in-lieu of providing parking spaces may be required provided that any revenue will be used for the construction of consolidated parking facilities in the general area of the development.

5. Standards for the provision of accessible parking will be reviewed to ensure an adequate supply of parking spaces for persons with disabilities, including additional on-street barrier-free parking in the *Downtown*.
6. Parking areas are subject to site plan control and will be landscaped and adequately screened. Wherever possible, it is desirable to have parking lots located to the rear of buildings in order to preserve built form and create pedestrian-friendly streetscapes that retain a sense of enclosure. Parking areas should be developed in an environmentally friendly manner to reduce the impact of large paved areas.

11.5 GREATER SUDBURY AIRPORT AND AIRFIELDS

Located approximately 24 kilometres northeast of the *Downtown*, Greater Sudbury Airport is one of Northern Ontario's busiest airports, linking the City to major centres such as Toronto, Ottawa, Thunder Bay and Sault Ste. Marie. Most of Northeastern Ontario's smaller communities also receive regular service from Greater Sudbury.

The Greater Sudbury Airport Community Development Corporation assumed ownership and governance of the airport with a mandate to improve the quality of air transportation services and to market the airport as one of the economic development engines of the community.

There are also a number of smaller, privately owned landing strips on land and water located throughout the City.

Policies

1. In order to take advantage of Greater Sudbury Airport's strategic location and function, a wide variety of commercial, institutional and industrial uses may be permitted to develop on the airport property. Notwithstanding existing designations, uses that supply airport-serving goods and services will be encouraged. All proposed uses must comply with Sudbury Airport Zoning Regulations established by Transport Canada under the *Aeronautics Act*.



Appendix F

Draft Official Plan Policies

Schedule "A"

To By-law XXXX of the City of Greater Sudbury

Amendment Number XX

To the City of Greater Sudbury Official Plan

Components of the Amendment:	<p>Part A, the Preamble, does not constitute part of this Amendment.</p> <p>Part B, the Amendment, which contains the following text and map entitled "Schedule A", constitutes Amendment #XX to the City of Greater Sudbury Official Plan.</p> <p>Part A - Preamble</p>
Purpose of the Amendment:	<p>Site-specific amendment to provide an exception from the policies of Section 4.5.1 of the Official Plan (General Industrial Policies) in order to permit a place of amusement in the form of a casino, in addition to the current permitted uses.</p>
Location:	<p>Part of PIN 73561-0264 & 73561-0258, Parts 6 & Part of Part 11, Plan 53R-19391 in Part of Lots 9 & 10, Concession 4, Township of Neelon, City of Greater Sudbury.</p>
Basis:	<p>Applications for Official Plan Amendment (OPA) (File #XXXXX) and Rezoning (File #XXXX) were submitted for consideration by Planning Committee and Council in order to permit a place of amusement in the form of a casino as an addition to the permitted uses. Planning Committee Recommendation PL2017-XXX, which was ratified by Council on [Insert date], recommended approval of the proposal.</p> <p>Part B – The Amendment</p> <p>a) Chapter 22.0, Site Specific Polices of the City of Greater Sudbury Official Plan is hereby amended by adding a new Section as follows:</p> <p>22.93 Notwithstanding anything to the contrary, a place of amusement in the form of a casino and its foregoing accessory uses shall be permitted on lands described as Part of PIN 73561-0264 & 73561-0258, Parts 6 & Part of Part 11, Plan 53R-19391 in Part of Lots 9 & 10, Concession 4, Township of Neelon.</p> <p>b) Schedule 2C – Site Specific Policies of the City of Greater Sudbury Official Plan is hereby amended by indicating Part of PIN 73561-0264 & 7351-0258, Parts 6 & Part of Part 11, Plan 53R-19391 in Part of Lots 9 & 10, Concession 4, Township of Neelon with the following notation:</p> <p>"OPA XX, 22.93" as shown on Schedule "A" to this amendment.</p>

Appendix G

City of Greater Sudbury Zoning By-Law 2010-100Z - Regulations

**PART 8:
INDUSTRIAL ZONES**

8.1 GENERAL PROHIBITION

No *person* shall, within any *Industrial Zone*, *use* or permit the *use* of any land, or *erect, alter, enlarge, use* or maintain any *building* or *structure* for any *use* other than as permitted in Table 8.1 and in accordance with the standards contained in Table 8.2, the General Provisions contained in Part 4 and the Parking and Loading Provisions contained in Part 5 of this By-law.

8.2 PERMITTED USES

Uses permitted in an *Industrial Zone* are denoted by the symbol '**X**' in the column applicable to that *Zone* and corresponding with the row for a specific permitted *use* in Table 8.1. A number(s) following the symbol '**X**', *zone* heading, or identified permitted *use*, indicates that one or more special provisions apply to the *use* noted or, in some cases, to the entire *Zone*. Special Provisions are listed below the Permitted Use Table 8.1 below:

Industrial Zones

Business Industrial	M1-1
Mixed Light Industrial/Service Commercial	M1
Light Industrial	M2
Heavy Industrial	M3
Mining Industrial	M4
Extractive Industrial	M5
Disposal Industrial	M6

Table 8.1: Permitted Uses for Industrial Zones (By-law 2012-67Z) (By-law 2014-235Z) (By-law 2014-113Z) (By-law 2015-72Z)
(By-law 2016-70Z)

USE	M1-1	M1	M2	M3	M4	M5	M6
<i>Abattoir</i>				X			
<i>Accessory Outdoor Display and Sales</i>	X	X	X	X	X	X	
<i>Accessory Outdoor Storage</i>		X(4)	X(4)	X(4)	X(4)	X(4)	X(4)
<i>Accessory Retail Store</i>	X(3)	X(3)	X(3)	X(3)	X(3)		
<i>Aggregate Transfer Site</i>				X	X	X	
<i>Agricultural Use</i>					X	X	
<i>Animal Shelter</i>		X					
<i>Auctioneer's Establishment</i>	X	X					
<i>Audio/Visual Studio</i>	X	X	X				
<i>Automotive Accessories Store</i>	X	X					
<i>Automotive Body Shop</i>			X	X			
<i>Automotive Leasing Establishment</i>	X	X					
<i>Automotive Lube Shop</i>	X	X	X	X			
<i>Automotive Repair Shop</i>		X	X	X			
<i>Automotive Sales Establishment</i>	X	X					
<i>Automotive Service Station</i>	X	X	X	X			
<i>Banquet Hall</i>	X	X					
<i>Building Supply and Lumber Outlet</i>			X	X			
<i>Bulk Retail Outlet</i>	X	X					
<i>Bus Terminal</i>	X	X					
<i>Car Wash</i>	X	X					
<i>Commercial or Public Garage</i>		X	X	X			
<i>Commercial Self-Storage Facility</i>	X	X	X	X			
<i>Contractor's Yard</i>			X	X			
<i>Convenience Store</i>	X	X	X	X			
<i>Dry Cleaning Establishment</i>	X	X	X	X			
<i>Extractive Use</i>					X		

USE	M1-1	M1	M2	M3	M4	M5	M6
<i>Food Processing Plant</i>		X	X	X			
<i>Forestry Use</i>					X	X	
<i>Fuel Depot</i>				X			
<i>Garden Centre</i>	X	X	X				
<i>Gas Bar</i>	X	X	X	X			
<i>Heavy Equipment Sales and Rental</i>			X	X			
<i>Home Improvement Centre</i>	X	X	X				
<i>Hotel</i>	X	X					
<i>Impounding Yard</i>		X	X	X			
<i>Industrial Use</i>				X	X(1)		
<i>Industrial Use, Light</i>	X	X	X				
<i>Medical Marihuana Production Facility</i>	X(5)	X(5)	X(5)	X(5)			
<i>Modular Building Dealership</i>			X				
<i>Office</i>	X						
<i>Parking Lot</i>	X	X					
<i>Personal Service Shop</i>	X	X					
<i>Pharmacy</i>	X						
<i>Pit</i>						X	
<i>Place of Worship</i>	X						
<i>Private Club</i>	X	X					
<i>Public Utility</i>	X	X	X	X			X
<i>Public Works Yard</i>	X	X	X	X			
<i>Quarry</i>						X	
<i>Recreation Vehicle Sales and Service Establishment</i>		X	X				
<i>Recreation Centre, Commercial</i>	X	X					
<i>Rental Store</i>	X	X	X	X			
<i>Restaurant</i>	X	X	X				
<i>Salvage or Wrecking Yard</i>				X			X
<i>Scientific or Medical Laboratory</i>	X	X	X	X			

USE	M1-1	M1	M2	M3	M4	M5	M6
<i>School, Commercial</i>	X(2)	X	X	X			
<i>Service Trade</i>	X	X	X	X			
<i>Sewage Facility</i>							X
<i>Transport Terminal</i>			X	X			
<i>Vehicle Repair Shop</i>		X	X	X			
<i>Vehicle Sales and Rental Establishment, other than an automotive sales establishment or automotive accessories store</i>			X	X			
<i>Veterinary Clinic</i>	X	X					
<i>Warehouse</i>	X	X	X	X			
<i>Waste Composting Facility</i>							X
<i>Waste Disposal Area</i>							X

SPECIAL PROVISIONS FOR TABLE 8.1

1. *Accessory to a permitted extractive use only.*
2. *If contained indoors and does not include the on-site use or parking of commercial vehicles or construction equipment.*
3. *Only if accessory and clearly secondary to an industrial use, light industrial use, service trade or trade school and wherein products manufactured, produced or processed on the premises are kept or displayed for wholesale or retail sale, or wherein orders are taken for the delivery of such products.*
4. *Subject to outdoor storage provisions in Section 4.28 of this By-law.*
5. *No Medical Marijuana Production Facility, shall be established or erected on a lot where any portion of the lot is closer than 150 metres to any lot in any of the Residential, Commercial, Rural, and Other Zones included in Parts 6, 7, 9, and 10 of this By-law, excluding the “FD”, Future Development Zone.*

8.3 ZONE STANDARDS

No person shall within any Industrial Zone use or permit the use of any lot or erect, alter, use any building or structure except in accordance with the following zone standards. A number(s) following the zone standard, zone heading or description of the standard, indicates an additional Zone requirement. These additional standards are listed as Special Provisions at the end of Table 8.2 below:

Table 8.2: Standards for Industrial Zones

Zone	Minimum Lot Area	Minimum Lot Frontage	Minimum Lot Depth	Minimum Required Front Yard	Minimum Required Rear Yard	Minimum Required Interior Side Yard	Minimum Required Corner Side Yard	Maximum Lot Coverage	Maximum Height	Minimum Landscaped Open Space	Other
M1 and M1-1	1,500m ²	30.0 m (1)	50.0 m	9.0 m (2)	6.0 m (4)	3.0 m (3)	9.0 m (2)	50%	12.0 m	5% (16)	(5)
M2	1,500m ²	30.0 m (1)	50.0 m	9.0 m (2)	6.0 m (7)	3.0 m (8)	9.0 m (2)	50%	15.0 m	5%	(5)
M3	1,500m ²	30.0 m (6)	50.0 m	9.0 m (2)	6.0 m (7)	6.0 m (8)	9.0 m (2)	60%	30.0 m (9)	5%	(17)
M4	1.0 ha	90.0 m	90.0 m	15.0 m (10)	15.0 m (4)(i)	15.0 m (3)(i)	15.0 m (10)	No maximum	30.0 m (9)	No minimum (14)	(11)(12)
M5	No minimum	No minimum	No minimum	15.0 m	15.0 m	15.0 m	15.0 m	No maximum	30.0 m	No minimum (14)	(11)(12) (13)
M6	2.0 ha	45.0 m	No minimum	15.0 m	15.0 m	15.0 m	15.0 m	50%	20.0 m	No minimum (14)	(15)

SPECIAL PROVISIONS FOR TABLE 8.2

1. For *lots* having frontage on an *arterial road* – 45.0 metres.
2. *Abutting* a primary *arterial road* – 15.0 metres.
3. On at least one side of the *lot*, except that:
 - (i) No *interior side yard* shall be *required* adjacent to a railway right-of-way; and
 - (ii) Where an *interior side lot line abuts* a Residential Zone, the minimum *interior side yard* width *required* shall be 9.0 metres.
4. Except that:
 - (i) No *rear yard* shall be *required* adjacent to a railway right-of-way;
 - (ii) Where the *rear lot line abuts* a road other than a primary *arterial road* or a Residential Zone, the minimum *rear yard* width *required* shall be 9.0 metres; and
 - (iii) *Abutting* a primary *arterial road* – 15.0 metres.
5. *Building separation* – 3.0 metres.
6. For *lots* having frontage on an *arterial road* – 50.0 metres.
7. Except that:
 - (i) No *rear yard* shall be *required* adjacent to a railway right-of-way; and
 - (ii) Where the *rear lot line abuts* a road or a Residential (R) Zone, the minimum *rear yard* *required* shall be 15.0 metres.(By-law 2011-49Z)
8. On at least 1 side of the *lot*, except that:
 - (i) No *interior side yard* shall be *required* adjacent to a railway right-of-way; and
 - (ii) Where an *interior side lot line abuts* a Residential Zone, the minimum *interior side yard* width *required* shall be 15.0 metres.
9. No *height* restriction shall apply to any *building* or *structure* located more than 150.0 metres from a Residential (R) Zone.
10. *Abutting* a primary or secondary *arterial road* – 90.0 metres.
11. Location and Fencing of Excavations – any open excavation associated with, or pertaining to an *extractive use* shall;
 - (i) Be located not closer than 30.0 metres to a *street line* or 15.0 metres to any other *lot line*; and
 - (ii) Be fully encircled by a continuous *fence* or other barrier not less than 1.8 metres in *height*, located not closer than 10.0 metres to any part of such excavation.
12. No part of any *extractive use*, except for an *accessory business office*, shall be established or erected closer than 150.0 metres to a Residential (R) Zone.

13. No *accessory industrial use* shall be permitted in an M5 Zone except for the washing, screening, sorting, drying, stockpiling, crushing, blending or other such primary processing, excluding roasting or smelting, of ores minerals or aggregates originating from an *extractive use* to which the said *industrial use* is *accessory*.
14. Except as *required* in Section 4.15 of this By-law.
15. No part of any *salvage yard, waste disposal area, waste composting facility* or *sewage facility* shall be established or erected closer than 150.0 metres to a Residential Zone.
16. Minimum *required landscaped open space* in an M1-1 Zone – 10 percent.
17. No *building, structure* or *open storage area* either associated with, or pertaining to, an *automotive body shop, fuel depot, abattoir, stockyard* or *industrial use*, other than a *light industrial use, warehouse, food processing plant* or *accessory office* shall be established or erected closer than 150 m to a Residential Zone.

Appendix H

Greater Sudbury Proposed Sports and Entertainment Centre Background Information

Presented To: City Council
Presented: Tuesday, Mar 07, 2017
Report Date: Wednesday, Feb 22, 2017
Type: Presentations

Request for Decision

Arena Presentation

Resolution

Resolution One:

THAT the City of Greater Sudbury Council receives the Phase I Market Analysis and Business Case Assessment report dated March 7, 2017 from the Special Advisor to the CAO.

Resolution Two: (Agreement to move the project forward)

THAT the City of Greater Sudbury Council endorses the recommendations from PWC as contained in Appendix A: Phase I Market Analysis and Business Case Assessment as attached to the report dated March 7, 2017 from the Special Advisor to the CAO, for the design and construction of a 5,800 seat Event Centre with a budget to be included in the 2018 capital budget that reflects all known or anticipated costs at that time.

Resolution Three: (Site Selection)

THAT the City of Greater Sudbury Council approves the process described in the report dated March 7, 2017 from the Special Advisor to the CAO for evaluating and recommending a site to serve as a location for a new Event Centre;

AND THAT the site evaluation criteria and their weighting as described on pages 45-49 Appendix A: Phase I Market Analysis and Business Case Assessment as attached to the report dated March 7, 2017 from the Special Advisor to the CAO also be approved;

AND THAT an evaluation of potential sites and a recommendation for a preferred site be reported to Council no later than June 2017.

Resolution Four: (Requests for Proposal)

THAT the City of Greater Sudbury Council direct that technical specifications for a 5,800 seat Event Centre be developed concurrently with the site selection process based on a Design/Build procurement method and incorporated into a Request for Proposals with a target release date of June, following Council's site selection decision as described in the Appendix A: Phase I Market Analysis and Business Case Assessment as attached to the report dated March 7, 2017 from the Special Advisor to the CAO;

AND THAT the City of Greater Sudbury complete a prequalification process to create a short-list of

Signed By

Report Prepared By

Ron Henderson
General Manager
Digitally Signed Feb 22, 17

Division Review

Ed Archer
Chief Administrative Officer
Digitally Signed Feb 22, 17

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Feb 22, 17

prospective design-build teams that will receive the Event Centre Request for Proposals from the City of Greater Sudbury in June 2017;

AND THAT a Request for Proposals for an Event Centre Operator be issued concurrent with the release of the Event Centre Request for Proposals;

AND THAT prior to the issuance of an RFP to select a venue operator, that the City negotiate a "term sheet" of key lease terms with the Sudbury Wolves;

AND THAT PWC's current engagement be extended to include assistance with the recommended next steps as described in the report dated March 7, 2017 from the Special Advisor to the CAO, with funding of up to \$200,000 provided from the Tax Rate Stabilization Reserve.

Finance Implications

If Recommendation Four is approved, a contribution from the Tax Rate Stabilization Reserve up to a maximum of \$200,000 will be made to extend the consultant agreement.

Background

See attached report.

Background

At the March 7 City Council meeting, inquiries were made about the proposed Site Evaluation Matrix presented by PWC to evaluate potential Event Centre sites. Although Council approved the evaluation tool as presented, comments by several councilors indicated an expectation to further review and perhaps adjust elements of it. Specifically, there was some interest in confirming the scope of each evaluation category and the relative weight all categories had on the overall evaluation result.

When selecting a site, it is important that City Council and the community feel comfortable that the criteria used to evaluate and select a location are relevant to CGS and appropriately weighted. The process should reflect community values, a recognition of what is in the best financial interests of the City, and recognize the level of investment, both from a construction and operating perspective that the project and the various sites present.

Given the above information and based on feedback at the March 7 Council meeting, PWC has prepared four scenarios for use in comparing and evaluating potential sites.

For each scenario, criteria within "Of Highest Importance" will be weighted equally but given the highest percentage weighting, criteria within "Extremely Important" will be weighted equally and given the second highest percent weighting and criteria within "Important" will be weighted equally but given the least percentage weighting.

- The first scenario assumes that "cost" and "economic impact" will be of greatest importance, followed by "parking" and "access" (extremely important), followed by "vision", "complimentary benefits", "ease of development" and "city building" (important).
- The second assumes that each of "cost", "economic impact", "parking" and "access" are equally of highest importance, while "complimentary benefits" and "ease of development" would be extremely important while "vision" and "city building" would be important.
- The third assumes each of "cost", "economic impact" and "parking" are equally of highest importance, while "complimentary benefits", "access" and "ease of development" would be extremely important and "vision" and "city building" would continue to be important.
- The fourth assumes that "cost" and "economic impact" will be of greatest importance, while each of "vision", "complimentary benefits", "ease of development", "access", "parking" and "city building" would all be of secondary importance.

Prior to commencing any formal evaluation and ranking of sites, direction will be required in terms of which of the four aforementioned grouping should be considered, if any.

The preferred evaluation site matrix selected by Council will be used to evaluate sites by a site evaluation team comprised of the following senior City staff and PWC.

- Ron Henderson, Special Advisor to the CAO
- Keith Forrester, Acting Director of Asset Services/Manager of Real Estate
- Jason Ferrigan, Director of Planning Services
- Ian Wood, Director of Economic Development
- Ron Bidulka, Consultant PWC

Outlined below are the four proposed groupings, following which is a description of each of the site selection criterion.

Scenario 1

Of Highest Importance	Extremely Important	Important
Cost Impact	Parking	Vision
Economic Impact	Access	Complimentary Benefits
		Ease of Development
		City Building

Scenario 2

Of Highest Importance	Extremely Important	Important
Cost Impact	Complimentary Benefits	Vision
Economic Impact	Ease of Development	City Building
Parking		
Access		

Scenario 3

Of Highest Importance	Extremely Important	Important
Cost Impact	Complimentary Benefits	Vision
Economic Impact	Ease of Development	City Building
Parking	Access	

Scenario 4

Of Highest Importance	Extremely Important	Important
Cost Impact		Vision
Economic Impact		Complimentary Benefits
		Ease of Development
		Access
		Parking
		City Building

Criteria Description

1 Vision

- a Will the development of a SEC on this site be seen by the residents as appropriate?
- b Is a SEC one of the highest and best uses of this site?
- c Does a SEC on this site reflect the City's vision and City's Official Plan?
- d Will this development stimulate future growth/expansion consistent with the City's vision?
- e Does the development of this site strike an appropriate balance between public and private sector benefits both short and long term?

2 Complimentary Benefits

- a Will the surrounding neighbourhood/area be positively impacted by this development?
- b Can this site support the development/expansion of an event/entertainment zone?
- c Will this project help develop or advance existing infrastructure expansion plans?
- d Are there additional benefits not necessarily associated with entertainment/event activity?

3 Ease of Development

- a Is the site well-serviced and can existing servicing handle the added requirements of a SEC?
- b Are there issues that would prolong the development or approval process?
- c Are there environmental issues or concerns associated with the site?
- d Are there significant geotechnical or topographic issues with the site specifically for a SEC?
- e Would development generate local area reaction/controversy?

4 Access

- a Does the site have easy vehicular access and egress for event setup?
- b Does the site have appropriate vehicular access and egress for spectators at events?
- c Does transit currently service the site and/or would service be provided?
- d Can transit reduce car dependent travel to this site?
- e Is this site accessible by patrons walking to the event (hotel, restaurants, etc.)?

5 Parking

- a Is there the potential for adequate parking on or near the site?
- b Is there existing parking in the area that can be used for events?
- c Does the event centre parking also effectively support other uses during non-event days?
- d Is there appropriate space for event loading/busing?

6 Cost Impact

- a Is there a cost premium for developing the spectator component on this site?
- b Is there a cost premium for overall site development?
- c Are there funding opportunities associated with the development of this site?
- d Are there partnering opportunities associated with the development of this site?

7 Economic Impact

- a Does the development of this site have a positive economic impact on the surrounding area?
- b Would this site become an entertainment/event destination?
- c Is this site positively impacted by the existing surrounding development?

8 City-building

- a Does the development on this site enhance the profile of Greater Sudbury as a destination?
- b Would the development of this site enhance the quality of life for the community?
- c Would the development as envisioned foster pride by the residents of Greater Sudbury?

Reference: City Council, March 7th, 2017, Arena Presentation report
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=1&id=1124>

Arena/Event Centre Update

June 15, 2017

Background

The purpose of this report is to present the results of the work undertaken since March to identify a suitable location for a new Arena/Event Centre. At its March 7th meeting Council approved several resolutions (CC 2017-62 through 65) with respect to the construction of a new Arena/Event Centre. These resolutions produced the following results:

1. Council accepted the market analysis and business case for a new arena/event centre and decided that a new Event Centre would include 5,800 seats, consistent with the recommendation provided by PriceWaterhouseCooper ("PWC").
2. Staff completed a site evaluation process, which is presented in this report, based on Council-approved criteria. Among the criteria, Council identified "cost", "economic impact" and "parking" as the highest priority elements. A site evaluation team comprised of PWC and senior staff representing Economic Development, Planning, Engineering and Real Estate completed the evaluation process. Altogether, 23 sites were assessed, with four shortlisted.
3. Technical specifications for a 5,800 seat event centre were developed concurrently with the site evaluation process based on a design/build procurement method and incorporated into a Request for Proposals ("RFP") that would be issued following a site selection decision. It was anticipated that the RFP might be ready for issue in June, although the resolution of site-specific issues may influence the timing of the RFP's release.
4. A Request for Prequalification process was completed to identify a shortlist of prospective design-build teams that would be eligible to bid on the Event Centre RFP when it is issued. Eight submissions were received and three have been shortlisted. The evaluation process of potential shortlisted teams is ongoing as of the report date.
5. Staff prepared a RFP for an Event Centre operator that is ready to be issued concurrent with the release of the Event Centre design/construction RFP. In contemplation of the operator RFP, a "term sheet" with the centre's key tenant, the Sudbury Wolves hockey club, is being negotiated to identify key lease terms that would apply in the new event centre.

6. A financing plan, presented in this report, was developed to support the project. In accordance with Council's direction, a plan that minimizes or eliminates any tax impacts was prepared.

This work was undertaken by staff and supported by a consulting team led by PWC. It required substantial effort from several disciplines across the organization, cooperation from property owners of the sites under evaluation, consultation with community stakeholders, negotiations with representatives of the Sudbury Wolves and regular updates to members of Council about the progress of the work. A "Large Projects Steering Committee", chaired by the CAO and including senior staff, provided overall direction.

Analysis

Site Evaluation

The attached report from PWC (Appendix A) describes the analysis done to identify potential sites for a new arena/event centre and to recommend a location. Eight site evaluation criteria were approved by Council for use in evaluating the short listed sites. These were: vision, complimentary benefits, ease of development, access, parking, cost, economic impact and city building. Council identified "cost", "economic impact" and "parking" to be of highest importance.

It is noteworthy that among the potential sites, four of them demonstrated strong potential but, of those, two were particularly suitable. Staff applied the criteria approved by Council to rank the sites, with the following result:

Criteria	Maclsaac Drive	Algonquin Road	Kingsway	Downtown
Parking	1	1	1	4
Cost	3	4	1	2
Economic Impact	3	3	2	1
Complimentary Benefits	3	4	2	1
Ease of Development	2	3	4	1
Access	2	4	3	1
Vision	3	4	2	1
City Building	4	3	2	1
Highest Importance	3	4	1	2
Extremely Important	3	4	2	1
Important	3	4	2	1
Combined	3	4	2	1

The evaluation indicates the Downtown site is the highest rated site. The Kingsway site is second-highest rated site on an overall basis, but is highest rated on the criteria which Council indicated was of highest importance.

It is important to remember the site evaluation team comprised subject matter experts with significant experience in their fields. Their work involved producing, or reviewing, technical details related to a variety of issues like soil condition, traffic patterns, infrastructure capacity and economic impacts. Nonetheless, the number of variables involved and the nature of the evaluation also required judgment. Overall, it is reasonable to describe the results of their work as a signal that there are two viable sites available for a new Event Centre.

Site Recommendation

The results of the site evaluation process revealed two of the four short-listed sites scored significantly higher than the other two, but overall their scores were very close to each other. The Downtown site had a higher overall score, but the Kingsway site scored highest on two of the three most important factors to Council (Cost and Parking). This is a positive result, since it indicates there are two viable sites that can support this important project.

Kingsway Site

The current property owner of the Kingsway site, Mr. Dario Zulich, leads a highly engaged team and promotes a vision for the property that anticipates the construction of an "entertainment district". The vision includes a casino, hotel, motorsport park, restaurants and other retail. If all development comes to fruition, this could produce considerable economic growth. On June 13, Gateway Casinos issued a media release indicating it signed a Letter of Intent to build a "premier casino and entertainment property" at this location. Further details are unavailable as at the publication date of this report, but is nonetheless a positive signal.

In negotiations with staff regarding the land purchase option, Mr. Zulich agreed to pay financial penalties if he fails to use "reasonable efforts" to effect the development. However, further development is not guaranteed and would be subject to future real estate and financial investment decisions by third parties. The property requires rezoning, which would extend the time needed to commence Event Centre construction by a year or more.

Experiences of other cities that have built event centres outside their downtown areas have not realized the anticipated economic benefits from surrounding developments. While local circumstances include unique features that would not apply in other communities Medicine Hat, Mississauga and Windsor are examples of cities where event centres have not produced the expected complimentary developments.

The Evaluation Committee recognizes the potentially unique development opportunity presented by Mr. Zulich's vision. It is a viable location but overall, selecting the Kingsway site introduces more risk than the Downtown site and may require more time to be fully developed.

Downtown Site

The Downtown site offers the opportunity to complement businesses and infrastructure that already exists. Experience in other communities shows, as described by the PWC report presented to Council at its March 7, 2017 meeting, that a downtown event centre provides immediate benefits to the community. The proposed site is appropriately zoned, allowing construction to commence in a timely manner once real estate transactions are concluded.

A downtown arena/event centre supports key City policy documents including the Official Plan and the Downtown Master Plan. In the Official Plan, section 4.2.1.1 identifies an arena as one of the amenities in a downtown that would make it an attractive place to live. Similarly, the Downtown Master Plan identifies the Sudbury Arena as a key asset to be retained in the downtown. The Downtown Sudbury BIA has indicated it would provide a capital contribution toward the cost of the facility over a 25-year period equivalent to a one-time contribution of \$1.5 million.

However, there is a perceived issue with the Downtown site related to parking. While the downtown has sufficient parking within a 10 minute walk it is generally seen as inconvenient. A downtown arena/event centre could trigger the introduction of new private sector parking investments.

Ultimately, building on the downtown site offers more immediate benefits to the community and represents the least risk to the City. The necessary infrastructure and supporting businesses are in place.

Based on the site evaluation criteria approved by Council and as described in the PWC report, the Downtown site was the highest ranked site in all categories except Parking and Cost (where its total estimated cost is marginally higher than the Kingsway site). It scored highest in terms of access, ease of development and its ability to deliver complimentary benefits. It is best aligned with the stated long-term vision for the City and contributes most to city building.

Design/Build Teams

The work involved in assembling a competitive design/build proposal is significant. To manage the city's interest in attracting competitive proposals, a prequalification process helps manage the risk that otherwise competitive firms see the prospects of winning the bid as too low, based on the high number of other potential bidders, and opt out of the bid process. Staff issued a Request for Prequalification in late March to shortlist prospective Design/Build teams.

There were eight submissions. After an evaluation process, three firms were shortlisted. An update will be presented to City Council at the June 27th meeting.

Honorarium for Unsuccessful Shortlisted Bidders

While evaluations of the responses to the City's Request for Prequalification are ongoing as of the publication of this report, three firms will be prequalified to respond to the City's Design/Build RFP. It will take approximately four to six months of research and preparation, and requires expenditures for technical analysis that will inform the bidder's cost estimates for their proposals. For a project like an arena/event centre, the total cost of the bid would likely exceed \$500,000.

A number of municipalities offer an honorarium to Design-Build RFP respondents (payable only to those not awarded the contract) to demonstrate both their commitment to the project as well as to provide partial compensation to prospective design-build teams in recognition of the financial cost of participating in the bid process. For example, the Regional Municipality of Wood Buffalo offered \$200,000 to its three short-listed proponents, while Moncton offered \$225,000 to its two short-listed proponents. The City of Greater Sudbury recently offered an honorarium of \$100,000 to unsuccessful teams for their participation in the Biosolids project.

Based on the above, it is recommended that the City of Greater Sudbury offer a \$150,000 honorarium to each of the two unsuccessful Design Build teams shortlisted for the Event Centre project.

Site-Specific Factors Influencing the RFP Timing

When previously considering the issuance of a design/build RFP, neither Council nor staff had knowledge of site-specific conditions that could influence the timing of the RFP's release. Now, with the site evaluation complete, staff can advise of potential site issues that could alter the timing of the document's release.

For the Downtown site, purchase options need to be exercised and building demolition needs to occur. Staff could issue the Design/Build RFP concurrent with this process, likely in the third or fourth quarter of 2017.

If the Kingsway site is selected, the City would be required to submit a rezoning application, necessary to allow for a public arena. If the application is appealed to the Ontario Municipal Board, it is difficult to anticipate the amount of time required to resolve the appeal. Generally, staff anticipate a rezoning and appeal process could take at least 12 months. A Design/Build RFP can be issued before these issues are resolved. However, once the Design/Build team is selected, the site should be at or near ready for construction. Therefore, staff anticipate the Design/Build RFP would not be issued until Q2 or Q3 2018.

Event Centre Operator

Concurrent with the Design/Build process and described to Council in March, staff have prepared an RFP to identify and retain a venue operator. It will be released once terms with the key tenant have been established and a RFP for the Design/Build process is underway. This will allow selection of a venue management company at an early enough juncture to enable them to provide input into the final design of the venue.

Term Sheet – Sudbury Wolves

The City has exchanged a draft "term sheet" with the Sudbury Wolves with the aim of securing a new lease with the team as part of the Wolves commitment to playing in the new building regardless of location. The draft term sheet describes the amount of rent the team would pay in the new building, how various revenue streams would be shared between the team and the building, including revenue from sources such as advertising, food beverage as well as the length of the lease.

At the writing of this report the term sheet has not been finalized although the discussions can be characterized as very good. Staff is confident that a term sheet will be agreed to pending Council's decision on the new arena location.

A new lease with the team is required before an RFP for a venue operator can be issued. The new lease with the team will provide potential operators with an understanding of the financial arrangements with the team so proposals can be compared on an apple to apples basis.

Financial Implications

Arena/Event Centre Financing Plan

Staff's initial assessment of the city's cost for a new arena/event centre was \$100 million, and the site evaluation process suggests this estimate continues to be reasonable. It can change when the results of the design/build Request for Proposals are available and/or when further, more detailed site condition technical assessments are undertaken. For the purposes of building a financing plan, staff used the following assumptions:

Principal amount to be financed:	\$100 million
Repayment term:	30 years
Interest rate:	3.6%
Funding source(s):	Tax levy
	Fundraising
	Facility revenues (naming rights, ticket surcharge)
	New funding sources

The annual cost to service the debt is approximately \$5.5 million, based on a 30 year amortization at a 3.6% interest rate. Debt repayment would start once construction is complete, likely in 2021. The municipality has sufficient debt capacity to obtain funding for this project and can secure the funds from either Infrastructure Ontario or via a financial institution. If the municipality obtained a corporate bond rating from one of the rating agencies, it could also issue its own debt.

Using Property Taxes as a Funding Source

Construction progress payments can be internally financed from reserves and reserve funds until such time that the facility is operational, anticipated to be 2021. At that time this has to be converted to external debt.

To manage the change in tax levy required to support the debt repayment, a "phase in" period of levy adjustments can be used to smooth any increase resulting from the debt obligation. Starting in 2018, for example, a three-year phase-in could commence such that a levy adjustment would be made in each of 2018, 2019 and 2020 so that sufficient funds were available to support the debt payment commencing in 2021. This is consistent with the three year phase-in used to finance the Biosolids facility.

Redirecting Funds from Current, Approved Uses

The levy adjustment could be reduced if Council wanted to redirect funds currently included as part of the existing tax levy. For example, the municipality provides grants to the Northern Ontario School of Architecture (NOSOA) and Advanced Medical Research Institute of Canada (AMRIC) totaling \$1.1 million with the last payment to AMRIC being 2018 and to NOSOA being 2020. These are funded by the tax levy, so after 2020 these funds would be available to apply toward other uses, such as the Arena/Event Centre.

However, applying these funds toward a debt payment for a new arena would be a change in policy. Currently, when a grant is no longer made to a community organization, it is removed from the operating budget and reduces the levy. These funds could instead be re-directed for asset renewal and address the significant infrastructure deficit associated with all of the city's asset classes.

Other funds currently anticipated for asset renewal could be redirected toward paying for the arena. For example, the province announced the municipality will receive increased funding from the Ontario Community Infrastructure Fund (OCIF). Currently, the municipality receives \$4.3 million each year but by 2019, this permanent allocation will increase by \$5 million to \$9.3 million. This funding may only be utilized for roads, bridges, storm water, water and wastewater projects.

Historically, City Council directed this funding towards roads projects and in 2017, a small portion (\$80,000) was approved to partially fund the Asset

Management Co-ordinator position. Council may wish to reallocate a portion of these funds from Roads capital to annual debt repayment for the Arena/Event Centre. However, this would reduce funds needed for asset renewal/replacement.

Similarly, another example of how current, approved funds could be redirected relates to the annual allocation towards the construction of Maley Drive. Currently, approximately \$2.3 million is allocated to fund this project until 2023. When these funds become available, staff anticipated they would be redirected to asset renewal needs. Instead, they could be directed to fund arena payments.

As identified in the City's Asset Management Plan, infrastructure renewal or replacement needs are significant and exceed the financial resources available to fully address them. When combined with anticipated new infrastructure over the next ten years, it is reasonable to anticipate the additional OCIF funding could be used for infrastructure renewal and replacement.

So while OCIF funding and debt payments associated with retired debt could be directed toward debt payments for a new arena/event centre, staff do not recommend this approach. It has the appearance of reducing the levy requirement for the city's asset renewal needs but the most likely impact is to increase costs related to asset failure and increased repair/maintenance costs.

New Funding Sources

As new non-property tax revenues become available, consideration could be given towards funding of the Event Centre. One such example was in the 2017 Provincial Budget, where it was announced that municipalities can impose a hotel room tax. The tax, if implemented, would be shared between the municipality and a non-profit tourism organization. If a 4% hotel room tax was approved, based on historical occupancy rates, this would generate approximately \$1.68 million, \$840,000 to the City and \$840,000 to the non-profit tourism organization.

Fundraising

A potential source of revenue for the Event Centre is community fundraising. As an example, the City of St. Catharines established a fundraising target of \$5 million towards the construction of the Meridian Centre or approximately 8 percent of the total cost. A fundraising committee was composed of Councillors, City staff, members of arena advocacy groups and the community. Due to the community interest in the Arena/Event Centre, the campaign was a huge success raising \$6.4 million.

The City of Greater Sudbury could undertake a similar campaign with a potential target of \$5.0 million to be realized prior to construction completion.

Contributions from Senior Governments

It is unlikely that senior levels of government will contribute funds toward the construction of a new arena/event centre given the benefits that will be accrued to a private OHL franchise. Discussions with both federal and provincial representatives are ongoing, but experience in other communities indicates it is unlikely that the City can expect to receive capital funds from either the provincial or federal government for this project.

Where senior levels of government are more likely to financially participate are in public community arenas. Based on lessons learned from other communities as discussed during the March 7 meeting, combining an arena/event centre and community arenas is not recommended. In addition to increasing the net cost of the project, it also increases the risk that the user experience will not meet expectations. With more users attending for different, simultaneous events, access to parking and other amenities becomes more challenging to manage. This could lead to increased operating costs, excess capacity during non-peak periods and lower customer satisfaction.

Proposed Financial Plan

Based on the preceding analysis of funding sources, choices are available to pay for the annual debt payment. Any amount raised from fundraising would reduce the amount of debt financing required. Multiple funding scenarios exist:

Tax Levy

The Long Term Financial Plan ("LTFP") included debt repayments commencing in 2019 and anticipated the tax levy would fund 100% of the required annual amount.

This is a practical, straightforward financial plan. As illustrated in the LTFP, all financial indicator forecasts remain well within acceptable limits, including affordability indicators. This approach also maximizes the amount of funds available for asset renewal/replacement.

Tax Levy + Other Funding Sources

Other funding sources as described in this report would reduce annual levy requirements. Redirecting some of these funding sources to repay the Arena/Event Centre debt would increase levy requirements for asset renewal/replacement. A new funding source like, for example, a Hotel tax, requires further deliberation by Council.

The following table describes how each of the funding sources could be applied to pay the annual debt payment and when the payment stream would

become available. Council could adjust these during annual budget deliberations each year as circumstances require. As the table illustrates, funds available exceed the funds required to support arena financing. The extent to which other funding sources are used in any particular year could reduce the "Tax Levy" amount shown here:

	2018	2019	2020	2021	2022	2023
Arena/Event Centre Requirement (Note B)	Note A	Note A	Note A	\$5.5M	\$5.5M	\$5.5M
Funding Sources:						
Tax Levy	\$1.8M	\$3.6M	\$5.5M	\$5.5M	\$5.5M	\$5.5M
Completed grants		0.6M	1.1M	1.1M	1.1M	1.1M
Retired debt payment					1.5M	2.3M
OCIF (Note C)	6.0M	9.3M	9.3M	9.3M	9.3M	9.3M
New Funding Sources (Note D)	0.8M	0.8M	0.8M	0.8M	0.8M	0.8M
Total Funds Available	\$8.6M	\$14.3M	\$16.7M	\$16.7M	\$18.2M	\$19.0M
Funds Available in Excess of Arena Requirement	\$8.6M	14.3M	\$16.7M	\$11.2M	\$12.7M	\$13.5M

Notes:

A – If Council elects to replicate the approach used for funding the Biosolids project, an annual levy charge for three years equivalent to 0.7% each year would provide the funds needed for the annual debt repayment. None of the other funding sources would be needed for the Arena/Event Centre

B – Fundraising results could reduce the amount of financing required, lowering the projected repayment amount

C – OCIF funding is limited to certain uses. However, the increased funding level could reduce tax levy requirements for other capital projects, freeing up capital funds to be applied to the Arena/Event Centre.

D – This amount reflects an estimate of what a 4% hotel room tax could generate for the City. However, whether such a tax would ever be applied, or when it would actually take effect, is subject to further Council review and approvals.

As described in Recommended Motion #2, staff propose the inclusion of the financing plan for the Arena/Event Centre in the 2018 Budget that reflects staff's advice about how best to apply these funding sources in the context of all of the community's capital spending needs.

Next Steps

With the selection of a preferred site staff will:

- 1) Complete acquisitions for all private sector holdings with respect to the preferred site. The timeline for these acquisitions will be dependent on the site Council chooses. This process is anticipated to take up to 12 months.
- 2) Resolve all Planning considerations including rezoning, if required. If the selected site requires a rezoning, this process could take up to a year or more.
- 3) Enter into acceptable licenses/leases with the Sudbury Wolves. A report on these discussions will be presented to Council before the issuance of an RFP for a venue operator.
- 4) Issue a Design Build RFP at a date subject to the timing of site related acquisitions. It is anticipated that if the downtown site is selected, an RFP could be issued as early as Q3 2017.

Further to direction provided in March and in accordance with Council's direction on Resolution Two, staff will include a financing plan in the 2018 Capital budget.

References

City Council, April 11, 2017:

<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=23&id=1125>

City Council, March 7, 2017:

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1124&minutes=1>

City Council, December 13, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1034&itemid=12449&lang=en>

City Council, July 12, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=943&itemid=10989&lang=en>

Request for Decision Arena/Event Centre Update

Presented To: City Council
Presented: Tuesday, Jun 27, 2017
Report Date: Thursday, Jun 15, 2017
Type: Presentations

Resolution

Resolution One:

Option 1:

THAT the City of Greater Sudbury selects the Downtown location, as identified in the attached report from PWC attached as Appendix A and assessed by the Site Evaluation Committee as the site that received the highest overall rating across the eight criteria approved by Council, as the preferred location to construct the Arena/Event as described in the report from the Special Advisor to the CAO entitled Arena/Event Centre Update dated June 15th, 2017.

Option 2:

THAT the City of Greater Sudbury selects the Kingsway location, as identified in the attached report from PWC attached as Appendix A and assessed by the Site Evaluation Committee as being the highest rated site for two of the three criteria identified by City Council as being of the highest importance, as the preferred location to construct the Arena/Event Centre as described in the report from the Special Advisor to the CAO entitled Arena/Event Centre Update dated June 15th, 2017.

Resolution Two:

THAT the City of Greater Sudbury approves a financing plan for inclusion in the 2018 capital budget that utilizes the following funding sources: a) Contributions from senior governments where available b) Operating funds assigned to completed community grant obligations c) Debt financing d) Fundraising e) Other non-property tax based funding sources, as described in the report from the Special Advisor to the CAO entitled Arena/Event Centre Update dated June 15th, 2017.

Resolution Three:

THAT the City of Greater Sudbury execute the Option to Purchase Agreements negotiated for the selected site and that any necessary funding required to execute these agreements be provided from the Land Acquisition Reserve Fund, Industrial Park Reserve Fund and the WSIB Schedule 2 Reserve

Signed By
Report Prepared By Ron Henderson General Manager <i>Digitally Signed Jun 15, 17</i>
Financial Implications Ed Stankiewicz Executive Director of Finance, Assets and Fleet <i>Digitally Signed Jun 15, 17</i>
Recommended by the C.A.O. Ed Archer Chief Administrative Officer <i>Digitally Signed Jun 15, 17</i>

Fund at a value no greater than \$7 million, which funds will be replenished through the Arena/Event Centre debt financing plan as described in the report from the Special Advisor to the CAO entitled Arena/Event Centre Update dated June 15th, 2017.

Resolution Four:

THAT the City of Greater Sudbury approves an honorarium of \$150,000 to each unsuccessful Design/Build team, total \$300,000 to be included in the total project costs as described in the report from the Special Advisor to the CAO entitled Arena/Event Centre Update dated June 15th, 2017.

Resolution Five:

THAT the City of Greater Sudbury approves the recommended next steps as presented in the report from the Special Advisor to the CAO dated June 14, 2017 as described in the report from the Special Advisor to the CAO entitled Arena/Event Centre Update dated June 15th, 2017.

Relationship to the Strategic Plan / Health Impact Assessment

The new Event Centre project aligns with the Corporate Strategic Plan in both the Quality of Life and Place, Priority B: "Maintain great public spaces and facilities to provide opportunities for everyone to enjoy." and Growth and Economic Development, Priority D: "Invest in large projects to stimulate growth and increase conferences, sports and events tourism, and celebrate cultural diversity." This facility will be a premier entertainment and recreational complex available to all residents. As one of the identified "large projects" and a priority identified in the Downtown Master Plan this project further represents a key Growth and Economic Development driver.

Report Summary

The purpose of this report is to present the results of the work undertaken since March to identify a suitable location for an Arena/Event Centre. The report identifies the site evaluation results and recommends a location, which reflects the outcome of an evaluation process conducted by staff and PWC. The evaluation indicates the downtown site is the highest rated site. The report also describes a financing plan and recommended next steps.

Financial Implications

The report requests an honourarium of \$150,000 to be paid to each unsuccessful Design/Build team to be included in the total project costs. The report also provides a financing plan for inclusion in the 2018 capital budget that utilizes the following funding sources:

- a) Contributions from senior governments where available
 - b) Operating funds assigned to completed community grant obligations
 - c) Debt financing
 - d) Fundraising
 - e) Other non-property tax based funding sources.
-

Supporting Documents

1. [Arena_Event Centre Update June15_2017 \(pdf\)](#)
2. [Appendix A Greater Sudbury Event Centre - Site Evaluation Report \(pdf\)](#)
3. [June 27 Council Site Selection Presentation Revised \(pdf\)](#)

Request for Decision Event Centre Development

Presented To: City Council

Presented: Tuesday, Aug 22, 2017

Report Date: Wednesday, Aug 09,
2017

Type: Managers' Reports

Resolution

Resolution 1:

THAT the General Manager of Community Development be authorized to enter into the following agreements:

a. On a single-source basis with Cumulus Architects Inc for the development of a Site Design Strategy at a cost not to exceed \$387,000 plus applicable taxes, with costs to be shared by Gateway Casinos and Entertainment Limited and with 1915695 Ontario Limited (Zulich) such that the City's share does not exceed one-third of the total cost;

b. With Gateway Casinos and Entertainment Limited and with Zulich for sharing the cost of a site concept plan on terms satisfactory to the Chief Administrative Officer and Executive Director, Finance, Assets and Fleet;

Resolution 2:

THAT staff be authorized to submit a re-zoning application on behalf, and with the consent, of the property owner to include "public arena" as a permitted use;

Resolution 3:

THAT the General Manager of Community Development be delegated authority to negotiate, execute and subsequently amend or extend any agreements, including, without limitation, agreements for cost-sharing, professional and consulting services and for non-competitive purchases with a total acquisition cost of \$50,000 or more, including instruments, assurances and any other documents as may be necessary to complete the Event Centre Project subject to Council's approval of and in accordance with:

- A Site Design Strategy

- A financing plan

Signed By

Report Prepared By

Ed Archer
Chief Administrative Officer
Digitally Signed Aug 9, 17

Financial Implications

Ed Stankiewicz
Executive Director of
Finance, Assets and Fleet
Digitally Signed Aug 9, 17

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Aug 9, 17

- Criteria used to evaluate proposals leading to the selection of a successful proponent to construct the Event Centre;

AND THAT a by-law be presented to formalize the decisions and authorities delegated to staff herein.

Relationship to the Strategic Plan / Health Impact Assessment

The Event Centre project aligns with the Corporate Strategic Plan in both the Quality of Life and Place, Priority B: "Maintain great public spaces and facilities to provide opportunities for everyone to enjoy." and Growth and Economic Development, Priority D: "Invest in large projects to stimulate growth and increase conferences, sports and events tourism, and celebrate cultural diversity."

Report Summary

This report recommends the creation of a site design strategy in collaboration with key stakeholders to facilitate an integrated design for the anticipated developments. It also recommends the delegation of authority for project approvals, subject to limits established by Council that include approval of the site concept, a financing plan and evaluation criteria for selecting a proponent to complete the Event Centre's construction.

Financial Implications

If approved as presented, the recommendations authorize the expenditure of up to \$387,000 plus applicable taxes and delegate authority to the General Manager of Community Development for decisions that advance the project according to limits established by Council, including a financing plan. Expenditures incurred in 2017 will be temporarily funded from the Tax Rate Stabilization Reserve pending the approval in the 2018 capital budget of the Event Centre financing plan. The project budget, when established, would be used to replenish the Tax Rate Stabilization Reserve.

Supporting Documents
1. Event Centre Development Report Aug 9_17 (pdf)

Event Centre Development

Background

City Council has received a number of reports regarding a new Event Centre. The most recent, considered at its June 27th, 2017 meeting, established a preferred location and directed that a financing plan be included in the 2018 capital budget utilizing a number of funding sources that were described in the report. It authorized the execution of the Option to Purchase Agreement for the subject land and approved an honorarium to be paid to the unsuccessful bidders that were prequalified to bid on the Event Centre's construction.

Event Centre Project Update

The purpose of this report is to seek direction following Council's June 27th decision to select the Kingsway site for a new arena/event centre ("Event Centre").

Recommendations for Council's consideration include directions that would establish:

- Council's support for producing a Site Design Strategy and integrated concept plan, with appropriate third party support to undertake the work that ensures a cohesive development and a strong sense of place.
- Cost sharing terms with both Gateway Casinos and 1915695 Ontario Limited (Zulich) regarding site development.
- Authority for staff to submit a re-zoning application to permit a public arena on the Event Centre site on behalf of and with the consent of the property owner.
- Authority for the General Manager of Community Development to prepare, negotiate, review, amend or extend any agreements, including, without limitation, agreements for cost-sharing and for non-competitive purchases with a total acquisition cost of \$50,000 or more, instruments, assurances and any other documents as may be necessary to give full effect to the Project Agreement entered into with the successful proponent identified and to complete the Project subject to Council's approval of:
 - A Site Design Strategy
 - A financing plan
 - The criteria used to evaluate proposals leading to the selection of a successful proponent.

Council's Desired Outcome

Council approved the Kingsway site for the Event Centre based on criteria it accepted and its desire to create synergies with other possible uses, namely a casino and a hotel/conference centre, which would attract visitors from across the region. Further, it expects construction of these buildings to occur concurrently as much as possible.

Key Stakeholders

It is clear that the City of Greater Sudbury cannot, on its own, produce all the outputs required for achieving Council's desired outcome. Gateway Casinos is a key stakeholder. It intends to build a new casino in Greater Sudbury and has to participate in the work necessary for realizing the desired outcome. It has previously expressed its support for the Kingsway site. Gateway representatives have met with staff over the last several weeks to review how its plans and the City's plans can be co-ordinated.

1915695 Ontario Limited (Zulich) is another key stakeholder. As the landowner of the surrounding property, its development plans should complement both the City's and Gateway's plans. Staff have had several meetings with Zulich over the last several weeks to review how its plans can be co-ordinated.

Issues

Achieving Council's desired outcome involves addressing several issues:

- A comprehensive and integrated approach to site planning and development
- Land use planning approvals
- Project governance, resourcing and coordination

Comprehensive and Integrated Site Planning and Development

The Kingsway site is currently undeveloped and lacks a comprehensive plan. The choice to establish it as the location for the new Event Centre, Casino and Hotel, surrounded by other uses, presents an opportunity to prepare a comprehensive design strategy for all of the land holdings and an integrated concept plan for the Event Centre, Casino and Hotel sites. The strategy and plan will maximize the site's potential for achieving Council's desired outcome.

In collaboration with Gateway and Zulich, staff recommends investing in the creation of a Site Design Strategy. This would produce a vision for how the site, when developed, could best realize Council's desired outcome and would be used as the basis for land use planning applications for the Event Centre and Casino developments. Hotel and restaurant uses are currently permitted on the site.

Preliminary discussions suggest the Site Design Strategy would incorporate features (e.g. street network, blocks and lots, built form, public realm, urban design, etc) that allow the separate developments to produce an integrated sense of place. Rather than a traditional development approach that could produce neighbouring buildings but no unique shared space, Gateway and Zulich have expressed interest in collaborating on a strategy and plan to guide short and long term development opportunities. The intended result is a high quality, cohesive place. With such collaboration, all stakeholders share responsibility for creating a place that would make it a destination within the city and region. Several examples of such developments exist across North America.

Staff recommend a single-source award to Cumulus Architects for the completion of a Site Design Strategy. There is a time-limited opportunity to collaborate and integrate the Arena and Casino projects before development approvals for each project must proceed independently. Given the narrow window, there is insufficient time to accommodate a full RFP process for developing the Site Design Strategy. All three parties support the award to Cumulus Architects.

Cumulus is the architect for the Gateway Casino project. It is intimately familiar with Gateway's operational model, security and servicing needs. Casinos have strict design parameters, and these are the constraints in an integrated project that are the most challenging to overcome.

Cumulus would lead a team of consultants to prepare a Site Design Strategy, coordinate the background studies to modify existing approvals and/or apply for new development approvals, as required, and consult with all relevant stakeholders. This would produce a coordinated and comprehensive development approach between the City and the Gateway facilities. However, each stakeholder would pursue its own project under its own control thereafter.

The Strategy and Plan would take approximately 8 weeks to produce, including public consultation. The cost is anticipated to be \$387,000 plus applicable taxes. The City's share would be one third of the cost, or approximately \$130,000.

Land Use Planning Approvals

The zoning for the site does not currently permit a public arena (Event Centre) or casino. A Zoning By-law amendment and Site Plan is required to permit the Event Centre's construction. The Casino requires an Official Plan amendment, Zoning By-law amendment and Site Plan approval to permit its construction on the site.

Since Zulich continues to own the property, both the City and Gateway require its authorization to submit the necessary planning applications that would begin the official plan amendment and rezoning processes. Meanwhile, Zulich needs to construct the street that would allow access to the site. The road's completion is required before building permits can be issued and Event Centre or Casino construction could commence.

Project Governance, Resourcing and Coordination

Steering Committee

The Large Project Steering Committee established in 2016 to guide the analysis of the four large projects selected by City Council will remain in place for the duration of the work required to bring each project to a conclusion. Chaired by the Chief Administrative Officer, its role is to direct the progress of the projects and provide sufficient, appropriate information to support Council's decisions about all four large

projects. Catherine Matheson, General Manager of Community Development, is a member of the Steering Committee and will serve as Event Centre Project Sponsor.

The General Manager of Growth and Infrastructure, Tony Cecutti, will continue to participate on the Steering Committee. However, Mr. Cecutti's portfolio is exclusively designed to serve in a regulatory role relative to this project. With responsibilities for Planning Approvals, matters within the Ontario Building Code, matters related to roads, sewer and water infrastructure, and matters related to Source Protection, his role and portfolio have been specifically excluded from project execution to preserve the community's need for the municipality's regulatory role to be fulfilled.

Event Centre Stakeholders Functional Committee

Council's desired outcome requires collaboration with key stakeholders. Subject to further discussion with Gateway and Zulich, staff anticipate forming an Event Centre Stakeholders Functional Committee. The purpose of the Committee is to maintain a shared focus on achieving the vision established by the Site Design Strategy, communicate with each other about each party's progress and collaborate to ensure concurrent development occurs as much as possible.

Staffing Requirements

Generally, the development of an Event Centre is complex. Combined with the potential for coordinating parallel development work by Gateway Casinos and a hotel developer, current staff resources are insufficient to properly support the project.

For this project to successfully achieve Council's desired outcome and appropriately manage risk, dedicated resources need to be assigned to execute the work, manage the project schedule and work with key stakeholders. A Project Director will be assigned full-time to this project, reporting to the General Manager of Community Development. He/she will be responsible for designing and executing a project schedule, managing staff resources and contractors required for the work and collaborating with stakeholders. Where staff are reassigned to this project their regular duties will be backfilled where required, with funding provided by the project budget.

Delegation of Council's Authority

Staff recommends Council delegate authority to the General Manager of Community Development to approve documentation, negotiate terms and execute agreements that support the project's successful on-time completion. Such authority would be applied according to the Site Design Strategy and financial terms established by Council. Maintaining a project schedule that respects the pace associated with neighboring private developments requires delegated authority from City Council to the Project Sponsor.

This means, for example, that where the City may need to establish contract terms to give full effect to a Project Agreement, the Project Sponsor would be empowered to do

so. The additional documentation could include such items as agreements with lenders, warranty certificates, undertakings, and closing certificates, all of which are typical for large commercial transactions of this type. It would enable the award of the construction contract following an evaluation of proposals that used the criteria Council approved for inclusion in the RFP.

Further, the delegated authority would permit the Project Sponsor to establish and execute agreements with key stakeholders regarding risk management, scheduling and cost sharing. This would be particularly applicable, for example, when coordinating site preparation work.

Regular reporting to Council will continue throughout the project. Council would retain authority over the project's key decisions, namely the approval of a concept plan, a financing plan and the criteria used to evaluate proposals leading to the selection of a successful proponent. Meanwhile, delegating authority to the Project Sponsor establishes a single point of accountability and enables effective, timely coordination with key stakeholders.

Next Steps

Staff anticipate the following next steps:

1. Proceed with the development of the overall site strategy and integrated concept plan.
2. Planning approvals: for the City, this involves seeking a Zoning By-law amendment; for Gateway, this involves an Official Plan amendment and Zoning By-law amendment; for Zulich, this involves securing detailed engineering approval to proceed with the construction of the street and registration of a part of the draft approved Plan of Subdivision.
3. Update bid document as required to reflect results of Site Design Strategy.

References

City Council, June 27, 2016:

<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=1&id=1130>

City Council, April 11, 2017:

<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=23&id=1125>

City Council, March 7, 2017:

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1124&minutes=1>

City Council, December 13, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1034&itemid=12449&lang=en>

City Council, July 12, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=943&itemid=10989&lang=en>

Background

The Sudbury Community Arena has been serving the residents of Greater Sudbury for over 60 years. Designed primarily as a hockey venue, the Arena has hosted concerts, curling events such as the Brier and Scott Tournament of Hearts, Canada and Remembrance Day celebrations, as well as major hockey events.

Sudbury Arena's fixed seating capacity of 4,470 and overall standing of 5,186 no longer reflect the needs of Greater Sudbury and the surrounding region. Nor does the building adequately accommodate the needs of the concert, trade show and the entertainment industry, made more important by way of the fact that Sudbury Wolves only play 40 to 50 home games per year.

In April 2016, City Council passed resolution CC2016-149 directing staff to take the next steps in the implementation of four large capital projects including an Event Centre. This resolution is consistent with Council direction in its Strategic Plan to "Invest in large projects to stimulate growth and increase conferences, sports and events tourism, and celebrate cultural diversity".

In July 2016, as part of its initial due diligence, City Council engaged a consultant to develop a Phase I Feasibility and Business Case analysis that was presented to Council March 2017. The study concluded the Greater Sudbury market could support an Event Centre with approximately 5,800 seats to service demand with an approximate cost of \$80 million.

Subject to Council's approval of the Phase 1 Feasibility Study, and building on the conclusions and recommendations made in the study, the following next steps are recommended:

- Determine the location of the Event Centre based on the evaluation criteria in the Phase I report
- Finalize estimated costs, taking into account any site-specific requirements and servicing needs
- Prepare bid documents for a Design/Build RFP concurrent with the site selection process including the pre-qualification of prospective Design/Build teams
- Prepare bid documents for an RFP to select an Operator
- Negotiate the terms for a new lease agreement with the Sudbury Wolves
- Develop a financing strategy
- Report to Council in June

This report will outline the key findings of the Phase I report, provide further details regarding recommended next steps and describe the process for site evaluation.

Phase I Key Findings

As PWC's report describes, there is a market in the Greater Sudbury area of approximately 550,000 people that could be served by a new arena/event centre. The optimal size is estimated to be 5,800 seats, with features that include:

- 35-40 fixed concession points of sale including 10 portable concession locations
- Approximately 5,020 general admission seats
- 10 loges boxes with 40 seats
- 500 club seats
- 24 private suites with 10 seats per box
- Contemporary back of house amenities to support a variety of sports and entertainment events (see Appendix A, pages 37-41 for more information)

Size and Project Cost

The recommended size of the facility is approximately 5,800 seats with the estimated overall cost, not including land and site servicing estimated at \$80 million. At this size, the Event Centre will be large enough to host bigger events such as a Memorial Cup but small enough to have a higher likelihood of attracting season ticket holders/sellout attendance levels.

For this price, the Event Centre would have all amenities of a modern day facility designed to create an intimate and exciting spectator experience. Features will include "Front-of-House" components such as a main lobby offering uncongested access to the main concourse, "House" components such as comfortable seating and private suites and "Back-of-House" components including modern day dressing rooms and vehicle entry for trucks to access the event floor.

Event Centre Capital Financing

The majority of Event Centre's in Canada are owned and financed by their respective municipalities, although a few of had some level of Provincial and Federal support for construction. Capital costs may be offset somewhat through initiatives such as the sale of naming rights and fundraising. As well, there may be some private sector participation (as happened in Sarnia, Brampton, Guelph and London) but the majority of capital and financial risk is typically borne by the municipality as Event Centre's in mid sized cities are generally not profitable.

Event Centre Operations

A pro forma of the Event Centre provided in the Phase I report projects an annual operating deficit of \$655,000 in its first year of operation growing to an annual deficit of \$825,000 in year 5. By comparison, the operating deficit at the Sudbury Arena in 2016 was approximately \$400,000. Key factors that explain the differences between these two figures are:

- Asset renewal charge included in the project operating model to account for repair/renewal needs that is not currently funded
- An anticipated management fee to maximize revenue (eg. gaining access to the entertainment and event industry) , marketing expertise and managing efficiencies and cost containment
- Increase in personnel costs compared to those at the existing Sudbury Arena given the increased scope of the operation

The pro forma projects a conservative number of new calendar bookings including concerts, family shows and other sporting and entertainment events. In addition, it projects revenues from naming rights, a ticket surcharge to preserve “the long-term maintenance and improvement of the arena”, a ticket “convenience fee” and other ice rental revenues.

It also assumes a new lease agreement with the lead tenant, the Sudbury Wolves. This agreement will influence the City’s share of event, concession and advertising revenues. The pro forma assumes a lease arrangement more in keeping with new OHL venues.

Prior to the issuance of an RFP to select a venue operator, it has been recommended by the consultant that the City negotiate a “term sheet” of key lease terms with the Sudbury Wolves. The purpose of negotiating a term sheet will be to provide comfort to the City of the Sudbury Wolves’ commitment to playing in the new building, regardless of location; it will also provide prospective venue operators with a listing of key terms and conditions (including, for example, the length of lease, the amount of rent the team would pay, how various revenue streams would be shared between the team and building, including revenue from sources such as advertising, food and beverage, etc.) so that proposals can be compared on an apples-to-apples basis. This approach was undertaken by the City of Moncton prior to it issuing its RFP for its new arena.

Event Centre Benefits - Economic Impact

The study concluded that an Event Centre has the potential to generate significant short and long term economic benefits to the City of Greater Sudbury. During the construction of the facility, there will be a direct correlation between the amount of money spent constructing the project and the accompanying benefits which will include jobs created and spending that will be circulated within the community.

Operationally, the level of benefit that is expected to arise will be based on the level of spending within the facility which will be correlated to the increased number of users that the Event Centre is expected to attract.

The construction of an Event Centre will also have some level of urban development benefits as evidenced by other mid sized cities who have built Event Centres. Examples include the Essar Centre in Sault Ste Marie, the K Rock Centre in Kingston and the Budweiser Gardens in London who have all enhanced the viability of surrounding businesses. Other communities have built Event Centres on greenfield sites that were part of a redevelopment strategy to maximize surrounding commercial development.

In either case, the development of an Event Centre will have substantive economic benefits to the City projected to include:

- \$131 million in direct and indirect spending during the facility's construction along with \$48 million in employment income growth
- \$6.9 million annually in direct and indirect spending during the facility's operation

Event Centre Benefits - User Experience

A report was presented to Council March 2015 that concluded that it would cost approximately \$50 million to renovate and enhance the existing Community Arena with the amenities of a modern day event centre and up to current OHL standards. The report confirmed that the cost/benefit value proposition for making this investment was difficult to justify. In addition, it was established that the Arena must be able to continue to operate during the hockey season limiting construction from May to August. This made extensive demolition of the main bowl virtually impossible and resulted in a timeline to complete work greater than 5 years.

A new modern building would address many of the short comings identified in the existing arena including seating, acoustics, site lines and outdated washrooms and concessions.

As well, the operation of the Event Centre is estimated to attract a variety of shows, exhibitions, concerts, sporting events including hockey games and other activities to the City that will gather people together and build/reinforce a sense of community, vibrancy and growth.

Phase II Site Selection Rationale

A number of important decisions need to be made prior to proceeding with a procurement for an Event Centre. It is essential for Council to select the future site of the Event Centre as it forms the basis for the proposals to be received. The ultimate site will greatly impact the timing, cost, footprint and design of the Event Centre. The determination on site will then dictate the next steps that must be taken prior to proceeding with the Event Centre procurement. Sites that require extensive servicing may well require those issues to be addressed prior to the Event Centre procurement. Similarly, a site which is not owned or wholly owned by the City would need to be secured prior to proceeding with the procurement of such a significant asset.

From a procurement standpoint, the City is legally required in a binding Request for Proposals to create a process that is fair, competitive and transparent for the bidders. An essential part of this is the determination of the site. The terms of reference for the procurement must allow for proposals to be fairly considered and evaluated. Proceeding with a procurement without a

determination on the site would result in proposals being received that cannot be evaluated or properly compared to one another as they would present significant differences in cost, timing and scope.

As well, research of other mid-sized cities that have built Event Centres in Canada over the past two decades has demonstrated that a site was selected before a competitive bid process was undertaken.

Phase II Site Evaluation Considerations

Choosing a location for a new arena/event centre has generated significant community discussions. This is by no means uncommon, and it is the experience of the Consulting Team that most communities considering a decision to build a new arena experience a similar level of interest regarding its location.

In Greater Sudbury, the focus has been on whether a new building should remain in a downtown setting or whether it should be placed outside the downtown core. For the purposes of this report, staff focused on collaborating with PwC to identify the “ideal” characteristics of a site that could serve as a suitable location. These are recommended to serve as criteria for selecting a preferred location:

- Identification of potential sites based on their physical dimensions (is the site large enough)
- Vision – is the development of an Event Center at this location consistent with the long term vision of the City?
- Complimentary Benefits – does development of this site enhance the neighbouring area?
- Ease of Development – are there expected issues or costs with the development of this particular site?
- Access – What improvements are required to support vehicular, pedestrian and transit (current and future)?
- Parking – Is there existing parking in the area that can be reasonably used to accommodate demands. Can it be added?
- Economic Impact – Does the development of this site have an enhanced economic impact for the area?
- City Building – does this site enhance the process of “city building” by contributing to economic growth, community pride, quality of life and citizen satisfaction

A fulsome description of these criteria and their relative weights is described in Appendix A, page 49. If the recommendation is approved as presented, staff will apply these weighted criteria to rank potential sites in anticipation of a report to Council no later than June that would facilitate a decision about a preferred location.

Phase II Site Evaluation Process

An evaluation team led by Ron Henderson, Special Advisor to the CAO and Ron Bidulka, lead consultant for PWC will be guided by the site criteria presented in the Phase I report and presented above .

The site evaluation team will review all potential public and private sector properties that meet minimum criteria within the former boundaries of the City of Sudbury.

Potential sites that meet a minimum threshold will be short listed and presented to City Council in June for consideration.

Each short listed site will detail probable costs including acquisition costs and site servicing costs. As part of that process, it is recommended by PCW that the City attempt to secure options to purchase potential short listed sites prior to Council selecting its preferred site in June. The purpose of securing an option to purchase prior to the June Council meeting is to remove any possibility of Council selecting a site only to have that land owner potentially hold out for an exorbitant price and / or delay timing of when the City could close on the transaction and commence construction. Securing the option would allow the City to obtain agreement that it would be able to purchase the property at an agreed to price, which would then inform the site evaluation process.

Such option(s) to purchase would be open during the time when the City completes its site selection process. Once a location is chosen as the preferred location by City Council, the option to purchase would then be exercised by the City at the price agreed to in the option agreement. If a location is not chosen as the preferred location the option to purchase would lapse

Procurement

It is possible to put an RFP bid package together concurrent with the site selection process. Anticipating a successful outcome to site selection, the City may be in a position in June to issue an RFP for an Event Centre on the selected site (subject to any site specific issues affecting timing).

Procurement options for this type of project would include:

Design/Bid/Build

The Design/Bid/Build process begins with the owner determining a preliminary budget for the project. From there a Request for Proposal is issued (RFP) for an Architect/Engineer firm for design services to fully describe the requirements for construction of the complete project. Once finalized, the project is put out to a competitive bid to a general contractor.

Advantages

- Single point of responsibility of the construction side
- Bid price is obtained prior to breaking ground

Disadvantages

- Takes longer to design the entire project before bids are solicited
- Final cost not guaranteed, traditionally there are extras and other modifications

Design/Build

This procurement has the design and build functions combined with a single private sector entity. Submissions are garnered from Design/Build consortiums that develop the detailed design, working drawings, final price and specifications to construct the building. Working with the owner, the Design/Build team tailors the concept to provide a guaranteed maximum price (GMP) for the project.

The design-build delivery method has been used increasingly in the public sector but is not a risk free approach.

Advantages

- Efficient; the design and construction of the project is sourced to a single entity that provides a guaranteed maximum price
- Timely; there can be overlapping of the design and construction processes which will expedite the project schedule
- Minimized Risk; since the design-build relies on a single point of responsibility it is used to minimize risks to the project owner.

Disadvantages

- Unless the scope (performance specifications) are well defined, the City is at risk for quality
- City initiated changes after the final design will cause change orders and increase costs
- Conflicting/competing factors are the desire to construct at the lower initial cost that may compromise aesthetic design.

Private Public Partnership (P3)

There are many varieties of projects. The Owner must recognize and live with the fact that the private partner may require total control over the facility during this long relationship. Business practices with the private partner will require more complex negotiation, often requiring a

team of experts, and details to be determined which may be a longer process than traditional procurement methods.

It is difficult to say exactly how this relationship would function for the City, given there are several types of P3 models with varying levels of public ownership and control. The nature of a P3 partnership for an event centre would not be known until the project has gone to market.

Advantages

- Provides the Owner the opportunity to bring in creative financing and private expertise in the design and operation of the facility.
- Provides the opportunity to include other added value components of an overall redevelopment (i.e. hotel, retail)

Disadvantages

- Owner must be prepared to give up or some control over the operation. The problem occurs when revenue generated from operations does not meet expectations – refinancing, operator bankruptcy, increasing user fees to unacceptable levels
- A P3 arrangement is very time consuming and complex requiring outside technical, legal and financial advice with respect to the P3 partnership as well as document preparation for items such as request for proposals and legal agreements
- Co-mingles design, construction, financing and operations / maintenance and may result in the City selecting a partner with inferior team members (i.e., the best architect, builder, financier and operator may not all be on the same team)

The procurement method recommended by PWC is to follow a Design/Build procurement for the Events Centre. This is consistent with the procurement method used in other mid-sized cities for similar projects. As mentioned above, the Design/Build method has the prime advantage of offering an expedited project schedule at guaranteed maximum price. This method would ensure to the greatest extent possible a construction timeline commencing as early as spring 2018. (subject to land issues)

The Design/Bid/Build model is a much slower procurement strategy that would likely push construction of the Event Centre through 2018 and likely into 2019. This method does not provide a guaranteed maximum price and is not recommended as a procurement choice.

There are few examples of successful P3 arrangements for event centres in mid sized cities, primarily because of the fact that these facilities are not profitable and therefore unlikely to draw private sector interest. The private sector has more of an interest in operating these type of venues rather than an ownership stake.

The Design-Build procurement process would be undertaken in two phases. The first phase would involve the City commencing a “Requests for Expressions of Interest” (EOI) process in late March. This process would seek to identify and short-list prospective design-build teams to receive the final Design-Build RFP from the City.

While the EOI process was being implemented, staff and the consultant would prepare the Design-Build RFP. Both the EOI short-list and Design-Build RFP would then be presented to Council for their consideration in June. If Council elects to go forward at that time, and subject to no site specific issues that affect timing, the Phase II of the Design-Build process would commence with the issuance of the RFP (augmented to include site-related information).

In the consultant's experience, issuing a Design-Build RFP without firstly shortlisting firms will significantly impact the quality of responses received to the RFP. Generally, responding to a Design-Build RFP will take months of research and preparation, time which will cost prospective design-build teams money. By not short listing firms, prospective design-build firms will not be as willing to invest the time and money needed to prepare a quality response. Additionally, it is noted that a number of municipalities offer honorariums to Design-Build RFP respondents (payable only to those not awarded the contract) to demonstrate both their commitment to the project as well as to provide partial compensation to prospective design-build teams to ensure that they invest in putting forth their best design-build solution (by way of example, the Regional Municipality of Wood Buffalo offered \$200,000 to its three short-listed proponents, while Moncton offered \$225,000 to its two short-listed proponents).

Concurrent with this process (site selection and Design-Build EOI process), the Consultant also recommends implementing a separate process to identify and retain a venue operator. In the consultant's experience, a city should want to identify and select that best architect and best builder to construct their new venue (design/build); a city should also want to identify and select the best operator to manage this venue on their behalf. By "co-mingling" the design-build with the operate and maintain, a city runs the risk of being forced to select a potentially inferior proposal team which does not have the best architect, builder and operator.

The RFP for an Operator can also seek a financial contribution towards the project so the City not only reduces its capital costs but creates an Owner/ Operator partnership where both parties share in the project risk. Both the Design-Build and Venue Operator process can be run concurrently, and will allow selection of a venue management company at an early enough juncture to enable them to provide input into the final design of the venue.

Staff is requesting that Council support a design build process for the Event Centre, and implementing this procurement through a two-phase process (EOI followed by RFP). In anticipation of a final site selection in June, staff/consultant can begin the process of preparing the necessary design build documentation.

Financing Options

For the purpose of this report, the estimated cost of a new arena/event centre that has the features described here is \$80 million. This excludes land acquisition, parking and any related servicing/environmental costs. Taking a conservative view, it is possible the total cost of a new arena/event centre could be \$100 million. A refined cost estimate will be available once a site is selected and planned to be available for the 2018 capital budget.

Financing this project could take a number of forms, including one or more of the following:

1. **Debt:** the City of Greater Sudbury has sufficient debt capacity to fund this project. It could issue debt with up to a 30-year amortization. This is the financing method most commonly used by municipalities to finance facilities like this. Based on current interest rates, it would require an annual funding commitment of approximately \$5.5 million to repay the loan. This would represent an approximate tax levy increase of 2.2% which could be smoothed out over a number of years (i.e. .44% over 5 years). Funds for repayment would likely come from a combination of facility revenues and property taxes.
2. **Public/Private Partnership ("P3"):** this includes a variety of options, but generally P3 transactions involve some level of collaboration with a private sector partner in exchange for commitments (e.g. time, fixed cost, equity investment) that reduce the City's risk.
3. **Ticket Surcharge/Facility Renewal Fee:** while not a complete financing solution, the introduction of a charge per ticket issued would offset capital outlays for either construction or asset renewal
4. **Property Taxes:** while relying 100% on annual property tax revenues to finance the facility is impractical, a portion of property taxes could be dedicated to finance the facility construction costs. This could reduce debt financing requirements.

PWC's report describes other revenue sources such as naming rights, advertising space rentals and other revenue streams that can reduce operating subsidy requirements. Please refer to Appendix A, pages 53-56 for details.

It is likely that debt financing will be required, regardless of what other forms of financing, if any, Council is interested in utilizing for this project. It is unlikely, however, that senior levels of government will contribute funds toward the construction of a new arena/event centre. Discussions with both provincial and federal government representatives are ongoing, but experience in other communities indicates it is unlikely that the City can expect to receive capital funds from either the provincial or federal government for this project.

Once probable total project costs are ascertained through the site selection process, staff will produce a detailed financial analysis and strategy that examines potential sources of financing.

Financial Implications of Phase II

It is recommended that PWC's current engagement be extended to provide guidance to the City with the recommended next steps:

- the Phase II site selection process
- the development of the Expression of Interest (to prequalify Design/Build teams)
- the development of the RFP bid package for the design/build process
- the development of an RFP to select an operator
- the negotiation of the terms for a new lease agreement with the Sudbury Wolves.

Not only will this provide continuity with the first phase report but lead consultant Mr. Bidulka is also one of Canada's most experienced consultants in evaluating all aspects of mid-size event centre sites including business case and economic impact assessment.

In addition to the first phase of work which was \$145,000, the total anticipated cost of supporting Council's decision for the next phases of work as described above is \$200,000.

This is slightly over the \$275,000 estimate provided to Council in June 2016 and represents about .35% of the estimated total project cost. Funding is anticipated to be provided by the Tax Rate Stabilization Reserve.

Resources Cited:

Large Projects Update to City Council, December 13, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1034&itemid=12449&lang=en>

Large Projects Update to City Council, July 12, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=943&itemid=10989&lang=en>

Large Projects Update to City Council, April 12, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=943&itemid=10989&lang=en>

Large Projects Public Input Meeting, November 27, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1053&itemid=10599&lang=en>

Arena/Entertainment Centre Project Timeline for City Council, September 16, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=951&itemid=11958&lang=en>

Downtown Masterplan Ten Year Implementation Plan Update, Council, November 24, 2015

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=824&itemid=10666&lang=en>

Arena Renewal Strategy and Sudbury Community Arena – Renewal Options. Council, March 31, 2015

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=811&itemid=9364&lang=en>

***Proposed Sports and
Entertainment Centre
Feasibility and Business Case
Assessment***

City of Greater Sudbury

February 21, 2017



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1. Introduction

Background

The City of Greater Sudbury (the “City”) has been considering a new sports and entertainment facility to replace the Sudbury Community Arena (“SCA”). While having served as viable home for the Sudbury Wolves of the Ontario Hockey League’ (“OHL”), as a venue for the staging of a broad range of spectator and community events and shows, in addition to being used by local minor sport organizations, the SCA is estimated to require some \$3.8 million in basic upgrades and repairs over the 2013-2023 period. Moreover, it has been reported that the SCA has an estimated probable cost in the range of \$50 million to bring it up to current “sports and entertainment complex” standards (i.e., to make it comparable to newer buildings which have been developed in markets such as St. Catharines, Moncton, Kingston, Windsor and Sault Ste. Marie).

A new multi-purpose Sports and Entertainment Centre (“SEC”) has been endorsed by Greater Sudbury City Council as one of its four priority projects. In support of this recommendation, the City retained PricewaterhouseCoopers Real Estate Inc. (“PwC”) to prepare a feasibility and business case assessment for a new sports and entertainment complex. This study is to include the following elements:

- A “Feasibility Study”, the purpose of which is to assess and make recommendations on the needs, including anticipated costs and benefits, of an SEC; and
- A “Business Case” assessment, the purpose of which is to identify the specifications that can form the basis for a Request for Proposals document for the procurement phase of a new multi-purpose SEC.

By completing a feasibility and business case assessment for a new SEC, it is anticipated that the City would be placed in a better position to evaluate its merit, and determine a go-forward strategy to determine its location and procurement process.

Scope of Review

The scope of PwC’s review included the following tasks:

- Held a preliminary meeting with City of Greater Sudbury officials to acquire background information;
- Completed a review of the Greater Sudbury market from a demographic and socio-economic perspective;
- Researched and obtained information on the operations of various mid-sized spectator facilities across Ontario and other Canadian markets;
- Researched and reviewed socio-economic data profiling other Ontario markets with OHL teams;
- Evaluated the potential “supportable” size of a new SEC in Sudbury;
- Identified the various design components and building areas which should be included within a new SEC;
- Identified location criteria for use in selecting a location for the SEC;
- Developed an estimate of potential costs for the SEC;
- Evaluated opportunities for business partnerships and government support;
- Identified a projected utilization and programming schedule;
- Developed a 10-year proforma operating budget for the Facility; and
- Evaluated the economic and social benefits of a proposed SEC.

Restrictions and Limitations

The intended use of this Report is an examination of the Greater Sudbury market and its ability to support a new Sports and Entertainment Centre. In completing aspects of this Study, PwC relied upon certain information provided in confidence which cannot be wholly disclosed.

The reader should note that the Study utilizes various assumptions (some of which are included in Appendix B) which are based on a set of economic conditions and / or possible courses of action that are reasonable and appropriate in PwC's judgment, are consistent with the purpose of this assignment, but which may not materialize as set out therein. These hypotheses represent plausible circumstances, but need not be, and may not be fully supported.

Since future events are not subject to precise projections, some assumptions will not materialize in the exact form presented by our analysis. In addition, other unanticipated events and circumstances will occur that will influence the future outcome and performance of a Sports and Entertainment Centre in Greater Sudbury. Therefore, actual results achieved in future operating periods will vary from the analysis of prospective market and financial conditions set out therein. While there is no recourse to predicting these matters with certainty apart from informed and reasoned judgments, it must be stated that future events will lead to variations in the building's operational performance which could materially alter results.

PwC does not warrant that actual results achieved will be the same, in whole or in part, as those shown in the Projection. The Projection is based on hypotheses and there is a significant risk that actual results will vary from the results projected.

This Report has been prepared at the request of the City of Greater Sudbury for advice and use in evaluating the feasibility and business case for a new Sports and Entertainment Centre. This Report has been commissioned to provide the City with input as it determines an appropriate go forward strategy; our Report is not intended to be used for any other purpose.

We do not assume any responsibility or liability for losses incurred by the City, its employees or by any other parties as a result of the circulation, publication, reproduction or use of this Report contrary to the provisions of the preceding paragraph.

We reserve the right to review all calculations included or referred to in our Report and if we consider it necessary, to revise our Report in the light of any information which becomes known to us after the date of this Report.

2. Market Overview

Introduction

Greater Sudbury was established in 1883 as part of the westward expansion of the Canadian Pacific Railway. Shortly after the Sudbury section of the rail line was completed in 1884, rich minerals embedded in the geological formation known as the Sudbury Basin were discovered. This discovery was soon followed by mining activity, with the earliest mines being established in Copper Cliff (in 1886) and Blezard (in 1889).

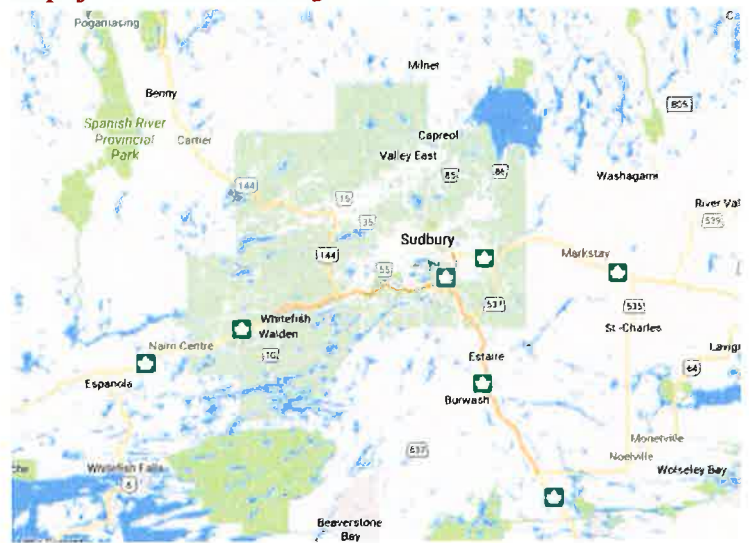
Over time, Greater Sudbury evolved into a world-class mining centre; mining companies located in Greater Sudbury now employ approximately 6,000 people and support a 300-company mining supply and service sector cluster that employs a further 10,000 people. The City has since diversified significantly and currently serves as a regional centre in northern Ontario for financial and business services, tourism, health care and research, education and government. With a market area that stretches from the Quebec border west to the eastern shore of Lake Superior and north to the James and Hudson's Bay coastlines, some 550,000 live in the area. Greater Sudbury is the largest city, both in terms of geographic area and population, in Northern Ontario.

Figure 1
Greater Sudbury's Location



Source: City of Greater Sudbury

Figure 2
Map of the Greater Sudbury Area



Source: Google Maps

Demographic profile

Population

Between 2001 and 2016, the number of people living within the City of Greater Sudbury increased by 4.1%, from a census population of approximately 155,200 in 2001 to over 161,500 in 2016 (see Figure 3, following). Over this same period, the population living in the Greater Sudbury CMA increased by almost 6.0%, from 155,600 in 2001 to almost 164,700 in 2016. With a total annual growth rate over this period of 0.3% per year (compound annual growth rate, "CAGR") in the City and 0.4% per year in the CMA, the City continued a 30-year trend of positive population growth (compared to the period between 1971 and 1986 when the City's population declined).

**Figure 3
Population Growth in the City of Greater Sudbury and Greater Sudbury CMA, 2001-2016**

Census Year	City of Greater Sudbury		Greater Sudbury CMA	
	Population	% Increase	Population	% Increase
2001	155,219	--	155,601	--
2006	157,857	1.7%	158,258	1.7%
2011	160,274	1.5%	163,067	3.0%
2016	161,531	0.8%	164,689	1.0%

Source: Statistics Canada, Census of Canada (various years)

Over the coming years, Greater Sudbury's population is projected to continue to increase. According to a 2013 forecast prepared for the City of Greater Sudbury by Hemson Consulting, the population of Greater Sudbury is projected to grow to some 176,800 persons by 2036 (although it should be noted that 2016 Census population for Greater Sudbury was some 8,700 people fewer than projected). This compares to a 2015 forecast prepared by the Ontario Ministry of Finance which estimated that while Greater Sudbury's population would continue to grow in the short to medium term, its population would peak in approximately 2027 (at 165,900) before declining to approximately 164,000 in 2041.

**Figure 4
Population Projections for Greater Sudbury, 2011-2041**

Year	2013 City of Greater Sudbury Projection		2015 Ontario Ministry of Finance Projection	
2001	161,100		161,100	
2006	163,800	1.7%	163,800	1.7%
2011	166,300	1.5%	166,300	1.5%
2016	169,000	1.6%	164,690	-1.0%
2021	171,800	1.7%	165,571	0.5%
2026	174,400	1.5%	165,874	0.2%
2031	175,900	0.9%	165,679	-0.1%
2036	176,800	0.5%	164,967	-0.4%
2041	--		163,957	-0.6%
Growth 2011 - 2036	10,500	6.3%	-1,333	-0.8%

Source: City of Greater Sudbury (Hemson Consulting, 2013), Ontario Ministry of Finance (2015)

Household and discretionary income

Residents of Greater Sudbury enjoy higher household incomes compared to other residents in Northern Ontario. In this regard, households residing in Greater Sudbury are projected to have earned, on average, \$82,800 in 2014 while households residing in other major Northern Ontario cities (North Bay, Sault Ste. Marie and Thunder Bay) were projected to have earned, on average, between \$72,700 and \$74,900 (see Figure 5, following).

Average household incomes are projected to increase by almost 15% between 2012 and 2017, to more than \$89,500. Such projected increase is approximately 200 basis points (2.0%) greater than is projected to occur in North Bay, Sault Ste. Marie and Thunder Bay.

Figure 5
Average Household Incomes, Ontario and the Cities of Greater Sudbury, North Bay, Sault Ste. Marie and Thunder Bay, 2012–2017

Year	Greater Sudbury		North Bay		Sault Ste. Marie		Thunder Bay	
	<i>Hhld Income</i>	<i>% Increase</i>	<i>Hhld Income</i>	<i>% Increase</i>	<i>Hhld Income</i>	<i>% Increase</i>	<i>Hhld Income</i>	<i>% Increase</i>
2012	\$78,249	--	\$69,267	--	\$70,540	--	\$71,350	--
2014	\$82,750	5.8%	\$72,720	5.0%	\$73,999	4.9%	\$74,860	4.9%
2017	\$89,505	8.2%	\$77,909	7.1%	\$79,189	7.0%	\$80,098	7.0%

Source: Statistics Canada (2011 National Household Survey), *FP Markets Canadian Demographics*, 2012

Compared to Canadian and Ontario averages, average median Census Family incomes are projected to have been some 11% higher in Greater Sudbury in 2014 (Figure 6, following). Moreover, families in Greater Sudbury are projected to have had higher average incomes compared to families in other Ontario centres including Toronto (16% higher), St. Catharines (22% higher) and London (12% higher), among others. Among the 11 Ontario centres listed in Figure 6, only families living in Ottawa and Oshawa were reported to have had higher average incomes than families living in Greater Sudbury in 2014.

Figure 6
Median Census Family Income, 2010–2014

	2010	2011	2012	2013	2014
Canada	69,860	72,240	74,540	76,550	78,870
Ontario	71,540	73,290	74,890	76,510	78,790
Ottawa–Gatineau (Ont. part)	94,700	97,010	98,110	101,070	102,020
Kingston	77,140	79,140	80,800	82,950	84,750
Oshawa	82,270	84,070	86,160	87,400	89,430
Toronto	68,110	69,740	71,210	72,830	75,270
Hamilton	76,730	78,520	80,400	82,290	84,980
St. Catharines–Niagara	65,900	67,230	68,410	69,500	71,830
Kitchener–Cambridge–Waterloo	77,040	79,020	80,570	82,160	84,380
London	71,840	73,500	74,760	75,980	78,050
Windsor	69,480	70,560	72,220	73,440	76,260
Greater Sudbury	76,710	82,220	85,440	86,080	87,450
Thunder Bay	75,640	78,610	80,680	82,690	84,350

Source: Statistics Canada, *CANSIM*, table 111-0009

While residents of Greater Sudbury have higher average annual household incomes compared to other residents of Northern Ontario, on average, residents of Greater Sudbury also enjoy higher disposable incomes. In this regard, Greater Sudbury residents generally have over \$21,300 available for discretionary purchases, including for entertainment and related purchases. These estimates compare to residents of other Northern Ontario communities like North Bay, Sault Ste. Marie and Thunder Bay who generally have between \$18,800 and \$19,400 available for discretionary purposes. Like Greater Sudbury, each have approximately 26% of their incomes available for discretionary purposes.

Economic profile

The economy of Greater Sudbury has been dominated by the mining industry for much of the city's history. As an important mining centre, Sudbury's long history of expertise in the minerals sectors has also spawned a dynamic mining technologies sector. As noted above, mining companies located in Greater Sudbury now employ approximately 6,000 people and support a 300-company mining supply and service sector cluster that employs a further 10,000 people.

Figure 7
Average Household Income and Spending Capacity, Greater Sudbury and Select Northern Ontario Cities, 2014

	2014 Average Household Income	Discretionary Income	
		Total	% of Hhld income
Greater Sudbury	\$82,750	\$21,321	25.8%
North Bay	\$72,720	\$18,755	25.8%
Sault Ste. Marie	\$73,999	\$19,379	26.2%
Thunder Bay	\$74,860	\$19,277	25.8%

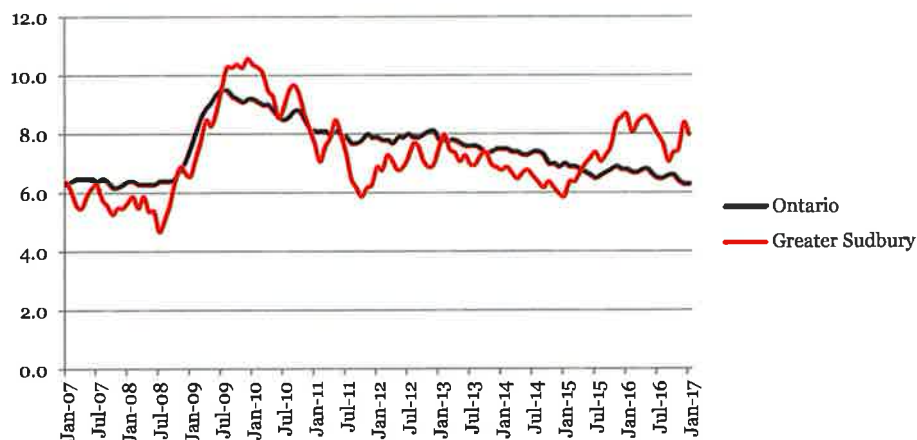
Source: FP Markets Canadian Demographics, 2012

In recent years, the city's economy has diversified and the city has become positioned as a regional service centre for much of Northeastern Ontario, including in a number of sectors such as finance, business, retail trade, health care, education, government, film and television production and science and technology research. With respect to science and technology research, Greater Sudbury has evolved into a centre of innovation and applied research in many fields, including mining technology, environmental restoration, specialized product development, health care and astrophysics research. In addition, a number of post-secondary institutions, including Laurentian University, Cambrian College and College Boréal, play an active role by participating in many innovative partnerships and community-based initiatives. In addition to a number of successful land reclamation activities, Sudbury has also gained international recognition as the site of the Sudbury Neutrino Observatory, a unique research facility.

The City's labour force profile has diversified significantly over the last three decades. Currently, it is estimated that there are almost 8,000 businesses employing some 43,700 full-time workers in such sectors as health, government, education, retail, manufacturing, recreation, food services, construction, and financial services.

Greater Sudbury, as at January 2017, had a lower labour participation rate (63.2%) as well as a higher unemployment rate (8.0%) compared to provincial averages (65.0% and 6.3% respectively), a trend that has existed since approximately mid-2015. Between approximately 2009 and 2015, unemployment rates in Greater Sudbury tended to be slightly lower, on average, compared to provincial averages. Greater Sudbury's labour participation and unemployment rates are also lower / higher than the corresponding Canadian averages (65.8% and 6.8%).

Figure 8
Unemployment Rate, Greater Sudbury, January 2007 to January 2017



Source: Statistics Canada, Labour Force Survey

Major employers in the Greater Sudbury region are housed in a variety of industries, and include Vale and Glencore (mining), Canada Revenue Agency's Tax Services, Canadian Blood Services, Health Sciences North, Science North, City of Greater Sudbury, Laurentian University, various local school boards, Cambrian College, College Boréal, TeleTech, Bayshore Home Health, Leuschen Transportation and Extencicare.

Some 11,700 individual businesses (almost 7,300 without employees and more than 4,400 with employees) have been identified by the City of Greater Sudbury in 21 separate industry classifications as of December 2014. As noted in Figure 9, following, such industry classifications include agriculture, mining, utilities, construction, manufacturing, wholesale and retail trade, transportation and warehousing, finance, real estate, professional services, management, administrative support, education, health care, arts, accommodation, public administration and other services.

Figure 9
Number of Business Establishments in Greater Sudbury, by Industry Classification, 2014

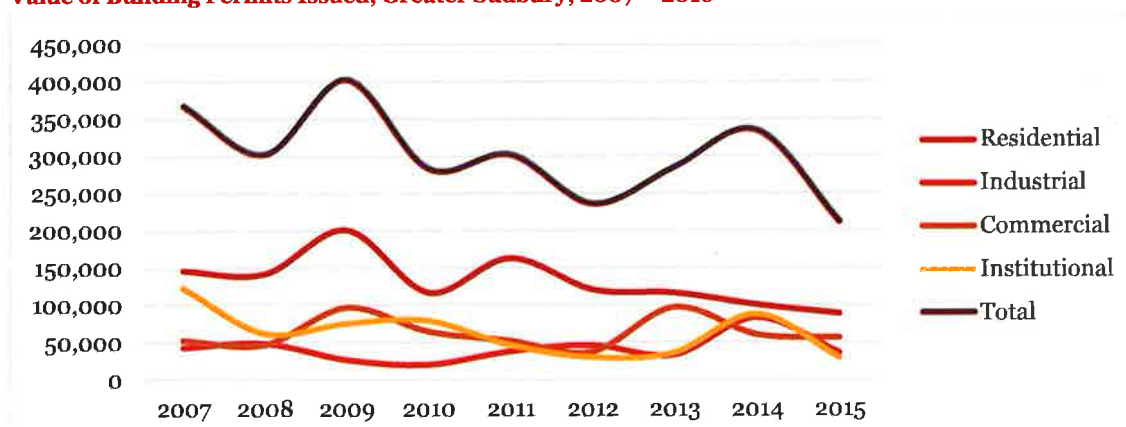
	Number of Business Establishments	
	With Employees	Without Employees
Agriculture, Forestry, Fishing and Hunting	32	72
Mining, Quarrying, and Oil & Gas Extraction	47	65
Utilities	4	10
Construction	530	601
Manufacturing	177	90
Wholesale Trade	247	141
Retail Trade	658	366
Transportation and Warehousing	114	211
Information and Cultural Industries	33	63
Finance and Insurance	162	473
Real Estate and Rental and Leasing	209	2,175
Professional, Scientific and Technical Services	373	640
Management of Companies and Enterprises	35	274
Administrative Support, Waste Management and Remediation Services	194	161
Educational Services	50	57
Health Care and Social Services	582	395
Arts, Entertainment and Recreation	82	96
Accommodation and Food Services	321	122
Other Services (except Public Administration)	411	344
Public Administration	6	1
Unclassified	166	911
	4,433	7,268

Source: City of Greater Sudbury, from Statistics Canada (Canadian Business Patterns)

Investments in new facilities have fluctuated over the 2007 to 2015 period, peaking at some \$402 million in 2009 and registering a low of \$212 million in 2015. The total number and value of building permits issued through the first six months of 2016 (942 for \$145 million) were both higher compared to the first six months of 2015 (836 and \$84.5 million).

The Conference Board of Canada projects that Greater Sudbury's economy will expand by approximately 0.6 percent in 2016 and by a further 1.2 percent per year between 2017 and 2020, due in part to projected moderate improvement in commodity prices. The near-term GDP growth is expected to fuel a corresponding increase in total employment and per capita income. The medium term outlook is also for modest growth in the construction sector (where the proposed SEC is noted by the Conference Board of Canada as being a positive development) and the services sector. The wholesale and retail trade sectors are expected to remain above their long-term averages.

Figure 10
Value of Building Permits Issued, Greater Sudbury, 2007 – 2016



Source: Conference Board of Canada

Other pertinent aspects of the Conference Board of Canada’s outlook for Greater Sudbury, summarized in Figure 11, following, include:

- total employment is projected to expand by some 0.2% per year (CAGR) between 2015 and 2020 from an estimated 82,000 people in 2015 to more than 83,000 by 2020;
- the region’s unemployment rate is projected to decline from an average rate of roughly 8.5% in 2016 to an average of 6.8% by 2020 (as noted above, Greater Sudbury’s unemployment rate in January 2017 was reported as being 8.0%);
- personal per capita income is projected to increase by 2.5% per year (CAGR) between 2015 and 2020, reaching more than \$51,400 per person;
- as a result of increases in both population and incomes, retail sales are projected to increase by 2.3% per year (CAGR) between 2015 and 2020, increasing by almost \$240 million to more than \$2.2 billion; and
- inflation is projected to be relatively moderate, fluctuating between 1.9% and 2.3% per year between 2015 and 2020.

Figure 11
Economic Outlook, Greater Sudbury, 2013 - 2020

Economic Indicators	2013	2014	2015	2016f	2017f	2018f	2019f	2020f
Real GDP at basic prices (2007 \$ millions)	8,251	8,214	8,147	8,196	8,296	8,399	8,507	8,611
percentage change	-0.6	-0.5	-0.8	0.6	1.2	1.2	1.3	1.2
Total employment (000s)	83	83	82	83	84	83	83	83
percentage change	2.9	-0.4	-0.7	0.8	1.0	-1.1	0.4	0.0
Unemployment Rate	7.3	6.5	7.4	8.5	7.5	7.2	6.8	6.8
Personal income per capita (\$)	44,445	44,526	45,427	46,464	47,631	48,530	50,040	51,428
percentage change	0.5	0.2	2.0	2.3	2.5	1.9	3.1	2.8
Population (000s)	166	165	165	165	164	164	164	164
percentage change	0.1	-0.2	0.3	-0.2	-0.1	-0.1	-0.1	-0.1
Total housing starts	431	271	247	226	344	349	381	412
Retail sales (\$ millions)	1,896	1,924	1,968	1,988	2,046	2,099	2,158	2,207
percentage change	-0.6	1.5	2.3	1.0	2.9	2.6	2.8	2.3
CPI (2002 = 1.0)	1.230	1.259	1.274	1.299	1.328	1.355	1.383	1.412
percentage change	1.1	2.3	1.2	1.9	2.3	2.0	2.1	2.1

Source: Conference Board of Canada

Summary

The City of Greater Sudbury has a population of more than 161,500 people (2016 Census), a regional population of almost 164,700 people within the Greater Sudbury CMA (2016 Census) and a market area of some 550,000 people in an area that stretches from the Quebec border west to the eastern shore of Lake Superior and north to the James and Hudson's Bay coastlines. The region has demonstrated stable population levels and projections are that the area will continue to grow, albeit slightly, for a least the next 10 years. With average household and disposable incomes higher than in other major population centres in Northern Ontario, combined with its large trade area and projection of increasing incomes, there exists the ability of the local and broader regional market to support a broad range of entertainment events.

3. Ontario Hockey League

About the Ontario Hockey League

The Ontario Hockey League (“OHL”) is one of three leagues playing Major Junior A (Tier I) hockey in Canada; the other two leagues are the Quebec Major Junior Hockey League (“QMJHL”) and the Western Hockey League (“WHL”). Together these three leagues comprise the Canadian Hockey League and annually play for the Memorial Cup (recognizing Canadian junior hockey supremacy).

While junior hockey has existed in various forms since the late 1800’s, the OHL and its predecessor league names have existed since approximately 1933 when the Ontario Hockey Association split its junior division into “A” and “B” divisions. In 1970, the Junior A level was divided into two more levels, Tier I (Major Junior A) and Tier II (Minor Junior A). In 1974, the Major Junior A division became known as the Ontario Major Junior Hockey League and in 1980 became known as the Ontario Hockey League.

Currently, there are 20 teams playing in the OHL, with 17 franchises based in Ontario, and three teams in the United States (including two teams in Michigan and one team in Pennsylvania). Teams are divided into two conferences based mostly on geography; the Eastern Conference comprising two five-team divisions and the Western Conference also comprising two divisions of five teams. On average, OHL teams attracted some 4,155 fans per game (2015/16 season).

Figure 12
Location of Ontario Hockey League Franchises



Source: Ontario Hockey League

Together, CHL teams combine to produce a significant proportion of players drafted into the National Hockey League, with the OHL having historically produced between 12% and 23% of all players drafted annually since the 2000 entry draft. In comparison, the 18-team QMJHL has historically produced between 6% and 15% of all NHL draft choices, while the 22-team WHL has historically produced between 11% and 21% of all NHL draft choices.

Figure 13
Source of NHL Draftees, 2000 - 2016

Year	Total Picks in Draft	WHL	OHL	QMJHL	CHL Total	NCAA	High School	International	Other
2000	293	14.0%	13.3%	7.2%	34.5%	11.9%	2.4%	42.0%	9.2%
2001	289	15.6%	14.2%	9.0%	38.8%	8.3%	2.8%	41.2%	9.0%
2002	290	14.8%	12.1%	7.9%	34.8%	14.1%	2.1%	37.9%	11.0%
2003	292	14.0%	15.1%	13.0%	42.1%	7.9%	3.4%	31.8%	14.7%
2004	291	15.1%	14.4%	9.3%	38.8%	9.6%	6.2%	30.2%	15.1%
2005	230	18.7%	18.7%	10.0%	47.4%	5.6%	7.8%	21.7%	17.4%
2006	213	11.2%	13.6%	11.7%	36.5%	8.4%	8.9%	29.5%	16.4%
2007	211	17.5%	16.6%	11.8%	45.9%	3.8%	6.6%	17.0%	26.5%
2008	211	17.5%	21.8%	12.8%	52.1%	4.2%	7.1%	18.5%	18.0%
2009	210	14.8%	21.4%	11.0%	47.2%	3.3%	9.0%	19.5%	21.0%
2010	210	20.5%	20.0%	10.5%	51.0%	4.3%	10.0%	18.6%	16.2%
2011	210	15.7%	21.9%	10.5%	48.1%	5.2%	8.6%	22.9%	15.2%
2012	211	15.2%	22.7%	9.0%	46.9%	4.7%	9.5%	19.9%	19.0%
2013	211	15.6%	17.5%	14.7%	47.9%	3.3%	7.1%	21.8%	19.9%
2014	210	17.1%	19.0%	8.1%	44.3%	2.4%	7.1%	24.8%	21.4%
2015	211	16.6%	15.2%	14.2%	46.0%	4.3%	6.6%	25.6%	17.5%
2016	211	16.1%	22.7%	6.6%	45.5%	6.2%	2.4%	26.5%	19.4%

"Other" includes Canadian and American Tier 2 Junior "A" and Junior "B" leagues, various minor pro leagues (AHL, IHL, ECHL), the United States Hockey League ("USHL") and other leagues not listed.

Source: Toronto Star, National Hockey League

Together, the CHL produces, on average 35% to 50% of all players drafted into the NHL, with this proportion having stayed between 45% and 50% of all NHL draftees in recent years. In contrast, the proportion of U.S. college players has declined while the proportion of players being drafted from Europe and other leagues have stayed relatively the same or increased slightly.

As noted above, teams in the CHL play for the MasterCard Memorial Cup, a season-ending tournament in which the champions from each of the OHL, QMJHL and WHL plus the team from the host city, play to be recognized as the champion of Canadian junior hockey. The location of MasterCard Memorial Cup alternates between each of the three leagues each year; Figure 14, following, provides a listing of centres which have hosted the MasterCard Memorial Cup since 2006.

It is noteworthy that venues which have hosted the Memorial Cup have had seating capacities as small as 4,550 seats to as large as 16,300 seats, with the average being slightly over 8,200 seats. Fully one-third of venues hosting the past 12 Memorial Cups were buildings with less than 6,000 seats, while one-third of venues had seating capacities of between 6,000 and 7,500 seats. The remaining one-third of venues were buildings with in excess of 9,000 seats (including two venues which formerly housed National Hockey League teams).

Figure 14
Memorial Cup Host Cities, 2006 - 2016

Year	City	Building				2016 Population	
		Name	Year	Seats	Capacity	City	CA / CMA
2006	Moncton	Moncton Coliseum	1973	6,450	6,900	71,889	144,810
2007	Vancouver	Pacific Coliseum	1968	16,281	16,281	631,486	2,463,431
2008	Kitchener	Memorial Auditorium	1951	7,131	7,469	233,222	523,894
2009	Rimouski	Colisee de Rimouski	1966	4,415	5,062	48,664	55,349
2010	Brandon	Keystone Centre	1973	5,102	5,702	48,859	58,003
2011	Mississauga	Hershey Centre	1998	5,420	5,520	721,599	5,928,040
2012	Shawinigan	Centre Gervais Auto	2008	4,350	4,550	49,349	54,181
2013	Saskatoon	Credit Union Centre	1988	15,195	15,195	246,376	295,095
2014	London	Budweiser Gardens	2002	9,046	9,046	383,822	494,069
2015	Quebec	Colisee Pepsi	1950	15,176	15,176	531,902	800,295
2016	Red Deer	ENMAX Centrium	1991	6,000	6,702	100,418	100,418
2017	Windsor	WFCU Centre	2008	6,500	6,500	217,188	329,144

Source: QMJHL, OHL, WHL

Attendance

Figure 15, following, details average season attendance for each OHL team since the 2006-07 season. Over this period, average attendance at all games has generally increased, growing from 3,915 fans per game to over 4,155 fans per game. This growth in attendance continues a trend which started in the early 2000's when during the 2000-01 season, average attendance at all games was approximately 3,275 per game.

Three franchises generally lead the league in average attendance. In each instance, London (averaging a near sell-out of just over 9,000 fans per game), Kitchener (also averaging a near sell-out of approximately 7,000 fans per game over the past ten full seasons) and Ottawa (6,725) play out of the league's largest facilities (Budweiser Gardens 9,100 seats, the Kitchener Memorial Auditorium which has been expanded to over 7,100 seats, and the 9,500-seat TD Place Arena in Ottawa).

Of the remaining 17 teams, five have averaged between 4,000 and 5,000 fans per game (Windsor, Oshawa, Niagara, Sault Ste. Marie and Guelph, all of whom play out of newer facilities), while eight additional teams have averaged between 3,000 and 4,000 fans per game (Sudbury, Hamilton, Saginaw, Erie, Barrie, North Bay, Sarnia and Kingston). All other teams (Flint, Peterborough, Owen Sound and Mississauga) have averaged fewer than 3,000 fans per game over the past 10 seasons.

In comparison to the other Major Junior hockey leagues in Canada, the OHL has consistently lagged the WHL but has been ahead of the QMJHL in terms of average per game attendance. Whereas the QMJHL has generally averaged in the range of 3,500 fans per game, the OHL has consistently averaged 4,000 fans per game. This compares to teams in the WHL who average some 4,600 fans per game.

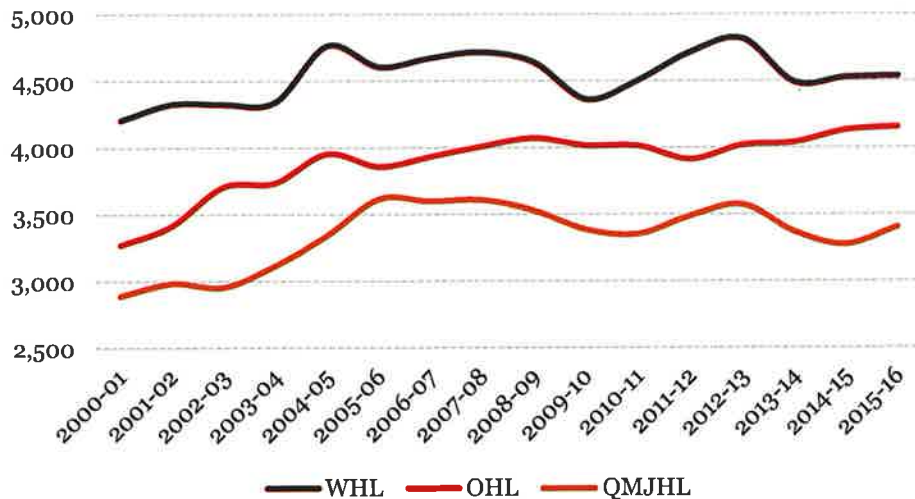
Additionally, average per game attendance in the OHL has increased by some 27% overall between the 2000-01 and 2015-16 seasons, while average attendance grew by 18% in the QMJHL and by just 8% in the WHL over this same period. Appendix A provides a summary of annual attendance for teams playing in the OHL, QMJHL and WHL since the 2000-01 season.

Figure 15
Average per Game Attendance, Ontario Hockey League, 2010-11 through 2015-16 Seasons

Team	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Average Attendance		
							10/11 - 15/16	05/06 - 15/16	00/01 - 15/16
Barrie	3,422.6	3,655.3	3,731.4	3,729.4	3,741.0	3,830.0	3,685.0	3,684.3	3,713.9
Belleville	2,644.9	2,493.9	2,550.8	2,339.6	2,545.0	---	2,514.9	2,645.8	2,763.6
Brampton	1,885.9	1,986.4	2,191.1	--	--	--	2,021.1	2,297.4	2,321.6
Erie	3,476.1	2,854.9	3,115.1	4,429.1	4,947.0	4,481.0	3,883.9	3,783.7	3,875.7
Flint	--	--	--	--	--	2,984.0	2,984.0	2,984.0	2,984.0
Guelph	3,934.9	3,871.1	4,265.5	4,326.4	4,507.0	4,232.0	4,189.5	4,148.3	3,957.0
Hamilton	--	--	--	--	--	3,844.0	3,844.0	3,844.0	3,844.0
Kingston	2,874.7	2,546.5	3,438.6	3,794.5	3,963.0	4,130.0	3,457.9	3,065.2	2,767.1
Kitchener	6,375.8	6,364.6	7,212.2	7,056.3	6,992.0	7,012.0	6,835.5	6,490.6	6,184.0
London	8,954.0	8,953.1	8,991.2	9,017.9	8,977.0	9,013.0	8,984.4	9,006.2	8,226.7
Mississauga	3,101.9	2,458.2	2,337.2	2,592.7	2,906.0	3,025.0	2,736.8	2,583.7	2,678.3
Niagara / St. Catharines	2,913.2	2,982.0	3,046.3	2,989.5	--	--	2,982.7	2,940.0	2,940.0
	--	--	--	--	4,328.0	4,557.0	4,442.5	4,442.5	4,442.5
North Bay	--	--	--	3,365.8	3,447.0	3,327.0	3,379.9	3,379.9	2,967.5
Oshawa	4,222.5	4,383.5	4,760.4	4,860.3	5,248.0	5,353.0	4,804.6	4,580.2	4,060.2
Ottawa	7,204.7	6,506.8	--	--	3,604.0	3,484.0	5,199.9	6,726.4	7,456.1
	--	--	5,615.2	4,305.4	--	--	4,960.3	4,960.3	4,960.3
Owen Sound	2,722.0	2,871.1	3,058.0	2,951.7	2,951.0	2,839.0	2,898.8	2,750.6	2,692.0
Peterborough	2,725.9	2,537.3	2,541.9	2,511.7	2,485.0	2,573.0	2,562.5	2,815.7	2,804.7
Plymouth	2,729.5	2,656.7	2,850.4	2,478.4	2,388.0	--	2,620.6	2,614.7	2,761.4
Saginaw	3,916.6	3,774.3	3,683.8	3,711.1	3,555.0	3,354.0	3,665.8	3,805.2	3,881.2
Sarnia	3,045.9	3,465.8	3,282.5	3,019.3	2,877.0	3,122.0	3,135.4	3,285.8	3,522.1
Sault Ste. Marie	4,487.8	4,315.7	4,148.8	4,261.9	4,366.0	4,071.0	4,275.2	4,283.8	3,870.4
Sudbury	3,443.6	3,762.4	3,915.3	3,793.2	3,729.0	3,108.0	3,625.3	3,910.2	3,877.8
Toronto	--	--	--	--	--	--	--	1,086.8	1,170.0
Windsor	6,250.3	5,858.5	5,691.1	5,306.3	5,067.0	4,775.0	5,491.4	4,852.6	4,291.0
OHL Average	4,016.6	3,914.9	4,021.3	4,041.0	4,131.2	4,155.7	4,046.8	4,016.1	3,891.8

Source: League attendance web site, individual QMJHL teams, Quebec Major Junior Hockey League.

Figure 16
Comparison of Average per Game Attendance, OHL, QMJHL and WHL – 2000-01 through 2015-16 Season



Source: "League Attendance" web sites

A significant reason for the large jumps in average attendance in the OHL can be traced directly to the opening of new, larger arenas / multi-purpose spectator arenas. For example, in the OHL, average attendance increased dramatically during 2002-03 season due mainly to the London Knights moving into the 9,000-seat John Labatt Centre (now Budweiser Gardens) part-way through the season, and the North Bay Centennials moving to Saginaw Michigan for the start of that season (where the franchise went from attracting 2,400 fans per game in North Bay to more than 4,000 per game in Saginaw). Additional year-over-year increases in average attendance can similarly be traced to the opening of new and larger venues and greater on-ice success of teams playing within those buildings, including Oshawa (in 2005), Sault Ste. Marie (in 2006), Kingston and Windsor (both in 2008) and St. Catharines (in 2014, and who went from averaging just under 3,000 fans per game to more than 4,400).

In the WHL, the Moose Jaw Warriors moved into the new Mosaic Place Arena for the start of the 2011-12 season and saw their average attendance increase by 1,500 fans per game from 2,275 to almost 3,775 fans per game (an increase of 66%). Average attendance in the WHL was also buoyed by the relocation of the Chilliwack Bruins to Victoria BC in 2011-12 (where attendance increased from 3,950 fans per game in Chilliwack to 5,200 fans per game in Victoria).

Figure 17, following, summarizes the various arenas and sports and entertainment centres in each of the 60 Canadian-based CHL franchise markets (20 OHL markets, 18 QMJHL franchise markets and 22 WHL markets). Of note:

- Arena facilities in the QMJHL are generally older and have smaller seating capacities compared to venues in the OHL and WHL. In this regard, the average arena in the QMJHL was built in 1978 and has a fixed seating capacity of approximately 5,400. This compares to the OHL, where the average building was constructed in 1985 and has almost 6,300 fixed seats, and to the WHL, where the average building was constructed in 1989 and contains 8,150 fixed seats;
- The OHL has proportionally more newer arenas compared to the WHL and QMJHL; conversely, more QMJHL franchises play in buildings built prior to 1970 (seven) than in the OHL (six) or WHL (two);
- An equivalent proportion of franchises in the OHL (10 of 20) and WHL (12 of 22) play in “modern” buildings (i.e., built after 1990) than in the QMJHL (six); and
- 75% of OHL teams play in buildings with a least 4,500 seats. This compares to the WHL where 86% of franchises play in buildings with at least 4,500 seat and just 44% of QMJHL teams.

Figure 17
Canadian Hockey League Arenas and Capacities

	OHL	WHL	QMJHL
Average Building Construction	1985	1989	1978
# built prior to 1960	4	0	4
# built between 1960 and 1970	2	2	3
# built between 1970 and 1980	1	5	3
# built between 1980 and 1990	3	3	2
# built between 1990 and 2000	3	6	3
# built after 2000	7	6	3
Average Fixed-Seating Capacity	6,261	8,143	5,379
# with less than 3,000 seats	0	0	0
# with between 3,000 and 4,500 seats	5	3	10
# with between 4,500 and 6,000 seats	9	7	4
# with between 6,000 and 7,500 seats	3	5	2
# with more than 7,500 seats	3	7	2

Source: PwC based on information derived from various “league attendance” web sites, the QMJHL, the OHL, the WHL and various CHL team / venue web sites.

New facilities

In the past number of years, a number of Canadian cities have developed new sports and entertainment centres / arenas. In most instances, these facilities contain many of the same amenities which have been included within much larger NHL buildings, including luxury suites, club seat areas, restaurants, retail outlets, enhanced food and beverage / concession areas, larger concourses, wider seating, better advertising positions and opportunities, etc. The main impact of these enhancements has been to (a) enhance the in-game experience of fans and thereby serve to increase average attendance, (b) provide greater revenue generating opportunities for both the arena and the lead tenant / hockey team, and (c) broaden the range of other events (concerts, family shows, other sporting events, etc.) which can be booked into the venue.

Canadian CHL cities which have developed new venues since 1990 are summarized below:

Ontario Hockey League

- Barrie (2016 population of 141,400) – 4,095-seat Barrie Molson Centre (1996);
- Sarnia (2016 population of 71,600) – 4,118-seat Sarnia Sports and Entertainment Centre, now Progressive Auto Sales Arena (formerly RBC Centre) (1998);
- Brampton (2016 population of 593,600) – 4,800-seat Powerade Centre (1998);
- Mississauga (2016 population of 721,600) – 5,420-seat Hershey Centre (1998);
- Guelph (2016 population of 131,800) – 4,715-seat Sleeman Centre (2000);
- London (2016 population of 383,800) – 9,046-seat John Labatt Centre (2002);
- Sault Ste. Marie (2016 population of 73,400) – 4,817-seat Essar Centre (2005);
- Oshawa (2016 population of 159,500) – 5,180-seat General Motors Centre (2006);
- Kingston (2016 population of 123,800) – 5,380-seat K-Rock Centre (2008);
- Windsor (2016 population of 217,200) – 6,500-seat WFCU Centre (2008); and
- St. Catharines (2016 population of 133,100) – 5,400-seat Meridian Centre (2014).

Quebec Major Junior Hockey League

- Charlottetown (2016 population of 36,100) – 3,690-seat Eastlink Centre (1990);
- Saint John (2016 population of 67,600) – 6,297-seat Harbour Station (1993);
- Bathurst (2016 population of 11,900) – 3,162-K.C. Irving Regional Centre (1996);
- St. John's (2016 population of 108,900) – 6,287-seat Mile One Arena (2001);
- Shawinigan (2016 population of 49,300) – 4,350-seat Centre Gervais Auto (2008);
- Blainville-Boisbriand (2016 population of 83,700) – 3,269-seat Centre d'Excellence Sports Rousseau (2009); and
- Moncton (2016 population of 71,900) – 7,500-seat Downtown Moncton Events Centre (to open in 2018).

Western Hockey League

- Red Deer (2016 population of 100,400) – 6,000-seat Enmax Centrium (opened in 1991);
- Kamloops (2016 population of 90,300) – 5,464-seat Interior Savings Centre (1993);
- Prince George (2016 population of 74,000) – 5,582-seat CN Centre (1995);
- Kelowna (2016 population of 127,400) – 5,507-seat Prospera Place (1999);
- Kootenay (2016 population in Cranbrook of 20,000) – 4,264-seat Cranbrook Recreation Complex (2000);
- Victoria (2016 population of 85,800) – 7,006-seat Save-on-Foods Memorial Centre (2003);
- Chilliwack (2016 population of 83,800) – 5,000-seat Prospera Centre (2004);
- Moose Jaw (2016 population of 33,900) – 4,414-seat Mosaic Place (2011); and
- Medicine Hat (2016 population of 63,300) – the 6,127-seat Canalta Centre (2015).

Images of the interiors and exteriors of some of these newer buildings are included in Figures 18 through 31, following.

Figure 18
Save-on-Foods Memorial Centre, Victoria BC (2003)



Figure 19
Prospera Centre, Chilliwack BC (2004)



Figure 20
Mosaic Place, Moose Jaw SK (2011)



Figure 21
Canalta Centre, Medicine Hat AB (2015)



Figure 22
Sleeman Centre, Guelph ON (2000)



Figure 23
Budweiser Gardens, London ON (2002)



Figure 24
Essar Centre, Sault Ste. Marie ON (2006)



Figure 25
Rogers K-Rock Centre, Kingston ON (2008)



Figure 26
WFCU Centre, Windsor ON (2008)



Figure 27
Meridian Centre, St. Catharines ON (2014)

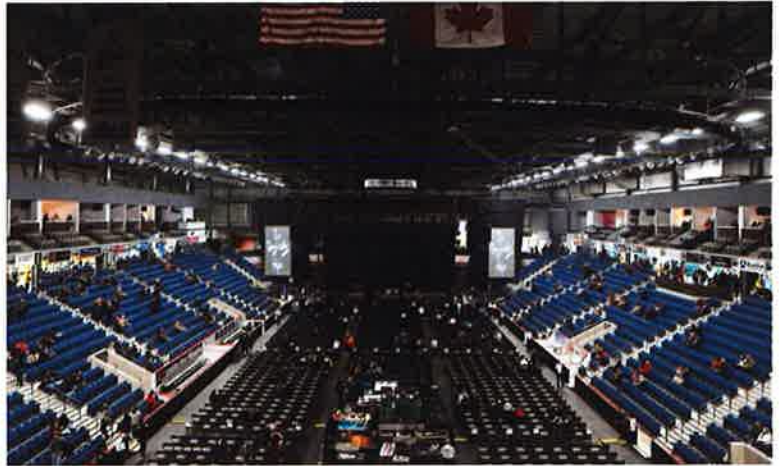


Figure 28
Mile One Arena, St. John's NL (2001)



Figure 29
Centre Gervais Auto, Shawinigan QC (2008)



Figure 30
Centre d'Excellence Sports Rousseau, Blainville-Boisbriand QC (2008)



Figure 31
Downtown Moncton Centre, Moncton NB (2018)



Attendance spikes in new facilities

As noted above, a number of CHL teams were able to experience increased attendance upon relocating into newer facilities. In most instances, increases in average per game attendance occurred immediately prior to moving into the new venue and has endured for some time. For example:

- Prior to moving into the John Labatt Centre (now Budweiser Gardens) in 2002, the London Knights generally attracted 3,500 to 4,000 fans per game. Since moving into the new facility, the team has averaged more than 9,000 per game since the 2004-05 season. This increase of more than 135% has been sustained over the past 15 years.
- Prior to relocating to the WFCU Centre in Windsor ON, the Windsor Spitfires averaged slightly less than 3,050 fans per game between the 2000-01 season and the 2007-08 season. Since moving into the new facility, the team has averaged almost 5,550 fans per game, an increase of 2,500 fans per game, or approximately 80%.
- The Sault Ste. Marie Greyhounds moved into the Essar Centre at the start of the 2006-07 season and saw their average attendance increase from 3,050 fans per game to almost 4,400 fans per game and increase of almost 45%.

- The Moose Jaw Warriors relocated to Mosaic Place in 2011 and realized an increase in attendance of 1,300 fans per game (58% increase), from approximately 2,275 fans per game (average between 2000-02 and 2010-11) to almost 3,600 per game (average between 2011-12 and 2015-16).
- The Shawinigan Cataracts moved into the new Centre Gervais Auto in 2008 and realized an increase in attendance of 875 fans per game (40%), from 2,225 fans per game to approximately 3,100 fans per game since the start of the 2008-09 season. After peaking in the 2011-12 season, average attendance fell by more than 25% over the following two seasons before rebounding back to 2011-12 levels.
- After continually selling out their previous building, the Medicine Hat Tigers realized a first year bump in attendance of approximately 6%, from 4,000 fans per game to more than 4,200 per game.
- Finally, the Niagara Ice Dogs averaged approximately 2,940 fans per game in their previous building; upon moving into the Median Centre in 2014, the team has averaged from than 4,400 fans per game, and increase of almost 50%.

Figure 32, following, summarizes the average attendance, pre- and post-opening of their new arena / sports and entertainment centre, of a number of CHL franchises. On average, teams relocating into a new building have realized a “bump” in average attendance in the range of 65% to 70%, and have been able to sustain this level of attraction for approximately six years on average.

Figure 32
Impact on Attendance of Moving into a new Arena / Sports and Entertainment Centre, various CHL Franchises

CHL Franchise	Opening Date of New Building	Average Attendance			Average Attendance in last 2 years
		Pre-Move	Post-Move	Increase	
Western Hockey League					
Moose Jaw	2011	2,273.2	3,517.8	54.7%	3,322.0
Ontario Hockey League					
London	2002	3,776.8	8,862.3	134.7%	8,995.0
Oshawa	2005	2,916.3	4,736.8	62.4%	5,300.5
Sault Ste. Marie	2006	3,050.8	4,362.1	43.0%	4,218.5
Kingston	2008	2,194.0	3,340.2	52.2%	4,046.5
Windsor	2008	3,045.7	5,536.2	81.8%	4,921.0
Quebec Major Junior Hockey League					
Shawinigan	2008	2,226.2	3,065.9	37.7%	2,978.0

Note: While a number of other new buildings have opened in recent years, they opened with a new hockey tenant. For example, the Centre d'Excellence Sport Rousseau in Blainville-Boisbriand QC opened the same year as the Blainville-Boisbriand Armada relocated from Verdun QC in 2009 (previously the team was the Montreal Junior Hockey Club). Similarly, the Save-on-Foods Memorial Centre in Victoria BC opened prior to the establishment of the WHL Victoria Royals (who relocated from Chilliwack BC); previously the Save-on-Foods Memorial Centre housed the Victoria Salmon Kings on the ECHL.

Source: PwC based on information derived from various “league attendance” web sites, the QMJHL, the OHL, the WHL and various CHL team / venue web sites.

Summary

The Ontario Hockey League is an established Major Junior A (Tier 1) hockey league, with its teams comprised of 16 to 20 year old players hoping for future NHL stardom. League attendance across the OHL has increased substantially since the 2000-01 season, growing from some 3,200 fans per game to approximately 4,150 in the most recently completed 2015-16 season. A significant reason for this increase in attendance is the construction of new state-of-the-art venues.

Teams playing within new facilities have witnessed a spike in average per game attendance, in some cases lasting for an extended period of time (i.e., greater than 10 years), in other instances lasting only a few seasons. While a number of factors will impact attendance, including quality of the on-ice product (i.e., is the team winning), seating capacities, building amenities and location, and general economic conditions, the presence of a new building will serve to help drive attendance.

4. Sudbury Community Arena

Introduction

The Sudbury Community Arena (“SCA”) is the main spectator arena facility in the City of Greater Sudbury. Located in the city’s downtown core, the SCA was built in 1951 and includes 4,470 fixed seats and a total capacity of some 5,186 spectators.

Home to the Sudbury Wolves of the OHL, the venue was designed primarily as a hockey venue. In addition to some 40 Sudbury Wolves home games per season, the SCA has also hosted concerts, curling events (including the Tim Hortons’ Brier and Scott Tournament of Hearts), Canada Day and Remembrance Day celebrations, as well as other hockey events and flat floor trade and consumer shows and meetings.

While some 65 years old, the SCA has been periodically retrofitted to update some of its features. However, according to a January 2013 Arena Renewal Report, the SCA was then in immediate need of some \$2.375 million in repairs; an additional \$1.450 million was identified as also being required in the following five year period.

SCA operations

Over the past seven years (i.e., 2009 through 2015), the SCA has generated, on average, operating revenue of between \$680,000 and \$1.333 million from various sources including rent from the Sudbury Wolves and other events staged in the SCA, from the sale of concessions, ticket surcharges, box office revenue surcharges and ice rentals. In operating the building, the SCA has incurred, on average, expenses ranging between \$1.376 million and \$1.633 million, including expenses related to facility staffing, utilities, operations (including maintenance and repair), insurance and capital reserves. On a net basis, the SCA generates a net loss from operations ranging between \$280,000 and almost \$700,000 (see Figure 33, following).

The amount of operating revenue generated by the SCA is highly dependent upon the number of events held in the venue and on the number of tickets sold for those events. As can be inferred from Figure 33, declines in revenue attributable to events impact income received from ticket surcharges and box office revenues. The combined impact from a reduction in non-OHL events staged at the SCA in 2015 compared to prior years, is concluded to partially explain the drop in revenue (compared to 2014 and prior years) and the increase in net operating loss.

The operations of the SCA compares with the operations of other sports and entertainment / arena venues in Ontario, including the Essar Centre (Sault Ste. Marie), the Rogers K-Rock Centre (Kingston) and the Meridian Centre (St. Catharines). Figure 34, following provides a breakdown of operating revenue, operating costs and net operating obligations associated with these three venues compared with the operations of the SCA.

Based on the foregoing, it is worth noting the following:

- While it is useful to understand the net obligations associated with the operations of each venue, the terms and conditions associated with the use of the venue by its respective lead tenant (as defined in its facility lease) must also be understood (for example, the SCA generates no amount of revenue from advertising, sponsorships and suites compared to other venues; the Sudbury Wolves also pay significantly less in rent compared to OHL tenants in newer buildings).
- The operations of the Meridian Centre and Rogers K-Rock Centre are noted as having been negatively impacted by the low Canadian dollar (which impacts the ability to secure American touring artists). In addition, it is noted that the Meridian Centre is located in a highly competitive market which includes competitive venues in Buffalo New York, Hamilton and Toronto.

Figure 33
Sudbury Community Arena Operating Statement, 2009 – 2015

	2009	2010	2011	2012	2013	2014	2015
Revenue							
Lead Tenant (OHL Team)	\$28,243	\$32,007	\$20,985	\$28,647	\$34,307	\$39,524	\$17,843
Other Events	\$291,273	\$265,607	\$272,159	\$330,429	\$293,216	\$246,698	\$101,749
Net Concession Revenue and Novelties	\$186,833	\$182,096	\$182,585	\$198,312	\$219,627	\$196,438	\$186,909
Net Merchandise Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sponsorships	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Suites License Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Club Seats License Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ticket Surcharge	\$89,515	\$56,395	\$107,178	\$155,678	\$181,376	\$79,907	\$51,671
Box Office Revenue	\$353,013	\$288,470	\$271,093	\$326,384	\$343,275	\$268,555	\$76,989
Ice Rental Revenue	\$259,163	\$245,820	\$272,131	\$246,074	\$250,596	\$247,638	\$238,006
Contribution from Reserve	\$0	\$16,000	\$24,000	\$27,781	\$10,192	\$8,000	\$8,000
Total Revenue	\$1,208,041	\$1,086,396	\$1,150,132	\$1,313,306	\$1,332,590	\$1,086,760	\$681,166
Facility Expenses							
Personnel Costs	\$633,034	\$672,553	\$640,521	\$654,682	\$722,155	\$676,202	\$668,813
Utilities	\$436,418	\$328,289	\$348,228	\$337,050	\$357,148	\$414,513	\$401,261
Operations, Maintenance, Repairs	\$437,217	\$291,107	\$410,304	\$470,038	\$470,955	\$383,624	\$229,846
Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (Property Taxes)	\$3,437	\$3,082	\$2,960	\$2,848	\$2,704	\$2,609	\$0
Other Misc Expenses (Internal Recoveries)	\$40,180	\$39,688	\$36,474	\$42,179	\$46,406	\$50,026	\$31,442
Capital Reserve (Contribution to Capital)	\$28,000	\$61,500	\$33,900	\$88,900	\$33,900	\$33,900	\$45,200
Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$1,578,286	\$1,396,219	\$1,472,387	\$1,595,697	\$1,633,267	\$1,560,874	\$1,376,561
Net Operating Income	-\$370,245	-\$309,822	-\$322,255	-\$282,391	-\$300,677	-\$474,114	-\$695,395

Source: City of Greater Sudbury

Figure 34
Comparison of Net Operations, Sudbury Community Arena and Select Ontario Sports and Entertainment Centres

	Sudbury Community Arena		Essar Centre		Rogers K-Rock Centre		Meridian Centre	
	2014	2015	2015	2016	2015	2016	2015	2016
Gross Revenue	1,086,800	681,200	1,623,300	1,632,600	2,547,300	2,978,400	n/a	3,218,300
Operating Expenses	1,560,900	1,376,600	2,154,100	2,224,700	1,970,100	2,220,800	n/a	3,649,200
Net Operations	(474,100)	(695,400)	(530,800)	(592,100)	577,200	757,600	(735,000)	(430,900)

Source: City of Greater Sudbury, City of Sault. Ste. Marie, City of Kingston, City of St. Catharines

Sudbury Community Arena programming

Sudbury Wolves

As noted above, the Sudbury Wolves play their home games in the SCA. Over the past 16 seasons (i.e., since the 2000-01 season), the Wolves have attracted an average attendance of almost 3,900 fans game. Average yearly attendance has ranged from a low of approximately 3,100 fans per game during the most recently completed 2015-16 season, to a high of 4,600 fans per game during the 2005-06 season. With the exception of those two seasons, the Wolves have consistently attracted in the range of 3,700 to 3,900 fans per game per season (see Figure 35, following), and generally have ranked toward the middle of the league in terms of overall attendance.

Figure 35
Sudbury Wolves Attendance, 2000-01 to 2015-16 season

Sesaon	Average Attendance
2000-01	4,057.5
2001-02	3,851.0
2002-03	3,465.1
2003-04	3,397.6
2004-05	4,261.4
2005-06	4,610.4
2006-07	4,467.1
2007-08	4,162.1
2008-09	4,198.2
2009-10	3,822.8
2010-11	3,443.6
2011-12	3,762.4
2012-13	3,915.3
2013-14	3,793.2
2014-15	3,729.0
2015-16	3,108.0
Average Attendance Since:	
2000-01	3,877.8
2005-06	3,910.2
2010-11	3,625.3

Source: Ontario Hockey League

Spectator Events

According to information provided by the City, the SCA has annually been booked between 59 and 63 days per year (Figure 36, following). This booking activity includes home games of the Sudbury Wolves (approximately 38 to 40 per year) concerts, family shows (including shows with multiple performances each day), other sporting events, trade and consumer shows (including meetings and conventions), and various community events (including Remembrance Day and Canada Day activities).

Figure 36
Event Days / Booking Days, Sudbury Community Arena, 2012 to 2015

User / Tenant	2012		2013		2014		2015	
	Annual Number of Event Days	Average Attendance	Annual Number of Event Days	Average Attendance	Annual Number of Event Days	Average Attendance	Annual Number of Event Days	Average Attendance
Lead Tenant (OHL Team)	39	n/a	38	3,848	39	3,710	38	3,322
Concerts	6	n/a	11	3,372	9	2,576	2	3,631
Family Shows	2	n/a	2	1,410	0	0	2	2,680
Other Sports	1	n/a	1	4,000	0	0	0	0
Other Entertainment	6	n/a	3	1,936	3	1,782	3	1,037
Trade & Consumer Shows / Day Rentals	8	n/a	8	2,201	9	4,023	8	3,366
Total	62	n/a	63	213,544	60	196,900	53	156,304

Source: City of Greater Sudbury

Concerts which have been booked into the SCA over the past five years have included a broad range of artists in various genres. It is noteworthy that many of these same acts are booked in other mid-sized sports and entertainment venues, including venues like the Essar Centre (Sault Ste. Marie) and Rogers K-Rock Centre (Kingston). Events which been staged at the SCA since 2012 are summarized in Figure 37, following.

Figure 37
Events Staged at the Sudbury Community Arena, 2010 - 2016

	2012	2013	2014	2015	2016
Events	23	20	21	14	20
Event Days	19	16	17	10	17
Performances	Canada Day Home Show Remembrance Day Watchtower Convention Alan Jackson Bryan Adams Celebration on Ice Cesar Millan Harlem Globetrotters Hedley John Fogerty John Mellancamp Johnny Reid Mamma Mia MMA Monster Trucks River dance Russell Peters Steve Martin (LOL)	Canada Day Home Show Remembrance Day Watchtower Convention Beauty and the Beast Billy Talent Blue Rodeo Cheech and Chong (LOL) Eric Church KISS Marianas Trench Marilyn Manson Monster Trucks Motley Cure Rick Mercer (LOL) The Tragically Hip	Canada Day Home Show Remembrance Day Watchtower Convention Band Perry Brad Paisley Charley Pride Chicago City & Colour George Thorogood Harlem Globetrotters Hedley Home Hardware Jann Arden John Fogerty Larry the Cable Guy (LOL) Stars of SNL (LOL)	Canada Day Home Show Remembrance Day Watchtower Convention Bill Engvall (LOL) Dean Brody & Paul Brandt Jim Jefferies (LOL) Monster Truck Spectacular One Republic President's Choice SuperDogs	Canada Day Home Show Remembrance Day Bill Burr (LOL) Gord Bamford & Joe Nichols Graphic Con Hedley Home Hardware Contractor Show Jeff Dunham Jeremy Hotz (LOL) Johnny Reid Mariana's Trench Moscow Stars on Ice Price is Right Live The Next Step Dancers Theresa Caputo Live Trailer Park Boys (LOL)

Source: City of Greater Sudbury

In comparison with other venues, the SCA attracts a similar range events as do venues like the Essar Centre, Rogers K-Rock Centre and Median Centre; however, these venues have tended to attract a greater number of total events, including spectator events that can take advantage of more modern facilities (Figure 38, following). For example:

- During both 2012 and 2013, the Essar Centre hosted 134 and 109 total event days, including a higher number of concerts and other sporting events. The Essar Centre has also proven more successful in gaining higher levels of utilization through the use of the facility for tournaments and for other minor tenants (in this instance, the Soo Thunderbirds, a Tier II Junior A team).
- The Rogers K-Rock Centre has generally hosted in excess of 100 total event days, with events programmed into the facility including trade and consumer shows, conventions, national figure skating championships, family shows and fundraisers.
- While the Meridian Centre was more limited in its ability to secure spectator events (as noted previously, it is located and operates within a highly competitive market which includes competitive venues located in Buffalo New York, Hamilton and Toronto), its event profile includes a National Basketball League of Canada franchise, home games for Brock University's basketball and hockey teams, figure skating competitions, IIHF hockey championships, NHL pre-season games, as well as a number of concerts and community events.

Summary

The Sudbury Community Arena has been relatively successful in attracting a broad range of events, including concerts, family shows, other sporting events, other entertainment and various trade and consumer shows into the venue. In comparison with newer venues, it would appear, however, that the SCA attracts fewer total events, including "special events" like concerts, family shows and other sporting events, spectator events that can take advantage of more modern facilities.

From a financial perspective, the net operating loss sustained by the SCA is comparable to that realized in Sault Ste. Marie and St. Catharines; it is however, more than is realized in other markets including Kingston (which has historically generated an operating surplus).

Figure 38
Event Profile, Sudbury Community Arena and Select Ontario Sports and Entertainment Centres

	Sudbury Community Arena		Essar Centre		Rogers K-Rock Centre		Meridian Centre
	2014	2015	2012	2013	2015	2016	2016
OHL Hockey	38	39	41	39	n/a	n/a	+/- 40
Basketball	--	--	--	--	--	--	+/- 30
Concerts	2	9	17	7	n/a	n/a	5
Other Sports	0	0	31	35	n/a	n/a	+/- 20
Family Shows	2	0	--	--	n/a	n/a	2
Trade & Consumer Shows	8	9	25	12	n/a	n/a	n/a
Other	3	3	20	16	n/a	n/a	n/a
Community Use	--	--	--	--	n/a	n/a	n/a
Net Operations	53	60	134	109	96	108	+/- 95

Notes: Most recent information from the City of Sault Ste. Marie is 2013. "Other" includes hockey tournaments. "Other Sports" include Soo Thunderbird home games. Excluding these users, the number of events secured by the Essar Centre was 89 in 2012 and 60 in 2013.

For Meridian Centre, "Other Sports" includes assumptions for NBLC Niagara River Lions home games (basketball), IIHF Women's U18 Hockey Championships, Brock University Basketball and Hockey games, Skate Niagara competition, NHL preseason game

Source: City of Greater Sudbury, City of Sault Ste. Marie, City of Kingston, City of St. Catharines

5. Assessment of Supportable Building Size

This Report has provided a socio-economic profile of the Greater Sudbury area, profiled the current operations of the SCA and other similar venues in Ontario, and presented information on various Canadian markets which host a Major Junior A (Tier 1) franchise (whether in the OHL, QMJHL or WHL). Based on this review, an assessment of the Greater Sudbury market to support a larger venue was undertaken, concentrating on:

- Potential attendance; and
- Supportable building size.

As was detailed in Figure 15, above, average per game attendance in the OHL was some 4,155 fans per game, league-wide during the 2015-16 season; over the past 16 seasons (i.e., since 2000-01) average per game attendance has generally ranged between 3,200 and 4,200 fans per game. Over the 2010-11 to 2015-16 period, only three teams have average attendances of greater than 5,000 fans per game, with London, Kitchener and Ottawa (who play in the league's largest arenas) consistently leading the league in attendance. Sudbury plays in the 8th largest market in the OHL (as measured by total CA / CMA population) and attracts the 11th largest average attendance. Within the 4,470-seat / 5,186-capacity Sudbury Community Arena, the team has filled approximately 70% of available capacity, on average, since the start of the 2010-11 season (compared to a league-wide average of approximately 72%).

In other Canadian CHL markets across the country, average capacities in venues generally range between 60% to 65% of total building capacity (fixed seats plus standing room) to over 70% (including only fixed seats), the highest of which occurs in the OHL. In some instances, particularly where teams have moved into new venues, total average attendance has surpassed 90% of total seating capacity, a level which has been sustained in some cases in newer, larger buildings for several years.

Given that the CHL team serves as the lead tenant in their respective building and that a significant amount of revenue is dependent upon the team playing in that building (including, for example, suite revenue, advertising and sponsorships, concessions, etc.), constructing a building with a total seating capacity that is supportive of both the team and the building's ability to generate income is paramount. Understanding an ideal building capacity from an entertainment event perspective is also important, noting that the use of the flat floor area will add to the total capacity of the building by approximately 800 to 1,200 seats (depending on the number of partially and fully obstructed seats that would be located beside and behind a stage). In this regard, a common adage in the sports industry is that "empty seats produce empty seats, while sell-outs produce sell-outs", a maxim that favours building capacities being at or slightly smaller than their "supportable size" in order to limit ticket availability to a degree, and thereby cause corporations and individuals to purchase seasons tickets to ensure event access (with more abundant ticket availability caused by a building that is "too large" for the market, there would be less incentive to purchase seasons tickets and force the team and building to rely more on "walk-up" sales).

Building a venue to accommodate a one-off circumstance when an event / game could draw 10,000 / 15,000 / 20,000 fans (for example, to a one-off event involving a marquee artist / player / team or some other special entertainment event), would, in our opinion, be inappropriate. In this instance, it would require that the building incur higher operating costs (including maintenance, heating / cooling, etc.) for a larger volume of space than it otherwise requires. Moreover, with the continual availability of tickets, average attendance could be unnecessarily lowered (there would be no incentive to purchase seasons tickets and potential attendees could decide not to attend an event depending on weather or other circumstances) and could therefore negatively impact building advertising and sponsorships income (given that there would be "less eyes" / "fewer bums in seats" in the building).

In an effort to identify the size of building that could be “supportable” for Greater Sudbury, a review of each Canadian-based CHL team’s market penetration was undertaken (i.e., the proportion of a centre’s local and broader regional population which attends games). Based on this review (Figure 39, following, for local market penetration rate, and Figure 40 for regional market penetration rate), a number of conclusions can be reached:

- A typical CHL team’s local market penetration rate is 4.6%. The team’s local market penetration rate will be highly dependent upon the size of its local population. In this regard, smaller centres will tend to have higher local market penetration rates while larger centres will have smaller local market penetration rates.
- The average local market penetration rate in both the QMJHL and WHL is 5.2%, compared to just 3.4% in the OHL.
- The Sudbury Wolves attract the 40th highest proportion of its local population to its games (or conversely the 15th lowest). In this regard, approximately 2.2% of City of Greater Sudbury residents, on average, attend a Wolves’ game. In the OHL, Sudbury’s rank is 15th (including Brampton and Belleville whose teams have since relocated). Ranking above Sudbury are teams playing in centres with similar local population sizes (including Barrie, Oshawa, Guelph and St. Catharines) as well as larger markets (including London, Kitchener and Windsor). Sudbury ranks only above teams in the largest OHL markets (including Ottawa, Mississauga, Hamilton and Brampton).
- Actual local market penetration rates range from a low of 0.3% (Brampton), 0.4% (Mississauga), 0.6% (Ottawa), 0.7% (Edmonton, Calgary and Hamilton), 0.9% (Gatineau) and 1.0% (Vancouver), to a high of 13.6% (Owen Sound), 13.0% (Acadie-Bathurst), 12.8% (Swift Current), 11.8% (Kootenay), and 10.1% (Moose Jaw). Excluding these outliers, the average local market penetration rate is 4.4%.
- A typical CHL team’s regional market penetration rate is 3.3%;
- The average regional market penetration rate in the OHL is 2.3%, and compares to 3.4% in the QMJHL and 4.2% in the WHL.
- Actual regional market penetration rates range from a low of less than 0.1% (for Brampton and Mississauga), 0.1% (for Bainville-Boisbriand), 0.3% (Vancouver), 0.4% (for Ottawa), 0.5% (for Edmonton and Hamilton), 0.6% (for Calgary) and 0.8% (for Gatineau) to a high of 11.5% (Swift Current), 9.8% (Moose Jaw), 9.1% (Owen Sound), 9.0% (Kootenay) and 7.7% (Baie-Comeau). Like local market penetration rates, the larger the urban area the team is located within, the smaller will be the team’s regional penetration rate. Excluding these outliers, the average regional market penetration rate is 3.2%.
- The regional market penetration rate for the Sudbury Wolves is 2.2% (30th largest in the CHL).

In Figure 41, following, a number of CHL centres have been highlighted, based on (a) their having local and / or regional population sizes similar to Greater Sudbury, (b) the community is located in an area where it is both a dominant regional centre and is located some distance from other large urban centres, and / or (c) the community recently developed a new sports and entertainment centre. A review of these markets yields the following observations:

- The average local market penetration rate for these markets (excluding Greater Sudbury) is 4.3% while the regional market penetration rate is 3.4%.
- For those markets that have constructed new venues, average per game attendance for their CHL team increased by 43% and 52% over longer-term historical averages, with the average increase in attendance being approximately 48%.
- As noted from the discussion relating to Figure 32, above, the average “bump” in attendance is in the range of 70% across all markets, with this attendance level being sustained for approximately six years.

Based on the foregoing, our opinion is that a new building in the City of Greater Sudbury would be able to support a sustained bump in attendance in the range of 20%, increasing average attendance to approximately 4,350 fans per game. Additionally, it should also be recognized that the identified market potential attendance figure represents average attendance over the course of a season and as such would require a building with a seating capacity in excess of this amount. Assuming a “target” capacity figure of 75%, a building in the range of 5,500 to 6,000 seats would appear to be appropriate, with the target being 5,800 seats.

Figure 39
Canadian Hockey League – Local Market Penetration Rates

	Average Attendance (2011 - 2014)	Avg Attendance in New Building (since 2008)	Arena Capacity	Average Occupancy (2011 - 2014)	2016 Population		Market Penetration Rates	
					City	County / CA / CMA	City	County / CA / CMA
Owen Sound	2,898.8	--	3,500	82.8%	21,341	31,820	13.6%	9.1%
Acadie-Bathurst	1,544.0	--	3,524	43.8%	11,897	31,110	13.0%	5.0%
Swift Current	2,128.2	--	3,239	65.7%	16,604	18,536	12.8%	11.5%
Kootenay	2,357.6	2,890.2	4,616	51.1%	20,047	26,083	11.8%	9.0%
Moose Jaw	3,437.2	3,593.7	4,714	72.9%	33,890	35,053	10.1%	9.8%
Baie-Comeau	2,120.9	--	3,042	69.7%	21,536	27,692	9.8%	7.7%
Cape Breton	2,591.8	--	5,042	51.4%	29,904	98,722	8.7%	2.6%
Brandon	3,973.8	--	5,702	69.7%	48,859	58,002	8.1%	6.9%
Rimouski	3,573.8	--	5,062	70.6%	48,664	55,349	7.3%	6.5%
Prince Albert	2,444.6	--	3,366	72.6%	35,926	44,160	6.8%	5.5%
North Bay	3,379.9	--	4,273	79.1%	51,553	70,378	6.6%	4.8%
Medicine Hat	4,046.3	4,248.0	4,006	101.0%	63,260	76,522	6.4%	5.3%
Shawinigan	3,082.2	3,065.9	4,550	67.7%	49,349	54,181	6.2%	5.7%
Moncton	4,415.1	--	6,900	64.0%	71,889	144,810	6.1%	3.0%
Victoria	5,070.0	5,070.0	7,400	68.5%	85,792	367,770	5.9%	1.4%
Saint John	3,944.0	--	6,488	60.8%	67,575	126,202	5.8%	3.1%
Sault Ste. Marie	4,275.2	4,362.1	4,928	86.8%	73,368	78,159	5.8%	5.5%
Charlottetown / PEI	2,021.7	--	3,717	54.4%	36,094	69,325	5.6%	2.9%
Val-d'Or	1,813.6	--	3,753	48.3%	32,491	33,871	5.6%	5.4%
Victoriaville	2,485.4	--	3,420	72.7%	46,130	49,151	5.4%	5.1%
Red Deer	5,079.2	--	6,702	75.8%	100,418	100,418	5.1%	5.1%
Belleville	2,514.9	--	3,257	77.2%	50,716	103,472	5.0%	2.4%
Rouyn-Noranda	1,970.8	--	3,500	56.3%	42,334	42,334	4.7%	4.7%
Kamloops	4,174.4	--	5,464	76.4%	90,280	103,811	4.6%	4.0%
Sarnia	3,135.4	3,522.1	5,200	60.3%	71,594	96,151	4.4%	3.3%
Kelowna	5,539.4	--	6,007	92.2%	127,380	194,882	4.3%	2.8%
Lethbridge	3,319.3	--	5,479	60.6%	92,729	117,394	3.6%	2.8%
Niagara / St. Catharines	4,442.5	4,442.5	5,264	84.4%	133,113	406,074	3.3%	1.1%
Drummondville	2,467.7	--	4,000	61.7%	75,423	96,118	3.3%	2.6%
Blainville-Boisbriand	2,735.0	2,735.0	3,500	78.1%	83,747	4,098,927	3.3%	0.1%
Guelph	4,189.5	3,957.0	4,981	84.1%	131,794	151,984	3.2%	2.8%
Peterborough	2,562.5	--	4,329	59.2%	81,032	121,721	3.2%	2.1%
Prince George	2,293.3	--	5,971	38.4%	74,003	86,622	3.1%	2.6%
Oshawa	4,804.6	4,736.8	5,637	85.2%	159,458	379,848	3.0%	1.3%
Kitchener	6,835.5	--	7,469	91.5%	233,222	523,894	2.9%	1.3%
Kingston	3,457.9	3,340.2	5,380	64.3%	123,798	161,175	2.8%	2.1%
Barrie	3,685.0	3,713.9	4,195	87.8%	141,434	197,059	2.6%	1.9%
Windsor	5,491.4	5,536.2	6,500	84.5%	217,188	329,144	2.5%	1.7%
London	8,984.4	8,862.3	9,046	99.3%	383,822	494,069	2.3%	1.8%
Sudbury	3,625.3	--	5,186	69.9%	161,531	164,689	2.2%	2.2%
Quebec	11,376.0	--	17,000	66.9%	531,902	800,296	2.1%	1.4%
Saskatoon	4,963.1	--	15,195	32.7%	246,376	295,095	2.0%	1.7%
Regina	4,206.7	--	6,510	64.6%	215,106	236,481	2.0%	1.8%
Chicoutimi	2,704.1	--	4,724	57.2%	145,949	160,980	1.9%	1.7%
Halifax	7,239.5	--	10,595	68.3%	403,131	403,390	1.8%	1.8%
Sherbrooke	2,762.5	--	4,005	69.0%	161,323	212,105	1.7%	1.3%
Vancouver	6,474.7	--	16,281	39.8%	631,486	2,463,431	1.0%	0.3%
Gatineau / Hull	2,537.7	--	4,000	63.4%	276,245	332,057	0.9%	0.8%
Hamilton	3,844.0	--	17,400	22.1%	536,917	747,545	0.7%	0.5%
Edmonton	6,586.4	--	16,839	39.1%	932,546	1,321,426	0.7%	0.5%
Calgary	8,750.8	--	19,289	45.4%	1,239,220	1,392,609	0.7%	0.6%
Ottawa	5,199.9	--	10,585	49.1%	934,243	1,323,783	0.6%	0.4%
Mississauga	2,736.8	2,678.3	5,520	49.6%	721,599	5,928,040	0.4%	0.0%
Brampton	2,021.1	2,321.6	5,000	40.4%	593,638	5,928,040	0.3%	0.0%

Source: OHL, QMJHL, WHL, individual CHL teams, Statistics Canada, PwC

Figure 40
Canadian Hockey League – Regional Market Penetration Rates

	Average Attendance 2011 - 2016	Avg Attendance in New Building (since 2000)	Arena Capacity	Average Occupancy 2011 - 2016	2016 Population		Market Penetration Rates	
					City	County / CA / CMA	City	County / CA / CMA
Swift Current	2,128.2	--	3,239	65.7%	16,604	18,536	12.8%	11.5%
Moose Jaw	3,437.2	3,593.7	4,714	72.9%	33,890	35,053	10.1%	9.8%
Owen Sound	2,898.8	--	3,500	82.8%	21,341	31,820	13.6%	9.1%
Kootenay	2,357.6	2,890.2	4,616	51.1%	20,047	26,083	11.8%	9.0%
Baie-Comeau	2,120.9	--	3,042	69.7%	21,536	27,692	9.8%	7.7%
Brandon	3,973.8	--	5,702	69.7%	48,859	58,002	8.1%	6.9%
Rimouski	3,573.8	--	5,062	70.6%	48,664	55,349	7.3%	6.5%
Shawinigan	3,082.2	3,065.9	4,550	67.7%	49,349	54,181	6.2%	5.7%
Prince Albert	2,444.6	--	3,366	72.6%	35,926	44,160	6.8%	5.5%
Sault Ste. Marie	4,275.2	4,362.1	4,928	86.8%	73,368	78,159	5.8%	5.5%
Val-d'Or	1,813.6	--	3,753	48.3%	32,491	33,871	5.6%	5.4%
Medicine Hat	4,046.3	4,248.0	4,006	101.0%	63,260	76,522	6.4%	5.3%
Red Deer	5,079.2	--	6,702	75.8%	100,418	100,418	5.1%	5.1%
Victoriaville	2,485.4	--	3,420	72.7%	46,130	49,151	5.4%	5.1%
Acadie-Bathurst	1,544.0	--	3,524	43.8%	11,897	31,110	13.0%	5.0%
North Bay	3,379.9	--	4,273	79.1%	51,553	70,378	6.6%	4.8%
Rouyn-Noranda	1,970.8	--	3,500	56.3%	42,334	42,334	4.7%	4.7%
Kamloops	4,174.4	--	5,464	76.4%	90,280	103,811	4.6%	4.0%
Sarnia	3,135.4	3,522.1	5,200	60.3%	71,594	96,151	4.4%	3.3%
Saint John	3,944.0	--	6,488	60.8%	67,575	126,202	5.8%	3.1%
Moncton	4,415.1	--	6,900	64.0%	71,889	144,810	6.1%	3.0%
Charlottetown / PEI	2,021.7	--	3,717	54.4%	36,094	69,325	5.6%	2.9%
Kelowna	5,539.4	--	6,007	92.2%	127,380	194,882	4.3%	2.8%
Lethbridge	3,319.3	--	5,479	60.6%	92,729	117,394	3.6%	2.8%
Guelph	4,189.5	3,957.0	4,981	84.1%	131,794	151,984	3.2%	2.8%
Prince George	2,293.3	--	5,971	38.4%	74,003	86,622	3.1%	2.6%
Cape Breton	2,591.8	--	5,042	51.4%	29,904	98,722	8.7%	2.6%
Drummondville	2,467.7	--	4,000	61.7%	75,423	96,118	3.3%	2.6%
Belleville	2,514.9	--	3,257	77.2%	50,716	103,472	5.0%	2.4%
Sudbury	3,625.3	--	5,186	69.9%	161,531	164,689	2.2%	2.2%
Kingston	3,457.9	3,340.2	5,380	64.3%	123,798	161,175	2.8%	2.1%
Peterborough	2,562.5	--	4,329	59.2%	81,032	121,721	3.2%	2.1%
Barrie	3,685.0	3,713.9	4,195	87.8%	141,434	197,059	2.6%	1.9%
London	8,984.4	8,862.3	9,046	99.3%	383,822	494,069	2.3%	1.8%
Halifax	7,239.5	--	10,595	68.3%	403,131	403,390	1.8%	1.8%
Regina	4,206.7	--	6,510	64.6%	215,106	236,481	2.0%	1.8%
Saskatoon	4,963.1	--	15,195	32.7%	246,376	295,095	2.0%	1.7%
Chicoutimi	2,704.1	--	4,724	57.2%	145,949	160,980	1.9%	1.7%
Windsor	5,491.4	5,536.2	6,500	84.5%	217,188	329,144	2.5%	1.7%
Quebec	11,376.0	--	17,000	66.9%	531,902	800,296	2.1%	1.4%
Victoria	5,070.0	5,070.0	7,400	68.5%	85,792	367,770	5.9%	1.4%
Kitchener	6,835.5	--	7,469	91.5%	233,222	523,894	2.9%	1.3%
Sherbrooke	2,762.5	--	4,005	69.0%	161,323	212,105	1.7%	1.3%
Oshawa	4,804.6	4,736.8	5,637	85.2%	159,458	379,848	3.0%	1.3%
Niagara / St. Catharines	4,442.5	4,442.5	5,264	84.4%	133,113	406,074	3.3%	1.1%
Gatineau / Hull	2,537.7	--	4,000	63.4%	276,245	332,057	0.9%	0.8%
Calgary	8,750.8	--	19,289	45.4%	1,239,220	1,392,609	0.7%	0.6%
Hamilton	3,844.0	--	17,400	22.1%	536,917	747,545	0.7%	0.5%
Edmonton	6,586.4	--	16,839	39.1%	932,546	1,321,426	0.7%	0.5%
Ottawa	5,199.9	--	10,585	49.1%	934,243	1,323,783	0.6%	0.4%
Vancouver	6,474.7	--	16,281	39.8%	631,486	2,463,431	1.0%	0.3%
Blainville-Boisbriand	2,735.0	2,735.0	3,500	78.1%	83,747	4,098,927	3.3%	0.1%
Mississauga	2,736.8	2,678.3	5,520	49.6%	721,599	5,928,040	0.4%	0.0%
Brampton	2,021.1	2,321.6	5,000	40.4%	593,638	5,928,040	0.3%	0.0%

Source: OHL, QMJHL, WHL, individual CHL teams, Statistics Canada, PwC

Figure 41
Comparison of Selected CHL Markets with Greater Sudbury

	Average Attendance 2011 - 2016	Avg Attendance in New Building (1998 - 2009)	Arena Capacity	Average Occupancy 2011 - 2016	2016 Population		Market Penetration Rates	
					City	County / CA / CMA	City	County / CA / CMA
Brandon	3,973.8	--	5,702	69.7%	48,859	58,002	8.1%	6.9%
North Bay	3,379.9	--	4,273	79.1%	51,553	70,378	6.6%	4.8%
Sault Ste. Marie	4,275.2	4,362.1	4,928	86.8%	73,368	78,159	5.8%	5.5%
Kamloops	4,174.4	--	5,464	76.4%	90,280	103,811	4.6%	4.0%
Sarnia	3,135.4	3,522.1	5,200	60.3%	71,594	96,151	4.4%	3.3%
Lethbridge	3,319.3	--	5,479	60.6%	92,729	117,394	3.6%	2.8%
Niagara / St. Catharines	4,442.5	4,442.5	5,264	84.4%	133,113	406,074	3.3%	1.1%
Peterborough	2,562.5	--	4,329	59.2%	81,032	121,721	3.2%	2.1%
Prince George	2,293.3	--	5,971	38.4%	74,003	86,622	3.1%	2.6%
Kingston	3,457.9	3,340.2	5,380	64.3%	123,798	161,175	2.8%	2.1%
Sudbury	3,625.3	--	5,186	69.9%	161,531	164,689	2.2%	2.2%
Chicoutimi	2,704.1	--	4,724	57.2%	145,949	160,980	1.9%	1.7%

Source: OHL, QMJHL, WHL, individual CHL teams, Statistics Canada, PwC

At such a level, the local market penetration rate would increase to 2.7% (between Barrie and Kingston as the 37th highest centre in the CHL in Figure 39, above) while the regional penetration rate would increase to 2.6% (equal to Prince George, Cape Breton and Drummondville as the 26th highest centre in the CHL in Figure 40, above).

While a larger building could be considered, we would argue that a building with in excess of 5,800 seats would be inappropriate. By way of comparison, Figure 42, following, provides a summary of CHL buildings with a total seating capacity in excess of 6,000 seats and the recommended building size for Greater Sudbury (5,800 fixed seats attracting an average attendance of 4,350 fans). The majority of these markets have significantly larger local and regional populations compared to Greater Sudbury and as such are required to attract a much smaller proportion of their local / regional populations to support uses and events at their spectator arena. In addition, the economic and growth prospects of these markets are considered somewhat more robust than is projected in the short to medium term for Greater Sudbury.

It should also be noted that the target attendance figure of 4,350 fans per game represents, in our opinion, an average annual attendance figure; should a new venue with a capacity of some 5,800-fixed seats be developed, it is likely that a team would periodically realize actual attendance at individual games in excess of this average attendance figure. As noted previously, most new facilities realize a “honeymoon” period where attendance is materially higher than historic averages during the arena’s initial few years of operation. How long such a “honeymoon period” will last will be directly dependent upon a number of factors, including the on-ice success of the team, the cost versus perceived “value” of attending a game, the state of the local economy, the presence of competing sports and entertainment venues / teams / events, etc. With 5,800 seats, the Sudbury Wolves would need to achieve a sustained increase in the number of fans attending each game of more than 60% to fill the venue.

Finally, with 5,800 fixed seats, it is possible that the total seating capacity for other entertainment, including concerts in an end-stage configuration could be excess of 6,500 (assuming retractable seating and limited “seat kills” behind and beside the stage). Discussions with entertainment promoters and marketers felt a new building which total sizing / capacity in the range of 5,500 to 6,000 seats was in the ideal target range for a market like Greater Sudbury.

Figure 42
Comparison of Selected CHL Markets with 6,000+ seat Venues

	Average Attendance 2011 - 2016	Avg Attendance in New Building (since 2009)	Arena Capacity (fixed seats)	Average Occupancy 2011 - 2016	2016 Population		Market Penetration Rates	
					City	County / CA / CMA	City	County / CA / CMA
Calgary	8,750.8	--	19,289	45.4%	1,239,220	1,392,609	0.7%	0.6%
Hamilton	3,844.0	--	17,400	22.1%	536,917	747,545	0.7%	0.5%
Edmonton	6,586.4	--	16,839	39.1%	932,546	1,321,426	0.7%	0.5%
Vancouver	6,474.7	--	16,281	39.8%	631,486	2,463,431	1.0%	0.3%
Saskatoon	4,963.1	--	15,195	32.7%	246,376	295,095	2.0%	1.7%
Quebec	11,376.0	--	15,176	75.0%	531,902	800,296	2.1%	1.4%
Halifax	7,239.5	--	10,595	68.3%	403,131	403,390	1.8%	1.8%
Ottawa	5,199.9	--	9,862	52.7%	934,243	1,323,783	0.6%	0.4%
London	8,984.4	8,862.3	9,046	99.3%	383,822	494,069	2.3%	1.8%
Moncton	4,415.1	--	7,500	58.9%	71,889	144,810	6.1%	3.0%
Kitchener	6,835.5	--	7,131	95.9%	233,222	523,894	2.9%	1.3%
Victoria	5,070.0	5,070.0	7,006	72.4%	85,792	367,770	5.9%	1.4%
Windsor	5,491.4	5,536.2	6,500	84.5%	217,188	329,144	2.5%	1.7%
Saint John	3,944.0	--	6,297	62.6%	67,575	126,202	5.8%	3.1%
Regina	4,206.7	--	6,136	68.6%	215,106	236,481	2.0%	1.8%
Red Deer	5,079.2	--	6,000	84.7%	100,418	100,418	5.1%	5.1%
Sudbury		4,350.0	5,800	75.0%	161,531	164,689	2.7%	2.6%

Source: QMJHL, OHL, WHL, individual CHL teams, Statistics Canada, PwC

6. Assessment of Building Costs and Features

Indicative Cost Estimate

Figure 43, following, identifies the total project cost (inclusive of hard construction costs, soft costs, furniture, fixtures and equipment and in some cases financial and consultant costs), fixed seating capacity and opening date of the some of the more recently opened sports and entertainment / arena facilities in Canada (since approximately 1995 with the opening of the CN Centre in Prince George, BC). Also included in Figure 43 is the “per seat cost” associated with each project.

Figure 43
Total Project Costs of Recently Built Sports and Entertainment Centres

City	Year Opened	Seats	Cost	Cost / Seat
Prince George	1995	5,800	\$21,700,000	\$3,700
Barrie	1996	4,200	\$13,000,000	\$3,100
Sarnia	1998	5,000	\$18,500,000	\$3,700
Brampton	1998	5,000	\$24,500,000	\$4,900
Mississauga	1998	5,400	\$22,000,000	\$4,100
Kelowna	1999	6,000	\$26,000,000	\$4,300
Guelph	2000	5,000	\$21,500,000	\$4,300
Cranbrook	2000	4,700	\$22,600,000	\$4,800
London	2002	9,000	\$47,000,000	\$5,200
Victoria	2003	7,000	\$30,000,000	\$4,300
Chilliwack	2004	5,000	\$22,000,000	\$4,400
Sault Ste. Marie	2005	5,000	\$25,000,000	\$5,000
Oshawa	2005	5,400	\$45,000,000	\$8,300
Kingston	2008	5,200	\$46,100,000	\$8,900
Windsor	2008	6,500	\$71,700,000	\$11,000
Abbotsford	2009	6,800	\$66,200,000	\$9,700
Moose Jaw	2011	4,400	\$61,200,000	\$13,900
St. Catharines	2014	5,200	\$51,000,000	\$9,800
Medicine Hat	2015	5,900	\$74,900,000	\$12,700
Moncton	2016	7,500	\$91,000,000	\$12,100

Source: PwC

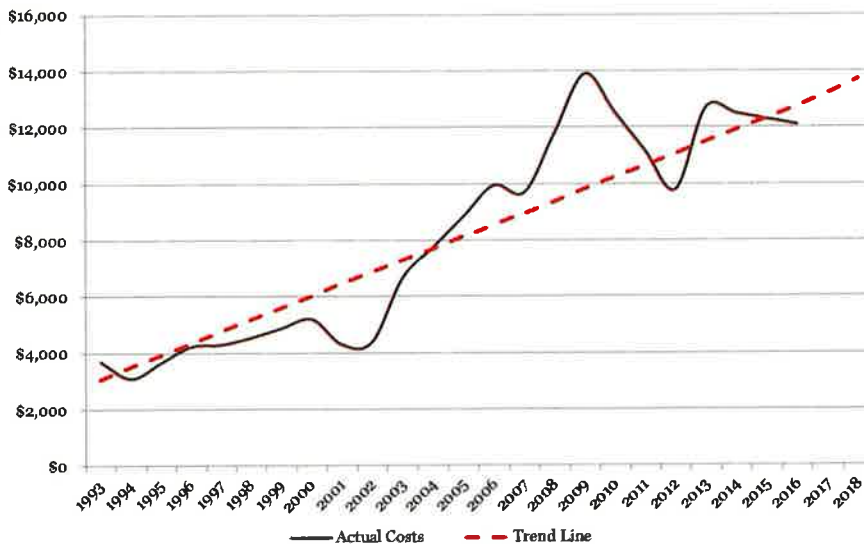
While a useful proxy for evaluating facility costs and how they have changed over time, there are limitations, particularly with respect to understanding and acknowledging some of the differences that exist within each building cost metric (from a size, layout, quality of finish and building component perspective) as well as from a physical location perspective (i.e., some markets are more expensive to build in than others; some sites may also be more expensive to build on than others) which may have a material impact on total project costs. For example:

- In 1998, the per seat cost of the Brampton Powerade Centre appears to be materially greater than the per seat cost of the Mississauga Hershey Centre despite these buildings being located less than 10 kilometres from one another and each building opening at approximately the same time. The Powerade Centre is, however, a larger building compared to the Hershey Centre, containing three ancillary ice pads (four in total) compared to just one ancillary pad at the Hershey Centre (two pads in total);

- Similarly, while costing almost \$11,000 per seat in 2008, Windsor’s WFCU Centre also contains three ancillary ice pads in addition to its 6,500 fixed seat spectator venue (this compares to Kingston Rogers K-Rock Centre which cost \$8,900 per seat for its 5,200 fixed seats); and
- In 2011, it appears that Moose Jaw’s 4,400-seat Mosaic Place was the most expensive building constructed in Canada, at almost \$13,900 per seat. However, it should also be noted that this building also includes an eight-sheet curling rink plus banquet facility, which added to the overall cost of this venue.

Understanding that each building will therefore contain components, features, finishes and other elements that will impact its overall cost (higher or lower) and will be located in a jurisdiction with its own unique construction market fundamentals (labour availability, pricing, number of projects under development, etc.), utilizing a “cost per seat” proxy to understand how facility costs have changed over time and what facility costs may be in the near term is still considered to be an appropriate metric. Figure 44, following, graphically depicts facility costs per seat since 1993 (the estimated contract award date for the CN Centre in Prince George). A “best fit” trend line was estimated based actual building costs. Based on this review, it would appear that average building costs have grown at an annual compound rate of approximately 6.3% per year between 1993 and 2016, reaching approximately \$12,750 per seat.

Figure 44
Trend in Per Seat Costs of Recently Built Sports and Entertainment Centres



Source: PwC

Projecting costs out to 2018 (the approximate contract award date for Greater Sudbury’s new SEC), it would not appear unreasonable that costs could approximate \$13,700 per seat. Based on this proxy, it would not appear unreasonable for a 5,800-seat SEC to cost in the range of \$80.0 million. This \$80.0 million total all-in cost is notionally allocated between the following:

- Hard costs \$62.5 million (78.1% of total costs)
- Soft costs \$12.5 million (15.6% of total costs; 20% of hard costs)
- Furniture, fixtures and equipment \$5.0 million (6.3% of total costs)

The \$80.0 million preliminary cost estimate is considered neither an extravagant building, nor one which includes design features below the following outlined minimum requirements. The \$80.0 million preliminary cost estimate also relates only to a single, stand-alone facility (i.e., one that does not include community ice pads). Including additional ice pads to the cost of the SEC would increase its cost by approximately \$7.5 million to \$8.0 million per ice pad.

It should also be noted that this estimate excludes any extraordinary site related costs which could serve to increase total project costs (for example, because of geotechnical issues, site constructability issues, etc.), as well as the costs associated with any off-site improvements needed to facilitate the effective operations of the SEC (access road improvements, parking, hydro enhancements, etc.).

Design Features

Sports and entertainment centres have a number of key components that are critical to the overall operating success of the facility. As with any performance-oriented venue, these can be divided into three major categories:

- ***Front-of-House***

The Front-of-House (“FOH”) components are those components that create and provide an “overall experience” to the spectator or patron prior to them taking their seat. The FOH components are often described as being part of the “public domain” and include all elements associated with arriving at and entering the building.

The FOH can either be integrated with the seating bowl, most commonly from a “top-fed” concourse, or it can be separated from the seating bowl in which case patrons access their seating through gates or vomitories cut into the arena bowl.

Spectator facilities in the 5,000 to 6,000 seat range are tending to move away from the top-fed concourse allowing for better light control / separation between the FOH and the actual event.

- ***House***

The House is the actual seating area surrounding the rink slab or flat floor area. The House includes all of the fixed seats, temporary floor seating (for concerts, assemblies, and centre-stage events), and private suites / loge boxes. While spectator arenas in the past have tended to treat the seating as part of the overall experience with no separation for spilled lighting from the concourses, current design is trending towards the House being a “black-box environment” similar to theatres and performing arts centres. Lighting effects and pyrotechnics are becoming a central part of the spectating experience and increasing the need for a black-box environment.

- ***Back-of-House***

The Back-of-House (“BOH”) is the component of the venue that is least understood by the general public but is key to the overall operation of the facility as a multi-use venue. The BOH is typically not accessible by the general public and is the realm of the entertainer / performer / athlete, along with the infrastructure that supports the event. In addition to dressing rooms and mechanical support space, the BOH also include major storage areas, the catwalk and rigging grid system within the roof structure, and broadcasting support.

Front-of-House Components

Main Lobby

The Main Lobby should be immediately visible as the main entrance to the building. It should be centrally located relative to the main concourse and should have connectivity to the interior space that forms part of the ticketing area.

The Main Lobby should be well-signed to allow for immediate and uncongested access to the Public Concourse as well as secured access to the VIP level(s) of the facility.

Public Concourse

The Public Concourse provides the main circulation for spectators and can be configured in a number of different ways depending on the overall design of the facility. Possible concourse configuration options are:

- top-fed concourse;
- bottom-fed concourse (typically in a horseshoe arrangement); and
- intermediate concourse.

Regardless of the concourse configuration, there will exist a need to accommodate relatively easy access by patrons to a number of key areas, including

- commercial space(s);
- concessions;
- washrooms; and
- seating (classified as part of the House).

Concourses need to be designed to conform to the appropriate Building Codes since they are primary exiting route for spectators. Beyond the ability to accommodate mandated exiting, the Concourse should be designed to minimize or eliminate bottlenecks or pinch points. Generally, concourses should have a general average width of 16 feet or more for a continuous concourse and 20 feet or more for a horseshoe concourse. This width should be increased in areas where spectators congregate or are expected to line up (for example, at or near concession points of sale).

Commercial Space

There should be at least one and preferably two small commercial units directly accessible from the concourse. Minimum size for commercial spaces are generally in the range of 500 square feet. Consideration is also provided in some instances, especially where a larger commercial space is provided, to have access from both the interior concourse of the building (during games and events) and from the exterior (to allow for regular business hours).

Concessions

Concessions should be evenly distributed along the concourse. The exact number of concessions is an aspect of building planning, but the number of fixed or permanent “points of sale” (“POS”) should equal the total fixed seating capacity of the facility (in this instance 5,800) divided by 175 as a minimum and 150 as a preferred (in this instance, in the range of 33 to 40). In addition there is a requirement for portable POS kiosks in the concourse area which should have access to power. The number of temporary or portable POS is generally in the range of 30% of the number of permanent POS (i.e., 10 to 12).

Where concessions face directly onto the concourse, the width of the concourse should be increased so that there is some allowance for lineups. In this regard, concessions in the corners potentially allow for increased lineup area.

Washrooms

The number of washrooms fixtures is mandated by code. The only discretionary calculation is the breakdown for male and female spectators / visitors and this ratio varies depending on the event. For this reason, washroom counts are generally based on 60% of attendees being male and 40% being female.

Administration

The Administration area is specific to the general management of the venue and typically does not include space for the lead sports tenant. The Administration space should include as a minimum, the following:

- a General Manager’s office;
- approximately five to seven support offices;
- open space for approximately 10 workstations;
- two conferencing rooms;
- general storage areas; and
- staff kitchen area with washroom facilities.

The Administration area should be designed / located so that there is reasonably easy controlled access from the exterior without requiring visitors to travel through secure parts of the facility. Administration areas should also be located to not consume prime space that could be utilized for commercial activities or programs especially during events.

Ticketing

The Ticketing area is ideally located relatively close to or connected with the Administration area although this may not always be possible. Tickets sales during the day are often done by administrative staff (as a less expensive alternative to having permanent ticketing staff at a stand-alone ticket sales counter).

The Ticketing area will generally have a series of booths facing directly to the exterior and / or as windows facing a large interior space (generally within public access areas prior to entering into the ticketed area of the venue). The interior space should be properly sized to accommodate lineups for patrons picking up their tickets upon arriving for the event.

House Components

Seating Bowl

The Seating Bowl has a targeted fixed-seat capacity of 5,800 seats and contains a combination general seating and enhanced or club seating. The row-to-row spacing within the seating bowl is fixed at 34 inches regardless of the seating type.

- **General Seating**

A total of approximately 5,020 “general admission” seats would typically be provided within a 5,800-seat venue. Such seats would have a typical width of 21 inches although 19-inch wide seats may be used in the radial corners of the bowl when required. In these instances there should be no more than three 19-inch seats in any one radial row.

General seats will be riser-mounted (with the possible exception of those located in the top row) and have molded plastic flip-up seats and fixed molded plastic backs.

- **Club Seating**

In addition, some 500 Club Seat could be provided. Club seats are reserved seating areas within an arena, generally providing the spectator with greater proximity / better sight lines to the playing surface, a location straddling / near centre ice or alternatively in an end zone over-looking the visitor’s net (during the first and third periods), admission into a restricted access lounge, in-seat food and beverage service and a higher quality seat. Club seats will generally have a typical width of 22 inches and will be riser-mounted with flip-up seats and fixed backs. Club seats will also have padded backs and seats, and include cup holders.

- **Private Suites**

Space for a total of 24 Private Suites (counting 240 seats) are estimated to be required although the actual number built will depend on the pre-marketing results. Suites generally are distributed on either (a) one side, (b) two sides, or (c) along one side and at the end of the seating bowl, depending on the number created. The suites will have three options in terms of size:

- smaller suites with two dedicated rows in front with four seats per row;
- regular suites with two dedicated rows in front with five seats per row; and
- larger suites with two dedicated rows in front with six seats per row.

The exact combination of suites will be determined during the pre-marketing and eventually confirmed during the actual leasing.

Private suites seating will be upholstered backs and flip-up seating (theatre style). The two seats in the upper row closest to the aisle will be ganged for easy removal should a wheelchair space be required.

Private suites will also have a counter that can be set to either a typical bar counter height of 42 inches or a wheelchair height of 30 inches. Three (for smaller suites) or four bar stools are generally provided with the bar counter.

- **Loge Boxes**

Loge boxes are generally “semi private suites” that provide in-seat service, exclusive access to a “Premium Lounge” during events and in some instances parking passes. A total of 10 Loge Boxes (providing 40 seats) are assumed to be provided, each box containing a front counter, four bar stools, and an optional small back counter with under-counter amenities.

- **Event Floor / Field of Play**

The Event Floor or Field of Play is generally that area contained within the rink boards. Most often this is in the format of an ice hockey rink but it can also be used for other indoor sports as well as concerts, trade shows and other revenue-generating events. The Event Floor / Field of Play should be enclosed by a highly flexible and adaptive rink board system that allows for easy removal of the glass or polycarbonate glazing panels.

With the glazing in place, hockey and other complimentary sports such as indoor soccer and lacrosse can take place. With the glazing removed but the lower boards still in place, the floor could be used for a number of diverse events including:

- concerts
- basketball
- trade and consumer shows
- Broadway shows
- banquets
- curling events
- public / religious assemblies
- pow wows
- conventions / conferences
- graduation ceremonies
- figure skating
- motocross
- monster trucks
- circuses

The Event Floor can be expanded with the use of easily removable rink boards and retractable seating. However for a spectator facility of some 5,800 seats, the number of retractable seats surrounding the playing surface should generally not exceed five to six rows. The effort of removing the rink boards and storing them elsewhere in the building may not be worth the effort since the space gained is partially offset by the amount of BOH storage space required. In addition, retractable seating can pose a maintenance issue. The decision to provide retractable seating should be based on the need as indicated by the proposed event calendar and in particular, the number of trade and consumer shows.

Flooring inserts will be required and will generally be coordinated with the facility operator or an operations consultant. Insert design should accommodate circuses, gymnastic events and other programs that could form part of the facility event calendar.

- **Media Booth**

Technically this space is part of the BOH but because of its placement within the House, it is included in this section. A media booth will need to be open on the ice side and elevated above any seating so as not to have obstructed views of the ice surface. The media booth may be at centre ice or off-centre and should have a continuous counter length of approximately 60 feet and be secured before and after games and events.

Back-of-House Components

Home Team Dressing Room

The Home Team dressing room area will generally include the following:

- **Entry Lounge** with a combination of a sitting / conversational area and 24 street-lockers. This area would comprise the players’ first point of entry to their dressing room area.
- **Dressing Room** with professional-style change lockers / benches with 20 32-inch units for players and two 42-inch units for goalies. The change units should be arranged along three sides of the change room with the fourth side having a white board, video monitor and other equipment required by the coach.
- **Washroom** with a minimum of four urinals, one regular water closet, one water closet for the disabled, and four sinks.
- **Showers** capable of accommodating up to eight individuals.

- **Trainer Room** with an open space for two massage tables and two therapy baths, and an enclosed Trainer Office.
- **Coaches' Area** including an office for the Head Coach and a large shared office for assistants. The shared office should be able to accommodate three work stations. The Coaches' Area will generally not have direct access to the Dressing Room to allow some level of privacy particularly during practices.
- **Workshop** where players and staff can work on equipment.
- **Laundry Room** to allow for the cleaning of team uniforms.
- **Secure Storage** adequately sized and ventilated for uniforms and equipment.

Ideally the Home Team dressing room and secure storage area will be located near an exterior door to allow for bus access.

Home Team Dressing Room – Optional Items

Additional items that can be included as part of the Home Team dressing room include:

- an **Expanded Washroom**, which may include a steam room, sauna and large therapy pool;
- a **Fitness Area**, including exercise equipment (include stationary bicycles, treadmills, free weights, etc.);
- a **Media / Interview Room**, a room with a low stage at one end can capable of accommodating approximately 30 people.

Community Dressing Rooms

A total of four Community Dressing Rooms are generally provided. While the ideal number of dressing rooms for a community arena is 6, a spectator venue is event-driven rather than program-driven and the opportunity for a substantial number of figure skating and youth hockey games is limited.

All dressing rooms would be wheelchair accessible and have:

- bench seating for 24 players;
- interconnecting doors between pairs of dressing rooms;
- one handicap water closet, one urinal and one accessible lavatory; and
- showers with two regular shower heads and a stall equipped with both a regular head and an outlet for a demountable adjustable shower head.

Officials/Multi-Purpose Dressing Rooms

A dressing room is generally provided to accommodate officials for games as well as acting as a smaller change room for special events. The dressing room should have one urinal, one wheelchair water closet, two sinks, and two shower cubicles with change area.

Multi-Purpose Meeting Room / Green Room

A multi-purpose meeting room will is generally provided for special events and as a support or amenity area for performers and event promoters.

Kitchen / Commissary Storage

A commercial kitchen is typically included to accommodate banqueting (although in larger events, meals could be catered), conferences, suites catering, and specialty food vending (i.e., portable kiosks). A commissary storage area should be located either directly adjacent to, or in close proximity to both the kitchen and the BOH loading area.

Control Centre

The control centre is an area located at the main BOH point of entry so building operations staff can oversee all traffic / individuals entering the building. The control centre should have space for two offices, an open work area with space for four workstations, a first aid room, and a secure holding room.

Ice Resurfacing Room / Workshop

The ice resurfacing room (Zamboni room) should be located in the BOH rink to facilitate easy entry onto the rink surface. The room should have an ice-melt pit and the line of travel between the pit and the ice surface should be as straight as possible. The line of travel will ideally not conflict with the travel of either spectators or players during an event.

A workshop should also be included and located directly adjacent to the ice resurfacing room.

Marshalling / Open Storage

A large area between the BOH rink board entry and the building loading area is required both for the movement of traffic and the non-secure storage of fixtures and equipment. This area should be sized to sufficiently accommodate the following:

- ice covering
- rink board storage
- 1,500 folding seats
- Portable seating units
- a portable 40-feet by 60-foot stage
- rink board glass storage
- 50 circular folding tables
- portable chair units
- modular basketball floor
- basketball hoop storage
- show draperies

Movement of items from the open storage to the ice surface / rink floor should be straight-forward and allow for chair set-up by facility staff while a concert is setting up in the end-stage configuration.

Secure Storage

In addition to the open storage there should be a secure storage area for smaller pieces of equipment.

Mechanical Rooms

There are a number of service rooms that should be located in the BOH area. These include:

- **Refrigeration Room** with direct access to the exterior. This room should be located close to the point where the header trench connects with the refrigerated ice surface.
- **Main Mechanical Room** also with direct access to the exterior. The requirement for major additional rooftop units for the main seating bowl will be determined by the specific mechanical design.
- **Main Electrical Room** also with direct access to the exterior. There will be a series of smaller electrical rooms distributed at the four “corners” of the ice surface to be used for trade show cabling.

Back-of-House Vehicle Entry

The BOH vehicle entry will ideally need to accommodate two sloped bays for trucks backing up to the building. Generally, there will be no loading docks and trucks will be required to back into insulated bumpers on all four sides of the openings. In addition to the two loading bays, there will be a need for vehicle entry and truck access onto the event floor. The path from this door to the ice surface / event floor will require a clear-height of approximately 14 feet along the complete travel path.

Building Technical / Performance Commentary

A multipurpose SEC is a complex building that needs to respond to a broad range of uses and programs. While mid-size SECs are almost always associated with hockey, the most challenging design aspects of these facilities relate to the other activities that can occur within the building and how to quickly the building can convert from one configuration to another. The planning and design of a Sports and Entertainment Centre has a number of objectives but three are fundamental:

- Fitting into and enhancing the existing physical context, whether within a downtown or greenfield location;
- Taking advantage of the existing and potential market context and responding to it with a highly flexible and adaptive event-driven facility to maximize revenues; and
- Providing an operationally efficient building with the goal of minimizing energy and staffing costs.

Operations

The effective operation of an SEC will require:

- Easy and direct universal access to all House and FOH components by the ticket holder regardless of the event.
- Controlled separation between the FOH, House and BOH areas. The audience should not be in a position to directly interact with performers, athletes, or machinery associated with an event unless that interaction is part of the event and controlled by either the facility or the event team.
- High level of flexibility in terms of venue transformation / re-configuration. One of the main goals in the design of an SEC is to provide the operator with the greatest flexibility and opportunity to maximize the “event calendar”. Fundamental to that flexibility is the ability to quickly change from one event to another. As an example, an evening hockey game should be able to be followed the following evening by either a concert or dirt track event.
- An open-type roof structure capable of accommodating show heights and load requirements. The clear height from the event floor to the underside of structure over the ice rink should be a minimum of 45 feet, with 50 feet being ideal. Speaker / lighting loads are often in the 50,000 to 75,000 pound range and these need to be easily and quickly suspended from the underside of the roof structure. A rigging grid should also be provided especially over the location of the stage in end-stage configuration. The underside of the rigging grid should be at least 44 feet above the event level floor.

Figure 45

Illustrative Example of a Roof Structure Accommodating Show Heights and Load Requirements



- Access to the structure through catwalks for show setup, spotlight locations, lighting adjustments, and general servicing of both “sports” and building lighting.
- Event floor lighting to allow for various levels of economic operation (maintenance only, public programs, events). For events, lighting should be designed for television broadcasting and have the capacity for instant on / off. To the greatest extent possible all lighting should be accessible and serviceable from the catwalk system.
- Appropriate power distribution throughout the building. Critical areas of power concentration include BOH for concerts and end-stage events (this would comprise the largest single power source), the bowl corners (used for even distribution of power for trade shows and other floor type events), catwalk level (follow spots and special lighting), and shore power (easily accessed for use by show-oriented vehicles including television broadcasting support).
- The main air handling system for the spectator area must be designed to minimize ambient noise. Major ducts should be appropriately insulated acoustically, and the location of main mechanical supply units should be placed so as not to create either noise or vibration within the bowl.

Figure 46
Illustrative Example of a Flat Floor Event



- A separate exhaust system is required for smoke removal associated with pyrotechnics, vehicle exhaust (for example, during motocross events) and air-borne dirt (for example, during motocross events, rodeos, circuses, etc.). The exhaust system may be part of the smoke evacuation system designed by the fire protection / code consultant.
- Maximizing energy efficiency should be targeted with the use of high efficiency refrigeration plants, boilers, chillers, pumps and fans, and highly flexible control systems that allow for easy monitoring and optimum efficiency adjustments.

Building Design

Universal Accessibility

All aspects of the design should accommodate patrons with disabilities and do so in such a way that they are not marginalized or treated differently. Access to all parts of the publically accessible facility (which may vary from event to event) should allow those with disabilities to take the same route as their able-bodied companions. In this regard:

- Where stairs are required to either enter the building, access a concourse or access other levels of the building, elevators should be prominently located close to the public stair system;
- All concessions should be designed to accommodate wheelchair patrons at all points of sale. This should also apply to temporary points of sale and associated fixtures (service counters, etc.);
- All washrooms should have stalls and fixtures for patrons with disabilities. Design should accommodate young family use and not be an inhibition to the LBGTQ community; and
- Wheelchair seating should be as per the code in terms of numbers required. Wheelchair spaces should assume groupings of wheelchairs and not provide a single wheelchair space flanked by fixed seating units. Wheelchair spaces should be designed so that when a person directly in front of the wheelchair stands up the wheelchair patron behind can still see the field of play.

Building Envelope

The building envelope including exterior walls, roofing and glazing should be designed as a high-performance building skin. Materials that are accessible by the general public must be highly robust. Brick, masonry and concrete (poured in place, precast, or tilt-up) in addition to glass (in highly visible areas) are typically used for the lower eight to ten feet of event facilities.

Interior Materials

Architects will have a preferred palette of materials for use within the facility. Due to the potential for both vandalism and premature wear, the following is recommended.

- All walls in the BOH area should be of concrete block in construction unless concrete alternatives are available (poured in place, tilt-up, precast). In dressing rooms where tile is used as a wall finish, it should be applied to a masonry or concrete back-up wall.
- Generally walls in the FOH and House should be either concrete block or a feature material of equivalent durability. Private suites and offices can be of drywall construction as long as these spaces are in a secure area.
- While fire proofing spray may be a design solution in terms of building code requirements, no spray should be within reach of patrons and ideally should be hidden or masked.

Mechanical Systems

The main air handling system for the spectator area must be designed to minimize ambient noise. Major ducts should be appropriately insulated acoustically, and the location of main mechanical supply units should be placed so as not to create either noise or vibration within the bowl.

Maximizing energy efficiency should be targeted with the use of high efficiency refrigeration plants, boilers, chillers, pumps and fans, and highly flexible control systems that allow for easy monitoring and optimum efficiency adjustments.

7. Location Criteria

The development of a new SEC in Greater Sudbury has stimulated significant community discussion. The existing SCA was built in 1951 with a fixed-seating capacity of over 4,470. As with similar facilities built in Northern Ontario at the time, including the 4,700-seat Fort William Gardens (1951) and the 4,900-seat Sault Memorial Gardens (1949), the Sudbury Community Arena was designed and built as a hockey venue. These arenas would frequently accommodate other popular events from time to time, including bonspiels, circuses, concerts, public gatherings / ceremonies, as well as trade and consumer shows while at the same time hosting occasional community recreation and public skating programs.

More recently, discussion surrounding the replacement of the Sudbury Community Arena has intensified, and Greater Sudbury City Council has endorsed a new SEC as one of its “priority projects”. Generally, there has been a recognition that the SCA has reached or perhaps gone beyond its useful life as a functioning sports and entertainment venue, and the cost of operating the aging infrastructure within the SCA is escalating while the opportunity to generate enhanced revenues is lessening. Additionally, there is a perception that the Greater Sudbury market is losing its ability to both maintain existing events and attract new ones because of the condition of the SCA and its lack of modern features and amenities.

The situation in Greater Sudbury is similar to that which has been experienced in other mid-size Canadian cities who are / have been looking to:

- enhance their attractiveness as a destination for regional, national and international events;
- improve the overall quality of life and the entertainment aspect that goes with that;
- increase the revenue-generating value of community facilities in general and spectator venues specifically; and
- leverage the construction of a new sports and entertainment venue as stimulant for additional strategic development.

The decision to replace an existing spectator facility with new SEC is a difficult one and communities going through this process often find that even the most efficient processes with strong community support can take significant time to realize a new facility. Key issues that dominate the discussion both at a governmental and community level include:

- **What is the right size facility?** There is typically a tendency to advocate for a large seating capacity for a number of reasons:
 - the region is growing and what may be right today could be undersize in ten to 20 years;
 - a large capacity will comply with critical event seating thresholds and attract more events; and
 - a large capacity can dominate the market and outperform competing venues.
- **Is the construction of a new facility affordable?** Construction costs for new SECs has tended to escalate in part because this building type has evolved to provide a broader range of experiences and revenue-generating opportunities:
 - they are increasingly designed to offer similar types of experiences as their larger professional counterparts with private suites, club seating, lounge areas, greater food and beverage choices;
 - there is now a requirement to include a broader electronic / entertainment experience with animated scoreboards, ribbon screens, pyrotechnics, and projection capabilities;
 - traveling events have more demanding BOH requirements both within the building (event hosting) and outside the building (event broadcasting); and
 - life safety and security / control requirements have resulted in a more sophisticated and complex design solution.

- **Where is the most appropriate location for a new SEC?** The discussion on site selection usually involves a broad range of considerations and passionate opinions on the “best location”. Considerations typically include:
 - *Build a new facility where there is appropriate parking.* One of the key elements that must be included in any location decision is access to parking. Remote or suburban locations tend to have adequate land for parking but also tend to have only one major road leading to the site. As a result, while parking may be easily accommodated, there can be significant issues in terms of loading and especially exiting the parking area after an event (a common issue raised in regard to the WFCU Centre in Windsor).
 - *Build a new facility as part of a developmental stimulus.* This approach can stimulate or generate development in a new emerging area as was done in Medicine Hat (Canalta Centre), or as part of an urban renewal initiative as was done in London (with Budweiser Gardens).
 - *Build a new facility where it will have the greatest economic impact.* The development of a new publically funded SEC is significant and could generate both short and long-term economic impact. Depending on the number of events secured in the new facility, the area surrounding the venue could see an increase in activity (regardless of whether the site is an urban or suburban one).
 - *Build a new facility where there is the greatest opportunity for both public and private sector benefit.* A new SEC will bring together both the public and private sectors. While these projects are typically owned by the public sector, the operation of the facility is sometimes contracted to a national or North American company specializing in venue management and connected to the entertainment industry. Similarly the sports franchise is privately owned and a key tenant in the facility. The development of a new SEC in Greater Sudbury may have the ability to attract private-sector investment into the funding of the project.

Additional points of consideration and arguments put forth include:

- build the facility downtown (part of the rationale for why the City of Guelph elected to build the Sleeman Centre in its downtown versus on a developer-provided parcel of land in a suburban location); and
- build the facility where land is cheapest (part of the rationale for why the City of Medicine Hat built the Canalta Centre and the City of Barrie elected to build the Molson Centre in a suburban location).

Because of the strong opinions on where an SEC should be located, the selection of a preferred site should be done through a process that is visible, transparent, responsible and meaningful. More than the actual design of a facility, site evaluation and selection will be scrutinized by the community-at-large. When ultimately selecting a location, it is important that the community feel comfortable that the criteria used to evaluate and ultimately select a location are relevant, appropriately weighted and that the process is transparent.

To help achieve this, a Site Evaluation Matrix is generally prepared and presented to the community. Typically a Site Evaluation Matrix would take into account the following:

- Identification of potential sites based on their physical dimensions and size (is the site physically large enough to accommodate an SEC);
- A site condition review for each proposed site, including a high-level environmental and geotechnical condition assessment and assessment of the need and availability of infrastructure required to adequately service the proposed SEC (can you effectively build on that site and at what cost);
- Schematic project costs based on the proposed conceptual program of area requirements recognizing that different sites may require different area requirements and building configurations (will it cost more or less to build the building on a site compared to others);
- A comparative economic impact assessment for each proposed site, including the identification of potential opportunities for the development and / or redevelopment of lands in proximity to the site (will a particular site have the ability to produce greater spin off benefits compared to others);

- Commentary on traffic and parking requirements and how they impact each site. In this regard, a detailed and professionally prepared traffic and parking study for each proposed site including an estimation of parking requirements will be needed (does sufficient parking exist in the area surrounding the site and what, if any, street and vehicular access improvements are required); and
- The Site Evaluation Matrix should reflect the objectives of the City (and their respective degrees of importance) so that there is a direct and transparent link with the overall evaluation process.

The selection of a preferred site for the new SEC will have long term implications and the selection of a site will need to provide Council with a level of confidence in terms of moving forward. The process should reflect community values, a recognition of what is in the best financial interests of the City, and recognize the level of investment, both from a construction and operating perspective that the project and the various sites present.

The following criteria are recommended for use in identifying, evaluating and selecting a preferred location for the SEC:

- A first criteria is **Site Dimension**. Depending on the configuration of the SEC, the facility will generally require a site with the following dimensions:
 - For a top-fed concourse design (i.e., where spectators enter the arena onto a concourse and proceed to walk down to their seats upon entering the arena bowl) in an urban location, a site in the range of 340 feet wide by 380 feet in length (130,000 square feet; roughly 3.0 acres) is generally required. This area does not provide for an outdoor area for vehicle storage and assumes that the building will be surrounded on all sides by city streets. The dimensions assume that private suites would be located on the concourse level; if however, suites were to be suspended from the roof structure (and thereby reducing the width of the concourse), the width could be decreased to 280 feet and the area reduced to 280 feet by 380 feet (110,000 square feet; 2.5 acres)
 For a top-fed design in a suburban or greenfield location, the site area needs to be increased for BOH on-site vehicle circulation / storage as well as a large front door gathering area. As a result the size of the site required would be in the range of 340 feet by 500 feet (170,000 square feet or 3.9 acres) where the private suites are located on the concourse, and 280 feet by 500 feet (140,000 square feet or 3.2 acres) where the suites are suspended from the structure. The additional site area is almost exclusively for the BOH vehicle movement.
 - For a bottom-fed design (i.e., where spectators enter the arena bowl at ice level and walk up to their seats), the recommended site area is 280 feet by 530 feet (150,000 or 3.45 acres). This area does not provide for an outdoor area for vehicle storage and assumes that the building will be surrounded on all sides by city streets.
 In a suburban or greenfield site, the recommended site area is 330 feet by 530 feet (175,000 square feet or 4.0 acres), as the total size area needs to be increased for BOH on-site vehicle circulation / storage as well as a large front door gathering area.
 - For an intermediate concourse design (i.e., where spectators enter the arena bowl mid-way and either walk up or down to their seats), the recommended site area is 280 feet by 380 feet (110,000 or 2.5 acres). This area does not provide for an outdoor area for vehicle storage and assumes that the building will be surrounded on all sides by city streets.
 In a suburban or greenfield site, the recommended site area is 280 feet by 500 feet (140,000 square feet or 3.2 acres), as the total size area needs to be increased for BOH on-site vehicle circulation / storage as well as a large front door gathering area.
- The second location criteria deals with **Vision**; is the development of an SEC on a particular site consistent with the overall long-term vision of Greater Sudbury and its pattern of strategic growth? Any site being considered for the SEC should be considered within the larger parameters of long term strategic community benefit rather than as an appropriately sized property for a specific building.

- A third location criteria is **Complimentary Benefits**; does the development of the SEC on a site enhance the neighbouring area or context? The question applies equally to a downtown or suburban site and measures the extent to which there is a synergistic opportunity for enhanced benefits. The extent to which those benefits accrue to Greater Sudbury is key to this question. For a downtown site those benefits could include a more vibrant and renewed urban core, while for a suburban site the benefits could be fast-tracking the development of an area that might be part of a longer-term vision
- A fourth criteria is **Ease of Development**; are there issues or costs associated with the development of the SEC on a particular site? For example, are there environmental or geotechnical issues that impact the development process and / or add to the cost of building the SEC? An SEC has a very large footprint and the building will require an extremely flat floor built on a solid under-base. A particular site could have a significant cost impact on the project and the development of the overall site (for example, is blasting or piling required for the development of the SEC on a particular site and would either of these have a direct impact in terms of the freedom of developing the most appropriate design).
In addition to geotechnical and environmental issues, other considerations needed to be considered include, for example, are there issues with a particular site from an infrastructure / services availability perspective (i.e., does sufficient electrical, water, sewer, storm water, etc. services exist at / to the site, or must these be brought to the site / replaced and at what cost).
- A fifth criteria is **Access**; is the site under consideration easily accessible from a vehicular, pedestrian, and transit (both current and future) perspective? Are improvements / modifications required to support the site? Is it realistic to implement episodic transit specific to major events? Are improvements to the existing road network required to facilitate vehicular access (for example, road improvements / widenings, new signalization, etc.).
- A sixth criteria relates to **Parking**; how much parking is required for the SEC and how many parking spaces currently exist in the vicinity of the site to support the SEC? Is there sufficient parking in the area that can be reasonably used to accommodate demands? Can parking be added whether on or off-site? If additional parking is required, would it be well-used on a daily basis for other purposes. Would the creation of additional parking be a prudent investment?
- A seventh criteria is **Cost**; does the City already own the site or would the City need to acquire the property? Are there issues associated with the development of the site that result in higher project or construction costs? Can some of these costs be shared (for example with adjoining land owners)? These question apply not only to the site under consideration, but also to costs beyond the boundaries or perimeter of the site (some of which are dealt with in Criteria Four - Ease of Development). It should be noted that such additional development costs should not necessarily be seen as a liability if they help facilitate future investment and development.
- An eighth criteria is **Economic Impact**; does the development of a particular site have an enhanced economic impact for the surrounding neighbourhood, for Greater Sudbury and / or the broader region? Would the development of a particular site maximize the ability of the SEC to bring positive economic impact to the area? Is the positive impact spread over a narrow spectrum of beneficiaries or a broad one?
- A ninth criteria is **City Building**; can the siting of the SEC on a particular site enhance the process of “city-building” by contributing to economic growth, quality of life, citizen satisfaction and community pride?

Figure 47, following, provides a draft Site Evaluation Matrix for use in comparing and evaluating potential sites. Included in this Matrix are indicative weights for use in valuing individual criteria and sub-criteria. Prior to embarking on any locational assessment, it is recommended that City agree to the individual weights assigned to each respective criteria and sub-criteria.

Figure 47
Draft Site Evaluation Matrix

Draft Site Evaluation Matrix

1. Vision	15%
a Will the development of a SEC on this site be seen by the residents as appropriate?	20%
b Is a SEC one of the highest and best uses of this site?	20%
c Does a SEC on this site reflect the City's vision and City's Official Plan?	20%
d Will this development stimulate future growth/expansion consistent with the City's vision?	20%
e Does the development of this site strike an appropriate balance between public and private sector benefits both short and long term?	20%
2. Complimentary Benefits	15%
a Will the surrounding neighbourhood/area be positively impacted by this development?	35%
b Can this site support the development/expansion of an event/entertainment zone?	30%
c Will this project help develop or advance existing infrastructure expansion plans?	20%
d Are there additional benefits not necessarily associated with entertainment/event activity?	15%
3. Ease of Development	10%
a Is the site well-serviced and can existing servicing handle the added requirements of a SEC?	35%
b Are there issues that would prolong the development or approval process?	20%
c Are there environmental issues or concerns associated with the site?	15%
d Are there significant geotechnical or topographic issues with the site specifically for a SEC?	15%
e Would development generate local area reaction/controversy?	15%
4. Access	10%
a Does the site have easy vehicular access and egress for event setup?	20%
b Does the site have appropriate vehicular access and egress for spectators at events?	20%
c Does transit currently service the site and/or would service be provided?	20%
d Can transit reduce car dependent travel to this site?	20%
e Is this site accessible by patrons walking to the event (hotel, restaurants, etc.)?	20%
5. Parking	10%
a Is there the potential for adequate parking on or near the site?	25%
b Is there existing parking in the area that can be used for events?	25%
c Does the event centre parking also effectively support other uses during non-event days?	25%
d Is there appropriate space for event loading/busing?	25%
6. Cost Impact	10%
a Is there a cost premium for developing the spectator component on this site?	35%
b Is there a cost premium for overall site development?	25%
c Are there funding opportunities associated with the development of this site?	20%
d Are there partnering opportunities associated with the development of this site?	20%
7. Economic Impact	15%
a Does the development of this site have a positive economic impact on the surrounding area?	35%
b Would this site become an entertainment/event destination?	35%
c Is this site positively impacted by the existing surrounding development?	30%
8. City-building	15%
a Does the development on this site enhance the profile of Greater Sudbury as a destination?	40%
b Would the development of this site enhance the quality of life for the community?	30%
c Would the development as envisioned foster pride by the residents of Greater Sudbury?	30%
TOTAL SCORE	100%

8. Assessment of Prospective Building Operations

Operating revenue assumptions

In assessing how a new 5,800-seat SEC could potentially operate from a financial perspective, PwC developed a proforma cash flow model to depict the operations of this Facility.

In deriving a proforma cash flow model, PwC benchmarked actual operations of comparable facilities, and identified a range of estimates for facility use, revenue and operating expenditures at the lower end of an identified revenue range / upper end of an identified expense range. As such, projected facility operations are considered to be at the lower end of a supportable range of revenue and operating expenses estimates, operating results which could be bettered by effective management, marketing and facility positioning.

Calendar of events

A prospective calendar of events for the Facility, for an average year of Facility operations is summarized in Figure 48, following. Per discussions with the event promotion industry and facilities in comparable markets, some 78 events are assumed. This event profile is comprised of the following events:

- 36 OHL games (2 exhibition games and 34 regular season home games);
- 9 concerts;
- 5 family shows;
- 4 other sporting events;
- 5 other entertainment events; and
- three three-day trade and consumer shows and ten other rentals.

Figure 48
Prospective Calendar of Events

User / Tenant	Annual Number of Event Days	Average Attendance	Annual Attendance	% of Capacity
Sudbury Wolves	36	4,350	153,900	73.7%
Concerts	9	4,500	40,500	77.6%
Family Shows	5	3,500	17,500	60.3%
Other Sports	4	4,500	18,000	77.6%
Other Entertainment	5	3,500	17,500	60.3%
Trade & Consumer Shows / Day Rentals	19	n/a	n/a	n/a
TOTALS	78		247,400	42.3%

Source: PwC

In addition, it is also assumed that the SEC would be available for use by minor and youth organizations on a regular basis throughout the winter season (approximately September 1 through April 30), including minor hockey (boys and girls), adult hockey, etc. It is also assumed that the ice would be removed between May 1 and July 31, during which time the SEC could be utilized for a broad range of floor events. During August, it is presumed that the ice would be reinstalled and that the SEC would be used for various hockey camps, training camps and other ice uses.

In projecting this calendar of events, consideration was given to comments forwarded to PwC by members of the concert and event promotion including, including promoters, agents, production officials and management with the Sudbury Wolves and staff at the SCA. Among the comments, opinions and perceptions forwarded by this group were the following:

- The configuration and amenities contained in the existing SCA serve as an impediment to attracting events and attendees;
- While centring a large trade area, weather and travel issues will dictate that the majority of event attendees come from the local area (apart of marquee acts);
- A number of promoters and agents cautioned that despite the presence of a new venue, operating as a pure rental venue (i.e., not taking show risk of any sort) could hinder its ability to secure acts. Despite this, it was still felt that a venue in the range of 5,800 seats (over 6,000 in in concert setting) would be supportive in helping attract a broad range of events, including concerts (rock artists, country artists, etc.), other sporting / entertainment events (whether curling, figure skating, monster trucks / motor cross, combative sporting events, other sports) and a range of family shows.

The foregoing alludes to potential market support for a new 5,800-seat venue. However, while it may be possible for a new venue to capture an increased number of concerts and other spectator and entertainment events, the ability to do so on a regular basis will continue to be impacted that availability of touring acts, the value of the Canadian dollar (for American acts) and the perceptions and ability of the local market to support events.

Sudbury Wolves

As noted, it is assumed that the Sudbury Wolves will play a total of 36 home games per season (two exhibition and 34 regular season games) and attract an average of 4,350 fans per game (3,000 for exhibition games). It has been further assumed that the team would pay a percentage of their gross ticket revenue for the right to utilize the facility. In addition, the Wolves would be entitled to receive a share of the net revenue generated from concessions (including private suite catering) during its home games, as well as a proportion of advertising revenues (excluding revenue from building sponsorships), similar to arrangements made with other CHL teams. Assuming allowances for complementary tickets and average realizable ticket prices, it is estimated that the Wolves would pay some \$140,000 per year in rent per year.

In addition, it is also assumed that the Sudbury Wolves would pay a fixed fee for reimbursable game-day expenses of \$4,000 per game (an additional \$144,000 annually).

Other events

Similar to other mid-sized venues in Canada, it is envisioned that the venue would be successful in securing ticketed entertainment events, including concert dates, family shows, other entertainment, etc. per year. As noted above, it is assumed that the venue could annually attract some nine concerts per year, an amount that is comparable with what other venues have secured, and a number which is believed to be a sustainable number of bookings per year (some years may be higher, others lower).

Similar to concerts, it is presumed that the venue would be successful in securing a number of family shows, including circuses, "Dora", the "Wiggles", "Lord of the Dance", "So You Think You Can Dance", "Disney Playhouse", Cirque du Soleil, etc. It is assumed that five separately ticketed events of this nature could be held annually (with some bookings producing multiple shows).

It has similarly been assumed that the venue could be successful in securing a number of non-Sudbury Wolves sporting events, including NHL exhibition games, "OHL Top Prospects Games", exhibition games by Canada's various National hockey teams (whether men's, women's, etc.), curling events (provincial championships, Scotties Tournament of Hearts or professional bonspiels), exhibition basketball (including Harlem Globetrotters), figure skating, lacrosse, etc. We have assumed that four events of this nature could be held annually, although in some years the number may be significantly higher (as has happened in other markets when major curling bonspiels and skating shows have been booked into a facility).

It has also been assumed that the venue would be successful in securing a number of other entertainment events, including “WWE Wrestling”, Professional Bull Riding, “SuperDogs”, monster trucks, motocross, rodeos, etc. We have assumed that five of these events could be held annually.

Lastly, it has been assumed that a new SEC would be made available for multi-day rentals, including rentals for trade and consumer shows, for community events, religious and cultural gatherings, for corporate fundraisers, film shoots, etc. We have assumed that three, three-day trade or consumer shows that could be brought into the facility, and that there would be ten single day events programmed into the arena (including university / college / high school commencement ceremonies, job fairs, religious gatherings, corporate events, etc).

Event summary

Figure 49, following, summarizes the projected event calendar for the proposed SEC against select other mid-size arena venues.

Figure 49
Comparison of the Calendar of Events against Comparable Facilities

	Essar Centre		Rogers K-Rock Centre		GM Centre, Oshawa		Meridian Centre	Greater Sudbury SEC
	2012	2013	2015	2016	2015	2016	2016	
Lead Tenant	41	39	n/a	n/a	n/a	n/a	+/- 40	36
Concerts	17	7	n/a	n/a	n/a	n/a	5	9
Family Shows	0	0	n/a	n/a	n/a	n/a	2	5
Other Sports	31	35	n/a	n/a	n/a	n/a	+/- 50	4
Other Entertainment	20	16	n/a	n/a	n/a	n/a	n/a	5
Trade & Consumer Shows	25	12	n/a	n/a	n/a	n/a	n/a	19
Total	134	109	96	108	97	86	+/- 95	78

Notes: Most recent information from the City of Sault Ste. Marie is 2013. “Other” includes hockey tournaments. “Other Sports” include Soo Thunderbird home games. Excluding these users, the number of events secured by the Essar Centre was 89 in 2012 and 60 in 2013.

For Meridian Centre, “Other Sports” includes assumptions for NBLC Niagara River Lions home games (basketball), IIHF Women’s U18 Hockey Championships, Brock University Basketball and Hockey games, Skate Niagara competition, NHL preseason game

Source: City of Greater Sudbury, City of Sault Ste. Marie, City of Kingston, City of St. Catharines

Suites license revenue

It is envisioned that the venue could be outfitted with up to 21 private suites and a “group sales” suite. In addition, three “founders suites” are assumed to be included within this total and provided to facility operations, to the Arena’s naming right’s holder, and to the lead tenant at no cost. These suites are projected to generate substantial revenue through their yearly rental. Their annual license fee and projected take-up will be directly dependent upon the number of events that take place in the Facility.

For the purpose of this assessment, it is assumed that an annual suite license fee would approximate \$17,500 per year plus the cost of season tickets. Based on industry standards, our opinion is that 80% of these suites could be leased. Based on the pricing information of comparable suites in similar type venues, it is estimated that revenue from suite licensing from could approximate \$275,000 annually (after a 12.5% sales commission). By way of comparison, the Essar Centre generated \$125,000 from 12 suites in 2013, while the K-Rock Centre generated an estimated \$620,000 in 2016 and the GM Centre (Oshawa) generated a projected \$395,000.

Loge box license revenue

As noted above, loge boxes are generally “semi private suites” that provide in-seat service, exclusive access to a “Premium Lounge” during events and in some instances parking passes. A total of 10 Loge Boxes (providing 40 seats) are assumed to be provided, each box containing a front counter, four bar stools, and an optional small back counter with under-counter amenities. Based on the pricing information from comparable facilities and facility operators, it is estimated that revenue from Loge Boxes from could approximate \$55,000 annually (after a 12.5% sales commission and 80% of the boxes being licensed).

Club seat license revenue

Club seats are reserved seating areas within an arena, generally providing the spectator with greater proximity / better sight lines to the playing surface, a location straddling / near centre ice or alternatively in an end zone overlooking the visitor's net (during the first and third periods), admission into a restricted access lounge, in-seat food and beverage service and a higher quality seat. Revenues represent the fees captured to allow the purchaser to secure access to these seats to any event staged at the facility.

We have forecast a price of \$500 per club seat, with this fee representing the seat license fee only, and thus exclude tickets. Based on our analysis, if 500 club seats were able to be created within the building, we have assumed 70% would be leased, generating some \$155,000 annually for the Facility (net after deducting cost of sales). By way of comparison, the K-Rock Centre generated an estimated \$210,000 in 2016.

Naming rights and other sponsorships

Naming rights are the right to name a piece of property, either tangible property or an event, usually granted in exchange for financial considerations. Institutions like schools, places of worship and hospitals have a tradition of granting donors the right to name facilities in exchange for such financial contributions. Securing the naming rights for arenas, stadia, theatres, and other public gathering places is seen by companies as a form of advertising and naming rights deals worth millions of dollars have been made.

Previously "branding" constituted the prime motivation for "naming" a facility (i.e., being associated with the building, the facility's tenants, etc.); increasingly, corporations are looking at the strategic value of being associated with a building / team and with a particular geographic area, and how that relationship can help further the overall corporate direction of the company, particularly with respect to growing its business. Generally, the value which an entity will attach to a venue will be dependent upon two principal factors:

- the philanthropic / sense of belonging / linkage to the local community which the naming sponsor / benefactor has to the local area, community, facility etc.; and
- the marketing / strategic value of the facility to the entity's business.

Valuing naming rights associated with the latter are relatively straightforward, and will generally be a function of the "number of eyes" and "number of ears" who see / hear the name of the entity which sponsored the facility. As such, the greater the number of times a venue is likely to be referenced, the higher the calibre of sport team(s) that plays within a building, and the larger the market those teams play within, the greater will be the value of that sponsorship. Alternatively, the former is more difficult to value, given that it plays on the emotional sensitivity and philanthropic attachment of individuals to the area.

Figure 50, following, summarizes the total and annual naming right values of various Canadian sports stadiums and arenas. It is interesting to note that the Bank of Nova Scotia, in 2014, announced its intention to rename the Halifax Metro Centre as the Scotiabank Centre. This 10-year naming rights deal is worth a reported \$6.5 million over its duration (\$650,000 per year), with \$5.3 million of this fee being pledged towards facility upgrades (the facility opened in 1978).

Also of interest are the following:

- With the exception of the John Labatt Centre (now the Budweiser Gardens), most CHL arenas have sold naming rights for approximately \$1.5 million to \$2.0 million (\$150,000 to \$200,000 per year);
- In most instances, naming rights are paid in equal annual instalments;
- Apart from major facilities housing preeminent professional teams, most facilities in Canada generate annual proceeds from naming rights of less than \$200,000 per year (with the exception of the above mentioned Scotiabank Centre and Budweiser Gardens); and
- The most recent naming rights deal was announced in August 2016, when Progressive Auto Sales agreed to rename the Sarnia Sting OHL building the Progressive Auto Sales Arena; the total value of this deal is reported \$445,000 (total) over 10 years

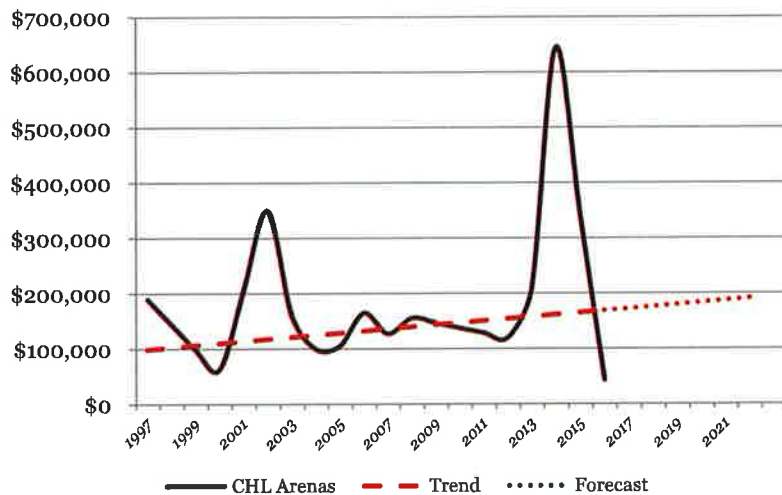
Figure 50
Value of Naming Rights at Various Canadian Hockey League Arenas and other Stadia

Building Name	City	Naming Rights Sold To	Price	Term	Average Annual Value	Tenant(s)	Expiration
Canadian Hockey League Arenas							
Scotiabank Centre	Halifax	Bank of Nova Scotia	\$6,500,000	10	\$650,000	Halifax Mooseheads	2024
Budweiser Gardens	London	Labatt Breweries	\$6,400,000	10	\$640,000	London Knights	2024
John Labatt Centre	London	Labatt Breweries	\$3,500,000	10	\$350,000	London Knights	2012
Meridian Centre	St. Catharines	Meridian Credit Union	\$5,230,000	25	\$209,200	Niagara Ice Dogs	2038
Hershey Centre	Mississauga	Hershey Food Corp	\$1,900,000	10	\$190,000	St. Michael's Majors	2007
K-Rock Centre	Kingston	K-Rock FM	\$1,700,000	10	\$170,000	Kingston Frontenacs	2017
WFCU Centre	Windsor	Windsor Family Credit Union	\$1,620,000	10	\$162,000	Windsor Spitfires	2018
General Motors Centre	Oshawa	General Motors of Canada	\$1,650,000	10	\$165,000	Oshawa Generals	2016
Credit Union Centre	Saskatoon	Saskatoon Credit Union, et. al.	\$1,600,000	10	\$160,000	Saskatoon Blades	2013
Essar Centre	Sault Ste. Marie	Essar Steel Algoma Inc.	\$1,500,000	10	\$150,000	Soo Greyhounds	2018
EnCana Centre	Dawson Creek	EnCana Corporation	\$600,000	5	\$120,000	n/a	2017
Interior Savings Centre	Kamloops	Interior Savings	\$1,060,000	10	\$106,000	Kamloops Blazers	2015
Save-on-Foods Memorial Centre	Victoria	Save-on-Foods	\$1,000,000	10	\$100,000	Victoria Salmon Kings	2014
Colisee Pepsi	Quebec City	PepsiCo.	\$985,545	10	\$98,555	Quebec Ramparts	2009
Sleeman Centre	Guelph	Sleeman Breweries	\$1,100,000	13	\$84,615	Guelph Storm	2020
Mile One Stadium	St. John's	n/a	\$634,115	10	\$63,412	former St. John's Fog Devils	2010
Progressive Auto Sales Arena	Sarnia	Progressive Autosales	\$435,000	10	\$43,500	Sarnia Sting	2026
Enmax Centrum	Red Deer	Enmax Corp.	n/a	6	n/a	Red Deer Rebels	2008
Urbandale Centre	Ottawa	Urbandale Construction	n/a	1	n/a	Ottawa 67's	2010
Prospera Place	Chilliwack	Prospera	n/a	10	n/a	Chilliwack Chiefs	2014
Powerade Centre	Brampton	Coca-Cola Canada	n/a	10	n/a	Brampton Battalion	2015

Source: Street & Smith's Sports Business Journal, PwC.

Figure 51, following, identifies trends in the annual value of naming rights for mid-size arena facilities since approximately 1997, and shows that, on average, current naming rights in Canada for mid-sized venues could approximate some \$175,000 per year (or \$1.75 million over a 10 year term).

Figure 51
Naming Rights Value Trends for Mid-Sized Canadian Arenas



Source: Street & Smith's Sports Business Journal, PwC.

Based on our review of the naming sponsorship landscape in Canada for mid-size spectator arenas and the Greater Sudbury market, we estimate that the naming rights for the venue would likely be below industry norms and potentially achieve \$1.0 million for a 10-year term, and payable in equal annual instalments (i.e., \$100,000), and subject to a 12.5% sales fee.

In addition, building sponsorships from beverage and pouring rights are estimated at an additional \$100,000 per year (and subject to a 12.5% sales fee).

Advertising

Advertising revenue will flow from the sale of signage in the concourses, on scoreboards, fascia or other locations inside and outside the arena, as well as other sponsorships (i.e., beverage exclusivity contracts) that may be negotiated. Advertising revenue will also vary depending on the arrangements made with the arena's various tenants. We have estimated a number of streams of advertising revenue including in-arena advertising, concourse advertising, main scoreboard, and various other sponsorships.

In-stadium advertising includes both backlits and electronic positions located on balconies and other exposed walls within the arena's seating area; revenue from such advertising positions is assumed to be shared with the Sudbury Wolves on a 90:10 (i.e., 90% to the Wolves; 10% to the SEC) basis. Scoreboard advertising relates to revenue generated from various advertisements placed around the arena's scoreboard(s) and on its digital displays; revenue from such advertising positions is assumed to be shared equally with the Sudbury Wolves. Dasherboard and on-ice logos represent advertisements placed on the rink boards and on various locations within the ice surface; revenue from such positions is assumed to accrue solely to the benefit of the Sudbury Wolves (except for two dasherboard and two in-ice logos that would be reserved for facility sponsors). Finally concourse advertising relates to the various signage positions within the arena's concourses, including entrances into the seating area (including posters, back-lits and scrolling signage); such revenue is assumed to accrue to the exclusive benefit of the SEC.

In total, we have estimated advertising revenues to total some \$475,000 per year, with this income subject to a "cost of sale" (equal to 12.5%) and sharing with the Sudbury Wolves (generally, advertising able to be seen by spectators while sitting in their seats accrue mostly to the benefit of the team, while advertising in other areas of the arena are shared or accrue mostly to the benefit of the arena). In total, we forecast net revenue to the Facility of some \$225,000 per year. By way of comparison, the Essar Centre generated approximately \$70,000 from advertising in 2013 while the Rogers K-Rock Centre generated \$450,000 in 2016 (including revenue from naming rights) and the GM Centre is projected to have earned \$275,000 in 2016.

Concession / Food & Beverage

Revenues from food and beverage operations, including concessions and suite catering, are expected to flow from the sale of food, beverage and other goods during events. Concession revenues are dependent upon the total number of visitors to the facility over the course of an operating year. Major facility tenants are assumed to share in this lucrative revenue source, and in this regard, we have assumed a 50:50 split of net revenues between the venue and the Sudbury Wolves during OHL games; the facility is assumed to retain 100% of net revenues for all other events.

Concession revenues are based on "per cap" spending of \$5.00 for general admission, \$10.00 for club seat holders, and \$20.00 per person for luxury suites guests. On an overall basis, per cap spending is projected to average \$6.10. All "per caps" are gross spending amounts, and compare those from other new OHL and WHL facilities which, as we understand it, range to \$8.00 per person or more.

Based on comparable facilities, we have estimated a 75% cost of goods / sales ratio to account for concession operating costs (including salaries) and food and beverage purchases. Costs associated with suite hosts / hostesses are carried as part of the operating expenses of this facility.

In total, some \$1.4 million in total concession sales is projected for the arena, with approximately \$115,000 accruing to the benefit of the Sudbury Wolves, and \$235,000 accruing as income for the SEC.

In addition to food and beverage sales, it is also assumed that the SEC would benefit from the sale of merchandise. Based on industry average per caps of \$5.00 and 5% of net sale proceeds accruing the arena, some \$60,000 could be generated for the facility.

Ticket Surcharge

A ticket surcharge of \$2.50, added to the price of each ticket, has also been assumed. This revenue has been generated by many other comparable facilities and is generally collected to fund a capital reserve account to “preserve the long-term maintenance and improvement of the arena” and to serve an additional revenue source to help pay for facility operations. In calculating the amount of this surcharge, we have assumed that all event attendees (whether paid or having received complimentary tickets), would be assessed this levy. In total, some \$575,000 is estimated to be collected.

Box Office Fees

Most facilities charge a “convenience fee” for ordering tickets. Based on comparable information, it is assumed that some \$110,000 could be generated from this source.

Ice Rentals

Lastly, it is assumed that the facility would be available for use by minor and youth organizations on a periodic basis throughout the winter season (approximately September 1 through April 30), including minor hockey (boys and girls), adult recreational hockey, etc. No summer utilization has been assumed. Assuming ice utilization rates approximating 20% of available prime time hours (at \$225 per hour) and 5% of available non-prime time hours (at \$125 per hour), some \$70,000 in total ice rental revenue could be generated.

Gross Operating Revenue

Based on the foregoing, gross operating revenue for a new 5,800-seat SEC in Greater Sudbury is estimated at some \$2.610 million (Figure 52, following). At this level of projected operating revenue, the facility is projected to generate a greater amount of income than did the Essar Centre in 2016, but less revenue compared to facilities in Kingston (\$2.978 million in 2016) and Oshawa (\$3.777 million in 2016). It should be noted, however, that the projected operations of a new SEC in Greater Sudbury does not include gross ticket revenues as may exist in these other facilities. As such, when compared to those facilities with higher annual revenues, and taking into consideration the income profile and cost structure in Greater Sudbury compared to these markets, the projected level of revenue the Facility is estimated to generate does not appear unreasonable.

Figure 52
Projected Operating Revenue, proposed Greater Sudbury SEC

	Year 1
FACILITY REVENUES	
Sudbury Wolves	\$ 282,500
Other events	403,100
Net concession revenue	233,900
Net merchandise revenue	57,500
Advertising and Sponsorships	397,300
Suites license revenue	328,100
Club seat license revenue	153,100
Ticket surcharge	574,800
Box office revenue	109,700
Ice rental revenue	69,300
Total Revenues	\$ 2,609,300
COMPARATIVE FACILITIES	
GM Centre, Oshawa ON (2016)	\$3,766,700
Rogers K-Rock Centre, Kingston ON (2016)	\$2,978,400
Essar Cente, Sault Ste. Marie (2016)	\$1,632,600

Source: PwC

Operating expense assumptions

Operating Expenses have been divided into the following categories for comparison with operating information from other facilities, including personnel costs, operations and maintenance, marketing, utilities, insurance, and other. Operating expense assumptions are primarily derived from operating pro-forma estimates from comparable facilities. Costs associated with a special events (including security and electrical and mechanical set-up / tear-down) are assumed to be reimbursed by the event sponsor.

Personnel costs

Personnel costs will be incurred in all aspects of Facility operations including venue management, administration, facility operations, marketing and maintenance. With the exception of certain specific event costs, which are assumed to be charged back to the facility user or allocated as part of the “Operations, Maintenance and Repairs” budget, this category is inclusive of all personnel employed by the Facility.

A total staff compliment of some 65 individuals (comprising approximately 35 FTE’s) is assumed, with these individuals comprising the following positions:

- General Manager;
- Assistant General Manager;
- Administrative assistants;
- Finance Manager;
- Finance assistant;
- Marketing Coordinator;
- Marketing Assistant;
- Event Services Manager;
- Director of Operations / Lead Hand;
- Facility Maintenance Crew / Event Operations support (both full and part-time);
- Box Office staff (Manager and assistant);
- Customer Service Representatives / Booking Agents (part-time); and
- Suite Hosts / Hostesses / Guest Services personnel (part-time).

Based on the foregoing, total Facility personnel costs are estimated to be some \$1.590 million per year, including benefits. This compares to costs currently incurred at the SCA (\$670,000, in 2015), the Essar Centre (\$835,000 in 2016) and various privately managed facilities, including the GM Centre, Rogers K-Rock Centre and Meridian Centre (who incur between \$1.0 million and \$1.7 million).

Utilities

Utility costs encompass all costs related to heating, electricity, gas, water / sewer, etc. These costs are primarily driven by the amount of enclosed space within the arena, facility usage, as well as the energy efficiency of the building. We believe that utility costs will represent a significant annual operating expense given the need to light the arena during events, refrigerate the building and keep the ice at an acceptable temperature, and operate the scoreboard. Also, as utility prices continue to increase, this operating expense will become more significant in future years.

Based on the comparable facility benchmarks, we have estimated utility costs to be \$500,000 per year. This estimate compares to current costs at the Essar Centre (\$420,000 in 2016)

Operations, maintenance and repairs

Operations, maintenance and repair costs include various materials, equipment and services needed for the daily operation and upkeep of the facility. Potential costs include supplies, equipment, plumbing and electrical services, security, etc. Event costs, including staffing, are assumed to be passed back to facility users and tenants. These costs will be primarily driven by building usage, with supplies, equipment and various service contracts required to upkeep and run the facility representing the majority of these costs.

Based on our comparable facility benchmarks, we estimate building operations and maintenance to approximate \$250,000 per year.

Marketing

The projected marketing budget is assumed to cover all costs associated with attracting events to the Facility, and to secure advertising and other sources of revenue. We have allocated \$75,000 to cover out-of-pocket marketing expenses including memberships, travel, advertising and promotions and other expenses related to marketing the arena and attracting events. Marketing salaries have been accounted for in the projection of Personnel Costs, above.

Insurance

Insurance costs are allocated to cover building and liability insurance. A benchmark value for insurance was not easily determinable from operating statements of comparable facilities based on the fact that some of these arenas are generally included in the insurance coverages purchased by the municipality. For the purpose of this assessment, it is assumed that additional insurance costs could approximate \$100,000 per year.

Other miscellaneous expenses

The value for "Other Miscellaneous Expenses" of \$175,000 was deemed reasonable through comparisons with various other arenas. This expense category is a reserve for those expenses not accounted for elsewhere, as well as those unforeseen expenses that are inevitably incurred during the facility's operations. Sample miscellaneous costs include travel, training, staff uniforms (normally required twice yearly), office expenses, telephone expenses, activity expenses, box office expenses.

Event costs

Event costs include costs associated with staging events which may not be covered under the rental agreement with the lead tenant, event promoters, or other users of the venue. For the purpose of this assessment, we have assumed a budget allocation of \$200,000 per annum.

Management Fee

A number of Canadian municipalities have turned to professional "public assembly facility / venue management companies" to assist in, or take over the day-to-day management, marketing, programming and / or operation of their sports facility / arena. While the prime impetus for changing from public to private management is varied, in Ontario it would appear that the decision to retain such services has coincided with a decision to replace the municipality's aged arena with a new "sports and entertainment facility". Generally such older facilities were simply hockey arenas – they were managed as arenas (both for semi-professional and minor hockey) and occasionally were able to attract a non-hockey spectator event. However, these venues were not generally marketed as entertainment venues. When these arenas were used as a venue for staging concerts and other entertainment, their building managers generally undertook little marketing and operated the facility as a pure "rental venue".

With the decision to replace these aged facilities with newer, state-of-the-art facilities that are designed to be capable of hosting a broad range of entertainment events, some municipalities have looked at their operating structure, and at the effectiveness and capabilities of their staff to effectively market and program these facilities and elected instead to retain the services of a private facility management firm.

Among the cities in Ontario and in other parts of Canada that have elected to utilize private facility management for their mid-sized (i.e., 4,000- to 10,000-seat) arenas are:

- Victoria BC (RG Properties);
- Abbotsford BC (Global Spectrum);
- Langley BC (Ten Fleet Sports);
- Penticton BC (Global Spectrum);
- Chilliwack BC (Chilliwack Chiefs Development Group Limited Partnership);

- Kelowna BC (RG Properties);
- Dawson Creek BC (Global Spectrum);
- Medicine Hat AB (SMG);
- Windsor ON (Global Spectrum, event marketing only);
- Sarnia ON (initially managed by Lauridon Sports Management and then the Sarnia Sting; now city-run);
- London ON (Global Spectrum);
- Guelph ON (Nustadia initially, now city-run);
- St. Catharines ON (SMG);
- Hamilton ON (municipal arm's length corporation initially, now Global Spectrum);
- Mississauga ON (SMG);
- Brampton ON (Realstar Group);
- Toronto – Mattamy Athletic Centre (Global Spectrum);
- Toronto – Ricoh Coliseum (Maple Leaf Sports and Entertainment);
- Oshawa ON (Maple Leaf Sports and Entertainment initially, now Global Spectrum);
- Kingston ON (SMG); and
- Moncton (SMG).

Based on discussions with facility managers and city officials, the rationale for choosing to retain a private facility management firm (versus operating the venue publicly) includes the following:

- Gaining access to the entertainment and event promotion / agent industry. Each of the above noted municipalities constructed new facilities which offered a greater ability (compared to the building they replaced) to stage concerts and special events. Given the capital outlay which these municipalities made, coupled a perceived lack of experience, insight, knowledge and access their staff had to the entertainment industry, a strategic decision was made to retain such experience and access through a private facility management firm.
- In some instances, these projects were pursued as part of a public-private partnership process and required that respondents to their RFP process propose a comprehensive team with experience in all facets of sports and entertainment facility management. In other instances, a separate procurement process was utilized to identify and retain such a firm.
- Revenue maximization. In retaining private managers, it was felt that these private companies would be better able to negotiate more lucrative deals with promoters, sponsors, suite holders, club seat holders, other rights holders, food and beverage providers, and with the lead hockey tenant. In addition it was felt that a private entity would be able to drive higher revenues within the venue, including enhanced revenues through improved event ticket sales, higher concession sales, etc.
- Management efficiencies and cost containment. As part of a wider corporate entity that is distant from municipal politics and controls, it was felt that a private management firm would have a greater ability to implement strategies and protocols to streamline decision making (for example, in contract negotiation). In addition, experienced management firms generally have business and information systems specifically designed for the facility management industry and have a network of facilities that can benefit from such areas as bulk purchasing.
- Marketing / branding. Similar to the comments forwarded above relating to access to the entertainment / event industry, it was felt that private facility managers are able to more effectively brand and market a venue. In this manner, best practices and emerging trends gleaned from other venues managed by them are able to be quickly implemented (as opposed to potentially taking longer to reach municipal staff through their more informal information sharing networks).
- Pre-opening services and support. One of the key benefits provided by private facility managers would occur during the planning, designing, testing and commissioning of a new venue. Given that most municipal staff may never have been involved in such a process previously, the private management firm would be able to draw upon their experiences from opening other facilities.

- Separation of “municipal responsibility and influence”. Because private facility managers operate a municipality’s venue pursuant to a management contract which specifically outlines the terms and conditions of how the venue is to be operated, with annual operating budgets submitted for approval, the venue itself is able to be operated outside the day-to-day influences and “politics” of traditional municipal operations (for example, a user cannot go to the city and attempt to circumvent the venue manager’s operating agreement with the City and get, for example, preferential treatment).

Services provided by private management companies sometimes include the following:

- Pre-opening services and support
 - Design review and consulting
 - Furniture, fixture and equipment procurement
 - Pre-opening marketing and branding
 - Pre-opening operations timelines / schedules
- Financial operations
 - Standardized reporting with individual client customization
 - Benchmarking to ensure expenses and revenues meet or exceed industry standards
 - Internal controls / audits to ensure compliance with client requirements
 - Training programs for industry specific conditions
- Revenue maximization
 - Industry recognition via private management “brand” reputation
 - Identification / creation of existing and future revenue sources
 - Leading edge identification of new advertising and sponsorship technologies via international facility network
- Tenant / lessee relations
 - Negotiation and maintenance of tenant leases
 - Experience and access to historical records on deal negotiation / structure with major national / international touring events
 - Devising marketing partnerships / initiatives with tenants, facilities and host communities
- Human resources and professional development
 - Provision of professionally trained, experienced managers with full corporate support for all disciplines
 - Proprietary training programs / conferences
 - Organized labour negotiations / relationships
- Risk management
 - Contracts / license agreement support
 - Development of standardized agreements
 - Insurance procurement and preferred pricing through volume arrangements
- Operations
 - Best practices programs
 - Proprietary software
 - Master service agreements
 - Preferred vendor relationships / pricing through national and international supplier relationships
 - Venue assessments
- Marketing / branding
 - Multi-venue cooperative advertising
 - Cooperative lead generations
 - Promotional exposure opportunities through corporate brand support

- Live entertainment and sports programming
 - Dedicated corporate event booking and promotion department
 - Proprietary booking software
 - Multi-venue / multi-date booking leverage
 - Event promotion
 - Programming development through early identification of new touring events
 - On-going industry exposure opportunities through trade shows, conferences and industry trade publications
- Municipal partners maintain control
 - Annual approval of operating and capital budgets
 - Direction and supervision of policy
 - Regular financial and management reports

For the purpose of this assessment, a management fee of \$175,000 has been assumed; the City of Greater Sudbury should determine the merits of whether it should continue to operate the SEC (and its existing SCA) with its existing staff or retain the services of an experienced third party venue management firm.

Capital Reserve

Finally, a Capital Reserve allowance has been estimated, using practices adopted in other arena facilities, and is based on a yearly allocation of \$200,000, and subject to annual inflation of 3%. A capital reserve represents a specific reserve set up to account for future capital improvements or repairs.

Gross Operating Expense

Based on the foregoing, gross operating expenses for the proposed 5,800-seat Greater Sudbury SEC are estimated at some \$3.265 million (Figure 53, following). At this level of projected operating expense, the proposed downtown facility is projected to incur a higher level of expense than was projected to be incurred at the Essar Centre and Rogers K-Rock Centre in 2016 (\$2.225 million and \$2,220 million, respectively), and less than was projected to be incurred at the GM Centre in 2016 (\$4.174 million).

Figure 53
Projected Operating Expenses, proposed Greater Sudbury SEC

	Year 1
FACILITY EXPENSES	
Personnel costs	\$ 1,590,000
Utilities	500,000
Operations, maintenance & repairs	250,000
Marketing	75,000
Insurance	100,000
Other miscellaneous expenses	175,000
Event costs	200,000
Management fee	175,000
Capital Reserve	200,000
Total Expenses	\$ 3,265,000
COMPARATIVE FACILITIES	
GM Centre, Oshawa ON (2016)	\$4,174,500
Rogers K-Rock Centre, Kingston ON (2016)	\$2,220,800
Essar Cente, Sault Ste. Marie (2016)	\$2,224,700

Source: PwC

Summary of Operations

Figure 54, following, provides a summary of the potential cash flows associated with the proposed 5,800-fixed seat SEC in Greater Sudbury. Based on the above described operating assumptions, the facility is projected to generate operating revenues of some \$2.609 million and incur direct facility operating expenses, excluding management fees and capital reserves, of \$2.890 million, yielding a net operating deficit, prior to management fees and capital reserves of approximately \$280,700. After allowing for management fees and capital reserves, the planned 5,800-fixed seat SEC is projected to generate an operating deficit of some \$655,700 in its first full year of operations.

Figure 54
Projected Operating Position, Year 1, proposed Greater Sudbury SEC

	Year 1
Gross Operating Revenue	\$ 2,609,300
Gross Operating Expenses	2,890,000
Net Income before Management Fees	\$ (280,700)
Management fee	175,000
Capital Reserve	200,000
Net Income	\$ (655,700)
COMPARATIVE FACILITIES	
Sudbury Community Arena (2015)	(\$695,400)
Essar Centre, Sault Ste. Marie ON (2016)	(\$592,100)
Meridian Centre, St. Catharines ON (2016)	(\$440,000)
GM Centre, Oshawa ON (2016)	(\$397,700)
Rogers K-Rock Centre, Kingston ON (2016)	\$757,500

Source: PwC

This projected operating deficit compares to operating deficits currently being incurred by the SCA (\$695,000), as well as in Oshawa (\$397,700), St. Catharines (\$440,000) and Sault. Ste. Marie (\$592,100).

Over time, the projected operating deficit, both prior to and after management fees and capital reserves, is projected increase. By the fifth year of operations, it is projected that the facility's total operating obligation, including management fees and capital reserves, could approach \$825,000 annually (Figure 55, following).

Figure 55
Projected Operations, proposed Greater Sudbury SEC (Years 1 – 5)

	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 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: PwC

9. Project Financing

As summarized in Figure 56, following, the majority of mid-size sports and entertainment venues developed in Canada have been paid for exclusively from municipal sources. In some cases, the municipality has been able to secure small contributions from private developers / operators through public-private partnership arrangements (including Sarnia, Brampton, Guelph and London) while in others more sizeable contributions were made by the private development partner (for example, in Kelowna and Chilliwack BC; in each instance, however, it should be noted that the municipality is obligated to make payments to their private partner, essentially guaranteeing the financing).

Figure 56
Financing of Canadian Mid-Sized Sports and Entertainment Centres

	Year Opened	Total Cost	Project Financing			Management Responsibility		Notes
			Municipal	Other Government	Private	Operator	Financial Responsibility	
Prince George, BC	1995	\$21.7 million	100.0%	--	--	City	City	Stand-alone 5,800-seat building
Barrie, ON	1996	\$13.0 million	100.0%	--	--	City	City	Stand-alone 4,200-seat building
Sarnia, ON	1998	\$18.5 million	91.9%	--	8.1%	City (was private)	City (was private)	5,000-capacity building with auxiliary ice pad
Brampton, ON	1998	\$24.5 million	91.8%	--	8.2%	Private (Realstar)	City (some sharing with operator)	5,000-seat building with 3 auxiliary pads
Mississauga, ON	1998	\$22.0 million	100.0%	--	--	Private (SMG)	City	5,400-seat building with auxiliary pad
Kelowna, BC	1999	\$26.0 million	23.1%	--	76.9%	Private (RG Properties)	Private (RG Properties)	Stand-alone 6,000-seat building; private partner provided equity and secured debt - debt is repaid by annual contributions made by the partner
Guelph, ON	2000	\$21.5 million	93.0%	--	7.0%	City (was private)	City (was private)	Stand-alone 5,000-capacity building
Cranbrook, BC	2000	\$22.6 million	100.0%	--	--	City	City	Stand-alone 4,700-seat building
London, ON	2002	\$47.0 million	84.0%	10.6%	5.4%	Private (Global Spectrum)	Private (Global Spectrum)	Stand-alone 9,000-seat building
Victoria, BC	2003	\$30.0 million	n/a	n/a	n/a	Private (RG Properties)	Private (RG Properties)	Stand-alone 7,000-seat building
Chilliwack, BC	2004	\$22.0 million	--	--	100.0%	Private (Chilliwack Chiefs)	Private	5,000-capacity building with auxiliary ice pad; developer took out loan; repayment is done through annual payments made by the City
Sault Ste. Marie, ON	2005	\$25.0 million	100.0%	--	--	City	City	Stand-alone 5,000-capacity building
Oshawa, ON	2005	\$45.0 million	100.0%	--	--	Private (Global Spectrum)	City	Stand-alone 5,400-capacity building - financing does not include contribution from operator
Kingston, ON	2008	\$46.1 million	91.3%	8.7%	--	Private (SMG)	City (some sharing with operator)	Stand-alone 5,200-capacity building - financing does not include contribution from operator or fundraising
Penticton, BC	2008	\$56.2 million	100.0%	--	--	Private (Global Spectrum)	City	Stand-alone 4,700-seat building - connected to Penticton Trade & Convention Centre
Windsor, ON	2008	\$71.7 million	100.0%	--	--	City / Private (Global Spectrum)	City	6,500-seat building with 3 auxiliary pads
Abbotsford, BC	2009	\$66.2 million	100.0%	--	--	Private (Global Spectrum)	City	Stand-alone 6,800-capacity building
Moose Jaw, SK	2011	\$61.2 million	100.0%	--	--	City	City	4,400-seat building with 8-sheet curling rink and banquet facilities
St. Catharines, ON	2014	\$51.0 million	100.0%	--	--	Private (SMG)	City	Stand-alone 5,200-capacity building - financing does not include contribution from operator
Medicine Hat, AB	2015	\$74.9 million	100.0%	--	--	Private (SMG)	City	Stand-alone 5,900-seat building
Moncton, NB	2018	\$91.4 million	44.8%	52.5%	2.7%	Private (SMG)	City	Stand-alone 7,500-seat building

Source: PwC

As can also be noted from Figure 56, few municipalities in Canada appear to have been successful in securing financial support from senior levels of government, including from their respective provincial government or from the federal government.

Notable exceptions include:

- London, who were successful in 2002 in obtaining \$5.0 million in SuperBuild funding; a funding program that existed at that time and which allowed for monies to be allocated to new and / or renovated sports facilities, including major arenas and community recreation facilities;
- Kingston, who were successful in obtaining \$4.0 million in provincial funding; and
- Moncton, who were successful in obtaining a reported \$48.0 million in federal and provincial funding for their new downtown arena. Included in this funding is a reported \$21.0 million forgivable loan from the Province of New Brunswick; the federal contribution includes the ability to allocate funds available to the City from the “Build Canada Fund Gas Tax” program for the Downtown Events Centre. The City also received a \$2.5 million from Downtown Moncton (local BIA).

It is noteworthy, however, that the City of Thunder Bay, in attempting to secure both federal and provincial funding for their proposed Events Centre, were denied the ability to reallocate gas tax funding by the Federal Government.

As we understand it, the federal government has a policy in which it “will not fund arenas if the major tenant is not an amateur sports organization”; in this regard, it follows that a major junior hockey team is considered a professional sports team. While funding programs would appear to exist, for example, the Federal Gas Tax Fund (which assists municipalities by providing funding for local infrastructure projects, including culture, tourism, sports and recreation projects), the policy against funding sports and entertainment centres whose lead tenant is an OHL franchise has negated the approval for funding for these facilities.

Based on the inability of the City of Thunder Bay to secure funding from either the federal or provincial governments (Thunder Bay has been attempting to secure such funding since approximately 2014), it would appear that unless the federal and provincial governments alter their philosophies about funding sports and entertainment centres (in this instance, while the lead tenant is “for profit” and therefore “professional”, it would pay market rent), the majority of the proposed Greater Sudbury SEC will need to be financed internally by the City.

Opportunities for potentially securing some degree of local financing / contribution for the facility, could include:

- Obtaining contributions from local groups (for example, as was done in Moncton with the \$2.5 million contribution from the Downtown Moncton BIA);
- Embarking on fundraising campaigns, including, for example, selling “bricks” at the new facilities and securing other donors (“friends”, “patrons”, “contributors”, “leaders”, etc., at different pricing levels);
- Obtaining land contributions from local developers;
- Obtaining contributions from the Sudbury Wolves; and
- Obtaining a one-time contribution from a third party venue management firm (in some instances, and in order to secure a multi-year operating contract, a venue management firm may provide a contribution to assist in paying for, for example, concession equipment).

10. Economic Benefits

About economic impact

Economic impacts are generally defined as changes to an economy as a result of a development, undertaking or activity. As such, economic impacts measure changes in the size and structure of a jurisdiction's economy when goods and services are purchased using money generated from outside a region, or as the result of an infusion of capital for the construction of a new facility or service. Almost all activities can generate economic impact; however in its strictest sense, activities and expenditures which result in "new" spending are the types of activities which local officials most greatly desire.

In evaluating and quantifying the economic impact of a facility, service, program offering, etc., four types of impacts are typically reviewed:

- **Direct Economic Impacts:** refer to the total expenditures on goods and services, including wages and salaries, for the construction of a proposed development, the operations of a facility or service, the staging of an event, etc.
- **Indirect Economic Impacts:** refer to the purchase of goods and services needed to then produce the goods and services that are directly purchased in support of the construction of the proposed facility, the operation of that facility or service, the staging of the event, etc. Indirect impacts therefore measure the magnitude of interactions with other businesses which supply the necessary materials and services, which lead to indirect demand for goods and services from other industries.
- **Induced Impact:** refer to the impact of personal expenditures by people who have been paid wages and salaries for the construction or in the operations of the facility or service, the staging of the event, etc., as well as for the production of indirect goods and services.
- **Associated Economic Impacts:** refer to the spin-off impacts generated by the construction of the facility, the operations of the facility or service, the staging of the event, etc., including spending by visitors, conference delegates and tourists. For example, the spending by non-residents could be considered an associated impact.

In quantifying the economic impact of a facility, event or service, four types of impact are generally quantified:

- **Spending Impact:** measure the impact resulting from the purchase of goods and services throughout the economy (including purchases made at multiple stages during the construction process and during facility operations);
- **GDP Impact:** the impact on overall economic output, as measured by changes in the gross domestic product of the region / country;
- **Employment Impacts:** the increases in employment resulting from the purchase of goods and services;
- **Income Impacts:** the increases in personal income resulting from increases in employment; and
- **Tax Impact:** the amount of tax revenue government agencies could be inferred to generate from the construction of a facility, the operations of a facility or event, consumer spending, new employment income, etc. (inclusive of property taxes, income taxes, sales taxes, etc.).

In an attempt to assess the economic benefits associated with the construction and operation of the proposed Greater Sudbury SEC, PwC utilized the following assumptions:

- Total facility development costs are estimated at \$80.0 million; this estimate excludes any site related costs which could serve to increase / decrease total project costs, as well as the costs associated with any off-site improvements needed to facilitate the effective operations of the SEC;

- Operating costs for the SEC were based on the proforma cash flow estimates included in Section 8 of this Report; and
- Statistics Canada Input-Output multipliers were utilized to quantify the various impacts associated with the construction and operation of the proposed Greater Sudbury SEC.

Construction impacts

Spending impact

As noted above, the assumed cost of the proposed Greater Sudbury SEC is projected to be in the range of \$80.0 million, including hard construction costs, soft costs (fees paid to architects, engineers, etc.), building fit-out (furniture, fixtures and equipment, “FF&E”), and project indirects, and contingencies. After allowing for taxes paid on material inputs, the estimated expenditure for assessing economic impact is estimated to be \$76.6 million.

The construction of the proposed Greater Sudbury SEC will have a major impact and will generate a number of economic benefits, ranging from direct construction employment, GDP impacts both locally (where goods are secured from local vendors) and abroad, as well as tax revenue impacts to government (sales taxes associated with the purchase of goods and services, as well as income tax from the wages paid to the various construction employees and service providers).

Labour costs associated with major expense items were estimated and Statistics Canada Input-Output multipliers were utilized to identify the indirect and induced impacts associated with these various expenditures. Based on this review, the Total Spending Impact, including indirect and induced economic impacts of construction, consulting, FF&E purchases, etc. associated with the construction of the proposed Greater Sudbury SEC is estimated to be \$139.3 million in Ontario, and slightly more than \$154.0 million nationally.

Figure 57
Construction Spending Impacts – proposed Greater Sudbury SEC

GREATER SUDBURY SEC DEVELOPMENT	WITHIN ONTARIO	WITHIN CANADA
Direct Impacts	\$76,606,000	\$76,606,000
Indirect Impacts	\$34,936,000	\$42,732,000
Induced Impacts	\$27,765,000	\$34,663,000
TOTAL SPENDING IMPACT	\$139,307,000	\$154,001,000

Source: PwC

GDP impacts

In terms of the proposed Greater Sudbury SEC’s impact on the overall economy, it is estimated that the direct impact of the project on the Gross Domestic Product of Ontario and Canada is over \$40.3 million. Including indirect and induced impacts, the development of the proposed Greater Sudbury SEC is projected to contribute more than \$75.4 million to Ontario’s economy and almost \$82.8 million to the Canadian economy.

Figure 58
Construction GDP Impacts – proposed Greater Sudbury SEC

GREATER SUDBURY SEC DEVELOPMENT	WITHIN ONTARIO	WITHIN CANADA
Direct Impacts	\$40,302,000	\$40,302,000
Indirect Impacts	\$18,625,000	\$22,406,000
Induced Impacts	\$16,479,000	\$20,090,000
TOTAL GDP IMPACT	\$75,406,000	\$82,798,000

Source: PwC

Employment income impacts

In developing the proposed Greater Sudbury SEC, it is estimated that the various construction workers, consultants and other advisors involved in pre-opening activities will be paid approximately \$31.4 million in total salaries and wages. Utilizing Input-Output multipliers obtained from Statistics Canada to identify indirect and induced impacts, the Total Income Impact is estimated to be in the range of \$51.5 million in Ontario, and almost \$55.5 million nationally, including indirect and induced impacts from workers employed to produce the goods and services needed to construct the proposed Greater Sudbury SEC.

Figure 59
Construction Employment Income Impacts – proposed Greater Sudbury SEC

GREATER SUDBURY SEC DEVELOPMENT	WITHIN ONTARIO	WITHIN CANADA
Direct Impacts	\$31,435,000	\$31,435,000
Indirect Impacts	\$12,180,000	\$14,361,000
Induced Impacts	\$7,901,000	\$9,697,000
TOTAL EMPLOYMENT INCOME IMPACT	\$51,516,000	\$55,493,000

Source: PwC

Employment impacts

Utilizing total employment multipliers from Statistics Canada, it is concluded that the construction of the proposed Greater Sudbury SEC could directly generate some 495 person years of direct employment and give rise to a Total Employment Impact of approximately 850 person years of employment in Ontario and some 925 person years of employment nationally (the reader should note that “person years of employment” does not necessarily translate directly into the “number of jobs created”, as a number of part-time positions could result; when added together, these part-time positions combine to make the equivalent of one full year of employment for one person).

Figure 60
Construction Employment Impacts – proposed Greater Sudbury SEC

GREATER SUDBURY SEC DEVELOPMENT	WITHIN ONTARIO	WITHIN CANADA
Direct Impacts	495	495
Indirect Impacts	200	240
Induced Impacts	155	190
TOTAL EMPLOYMENT IMPACT	850	925

Source: PwC

Tax impacts

The construction of the proposed Greater Sudbury SEC is projected to generate significant revenue to each level of government, including provincial sales taxes generated from the purchase of goods used to construct the facility, from the purchase of the facility’s “FF&E”, as well as from federal and provincial income taxes paid to workers retained to physically construct the venue. Municipal revenues, including building permit revenues, have not been estimated as part of this analysis, and thus would represent an additional benefit to the community.

Overall, the construction of the proposed Greater Sudbury SEC is estimated to generate some \$7.6 million in federal and almost \$6.0 million in provincial taxes. In total, almost \$13.6 million in federal and provincial tax revenue is projected to be generated through the construction of the proposed Greater Sudbury SEC.

Figure 61
Tax Impacts – Construction of the proposed Greater Sudbury SEC

GREATER SUDBURY SEC DEVELOPMENT	TOTAL GOVERNMENT REVENUE
Province of Ontario	\$5,965,700
Government of Canada	\$7,609,900
TOTAL GOVERNMENT REVENUE IMPACT	\$13,575,600

Source: PwC

Operational impacts

Spending impacts

Once the proposed Greater Sudbury SEC has been constructed, its operations are similarly projected to give rise to a series of economic impacts. As summarized in Figure 62, following, it is projected that the proposed Greater Sudbury SEC would incur total operating expenses in its initial year of operations of approximately \$3.966 million. These expenditures are comprised of:

- direct operating expenditures for the SEC;
- direct food and beverage purchases from SEC;
- capital repairs; and
- project management fees.

For the purpose of this assessment, operations of the Sudbury Wolves are assumed to be similar to what is currently being incurred and therefore would not result in any net new economic impact.

Figure 62
Proposed Greater Sudbury SEC – Operational Spending

	Year 1
Personnel costs	\$ 1,590,000
Utilities	500,000
Operations, maintenance & repairs	250,000
Marketing	75,000
Insurance	100,000
Other miscellaneous expenses	175,000
Event costs	200,000
Management fee	175,000
Capital Reserve	200,000
Total Facility Operating Expenditures	\$ 3,265,000
Food & Beverage Purchases	\$700,700
Total Expenditures	\$ 3,965,700

Source: PwC

This range of direct expenditure will give rise to a series of indirect induced impacts, including spending, GDP and employment impacts generated as a result of the proposed Greater Sudbury SEC's purchases. For example, the Facility's purchase of materials and supplies from local distributors / merchants would require those store owners / suppliers to purchase goods and services (and employ workers) in order to produce / obtain the materials needed to fill the SEC's order.

Utilizing input-output multipliers generated by Statistics Canada for Ontario for various expenditure categories, it is estimated that the proposed Greater Sudbury SEC's annual spending impact (direct, indirect and induced impacts) resulting from its annual expenditure of almost \$4.0 million is expected to total some \$6.9 million annually in Ontario and almost \$7.6 million annually across Canada.

Figure 63
Operational Spending Impacts – proposed Greater Sudbury SEC

GREATER SUDBURY SEC OPERATIONS	WITHIN ONTARIO	WITHIN CANADA
Direct Impacts	\$3,966,000	\$3,966,000
Indirect Impacts	\$1,620,000	\$1,953,000
Induced Impacts	\$1,315,000	\$1,637,000
TOTAL SPENDING IMPACT	\$6,901,000	\$7,556,000

Source: PwC

GDP impacts

With respect to the operational impacts of the proposed Greater Sudbury SEC on the overall economy, it is estimated that the direct impact on the economy's gross domestic product is some \$2.3 million annually. Including indirect and induced impacts, the proposed Greater Sudbury SEC is projected to annually contribute almost \$4.0 million to Ontario's economy and more than \$4.3 million to the Canadian economy annually.

Figure 64
Operational GDP Impacts – proposed Greater Sudbury SEC

GREATER SUDBURY SEC OPERATIONS	WITHIN ONTARIO	WITHIN CANADA
Direct Impacts	\$2,285,000	\$2,285,000
Indirect Impacts	\$897,000	\$1,070,000
Induced Impacts	\$780,000	\$949,000
TOTAL GDP IMPACT	\$3,962,000	\$4,304,000

Source: PwC

Employment income impacts

As noted below, the direct employment impact of the the proposed Greater Sudbury SEC is estimated at some 60 person years of employment, with these individuals being paid some \$1.9 million in annual salaries and wages (including concessions staffing). Utilizing similar input-output multipliers published by Statistics Canada for Ontario, it is estimated that the annual employment income impact of the proposed Greater Sudbury SEC will approximate \$2.8 million in Ontario and more than \$3.0 million nationally.

Figure 65
Operational Employment Income Impacts – proposed Greater Sudbury SEC

GREATER SUDBURY SEC OPERATIONS	WITHIN ONTARIO	WITHIN CANADA
Direct Impacts	\$1,874,000	\$1,874,000
Indirect Impacts	\$582,000	\$682,000
Induced Impacts	\$374,000	\$458,000
TOTAL EMPLOYMENT INCOME IMPACT	\$2,830,000	\$3,014,000

Source: PwC

Employment impacts

The direct spending and employment supported by the proposed Greater Sudbury SEC is estimated to directly sustain approximately 60 person years of employment (i.e., full-time equivalents), including working employed directly by the Events Centre and its various food and beverage / concessions workers. This direct spending and employment is concluded to give rise to increases in employment as a direct result of the purchase of goods and services. Based on Statistics Canada Input-Output multipliers, it is estimated that an additional 20 person years of employment will be indirectly supported per year by the SEC, yielding a total employment impact of approximately 80 person years of employment in Ontario and nationally.

Figure 66
Operational Employment Impacts – proposed Greater Sudbury SEC

GREATER SUDBURY SEC OPERATIONS	WITHIN ONTARIO	WITHIN CANADA
Direct Impacts	60	60
Indirect Impacts	10	10
Induced Impacts	10	10
TOTAL EMPLOYMENT IMPACT	80	80

Source: PwC

Tax impacts

The operations of the proposed Greater Sudbury SEC is projected to generate significant annual revenue to each senior level of government, including federal and provincial sales taxes generated from the sale of concessions and event tickets, in addition to federal and provincial income taxes paid to workers. For the purpose of this assessment no direct revenue from the operations of the SEC has been assumed to accrue to the City of Greater Sudbury as it is assumed the SEC would be declared a Municipal Capital Facility in order to exempt the facility from property taxes.

Overall, the operations of the proposed Greater Sudbury SEC is estimated to generate almost \$0.75 million for the federal government and more than \$0.8 million in annual revenue for the Province of Ontario. In total, almost \$1.55 million in federal and provincial tax revenue is projected to be annually generated from the operations of the proposed Greater Sudbury SEC.

Figure 67
Operational Tax Impacts – proposed Greater Sudbury SEC

GREATER SUDBURY SEC OPERATIONS	TOTAL GOVERNMENT REVENUE
Province of Ontario	\$801,100
Government of Canada	\$748,200
TOTAL GOVERNMENT REVENUE IMPACT	\$1,549,300

Source: PwC

Associated Impacts

In addition to the above presented economic benefits directly associated with the construction and operation of the proposed Greater Sudbury SEC, a number of social and other benefits could be expected to accrue from the siting and operation of this Facility. These associated benefits include:

- Sport event hosting;
- Increased spending by visitors attending events held at the SEC; and
- Incremental investment / economic development impacts.

Sport and event hosting

Sport tourism is one of the fastest growing tourism market segments in North America, with over 200,000 sporting events happening annually in Canada. The Canadian Sport Tourism Alliance (“CSTA”) notes that sport tourism generated some \$5.2 billion in annual spending by domestic and international visitors in 2014, a 44% increase over comparable 2010 figures. According to the CSTA, sport is a major industry and a reason that people travel both domestically and internationally; moreover, it is an essential element in the growth and development of civic pride, sport development and increased sport participation.

With the development of a new SEC in Greater Sudbury, it is noted that a number of potential events could be attracted to the facility; these events include sporting events, concerts, family shows, trade shows and conferences, aboriginal conferences and cultural celebrations, as well as potential local, regional, provincial, national and international events and competitions, including hockey, curling, figure skating, basketball, volleyball, wrestling, gymnastics, cheerleading, indoor track and field events / competitions, and other events. Depending on the nature and size of the event attracted to the SEC, their economic impact within the City could be significant.

By way of example, the Essar Centre in Sault Ste. Marie hosted the Canadian Adult Recreational Hockey Association (“CARHA”) Hockey World Cup in 2012. The CARHA organizes its “world cup” every four years in a select Canadian city, and is an event that attracts participants from all across Canada, the United States, and Europe. In 2012, over 120 teams travelled to Sault Ste. Marie for this week long event, labelled the “Olympics” of adult recreational hockey (reported to be the largest international adult recreational hockey tournament in the world).

According to the City of Sault Ste. Marie, “While there has been, and will continue to be, an annual cost to operate the Essar Centre, it is important to note the many social and economic benefits to the community”. The Essar Centre is the flagship facility for marketing sport tournaments in Sault Ste. Marie; in addition, the Essar Centre is easily converted to convention mode. The economic benefits of a single three-day convention with 2,500 out-of-town visitors is reported at \$1.125 million, while a three-day tournament with 40 teams generates up to \$360,000 in economic benefits to the community. The Essar Centre is reported as being an important tool in increasing local quality of life and helping to attract new residents to the community¹.

Numerous other communities have realized similar benefits, whether from hosting events such as major curling tournaments (Scotties Tournament of Hearts, Northern Ontario Travelers Tankard, “Road to the Roar”, Home Hardware Canada Cup, etc.), figure skating competitions (Skate Canada, Canadian Figure Skating Championships), volleyball (world league qualifiers), as well as National Hockey League and National Basketball Association pre-season exhibition games, IIHF World Junior Championship pre-competition games, etc.

With the development of the proposed Greater Sudbury SEC, it is anticipated that these and similar events could be staged within this building. Moreover, the probability of Greater Sudbury securing such events, particularly events with higher profile, would likely not be possible without the presence of a new SEC.

Increased Visitor Spending

As alluded to above, the proposed Greater Sudbury SEC and the events staged therein, could attract a large number of visitors to the Greater Sudbury region. Depending on the nature of the event, significant spending impacts could be imparted; additionally increased room night demand could be generated as a result of increased visitation to the Greater Sudbury area.

According to the Greater Sudbury Chamber of Commerce, tourism is an important economic driver in Greater Sudbury. However, through research outlined in a report prepared by the Greater Sudbury Chamber of Commerce in partnership with the Ontario Chamber of Commerce², it was noted that Ontario (and by extension the Greater Sudbury Region) is missing out on significant tourism growth opportunities.

¹ City of Sault Ste. Marie, 2012 Essar Centre Annual Report.

² Closing the Tourism Gap: Creating a Long-Term Advantage for Ontario

While the development of a new SEC, in itself, will not resolve the issues, it can provide an additional component to help broaden the appeal of the Greater Sudbury region to visitors. By way of example, it was noted that of the more than 271,000 attendees at events staged in the Meridian Centre (St. Catharines) in 2016, a significant proportion of them were from locations other than Niagara Region and Southern Ontario, including other regions in Canada and from various regions in the United States.

Figure 68
Meridian Centre – Event Attendees, 2016



Source: City of St. Catharines, Meridian Centre, SMG Canada

Broadening the visitation potential for Greater Sudbury would impart a number of positive impacts, including increased hotel occupancy and increased retail expenditures, among others.

Incremental Investment

A final associated impact relates to incremental investment that could arise from the development of the proposed Greater Sudbury SEC, its ability to attract thousands of users / patrons / visitors on an annual basis, and its ability to facilitate the redevelopment / attraction of ancillary uses to properties / areas surrounding the SEC.

Literature on the economic impact of sports and entertainment centres generally shows that there can be a positive correlation between the siting of such facilities and corresponding future investments in residential, retail / entertainment and other commercial development; additional evidence suggests that investments in such facilities have helped energize city cores, broaden a municipality's tax base and create attractive and pedestrian-friendly neighbourhoods. Canadian examples often cited include downtown London, where Budweiser Gardens partly assisted in revitalizing an area of the city's downtown core (where it has been noted that there was a 40% increase in the area's housing stock, office and retail vacancies fell, commercial rental rates improved and building permit activity increased significantly; overall in the 10-year period from when Budweiser Gardens was first opened, total property assessment values increased by 61% including from numerous new retail, restaurants, office and residential developments).

Other examples include:

- In Kingston, where between the opening of the Rogers K-Rock Centre in 2008 and 2012, the number of new business located in the downtown core of that city increased in every year. In addition, three separate pre-event surveys of Rogers K-Rock Centre patrons indicated that, on average, 48% of respondents ate in a restaurant prior to attending an event, and of those, 65% ate in a restaurant located in the city's downtown core.

- In Oshawa, where the downtown commercial vacancy rate decreased from approximately 21% in 2006 to approximately 11% within the six years following the opening of the GM Centre, and where 83% of all building permits, by value, issued in downtown Oshawa between 1994 and 2011 were issued after the GM Centre opened in 2006 (roughly \$540 million of \$650 million). Moreover, the GM Centre is cited for producing economic spin-offs in this area, attracting non-residents to the city, and for driving a “night time economy”.
- In Guelph, where investments made in the City’s downtown “cultural infrastructure” (including the Sleeman Centre, River Run Theatre and Market Square development) has been proven to draw people to the district, generate higher property values, support enhanced retail economies and provide associated returns from an enhanced tax base.
- In Moncton New Brunswick, the now under construction Moncton Downtown Events Centre is reportedly spawning new interest in that city’s downtown core, with a reported \$100+ million in development applications having been submitted to the city, including mixed-use projects involving hotels, residential, retail and restaurants.

The ability to positively influence development is not, however, exclusively limited to facilities located in a city’s central core; rather sports and entertainment facilities have been used by other jurisdictions to help stimulate economic development in more suburban locations, including facilities located in Barrie Ontario, Medicine Hat Alberta and Wilkes-Barre / Scranton Pennsylvania:

- With respect to the Barrie Molson Centre, this facility was built on a greenfield site just east of Highway 400 in the southern section of the city of Barrie on land donated by Molson Breweries. At the time of its development in 1994 and 1995, the lands around the facility were mostly unimproved. With the development of the city, this area has evolved into a major retail node, focused along Highway 400 (in this regard, the development of the surrounding area is felt to be due more to traditional market forces brought about by significant residential and commercial development and a location on a major highway than with respect to the siting of the Barrie Molson Centre in this location).
- In Medicine Hat Alberta, the city notes that the Canalta Centre, which opened in 2015 on land donated by a private developer, has influenced significant development in and around that facility, including a hotel, restaurants and retail facilities (the location was already being developed as a retail node and according to the city and subsequent development of the Canalta Centre on this site has helped spur and advance development in the area).
- In Wilkes-Barre / Scranton Pennsylvania, the Mohegan Sun Arena at Casey Plaza (home of the AHL affiliate of the Pittsburgh Penguins) has generally been viewed as a catalyst for significant additional development which has taken place around this facility. Prior to this building’s construction, the surrounding area was generally characterized as comprising “some of the most worthless property in north-eastern Pennsylvania”. Since the venue’s development, the area is reported to be one of the busiest retail districts in the region, with a number of hotels, restaurants and retail developments having been completed since the arena’s opening in 1999. It is also worth noting that the success which this facility and region have enjoyed is also due, in part, to its location in a growing regional economy (the Wilkes-Barre / Scranton area comprises the third largest market in Pennsylvania with a total population of some 14 million people within a 100-mile radius).

While numerous other examples exist which speak to the positive impacts which new and / or enhanced sports, entertainment and conference facilities have had on their surrounding areas and in influencing development, there are likewise numerous examples where little or no spin-off development impact has occurred or could be directly or indirectly linked to the presence of the facility. In order to maximize the possibility that such positive spin-off developments will occur, it is generally concluded that local economic conditions and supportive planning and development policies will be required.

In this regard, and in order to maximize the possibility of ancillary development occurring, it has been suggested that cities need to supplement their decision to locate a sports and entertainment venue at a particular locations with planning and development tools / levers in order to help facilitate such complementary development, including establishing “community improvement zones” in the area surrounding the site, enacting policies / programs to stimulate development and / or committing to other investments in order to ensure that the area surrounding the sports and entertainment centre is viewed as a viable development / investment area. Based on our experiences, the ability of a facility to foster positive development in a sports and entertainment centre’s vicinity is directly dependent upon how the facility is positioned as part of a broader economic development strategy.

In addition, it is generally concluded that such zones must be large enough to house both the facility, and facilitate the attraction / preservation of a critical mass of commercial / retail / entertainment space (including restaurants / cafes, sports boutiques, fashion boutiques, music stores, specialty food shops, cinemas, plazas, etc.). In greenfield sites, this amount of critical mass will sometimes need to be “created” and could take years to fully evolve, whereas in more urban locations, a critical mass of space is likely already present and city cores are able to realize positive spin-off benefits more quickly.

Appendix A

Average Annual Attendance – CHL Teams

ONTARIO HOCKEY LEAGUE AVERAGE ATTENDANCE 2000-01 THROUGH 2015-16
(alphabetically)

Team	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Average Attendance		
																	10/11-15/16	02/06-13/16	00/01-13/16
Barrie	3,744.0	3,711.8	3,842.0	3,728.4	3,896.6	3,816.1	3,846.0	3,537.0	3,486.4	3,731.8	3,422.6	3,653.3	3,731.4	3,729.4	3,741.0	3,830.0	3,685.0	3,684.3	3,713.9
Belleville	3,065.8	3,158.1	3,108.0	2,785.4	2,879.3	2,605.6	2,788.5	2,773.4	2,970.3	2,745.7	2,644.9	2,493.9	2,550.8	2,339.6	2,545.0	---	2,514.9	2,645.8	2,763.6
Brampton	2,381.4	2,316.8	2,301.2	2,173.5	2,628.4	2,734.2	2,877.3	2,809.5	2,404.6	2,090.3	1,885.9	1,986.4	2,191.1	---	---	---	2,031.1	2,297.4	2,321.6
Erie	3,515.1	3,912.1	4,268.8	4,266.2	4,428.3	4,080.5	3,591.8	3,526.6	3,526.4	3,591.8	3,476.1	2,854.9	3,115.1	4,429.1	4,947.0	4,481.0	3,883.9	3,783.7	3,875.7
Flint	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	2,984.0	2,984.0	2,984.0
Guelph	3,229.4	3,348.7	3,371.3	3,665.1	4,066.6	4,046.3	4,235.6	4,154.2	4,068.9	3,989.3	3,934.9	3,871.1	4,285.5	4,326.4	4,507.0	4,232.0	4,189.5	4,148.3	3,957.0
Hamilton	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Kingston	2,392.4	2,177.0	1,913.5	1,978.5	2,095.1	2,198.0	2,247.0	2,550.3	3,093.4	2,881.2	2,874.7	2,546.5	3,438.6	3,794.5	3,963.0	4,130.0	3,457.9	3,065.2	2,767.1
Kitchener	4,880.1	5,260.8	5,590.7	5,904.9	5,911.3	5,951.3	5,887.1	6,035.3	6,245.9	6,203.9	6,375.8	6,364.6	7,212.2	7,058.3	6,992.0	7,012.0	6,835.5	6,490.6	6,184.0
London	3,648.4	3,905.4	7,604.2	8,362.0	9,038.1	9,090.3	9,036.9	9,013.2	9,006.5	9,015.4	8,954.0	8,953.1	8,991.2	9,017.9	8,977.0	9,013.0	8,984.4	9,006.2	8,226.7
Mississauga	2,615.7	2,532.5	2,641.0	2,903.9	3,739.3	2,995.7	2,225.4	2,138.3	2,393.0	2,247.8	3,101.9	2,458.2	2,337.2	2,592.7	2,906.0	3,025.0	2,736.8	2,583.7	2,697.3
Niagara / St. Catharines	---	---	---	---	---	---	---	2,772.9	2,961.9	2,914.0	2,913.2	2,982.0	3,046.3	2,989.5	---	---	2,982.7	2,940.0	2,940.0
North Bay	2,883.7	2,314.2	---	---	---	---	---	---	---	---	---	---	---	---	4,328.0	4,537.0	4,442.3	4,442.3	4,442.3
Oshawa	2,375.0	2,832.5	3,282.4	3,219.3	2,872.2	3,013.9	4,449.0	5,133.6	4,794.0	4,163.6	4,222.5	4,383.5	4,760.4	4,860.3	3,248.0	5,353.0	3,379.9	3,379.9	2,967.5
Ottawa	7,798.9	9,142.7	9,022.6	8,447.3	9,235.5	8,207.3	8,062.5	8,103.3	7,865.5	7,499.4	7,204.7	6,506.8	---	---	3,604.0	3,484.0	5,199.9	6,726.4	7,456.1
Owen Sound	2,384.8	2,553.6	2,526.7	2,578.1	2,771.9	2,726.8	2,867.7	2,478.2	2,417.8	2,374.6	2,722.0	2,871.1	3,058.0	2,931.7	2,951.0	2,839.0	2,898.8	2,750.6	4,960.3
Peterborough	2,569.9	2,575.5	2,821.7	2,828.1	3,116.2	3,430.4	3,805.9	3,109.8	2,963.4	2,788.4	2,785.9	2,537.3	2,541.9	2,511.7	2,485.0	2,573.0	2,562.5	2,815.7	2,804.7
Plymouth	2,711.1	3,145.0	3,178.0	3,012.7	3,226.0	2,657.6	2,717.4	2,641.5	2,342.9	2,685.0	2,789.5	2,656.7	2,850.4	2,478.4	2,388.0	---	2,620.6	2,614.7	2,761.4
Saginaw	---	---	4,025.7	4,263.2	4,191.0	4,337.2	4,266.7	3,932.6	3,731.6	3,594.4	3,916.6	3,774.3	3,683.8	3,711.1	3,555.0	3,854.0	3,665.8	3,805.2	3,881.2
Sarnia	4,271.4	4,269.0	4,105.2	4,017.4	3,546.2	3,495.9	3,384.4	3,715.0	3,490.5	3,246.0	3,045.9	3,465.8	3,282.5	3,019.3	2,877.0	3,122.0	3,135.4	3,285.8	3,522.1
Sault Ste. Marie	2,880.5	3,090.3	2,854.4	2,828.7	3,150.2	3,500.6	4,503.8	4,608.1	4,434.4	4,473.8	4,487.8	4,315.7	4,148.8	4,261.9	3,866.0	4,071.0	4,275.2	4,283.8	3,870.4
Sudbury	4,057.5	3,851.0	3,465.1	3,997.6	4,261.4	4,610.4	4,467.1	4,162.1	4,198.2	3,822.8	3,443.6	3,782.4	3,915.3	3,793.2	3,729.0	3,108.0	3,655.3	3,910.2	3,877.8
Toronto	1,421.0	1,170.5	1,063.7	1,004.4	1,256.9	1,008.4	1,164.1	---	---	---	---	---	---	---	---	---	---	1,086.8	1,170.0
Windsor	3,081.2	3,091.8	3,196.3	3,189.4	2,718.3	2,680.7	3,064.1	3,343.7	5,053.4	6,278.3	6,250.3	5,858.5	5,691.1	5,306.3	5,067.0	4,773.0	5,491.4	4,822.6	4,291.0
OHL Average	3,273.1	3,413.3	3,709.1	3,737.7	3,956.2	3,859.3	3,934.4	4,019.9	4,073.0	4,017.4	4,016.6	3,914.9	4,021.3	4,011.0	4,311.2	4,153.7	4,046.8	4,016.1	3,891.8

QUEBEC MAJOR JUNIOR HOCKEY LEAGUE AVERAGE ATTENDANCE 2000-01 THROUGH 2015-16
(alphabetically)

Team	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Average Attendance			
																	10/11	13/16	03/06-15/16	
Acadie-Bathurst	3,125.2	3,074.4	2,899.4	2,317.7	1,697.5	2,398.9	2,303.9	2,182.8	1,795.5	1,589.7	1,611.3	1,424.3	1,411.1	1,682.1	1,617.0	1,518.0	1,544.0	1,749.5	1,745.2	
Bellefleur	2,486.8	2,553.3	2,553.8	2,149.3	2,074.7	2,127.2	2,268.0	2,219.5	2,014.1	1,769.7	1,652.0	2,152.6	2,463.1	2,490.6	2,146.0	1,821.0	2,120.9	2,102.2	2,099.9	
Blainville-Boisbriand	--	--	--	--	--	--	--	--	--	--	--	3,016.5	2,928.4	2,703.1	2,677.0	2,350.0	2,735.0	2,735.0	2,735.0	
Cape Breton	3,072.2	3,093.1	3,245.9	3,580.1	3,147.4	3,112.4	3,146.6	3,383.0	3,385.9	3,329.1	2,954.3	2,600.6	2,470.9	2,432.3	2,548.0	2,545.0	2,591.8	2,897.1	2,917.9	
Charlottetown / PEI	--	--	--	3,197.6	3,385.1	2,890.1	2,563.3	2,299.1	2,097.4	2,055.1	1,819.0	1,602.6	1,846.3	2,470.1	2,187.0	2,205.0	2,205.0	2,021.7	2,185.0	2,285.0
Chicoutimi	1,296.6	2,295.4	2,104.3	2,540.1	3,401.0	4,131.9	3,927.4	3,837.8	3,788.9	3,181.6	3,068.9	2,844.4	2,964.1	2,758.4	2,380.0	2,209.0	2,704.1	3,190.2	3,207.8	
Drummondville	1,573.3	1,665.8	1,396.6	1,580.5	2,030.5	2,477.9	2,504.4	2,299.3	2,669.1	2,803.2	2,758.3	2,456.6	2,372.5	2,468.9	2,402.0	2,348.0	2,497.7	2,505.5	2,465.9	
Gatineau / Hull	2,872.5	2,734.2	2,672.8	2,987.2	2,972.0	2,932.8	2,660.0	2,823.1	2,868.5	2,625.8	2,591.1	2,701.4	2,723.4	2,623.1	2,399.0	2,488.0	2,537.7	2,676.0	2,700.7	
Halifax	7,410.8	7,429.8	7,587.7	7,601.1	7,816.0	7,719.5	7,340.4	7,488.7	6,683.7	5,906.0	5,390.6	6,608.2	6,686.1	8,170.9	7,748.0	6,893.0	7,239.5	7,115.9	7,174.3	
Lewiston	--	--	--	2,102.4	2,661.8	2,521.2	2,711.5	2,578.8	2,281.5	1,852.7	2,001.2	--	--	--	--	--	2,001.2	2,324.5	2,372.7	
Moncton	4,718.4	4,273.7	4,341.2	4,327.9	4,611.0	5,800.3	4,746.6	4,013.7	4,333.8	4,605.5	4,570.5	4,257.6	4,518.6	4,427.1	4,486.0	4,331.0	4,415.1	4,544.6	4,550.1	
Montreal	1,770.4	3,359.6	1,457.6	--	--	--	--	--	3,116.2	2,773.5	2,945.9	--	--	--	--	--	2,945.9	2,945.2	2,945.2	
Quebec	3,552.3	3,349.1	5,443.3	5,932.5	6,918.7	8,603.6	10,443.4	10,980.9	11,721.7	12,089.5	11,680.3	11,723.9	11,344.8	9,974.1	9,698.0	13,285.0	11,376.0	11,099.6	10,731.2	
Rimouski	4,315.1	4,279.8	3,786.0	4,501.1	4,800.5	4,158.1	4,150.2	4,035.5	4,110.1	3,530.5	3,524.6	3,596.4	3,806.6	3,607.3	3,483.0	3,325.0	3,807.3	3,767.0	3,853.2	
Roslyn-Noranda	1,982.0	1,755.3	1,965.6	1,985.5	1,952.1	2,000.1	2,066.5	2,171.4	2,073.7	1,952.0	1,695.6	1,859.5	2,104.3	2,021.4	1,983.0	2,161.0	1,970.8	2,009.9	2,005.1	
Saint-John	--	--	--	--	--	4,477.0	3,898.7	3,977.5	3,929.8	4,140.6	4,477.6	4,560.6	3,992.1	3,425.9	3,582.0	3,659.0	3,944.0	4,002.5	4,002.5	
Shawinigan	2,501.5	2,627.1	2,308.7	1,989.2	2,211.0	2,054.7	1,960.5	2,156.5	2,823.0	3,211.1	3,242.8	3,541.8	3,110.8	2,641.7	2,830.0	3,126.0	3,082.2	2,790.8	2,742.5	
Shelburne	1,564.8	1,617.4	1,862.9	--	--	--	--	--	--	--	--	--	3,186.0	2,722.0	2,701.0	2,441.0	2,762.5	2,762.5	2,762.5	
St-John's	--	--	--	--	3,928.0	3,666.0	3,545.6	--	--	--	--	--	--	--	--	--	--	3,713.2	3,713.2	
Val-d'Or	2,236.3	1,935.6	2,021.6	1,777.7	1,747.2	1,792.0	2,074.7	2,659.9	1,814.4	1,750.8	1,920.5	1,728.6	1,803.5	1,749.2	1,668.0	2,012.0	1,813.6	1,904.0	1,890.9	
Victoriaville	1,770.2	1,725.5	1,731.7	1,630.4	2,041.3	2,010.8	2,112.1	2,327.6	2,153.1	2,417.2	2,550.6	2,644.4	2,604.6	2,436.9	2,430.0	2,426.0	2,485.4	2,357.6	2,331.2	
QMJHL Average	2,890.8	2,985.7	2,956.9	3,118.8	3,341.7	3,618.7	3,600.8	3,611.7	3,531.7	3,318.0	3,355.3	3,489.4	3,574.3	3,472.4	3,275.8	3,404.6	3,412.0	3,474.8	3,403.7	

WESTERN HOCKEY LEAGUE AVERAGE ATTENDANCE 2000-01 THROUGH 2015-16
(alphabetically)

Team	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Average Attendance		
																	10/01-13/16	02/06-13/16	09/01-13/16
Brandon	3,072.5	3,246.8	3,847.4	3,210.7	3,533.4	3,103.6	4,130.6	4,132.6	4,078.7	4,861.0	4,279.3	4,143.4	3,787.3	3,525.8	3,895.0	4,212.0	3,973.8	4,013.7	3,822.6
Calgary	6,083.8	6,832.2	6,655.4	7,559.7	10,061.9	8,869.8	8,825.5	9,071.6	8,850.0	8,478.4	9,300.3	8,973.2	9,299.3	8,252.4	8,462.0	8,217.0	8,730.8	8,784.3	8,165.0
Chilliwack	--	--	--	--	--	--	4,407.1	4,534.2	4,072.8	3,259.8	3,372.3	--	--	--	--	--	3,372.3	3,941.2	3,941.2
Edmonton	--	--	--	--	--	--	5,186.1	5,538.6	4,730.0	4,730.0	5,154.1	6,421.1	7,575.2	6,742.9	6,787.0	6,838.0	6,586.4	6,108.4	6,108.4
Everett	--	--	--	5,653.1	6,332.2	6,154.5	6,460.1	6,424.5	6,030.0	5,700.8	5,806.6	5,277.9	5,061.7	4,901.2	5,089.0	4,878.0	5,169.1	5,616.8	5,675.4
Kamloops	5,367.5	5,407.1	5,373.2	5,168.8	4,972.1	4,861.9	4,787.4	4,562.5	4,375.4	4,371.5	4,132.2	4,178.3	4,825.2	4,147.7	3,994.0	3,769.0	4,174.4	4,364.1	4,643.4
Kelowna	4,441.5	4,613.1	5,394.6	6,102.4	6,149.5	6,157.7	6,102.2	6,118.2	6,121.2	6,130.6	6,085.6	6,081.9	5,358.2	5,140.9	5,328.0	5,242.0	5,539.4	5,806.0	5,660.5
Kootenay	3,534.5	3,473.4	3,440.0	2,925.9	3,270.4	3,308.9	3,039.9	3,026.5	3,070.6	2,807.3	2,901.4	2,804.7	2,411.4	2,232.2	2,239.0	1,957.0	2,357.6	2,672.6	2,890.2
Lethbridge	3,069.1	3,434.9	3,383.2	3,420.8	3,328.8	3,935.3	3,889.9	3,959.5	4,128.3	3,316.5	3,137.5	3,283.1	3,650.3	3,089.2	3,010.0	3,746.0	3,319.3	3,558.7	3,517.6
Medicine Hat	3,171.0	3,935.8	4,063.8	4,006.0	4,006.0	4,006.0	4,006.0	4,006.0	4,006.0	4,006.0	4,006.0	4,006.0	4,006.0	4,006.0	4,006.0	4,006.0	4,046.3	4,028.0	3,968.6
Moose Jaw	2,107.7	2,040.0	2,064.4	2,122.5	2,116.8	2,356.2	2,456.6	2,360.4	2,318.4	2,235.1	2,654.6	3,897.6	3,814.3	3,612.8	3,332.0	3,332.0	3,437.2	2,956.6	2,685.9
Portland (overall)	7,101.2	6,879.1	6,273.8	6,493.5	5,859.8	6,129.1	5,188.9	4,460.0	3,648.3	4,437.2	5,594.3	6,074.7	6,687.5	7,329.3	6,980.0	7,004.0	6,611.6	5,775.8	6,008.8
Portland Centre (Rose Garden)	9,191.8	--	7,892.1	7,724.3	8,597.1	7,733.6	8,896.7	8,597.1	8,512.2	6,294.8	7,690.4	8,018.3	7,704.4	7,706.8	7,891.1	8,376.0	7,887.7	7,600.3	7,822.0
Memorial Chukotkam	5,258.2	--	3,795.8	4,315.9	4,256.0	4,524.6	4,459.4	--	3,992.2	2,576.6	3,772.5	4,335.7	6,587.5	6,908.5	6,665.8	5,476.0	5,520.7	4,810.7	4,650.9
Prince Albert	2,353.4	2,094.3	2,121.3	2,111.0	2,167.6	2,320.6	2,198.1	2,118.9	2,127.0	2,104.1	2,071.4	2,426.1	2,674.1	2,495.8	2,431.0	2,319.0	2,444.6	2,321.5	2,274.0
Prince George	5,706.8	5,216.2	4,865.1	3,584.1	3,150.0	3,110.5	2,967.5	2,815.0	2,525.2	2,164.4	2,206.6	2,046.9	1,839.8	1,692.5	1,872.0	3,122.0	2,293.3	2,485.7	3,086.6
Red Deer	4,895.4	5,731.2	5,939.0	5,850.5	6,036.4	5,996.4	6,129.4	5,883.2	5,466.8	4,557.2	4,746.6	4,858.3	5,174.9	4,949.1	5,111.0	5,635.0	5,079.2	5,318.9	5,435.0
Regina	4,739.3	4,402.3	4,641.9	4,250.4	4,281.8	4,223.5	4,675.8	5,094.9	4,804.8	4,382.4	4,029.6	4,129.5	4,245.5	3,955.8	4,317.0	4,563.0	4,206.7	4,403.8	4,422.5
Saskatoon	2,923.3	3,204.7	3,915.4	3,361.3	5,133.1	4,264.5	4,277.3	4,299.9	4,885.1	4,393.2	5,031.3	5,047.7	6,040.2	4,719.4	4,563.0	4,377.0	4,963.1	4,712.6	4,398.5
Seattle	5,313.3	4,717.7	4,600.0	4,449.9	4,394.9	4,122.8	4,019.3	4,082.4	4,181.0	3,853.4	4,095.5	4,206.1	4,036.2	4,427.4	4,507.0	4,792.0	4,344.0	4,213.0	4,363.7
Spokane	6,827.4	6,869.7	6,099.6	6,293.1	6,250.1	6,105.6	6,027.8	6,557.1	6,566.1	6,452.6	6,439.2	6,442.9	6,367.6	6,101.7	5,899.0	5,765.0	6,157.6	6,249.5	6,274.0
Swift Current	2,047.0	2,116.2	2,133.8	2,073.5	1,949.2	1,983.0	1,895.2	2,092.5	2,286.7	2,194.9	2,136.7	2,203.5	2,178.1	2,119.0	2,162.0	1,970.0	2,198.2	2,111.1	2,096.3
Tri-City	3,187.3	2,636.6	2,735.1	3,244.9	3,277.0	3,857.3	3,942.8	4,245.4	4,424.0	4,480.1	4,702.0	4,653.4	4,495.4	4,225.8	4,019.0	3,718.0	4,302.3	4,251.2	3,865.3
Vancouver	--	5,800.6	5,084.6	4,956.4	8,400.6	7,037.6	8,759.1	8,717.3	8,470.0	7,117.4	7,449.8	6,944.1	7,204.5	6,265.9	5,815.0	5,169.0	6,474.7	7,177.3	6,879.5
Victoria	--	--	--	--	--	--	--	--	--	--	--	5,659.9	5,189.4	4,800.4	4,840.0	4,860.0	5,070.0	5,070.0	5,070.0
WHL Average	4,205.8	4,327.1	4,324.7	4,343.1	4,765.6	4,604.8	4,673.3	4,716.2	4,637.5	4,360.6	4,506.0	4,716.4	4,884.7	4,488.2	4,574.9	4,535.6	4,631.3	4,613.1	4,559.7

Appendix B

General Assumptions and Limiting Conditions

General Assumptions and Limiting Conditions

1. The use of any Projection made in conjunction with this Report may not be appropriate for use outside of its intended purpose. The Projection, which will not reflect actual development, economic, demographic and / or financial results, may reflect a possible scenario for the operations of new Sports and Entertainment Centre / Arena in Greater Sudbury, Ontario during the Projection Period, given PwC's judgment as to a probable set of economic conditions, together with the hypotheses which are consistent with the purpose of the Projections. Scenarios produced in conjunction with our analysis may contain hypotheses and assumptions which are based on a set of economic conditions or anticipated courses of action that are not unreasonable, are consistent with the purpose of the projections, but which will not materialize as set out therein. The hypotheses represent plausible circumstances, but need not be, and may not have been fully supported.

Since future events are not subject to precise projections, some assumptions will not materialize in the exact form presented by our analysis. In addition, other unanticipated events and circumstances may occur which could influence the future performance of the Facility. Therefore, the level of growth which will occur in the future will vary from the analysis of prospective market and economic conditions set out therein. While there is no recourse to predicting these matters with certainty apart from informed and reasoned judgments, it must be stated that future events will lead to variations in performance which may materially alter the success and performance of the Facility. PwC does not warrant that actual results achieved during the Projection Period will be the same, in whole or in part, as those shown in the Projection. The Projection is based on hypotheses and there is a significant risk that actual results will vary, perhaps materially, from the results projected.

2. Unprecedented and ongoing events in the financial and credit markets have resulted in an uncertain and volatile economic environment. While some historic initiatives are being investigated by the U.S. Treasury and Federal Reserve, as well as other Central Banks to halt the disruptions in capital markets, there is still considerable uncertainty about the near to medium term outlook. Any continued constriction of the credit markets, along with weakening economic fundamentals may impact all asset classes both in terms of value and liquidity. While the Canadian economy may not yet have been impacted significantly, that situation may not continue. Given volatility within the current environment, of necessity, this report has been based on the assumption that the economy will remain stable without further significant disruptions and deterioration in credit availability.
3. Responsible ownership and competent property management are assumed.
4. Information furnished by others upon which all or portions of this report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information.
5. Our report and work product cannot be included, or referred to, in any prospectus, securities and exchange commission filing or other public investment document.
6. The intended use of this report is as a feasibility and business case assessment for a proposed new Sports and Entertainment Centre / Arena in Greater Sudbury, Ontario. This report is for informational purposes only.
7. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, provincial, or national government or private entity or organization have been, or can readily be obtained, or renewed for any use on which the estimates provided in this report are based.
8. No investigation has been made of, and no responsibility is assumed for, the legal description or for legal matters including title or encumbrances. The site upon which the Venue is to be built and operated is assumed to be free and clear of liens, easements, encroachments and other encumbrances unless otherwise stated.

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9. Full compliance with all applicable federal, provincial and local zoning, use, occupancy, environmental, and similar laws and regulations is assumed, unless otherwise stated.
 10. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions which occur subsequent to the effective date of this report.
 11. Any financial structure within this report is predicated on the market conditions prevailing as of the date of this report.
 12. Areas and dimensions of any property referenced in this report were obtained from sources believed to be reliable. Maps or sketches, if included in this report, are only to assist the reader in visualizing the property / site and no responsibility is assumed for their accuracy. No independent surveys were conducted.
 13. It is assumed that there are no hidden or unapparent conditions of the site, subsoil, or structures that affect value. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
 14. No soil analysis or geological studies were ordered or made in conjunction with this report, nor was an investigation made of any water, oil, gas, coal, or other subsurface mineral and use rights or conditions.
 15. Neither PwC any individuals signing or associated with this report shall be required by reason of this report to give further consultation, to provide testimony or appear in court or other legal proceedings, unless specific arrangements thereof have been made.
 16. This report has been made only for the purpose stated and shall not be used for any other purpose. Neither this report nor any portions thereof (including without limitation any conclusions as to value, the identity of PwC or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties by any means without the prior written consent and approval of PwC.
 17. We have not been engaged nor are qualified to detect the existence of hazardous material which may or may not be present on or near the property. The presence of potentially hazardous substances such as asbestos, urea-formaldehyde foam insulation, industrial wastes, etc. may affect the value of the property. The estimates presented herein are predicated on the assumption that there is no such material on, in, or near the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client should retain an expert in this field if further information is desired.
 18. We have not audited or otherwise verified the capital cost associated with development the Facility.



Background

The Sudbury Community Arena has been serving the residents of Greater Sudbury for over 60 years. Designed primarily as a hockey venue, the Arena has hosted concerts, curling events such as the Brier and Scott Tournament of Hearts, Canada and Remembrance Day celebrations, as well as major hockey events.

Sudbury Arena's fixed seating capacity of 4,470 and overall standing of 5,186 no longer reflect the needs of Greater Sudbury and the surrounding region. Nor does the building adequately accommodate the needs of the concert, trade show and the entertainment industry, made more important by way of the fact that Sudbury Wolves only play 40 to 50 home games per year.

In April 2016, City Council passed resolution CC2016-149 directing staff to take the next steps in the implementation of four large capital projects including an Event Centre. This resolution is consistent with Council direction in its Strategic Plan to "Invest in large projects to stimulate growth and increase conferences, sports and events tourism, and celebrate cultural diversity".

In July 2016, as part of its initial due diligence, City Council engaged a consultant to develop a Phase I Feasibility and Business Case analysis that was presented to Council March 2017. The study concluded the Greater Sudbury market could support an Event Centre with approximately 5,800 seats to service demand with an approximate cost of \$80 million.

Subject to Council's approval of the Phase 1 Feasibility Study, and building on the conclusions and recommendations made in the study, the following next steps are recommended:

- Determine the location of the Event Centre based on the evaluation criteria in the Phase I report
- Finalize estimated costs, taking into account any site-specific requirements and servicing needs
- Prepare bid documents for a Design/Build RFP concurrent with the site selection process including the pre-qualification of prospective Design/Build teams
- Prepare bid documents for an RFP to select an Operator
- Negotiate the terms for a new lease agreement with the Sudbury Wolves
- Develop a financing strategy
- Report to Council in June

This report will outline the key findings of the Phase I report, provide further details regarding recommended next steps and describe the process for site evaluation.

Phase I Key Findings

As PWC's report describes, there is a market in the Greater Sudbury area of approximately 550,000 people that could be served by a new arena/event centre. The optimal size is estimated to be 5,800 seats, with features that include:

- 35-40 fixed concession points of sale including 10 portable concession locations
- Approximately 5,020 general admission seats
- 10 loges boxes with 40 seats
- 500 club seats
- 24 private suites with 10 seats per box
- Contemporary back of house amenities to support a variety of sports and entertainment events (see Appendix A, pages 37-41 for more information)

Size and Project Cost

The recommended size of the facility is approximately 5,800 seats with the estimated overall cost, not including land and site servicing estimated at \$80 million. At this size, the Event Centre will be large enough to host bigger events such as a Memorial Cup but small enough to have a higher likelihood of attracting season ticket holders/sellout attendance levels.

For this price, the Event Centre would have all amenities of a modern day facility designed to create an intimate and exciting spectator experience. Features will include "Front-of-House" components such as a main lobby offering uncongested access to the main concourse, "House" components such as comfortable seating and private suites and "Back-of-House" components including modern day dressing rooms and vehicle entry for trucks to access the event floor.

Event Centre Capital Financing

The majority of Event Centre's in Canada are owned and financed by their respective municipalities, although a few of had some level of Provincial and Federal support for construction. Capital costs may be offset somewhat through initiatives such as the sale of naming rights and fundraising. As well, there may be some private sector participation (as happened in Sarnia, Brampton, Guelph and London) but the majority of capital and financial risk is typically borne by the municipality as Event Centre's in mid sized cities are generally not profitable.

Event Centre Operations

A pro forma of the Event Centre provided in the Phase I report projects an annual operating deficit of \$655,000 in its first year of operation growing to an annual deficit of \$825,000 in year 5. By comparison, the operating deficit at the Sudbury Arena in 2016 was approximately \$400,000. Key factors that explain the differences between these two figures are:

- Asset renewal charge included in the project operating model to account for repair/renewal needs that is not currently funded
- An anticipated management fee to maximize revenue (eg. gaining access to the entertainment and event industry) , marketing expertise and managing efficiencies and cost containment
- Increase in personnel costs compared to those at the existing Sudbury Arena given the increased scope of the operation

The pro forma projects a conservative number of new calendar bookings including concerts, family shows and other sporting and entertainment events. In addition, it projects revenues from naming rights, a ticket surcharge to preserve “the long-term maintenance and improvement of the arena”, a ticket “convenience fee” and other ice rental revenues.

It also assumes a new lease agreement with the lead tenant, the Sudbury Wolves. This agreement will influence the City’s share of event, concession and advertising revenues. The pro forma assumes a lease arrangement more in keeping with new OHL venues.

Prior to the issuance of an RFP to select a venue operator, it has been recommended by the consultant that the City negotiate a “term sheet” of key lease terms with the Sudbury Wolves. The purpose of negotiating a term sheet will be to provide comfort to the City of the Sudbury Wolves’ commitment to playing in the new building, regardless of location; it will also provide prospective venue operators with a listing of key terms and conditions (including, for example, the length of lease, the amount of rent the team would pay, how various revenue streams would be shared between the team and building, including revenue from sources such as advertising, food and beverage, etc.) so that proposals can be compared on an apples-to-apples basis. This approach was undertaken by the City of Moncton prior to it issuing its RFP for its new arena.

Event Centre Benefits - Economic Impact

The study concluded that an Event Centre has the potential to generate significant short and long term economic benefits to the City of Greater Sudbury. During the construction of the facility, there will be a direct correlation between the amount of money spent constructing the project and the accompanying benefits which will include jobs created and spending that will be circulated within the community.

Operationally, the level of benefit that is expected to arise will be based on the level of spending within the facility which will be correlated to the increased number of users that the Event Centre is expected to attract.

The construction of an Event Centre will also have some level of urban development benefits as evidenced by other mid sized cities who have built Event Centres. Examples include the Essar Centre in Sault Ste Marie, the K Rock Centre in Kingston and the Budweiser Gardens in London who have all enhanced the viability of surrounding businesses. Other communities have built Event Centres on greenfield sites that were part of a redevelopment strategy to maximize surrounding commercial development.

In either case, the development of an Event Centre will have substantive economic benefits to the City projected to include:

- \$131 million in direct and indirect spending during the facility's construction along with \$48 million in employment income growth
- \$6.9 million annually in direct and indirect spending during the facility's operation

Event Centre Benefits - User Experience

A report was presented to Council March 2015 that concluded that it would cost approximately \$50 million to renovate and enhance the existing Community Arena with the amenities of a modern day event centre and up to current OHL standards. The report confirmed that the cost/benefit value proposition for making this investment was difficult to justify. In addition, it was established that the Arena must be able to continue to operate during the hockey season limiting construction from May to August. This made extensive demolition of the main bowl virtually impossible and resulted in a timeline to complete work greater than 5 years.

A new modern building would address many of the short comings identified in the existing arena including seating, acoustics, site lines and outdated washrooms and concessions.

As well, the operation of the Event Centre is estimated to attract a variety of shows, exhibitions, concerts, sporting events including hockey games and other activities to the City that will gather people together and build/reinforce a sense of community, vibrancy and growth.

Phase II Site Selection Rationale

A number of important decisions need to be made prior to proceeding with a procurement for an Event Centre. It is essential for Council to select the future site of the Event Centre as it forms the basis for the proposals to be received. The ultimate site will greatly impact the timing, cost, footprint and design of the Event Centre. The determination on site will then dictate the next steps that must be taken prior to proceeding with the Event Centre procurement. Sites that require extensive servicing may well require those issues to be addressed prior to the Event Centre procurement. Similarly, a site which is not owned or wholly owned by the City would need to be secured prior to proceeding with the procurement of such a significant asset.

From a procurement standpoint, the City is legally required in a binding Request for Proposals to create a process that is fair, competitive and transparent for the bidders. An essential part of this is the determination of the site. The terms of reference for the procurement must allow for proposals to be fairly considered and evaluated. Proceeding with a procurement without a

determination on the site would result in proposals being received that cannot be evaluated or properly compared to one another as they would present significant differences in cost, timing and scope.

As well, research of other mid-sized cities that have built Event Centres in Canada over the past two decades has demonstrated that a site was selected before a competitive bid process was undertaken.

Phase II Site Evaluation Considerations

Choosing a location for a new arena/event centre has generated significant community discussions. This is by no means uncommon, and it is the experience of the Consulting Team that most communities considering a decision to build a new arena experience a similar level of interest regarding its location.

In Greater Sudbury, the focus has been on whether a new building should remain in a downtown setting or whether it should be placed outside the downtown core. For the purposes of this report, staff focused on collaborating with PwC to identify the “ideal” characteristics of a site that could serve as a suitable location. These are recommended to serve as criteria for selecting a preferred location:

- Identification of potential sites based on their physical dimensions (is the site large enough)
- Vision – is the development of an Event Center at this location consistent with the long term vision of the City?
- Complimentary Benefits – does development of this site enhance the neighbouring area?
- Ease of Development – are there expected issues or costs with the development of this particular site?
- Access – What improvements are required to support vehicular, pedestrian and transit (current and future)?
- Parking – Is there existing parking in the area that can be reasonably used to accommodate demands. Can it be added?
- Economic Impact – Does the development of this site have an enhanced economic impact for the area?
- City Building – does this site enhance the process of “city building” by contributing to economic growth, community pride, quality of life and citizen satisfaction

A fulsome description of these criteria and their relative weights is described in Appendix A, page 49. If the recommendation is approved as presented, staff will apply these weighted criteria to rank potential sites in anticipation of a report to Council no later than June that would facilitate a decision about a preferred location.

Phase II Site Evaluation Process

An evaluation team led by Ron Henderson, Special Advisor to the CAO and Ron Bidulka, lead consultant for PWC will be guided by the site criteria presented in the Phase I report and presented above .

The site evaluation team will review all potential public and private sector properties that meet minimum criteria within the former boundaries of the City of Sudbury.

Potential sites that meet a minimum threshold will be short listed and presented to City Council in June for consideration.

Each short listed site will detail probable costs including acquisition costs and site servicing costs. As part of that process, it is recommended by PCW that the City attempt to secure options to purchase potential short listed sites prior to Council selecting its preferred site in June. The purpose of securing an option to purchase prior to the June Council meeting is to remove any possibility of Council selecting a site only to have that land owner potentially hold out for an exorbitant price and / or delay timing of when the City could close on the transaction and commence construction. Securing the option would allow the City to obtain agreement that it would be able to purchase the property at an agreed to price, which would then inform the site evaluation process.

Such option(s) to purchase would be open during the time when the City completes its site selection process. Once a location is chosen as the preferred location by City Council, the option to purchase would then be exercised by the City at the price agreed to in the option agreement. If a location is not chosen as the preferred location the option to purchase would lapse

Procurement

It is possible to put an RFP bid package together concurrent with the site selection process. Anticipating a successful outcome to site selection, the City may be in a position in June to issue an RFP for an Event Centre on the selected site (subject to any site specific issues affecting timing).

Procurement options for this type of project would include:

Design/Bid/Build

The Design/Bid/Build process begins with the owner determining a preliminary budget for the project. From there a Request for Proposal is issued (RFP) for an Architect/Engineer firm for design services to fully describe the requirements for construction of the complete project. Once finalized, the project is put out to a competitive bid to a general contractor.

Advantages

- Single point of responsibility of the construction side
- Bid price is obtained prior to breaking ground

Disadvantages

- Takes longer to design the entire project before bids are solicited
- Final cost not guaranteed, traditionally there are extras and other modifications

Design/Build

This procurement has the design and build functions combined with a single private sector entity. Submissions are garnered from Design/Build consortiums that develop the detailed design, working drawings, final price and specifications to construct the building. Working with the owner, the Design/Build team tailors the concept to provide a guaranteed maximum price (GMP) for the project.

The design-build delivery method has been used increasingly in the public sector but is not a risk free approach.

Advantages

- Efficient; the design and construction of the project is sourced to a single entity that provides a guaranteed maximum price
- Timely; there can be overlapping of the design and construction processes which will expedite the project schedule
- Minimized Risk; since the design-build relies on a single point of responsibility it is used to minimize risks to the project owner.

Disadvantages

- Unless the scope (performance specifications) are well defined, the City is at risk for quality
- City initiated changes after the final design will cause change orders and increase costs
- Conflicting/competing factors are the desire to construct at the lower initial cost that may compromise aesthetic design.

Private Public Partnership (P3)

There are many varieties of projects. The Owner must recognize and live with the fact that the private partner may require total control over the facility during this long relationship. Business practices with the private partner will require more complex negotiation, often requiring a

team of experts, and details to be determined which may be a longer process than traditional procurement methods.

It is difficult to say exactly how this relationship would function for the City, given there are several types of P3 models with varying levels of public ownership and control. The nature of a P3 partnership for an event centre would not be known until the project has gone to market.

Advantages

- Provides the Owner the opportunity to bring in creative financing and private expertise in the design and operation of the facility.
- Provides the opportunity to include other added value components of an overall redevelopment (i.e. hotel, retail)

Disadvantages

- Owner must be prepared to give up or some control over the operation. The problem occurs when revenue generated from operations does not meet expectations – refinancing, operator bankruptcy, increasing user fees to unacceptable levels
- A P3 arrangement is very time consuming and complex requiring outside technical, legal and financial advice with respect to the P3 partnership as well as document preparation for items such as request for proposals and legal agreements
- Co-mingles design, construction, financing and operations / maintenance and may result in the City selecting a partner with inferior team members (i.e., the best architect, builder, financier and operator may not all be on the same team)

The procurement method recommended by PWC is to follow a Design/Build procurement for the Events Centre. This is consistent with the procurement method used in other mid-sized cities for similar projects. As mentioned above, the Design/Build method has the prime advantage of offering an expedited project schedule at guaranteed maximum price. This method would ensure to the greatest extent possible a construction timeline commencing as early as spring 2018. (subject to land issues)

The Design/Bid/Build model is a much slower procurement strategy that would likely push construction of the Event Centre through 2018 and likely into 2019. This method does not provide a guaranteed maximum price and is not recommended as a procurement choice.

There are few examples of successful P3 arrangements for event centres in mid sized cities, primarily because of the fact that these facilities are not profitable and therefore unlikely to draw private sector interest. The private sector has more of an interest in operating these type of venues rather than an ownership stake.

The Design-Build procurement process would be undertaken in two phases. The first phase would involve the City commencing a “Requests for Expressions of Interest” (EOI) process in late March. This process would seek to identify and short-list prospective design-build teams to receive the final Design-Build RFP from the City.

While the EOI process was being implemented, staff and the consultant would prepare the Design-Build RFP. Both the EOI short-list and Design-Build RFP would then be presented to Council for their consideration in June. If Council elects to go forward at that time, and subject to no site specific issues that affect timing, the Phase II of the Design-Build process would commence with the issuance of the RFP (augmented to include site-related information).

In the consultant's experience, issuing a Design-Build RFP without firstly shortlisting firms will significantly impact the quality of responses received to the RFP. Generally, responding to a Design-Build RFP will take months of research and preparation, time which will cost prospective design-build teams money. By not short listing firms, prospective design-build firms will not be as willing to invest the time and money needed to prepare a quality response. Additionally, it is noted that a number of municipalities offer honorariums to Design-Build RFP respondents (payable only to those not awarded the contract) to demonstrate both their commitment to the project as well as to provide partial compensation to prospective design-build teams to ensure that they invest in putting forth their best design-build solution (by way of example, the Regional Municipality of Wood Buffalo offered \$200,000 to its three short-listed proponents, while Moncton offered \$225,000 to its two short-listed proponents).

Concurrent with this process (site selection and Design-Build EOI process), the Consultant also recommends implementing a separate process to identify and retain a venue operator. In the consultant's experience, a city should want to identify and select that best architect and best builder to construct their new venue (design/build); a city should also want to identify and select the best operator to manage this venue on their behalf. By "co-mingling" the design-build with the operate and maintain, a city runs the risk of being forced to select a potentially inferior proposal team which does not have the best architect, builder and operator.

The RFP for an Operator can also seek a financial contribution towards the project so the City not only reduces its capital costs but creates an Owner/ Operator partnership where both parties share in the project risk. Both the Design-Build and Venue Operator process can be run concurrently, and will allow selection of a venue management company at an early enough juncture to enable them to provide input into the final design of the venue.

Staff is requesting that Council support a design build process for the Event Centre, and implementing this procurement through a two-phase process (EOI followed by RFP). In anticipation of a final site selection in June, staff/consultant can begin the process of preparing the necessary design build documentation.

Financing Options

For the purpose of this report, the estimated cost of a new arena/event centre that has the features described here is \$80 million. This excludes land acquisition, parking and any related servicing/environmental costs. Taking a conservative view, it is possible the total cost of a new arena/event centre could be \$100 million. A refined cost estimate will be available once a site is selected and planned to be available for the 2018 capital budget.

Financing this project could take a number of forms, including one or more of the following:

1. **Debt:** the City of Greater Sudbury has sufficient debt capacity to fund this project. It could issue debt with up to a 30-year amortization. This is the financing method most commonly used by municipalities to finance facilities like this. Based on current interest rates, it would require an annual funding commitment of approximately \$5.5 million to repay the loan. This would represent an approximate tax levy increase of 2.2% which could be smoothed out over a number of years (i.e. .44% over 5 years). Funds for repayment would likely come from a combination of facility revenues and property taxes.
2. **Public/Private Partnership ("P3"):** this includes a variety of options, but generally P3 transactions involve some level of collaboration with a private sector partner in exchange for commitments (e.g. time, fixed cost, equity investment) that reduce the City's risk.
3. **Ticket Surcharge/Facility Renewal Fee:** while not a complete financing solution, the introduction of a charge per ticket issued would offset capital outlays for either construction or asset renewal
4. **Property Taxes:** while relying 100% on annual property tax revenues to finance the facility is impractical, a portion of property taxes could be dedicated to finance the facility construction costs. This could reduce debt financing requirements.

PWC's report describes other revenue sources such as naming rights, advertising space rentals and other revenue streams that can reduce operating subsidy requirements. Please refer to Appendix A, pages 53-56 for details.

It is likely that debt financing will be required, regardless of what other forms of financing, if any, Council is interested in utilizing for this project. It is unlikely, however, that senior levels of government will contribute funds toward the construction of a new arena/event centre. Discussions with both provincial and federal government representatives are ongoing, but experience in other communities indicates it is unlikely that the City can expect to receive capital funds from either the provincial or federal government for this project.

Once probable total project costs are ascertained through the site selection process, staff will produce a detailed financial analysis and strategy that examines potential sources of financing.

Financial Implications of Phase II

It is recommended that PWC's current engagement be extended to provide guidance to the City with the recommended next steps:

- the Phase II site selection process
- the development of the Expression of Interest (to prequalify Design/Build teams)
- the development of the RFP bid package for the design/build process
- the development of an RFP to select an operator
- the negotiation of the terms for a new lease agreement with the Sudbury Wolves.

Not only will this provide continuity with the first phase report but lead consultant Mr. Bidulka is also one of Canada's most experienced consultants in evaluating all aspects of mid-size event centre sites including business case and economic impact assessment.

In addition to the first phase of work which was \$145,000, the total anticipated cost of supporting Council's decision for the next phases of work as described above is \$200,000.

This is slightly over the \$275,000 estimate provided to Council in June 2016 and represents about .35% of the estimated total project cost. Funding is anticipated to be provided by the Tax Rate Stabilization Reserve.

Resources Cited:

Large Projects Update to City Council, December 13, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1034&itemid=12449&lang=en>

Large Projects Update to City Council, July 12, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=943&itemid=10989&lang=en>

Large Projects Update to City Council, April 12, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=943&itemid=10989&lang=en>

Large Projects Public Input Meeting, November 27, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1053&itemid=10599&lang=en>

Arena/Entertainment Centre Project Timeline for City Council, September 16, 2016

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=951&itemid=11958&lang=en>

Downtown Masterplan Ten Year Implementation Plan Update, Council, November 24, 2015

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=824&itemid=10666&lang=en>

Arena Renewal Strategy and Sudbury Community Arena – Renewal Options. Council, March 31, 2015

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=811&itemid=9364&lang=en>

City of Greater Sudbury
Greater Sudbury Event Centre
Site Evaluation

June 2017

pwc

Executive Summary

Background

- At its meeting on March 7, 2017, Greater Sudbury City Council approved the following recommendation, among others:
 - THAT an evaluation of potential sites and a recommendation for a preferred site be reported to Council no later than June 2017.*
- The Evaluation Criteria identified within PwC's Phase I Market Analysis and Business Case Assessment identified eight main criteria against which to evaluate potential sites, including:
 - Vision;
 - Complimentary Benefits;
 - Ease of Development;
 - Access;
 - Parking;
 - Cost;
 - Economic Impact; and
 - City Building.

- At its meeting on April 12, 2017, Greater Sudbury City Council provided further input on the weighting of these various site evaluation criteria, with Council endorsing the following:
 - that each of "Cost", "Economic Impact" and "Parking" are equally of highest importance,
 - that "Complimentary Benefits", "Access" and "Ease of Development" would be extremely important, and
 - that "Vision" and "City Building" would continue to be important.

Initial Assessment of Potential Sites

- As an initial step, the Event Centre Site Evaluation Team was provided with a listing of some 23 individual sites / site configurations as potential locations upon which to build the Event Centre.

- Based on a review of the initial list of sites, a number of potential locations were dropped, yielding a short list of four properties which then underwent a more detailed assessment. These properties include:
 - MacIsaac Drive Site (a 19.2 acre site on the north side of MacIsaac Drive, west of Old Burwash Road, and adjoining the Southridge Mall);
 - Algonquin Road Site (a 22 acre site located on the north side of a proposed Remington Street extension between Regent Street and Algonquin Road);
 - Kingsway Site (a 23.12 acre site fronting along the north side of the Kingsway within the Jack Nicholas Business and Innovation Park); and
 - Downtown Site (a 3.5 acre block bounded by Brady Street to the north, Minto Street to the west, Van Horne to the south and Shaughnessy Street to the east).

Site Evaluation Approach

- Investigations were made by the PwC consulting team, various departments of the City of Greater Sudbury, and by third party consultants (Terraprobe for soils and geotechnical; WSP for traffic and road improvements) to derive information, data and / or insights through which to evaluate sites.
- This information was supplemented with information provided by individual site owners, and well as through consultations with other parties (Downtown Sudbury BIA, Gateway Casinos, Prime Real Estate, Gross Capital).
- The Event Centre Site Evaluation Team met on multiple occasions to discuss individual sites and to complete a comparative evaluation of sites.

Executive Summary

Site Evaluation Results

- Based on a consensus ranking by members of the Event Centre Site Evaluation Team, each site was evaluated based on the eight site selection criteria approved by Greater Sudbury City Council and per the relative weighting as also approved by Greater Sudbury City Council. Based on the results of this review and assessment:
 - The Downtown Site was the highest ranked site overall, considering all site evaluation criteria, ranking first in every category with the exception of “Parking” and “Cost” where it ranked fourth and second respectively.
 - The Kingsway Site was the second highest ranked site overall, ranking first in Parking (tied with both the MacIsaac Drive Site and Algonquin Road Site) and Cost, and ranking second in most other categories with the exception of “Access” and “Ease of Development” (where it ranked third and fourth respectively).
 - The MacIsaac Drive Site was the third highest ranked site while the Algonquin Road Site was the fourth highest ranked site.
- In terms of those categories which were identified by Greater Sudbury City Council as of “Highest Importance”, the Kingsway Site ranked first overall. The Downtown Site ranked second overall for this classification of site evaluation criteria, including ranking first in Economic Impact; from a cost perspective, the Kingsway Site is concluded to be slightly less expensive than the Downtown Site.
- In terms of those categories identified by Greater Sudbury City Council as being “Extremely Important”, the Downtown Site ranked first overall (and ranked first in each category). The Kingsway Site ranked second overall (ranking second, third and fourth in this classification of site evaluation criteria).
- In terms of those categories identified by Greater Sudbury City Council as being “Important”, the Downtown Site ranked first overall while the Kingsway Site ranked second.

- While ranking second, the Kingsway Site scored high and would constitute a viable location.

Salient Considerations Associated with the Two Highest Ranking Sites

Downtown Site

- Advantages associated with the Downtown Site include:
 - option agreements with land owners are in place which will provide a sufficiently sized site on which to construct an Event Centre
 - site is appropriately zoned allowing construction to commence immediately
 - the location is directly consistent with the City’s strategic vision and city building policies
 - the selection of the site would support a \$1.5 million (present value) commitment by the Downtown Sudbury BIA
 - the Downtown Site provides a greater ability to realize complimentary benefits in the short to medium term compared to other sites
 - selection could spur the development of a new structured parking facility in the downtown core
- Disadvantages associated with the Downtown Site include:
 - concluded Option Agreements with land owners in the southern portion of the block are not yet in place and could add delays if entire block is desired
 - while the downtown benefits from an adequate supply of parking with a 10-minute walking radius, the location of such parking is generally viewed as inconvenient

Executive Summary

Salient Considerations Associated with the Two Highest Ranking Sites (continued)

Kingsway Site

- Advantages associated with the Kingsway Site include:
 - an option agreement with the land owner has been agreed to
 - the property is large enough to accommodate a sufficient amount of on-site parking
 - the total cost to develop the property is slightly less expensive compared to the Downtown Site
 - the property has been planned and is being actively promoted as an entertainment district centered around the Event Centre and casino
 - the property potentially has the highest potential to convey positive benefits within the community, including enhancing this area of the Kingsway as an entertainment / event destination
 - while not guaranteeing the full build out of the property, the owner has agreed to pay a financial penalty to the City if they fail to use reasonable efforts to effect the substantial development of the site
- Disadvantages associated with the Kingsway Site include:
 - the property will require rezoning which will delay when construction of the Event Centre could commence
 - the site will also require significant blasting and grading, further adding to the timeframe associated with the Event Centre's development
 - the property is located in proximity to the Sudbury Landfill Facility
 - while offering longer-term economic potential, the development property is not guaranteed and will be subject to future real estate market and financial investment decisions.

Recommended Site

- In consideration of the individual and relative rankings of each site against the site evaluation criteria, the recommended location for the Event Centre is the Downtown Site:
 - It scored highest in all categories except Parking and Cost (where its total estimated cost is estimated to be only marginally higher than the Kingsway Site).
 - In addition, it scored highest in terms of economic development, access, ease of development and its ability to deliver complimentary benefits.
 - Finally, it is concluded to be best able to support the stated long-term vision of the City and contribute most to city building.

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Appendix

General Assumptions and Limiting Conditions

Background

At its meeting on March 7, 2017, City of Greater Sudbury Council directed staff and PwC to conduct a review of potential sites within Greater Sudbury upon which to construct a new Event Centre

Background

- At its meeting on March 7, 2017, Greater Sudbury City Council approved the following recommendations, among others:
THAT the City of Greater Sudbury Council approves the process described in the report dated March 7, 2017 from the Special Advisor to the CAO for evaluating and recommending a site to serve as a location for a new Event Centre;

AND THAT the site evaluation criteria and their weighting as described on pages 45-49 Appendix A: Phase I Market Analysis and Business Case Assessment as attached to the report dated March 7, 2017 from the Special Advisor to the CAO also be approved;

AND THAT an evaluation of potential sites and a recommendation for a preferred site be reported to Council no later than June 2017.

- The Evaluation Criteria identified within the Phase I Market Analysis and Business Case Assessment identified eight main criteria against which to evaluate potential sites, including:

- Vision;
- Complimentary Benefits;
- Ease of Development;
- Access;
- Parking;
- Cost;
- Economic Impact; and
- City Building.

- At its meeting on April 12, 2017, Greater Sudbury City Council provided further input on the weighting of these various site evaluation criteria, with Council endorsing the following:
 - that each of “Cost”, “Economic Impact” and “Parking” are equally of highest importance,
 - that “Complimentary Benefits”, “Access” and “Ease of Development” would be extremely important, and
 - that “Vision” and “City Building” would continue to be important.
- An Event Centre Site Evaluation Team (the “ECSET”) was subsequently struck which incorporated individuals from the following City departments, in addition to PwC, HDR|CEI Architecture and the Special Advisor to the CAO:

- Economic Development
- Planning
- Engineering
- Real Estate
- Technical expertise was also provided by other City departments, as well as by third party consultants retained to provide commentary on specific matters, including:
 - Terraprobe (for anticipated geotechnical / soil characteristics and foundation system constructability); and
 - WSP / MMM Group (traffic operational assessment and identification and costing of resultant mitigating measures, if any).

Initial Assessment of Potential Sites

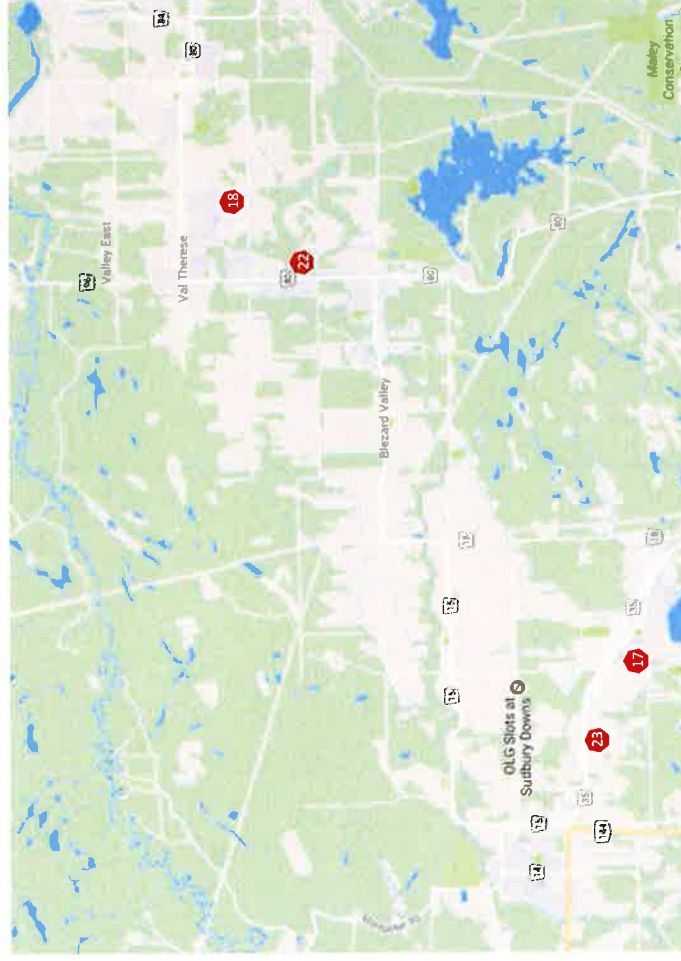
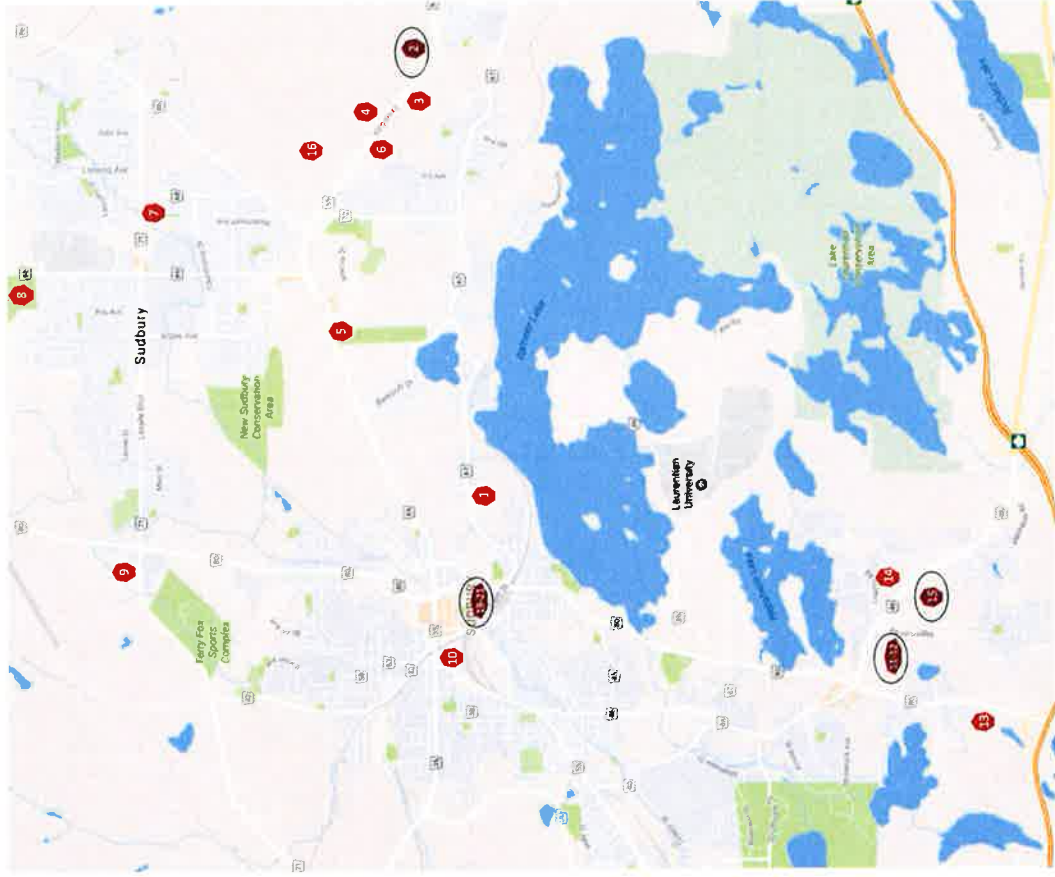
The ECSET initially identified and reviewed 23 sites / site configurations located throughout Greater Sudbury based on a set of site qualifying criteria

Site Identification

- As an initial step, the ECSET was provided with a listing of some 23 individual sites / site configurations as potential locations upon which to build the Event Centre. These sites consisted of properties which are already owned by the City of Greater Sudbury (“CGS”), are privately owned sites where the owner of that property had previously expressed an interest in utilizing their site for the Event Centre, or are privately owned sites which are currently vacant and would be of a sufficient size to house a 5,800-seat Event Centre.
- Each site was initially reviewed based on a number of criteria, including:
 - Site size and dimensions – in order to house the Event Centre, a size will need to be approximately 300 feet wide by approximately 450 feet in length;
 - Proximity to parking – if sufficient parking is not available in the immediate area, a site of approximately 23 acres would be required in order to accommodate both the Event Centre and the required amount of parking;
 - Proximity to arterial roads – the site will need to abut / be proximate to arterial roadways which could accommodate the anticipated traffic leading to / from the site;
 - Proximity to municipal services – the site will need to be located next to municipal services which have sufficient capacity to accommodate the demand of an Event Centre; and
 - Suitable soils / topography – from a geotechnical perspective, the site should be able to accommodate, or made to accommodate the Event Centre at a reasonable cost.

Site #	Location	Area (acres)
1	Howey Drive / Somerset Street (Sudbury Curling Club)	75.44
2	Kingway / Jack Nicholas Business and Innovation Park	153.76
3	Kingway (south side, west of Levesque)	57.57
4	Kingway (north side, east of Third Street)	16.26
5	Kingway / Silve Hills Drive	42.05
6	Kingway (south side, east of Third Street)	35.54
7	Lasalle Boulevard / Auger Street	10.73
8	Barry Downe Road / Maley Drive	64.29
9	Lasalle Boulevard / Larraine Street	10.92
10	Energy Court	5.77
11	MacIsaac Drive / Old Burwash (south side)	40.33
12	MacIsaac Drive / Old Burwash (north side)	14.00
13	Long Lake Road / Gateway Road	44.00
14	Regent Street (north side, west of Armstrong)	18.81
15	Regent Street / Remington Road	46.29
16	Kingway (north side, east Third Street, north of Site 4)	167.42
17	Montee Principale / St. Agnes	13.84
18	Elmview Drive (north of Dominion)	35.80
19	Brady Street / Minto Street / Shaughnessy Street	2.85
20	Brady Street / Minto Street / Shaughnessy Street / Van Horne Street	3.65
21	Brady Street / Minto Street / Shaughnessy Street	3.29
22	Municipal Road 80 (east side, north of Yorkshire)	26.38
23	Municipal Road 35 (south side, west of Notre Dame)	79.00

The initial list of 23 sites were located throughout Greater Sudbury, including Chelmsford, Val Caron, Hammer, Azilda, New Sudbury, Kingsway, the South End / Four Corners, and in Downtown Sudbury



The initial list of 23 sites was short listed down to four sites for more detailed review and assessment: MacIsaac Drive Site, Algonquin Road Street, the Kingsway Site and Downtown Sudbury (Minto Street / Brady Street)

Short Listed Sites

Based on a review of the initial list of sites, a number of potential locations were dropped, yielding a short list of four properties which then underwent a more detailed assessment. These properties include:

- MacIsaac Drive Site, specifically an approximate 19.2 acre site on the north side of MacIsaac Drive, west of Old Burwash Road, and adjoining the Southridge Mall. It should be noted that the City has a signed Option Agreement to purchase this site from the current owner.
- Algonquin Road Site, specifically an approximate 22 acre site located on the north side of a proposed new road (Remington Street) between Regent Street and Algonquin Road. It should be noted that the City has a signed Option Agreement to purchase this site from the current owner.
- Kingsway / Jack Nicholas Business and Innovation Park, specifically an approximate 23.12 acre site fronting along the north side of the Kingsway, immediately west of Levesque Street and opposite the Transport Training Centres of Canada building. It should be noted that the City has a signed Option Agreement to purchase this site from the current owner.
- Downtown Site, an approximate 3.5 acre block bounded by Brady Street to the north, Minto Street to the west, Van Horne to the south and Shaughnessy Street to the east. It should be noted that the City has three signed Option Agreements to purchase various parcels of land not already owned by the City on this block, sufficient to allow for the placement of an Event Centre on this site.

MacIsaac Drive Site



Algonquin Road Site



Kingsway Site



Downtown Site



Site Evaluation Criteria

Eight site evaluation criteria have been identified for use in evaluating the four short listed sites, including vision, complimentary benefits, ease of development, access, parking, cost, economic impact and city building

Evaluation Criteria

- As noted in PwC's March 7 Feasibility and Business Case Assessment Report, eight criteria were identified for use in evaluating and selecting a preferred location for an Event Centre:

- **Vision** – which speaks to the development of an Event Centre on a particular site being consistent with the overall long-term strategic vision of Greater Sudbury and its pattern of strategic growth. Any site being considered for the Event Centre should be considered within the broader parameters of long term strategic community benefits rather than as simply an appropriately sized property for a specific building.

- **Complimentary Benefits** – which speaks to the ability of an Event Centre being able to enhance the neighbouring area and its context. This question applies equally to a downtown or suburban site and measures the extent to which there is a synergistic opportunity for enhanced benefits. The extent to which those benefits accrue within Greater Sudbury is key to this question. For a downtown site, those benefits could include a more vibrant and renewed urban core, while for a suburban site the benefits could include fast-tracking the development of an area that might otherwise evolve over the longer term.

- **Ease of Development** – which speaks to the added costs and timing associated with the development of an Event Centre on a particular site. For example, are there environmental or geotechnical issues that impact the development process and / or could be expected to add to the time and / or cost of building the Event Centre? An Event Centre has a very large footprint and the building will require an extremely flat floor built on a solid under-base. A particular site could have a significant cost impact

on the overall project and on the development of the site (for example, is blasting or piling required for the development of an Event Centre on a particular site and would either of these have a direct impact in terms of the freedom of developing the most appropriate design).

In addition to geotechnical and environmental issues, other considerations needed to be considered include whether there exists issues with a particular site from an infrastructure / services availability perspective (i.e., does sufficient electrical, water, sewer, storm water, etc. services exist at / to the site, or must these be brought to the site / replaced and at what cost).

A final consideration includes the ability of the project to avoid a lengthy or prolonged due diligence or approvals process. For example, will the site require rezoning and / or an Official Plan amendment which would add to the length of time required to commence construction? Could such decisions be appealed and therefore add further delay to the commencement of construction? Will environmental and / or geotechnical investigations require additional time and expense which could similarly serve to lengthen the period of when construction of the Event Centre could commence?

- **Access** – which seeks to address whether a site is or can be made easily accessible from a vehicular, pedestrian, and transit (both current and future) perspective. Are improvements / modifications required to support the site? Is it realistic to implement episodic transit specific to major events? Are improvements to the existing road network required to facilitate vehicular access (for example, road improvements / widenings, new signalizations, etc.).

Three classifications of criteria were enunciated by Greater Sudbury City Council to guide the site evaluation process, including those of “highest importance”, “extremely important” and “important”

Evaluating Criteria (continued)

- **Parking** – how much parking is required for the Event Centre and how many parking spaces currently exist in the vicinity of the site to support the Event Centre? Is there sufficient parking in the area that can reasonably be used to accommodate demand? Can parking be added whether on or off-site? If additional parking is required, would it be well-used on a daily basis for other purposes. Would the creation of additional parking be a prudent investment?
- **Cost** – this speaks to the total cost of development, including land acquisition, site preparation costs, other site costs and off-site improvements. For example, does the City already own the site or would the City need to acquire the property? Are there issues associated with the development of the site that could result in higher project construction costs? Can some of these costs be shared (for example with adjoining land owners)? These question apply not only to the site under consideration, but also to costs beyond the boundaries or perimeter of the site (some of which are dealt with under *Ease of Development*). It should be noted that such additional development costs should not necessarily be seen as a liability if they help facilitate future investment and development.
- **Economic Impact** – does the development of a particular site have an enhanced economic impact for the surrounding neighbourhood, for Greater Sudbury and / or the broader region? Would the development of a particular site maximize the ability of an Event Centre to bring positive economic impacts to the area? Is the positive impact spread over a narrow spectrum of beneficiaries or a broad one?

- **City Building**; can the siting of the SEC on a particular site enhance the process of “city-building” by contributing to economic growth, quality of life, citizen satisfaction and community pride?

Criteria Ranking

- As its April 12, 2017, Greater Sudbury City Council provided further direction with respect to the ranking of the above presented site evaluation criteria, and in this regard, endorsed the following categorization of site evaluation criteria:

Of Highest Important

- Cost
- Economic Impact
- Parking

Extremely Important

- Complimentary Benefits
- Access
- Ease of Development

Important

- Vision
- City Building

- Based on the direction provided by Greater Sudbury, the ECSET established the Site Evaluation Matrix presented on Slide 10, following.

The Site Evaluation Matrix employed by the ECSET built on the draft matrix included in PwC's March 7, 2017 report to reflect Council's priorities

SITE EVALUATION MATRIX		9.50%
1 Vision	Will the development of an SEC on this site be seen by Greater Sudbury residents as appropriate? Does an SEC on this site reflect the City's vision and City's Official Plan? Will this development stimulate future growth / expansion consistent with the City's vision?	9.50%
2 Complimentary Benefits	Will the surrounding neighborhood / area be positively impacted by this development? Can this site support the development / expansion of a commercially viable event / entertainment precinct? Will this project advance existing infrastructure expansion or improvement plans? Does development strike an appropriate balance between public and private sector benefits? Are there additional benefits not necessarily associated with entertainment / event activity?	12.00%
3 Ease of Development	Is the site well-serviced and can existing servicing handled the added requirements of an SEC? Can development move quickly and avoid a prolonged due diligence or approval process? Are there site development issues that would extend the design / construction process or delay the project? Are there significant geotechnical, topographic or environmental issues with the site specifically for an SEC?	12.00%
4 Access	Does the site have easy vehicular access and egress for event setup? Does the site have appropriate vehicular access and egress for spectators at events? Does transit currently service the site and/or would service be provided? Can transit reduce car dependent travel to this site? Is this site accessible by patrons walking to the event (hotel, restaurants, etc.)?	15.00%
5 Parking	Is there the potential for adequate parking on or near the site? Is there existing parking in the area that can be used for events? Does the event centre parking also effectively support other uses during non-event days? Is there appropriate space for event loading / busing?	15.00%
6 Cost Impact	Is there a cost premium for developing the spectator component on this site? Is there a cost premium for overall site development? Are there funding opportunities associated with the development of this site? Are there partnering opportunities associated with the development of this site?	15.00%
7 Economic Impact	Does the development of this site have a positive economic impact on the surrounding area? Would this site become an entertainment / event destination? Is this site positively impacted by the existing surrounding development?	15.00%
8 City-building	Does the development on this site enhance the profile of Greater Sudbury as a destination? Would the development of this site enhance the quality of life for the community? Would the development as envisioned foster pride by the residents of Greater Sudbury?	9.50%
TOTAL SCORE		100.00%

	Site A MacInnes	Site B Algonquin Rd	Site C Kingway	Site D Downtown
1 Vision	9.5%	9.5%	9.5%	9.5%
a	0.00	0.00	0.00	0.00
b	0.00	0.00	0.00	0.00
c	0.00	0.00	0.00	0.00
2 Complimentary Benefits	12.0%	12.0%	12.0%	12.0%
a	0.00	0.00	0.00	0.00
b	0.00	0.00	0.00	0.00
c	0.00	0.00	0.00	0.00
d	0.00	0.00	0.00	0.00
e	0.00	0.00	0.00	0.00
3 Ease of Development	12.0%	12.0%	12.0%	12.0%
a	0.00	0.00	0.00	0.00
b	0.00	0.00	0.00	0.00
c	0.00	0.00	0.00	0.00
d	0.00	0.00	0.00	0.00
e	0.00	0.00	0.00	0.00
4 Access	12.0%	12.0%	12.0%	12.0%
a	0.00	0.00	0.00	0.00
b	0.00	0.00	0.00	0.00
c	0.00	0.00	0.00	0.00
d	0.00	0.00	0.00	0.00
e	0.00	0.00	0.00	0.00
5 Parking	15.0%	15.0%	15.0%	15.0%
a	0.00	0.00	0.00	0.00
b	0.00	0.00	0.00	0.00
c	0.00	0.00	0.00	0.00
d	0.00	0.00	0.00	0.00
6 Cost Impact	15.0%	15.0%	15.0%	15.0%
a	0.00	0.00	0.00	0.00
b	0.00	0.00	0.00	0.00
c	0.00	0.00	0.00	0.00
d	0.00	0.00	0.00	0.00
7 Economic Impact	15.0%	15.0%	15.0%	15.0%
a	0.00	0.00	0.00	0.00
b	0.00	0.00	0.00	0.00
c	0.00	0.00	0.00	0.00
d	0.00	0.00	0.00	0.00
8 City-Building	9.5%	9.5%	9.5%	9.5%
a	0.00	0.00	0.00	0.00
b	0.00	0.00	0.00	0.00
c	0.00	0.00	0.00	0.00
TOTAL SCORE	0.00	0.00	0.00	0.00

Site Evaluation

Investigations were made by various departments of the City of Greater Sudbury, coupled with investigations made by PwC and third party consultants, to assemble information with which to evaluate the four short listed sites

Site Evaluation Approach

- Investigations were made by the PwC consulting team, various departments of the City of Greater Sudbury, and by third party consultants (Terraprobe for soils and geotechnical; WSP for traffic and road improvements) to derive information, data and / or insights through which to evaluate sites. The reader should note that in some instances, quantitative data was identified and relied upon, while in other instances “notional” or “directional” information (i.e., the value associated with site X would likely be greater than that of site Y) was identified, while in other areas, the ECSET was required to rely upon subjective qualitative information through which to review and evaluate sites.
- This information was supplemented with information provided by individual site owners, who on an unsolicited basis, provided information and / or commentary on the suitability of their respective sites as a potential location for the Event Centre (the reader should note that while this information was reviewed, these “advocacy documents” were not necessarily relied upon).
- These investigations included:
 - City Real Estate and PwC met with individual property owners to conclude Option to Purchase Agreements, allowing the ECSET to ascertain site acquisition costs.
 - City Engineering and Terraprobe provided information against which to determine the relative costs associated with developing an Event Centre on a particular site (including the potential need and cost of micropiling, blasting, grading, remediation, etc.).
 - WSP completed a traffic operational assessment to identify off-site road and traffic improvements needed to accommodate a

- 5,800-seat Event Centre, and the order-of-magnitude costs needed to effect those improvements.
- A survey of communities who have recently developed new event centres, including Kingston, Brandon, Moose Jaw and Medicine Hat. This information was supplemented with the research previously completed by PwC to assist in providing insights to evaluate both economic impacts and complimentary benefits.
- Information was sought to provide insights regarding “Vision” and “City Building”, including insights based on a review of various City strategic planning documents including its Official Plan.
- Information regarding the existing capacities of in-ground infrastructure located in the vicinity of each site was identified to provide insights into the order-of-magnitude costs associated with addressing potential deficiencies.
- An inventory of existing parking spaces within the downtown core and within various walking intervals around the Downtown Site was identified and evaluated.
- Finally, consultations were undertaken with land owners and other parties with interest in certain sites / areas, including Downtown Sudbury BLA, Gateway Casinos, Prime Real Estate Group and Gross Capital, among others.
- The ECSET met on multiple occasions to discuss individual sites and to complete a comparative evaluation of sites.
- The following provides a summary of some salient factors considered by the ECSET with respect to each of the four short listed sites.

The MacIsaac Drive Site is an approximate 19.2 acre property located near the intersection of Regent Street and Long Lake Road / Paris Street, abutting the Southridge Mall

MacIsaac Drive Site

- The MacIsaac Drive Site is an approximate 19.2 acre site located on the north side of MacIsaac Drive, west of Old Burwash Road, and east of Long Lake Road. The property comprises the southerly section of a larger block which includes Southridge Mall to the north.
- The City has a signed Option Agreement with the owner of this property to purchase it should the City select the MacIsaac Drive Site.
- The MacIsaac Drive Site is vacant and unimproved and is mostly flat and ready for development; a ditch traverses a portion of the site.
- Salient factors considered by the ECSET include the following:

Vision

- The property is currently zoned M1 which does not allow for a public arena, but does allow for a commercial recreation centre. The adjoining Southridge Mall is zoned C-5(3) which allows for an arena under institutional uses, and specifies an arena with the caveat that it is contained within a shopping centre. Shared use of the mall's parking area would allow the Event Centre to be developed on this site with no rezoning.
- The property is located within one of the City's designated Regional Centres. Development on this site is seen as consistent with the City's vision.

Complimentary Benefits

- The property is located in an established retail and hospitality node within the City, an area that includes retail, restaurants and hotels in close proximity.



The MacIsaac Drive Site will not require rezoning to allow for an Event Centre and will require a lower expenditure to construct the facility. However, the building of an Event Centre at this location will require significant improvements to the Four Corners

MacIsaac Drive Site (continued)

Complimentary Benefits (continued)

- Located immediately south of the property (south side of MacIsaac Drive) is a large underdeveloped property. Further south along Long Lake Road is Wal-Mart and the Countryside Arena twin pad.
- The potential exists for the Event Centre to provide added support to the Southridge Mall and the various restaurants, retail establishments and hotel properties located in the vicinity of the property.

Ease of Development

- Current zoning would allow for the construction of an Event Centre.
- Modest expenditures will be required for site development, including hydro and water infrastructure. Limited internal road improvements are required; major improvements are needed, however at the “Four Corners” intersection (intersection of Paris Street / Long Lake Road and Regent Street).
- The adjoining property is already improved with approximately 3,000 parking spaces, although these spaces would be required for the operations of the Southridge Mall (some spaces may be utilized for the Event Centre).
- The site benefits from the South End sewage “rock tunnel” which runs directly under the site.

Access

- The site benefits from an established retail node and proximity to major arterial roadways / area highways.
- The site also benefits from four bus routes servicing the area (including three bus stops within a short walking distance).
- The site benefits from access points from Regent Street (via Old Burwash Road and Algonquin Road) and Long Lake Road.
- The development of an Event Centre at this location may, however, require major improvements at the “Four Corners” intersection. Per the study completed by WSP, an Event Centre at this location, because of the peak demands caused around event times, could result in significant additional traffic mitigation costs which could render this location not feasible for the Event Centre. Such measures could include an interchange.

Parking

- The site, which combined with the adjoining Southridge Mall, is expected to be able to provide a sufficient amount of parking spaces on site (approximately 3,000 existing spaces at the Southridge Mall along with an additional 1,000+ spaces on the site).

Cost

- The cost to ready the lands for the Event Centre, is currently estimated to be in the range of \$2.5 million to \$5.0 million.
- The cost of additional works and improvements needed for the effective operations of the Event Centre, including improvements to the Four Corners intersection, is estimated to be in the range of \$15.0 million to \$20.0 million.

The total cost to develop the Event Centre on the MacIsaac Drive Site is estimated to be in the range of \$110 million, including upgrades to the Four Corners intersection

MacIsaac Drive Site (continued)

Cost (continued)

- The total cost to develop the Event Centre, inclusive of site acquisition costs, site development and servicing costs, infrastructure upgrades and road / traffic management improvements is currently estimated to be in the range of \$110 million.
- If should be noted that because of the way the cost to construct the Event Centre had previously been estimated in PwC's March 2017 report (based on total development costs of other Event Centres; \$80.0 million), and because of the way other on-site and off-site costs have been calculated as part of this Site Evaluation Report, it is possible that there has been some double counting of costs, thereby lowering the Event Centre's cost of construction (the \$80.0 million figure).

Economic Impact

- Given the already existing "built form" that exists within the vicinity of the property, the ability to realize positive impacts is concluded to be greater in the short term compared to a greenfield site (where are critical mass of uses does not already exist).

- Beneficiaries are concluded to be the number of existing business already present in the area (including retail, restaurants and hotels) as well as the adjoining Southridge Mall.
- The Event Centre could serve as a catalyst for further development in the Four Corners area, including on the lands south of MacIsaac Drive.

City Building

- Further supports the "Regional Centre" designation associated with the area.
- The MacIsaac Drive Site potentially facilitates the further development of the South End of Sudbury.

The Algonquin Road Site is an approximate 22 acre property located near the intersection of Regent Street and Remington Road, between Regent Street and Algonquin Road

Algonquin Road Site

- The Algonquin Road Site is an approximate 22.0 acre site located on the south side of Regent Street, fronting along the north side a new road (Remington Street) proposed to be developed between Regent Street and Algonquin Road. It is part of a larger 48 acre site, which includes 30 acres on the north side of the Remington Road extension and 18 acres on the south side of the Remington Street extension.
- The City has a signed Option Agreement with the owner of this property to purchase it should the City select the Algonquin Road Site.
- The Algonquin Road Site is vacant and unimproved and contains undulating bedrock with dips and valleys.
- Salient factors considered by the ECSET include the following:

Vision

- The property is currently zoned M1 which does not allow for a public arena, but does allow for a commercial recreation centre. A rezoning would be required to allow the Event Centre to be constructed on this site.
- The site is located just beyond the Regional Centre designated at the Four Corners.

Complimentary Benefits

- The property is located at the periphery of an established retail and hospitality node within the City, including retail, restaurants and hotels.
- The isolated nature of the property, abutting a light industrial area will likely stimulate more limited complementary benefits.



The Algonquin Road Site will require rezoning to allow for an Event Centre and will require significant expenditures to construct the facility and allow for vehicular access to the site, including significant improvements to the Four Corners

Algonquin Road Site (continued)

Complimentary Benefits (continued)

- The potential exists for the Event Centre to facilitate the development of an approximately six acre site fronting along Regent Street and an 18 acre parcel located south of the property. However, the development of such sites, given the absence of any plan will likely be more dependent upon local economic conditions and fundamentals.

Ease of Development

- Current zoning does not allow for an Event Centre and a rezoning will be required, a process that could add six months (or more) the Event Centre's development schedule.
- Given the topography and physical make-up of the site, blasting and site grading will be required to either (a) create a single level building site which incorporates both the Event Centre and its adjoining parking area, or (b) to create a multi-level site for the Event Centre and adjoining parking areas. Preliminary estimates are that site preparation could last for a period of up to one year.
- The site benefits from the South End sewage "rock tunnel" which runs directly under the site.
- Modest expenditures will be required for site development, including hydro and water infrastructure.
- The extension of Remington Road from Regent Street to Algonquin Road will need to be constructed, the cost of which would be equally shared between the City and the land owner.

Access

- Site access would be from the Remington Street extension, as well as from a new signalized intersection at Regent Street, north / west of the existing intersection of Regent Street and Remington.
- The site benefits from an established retail node and proximity to major arterial roadways / area highways.
- The development of an Event Centre at this location may, however, require major improvements at the "Four Corners" intersection. Per the study completed by WSP, an Event Centre at this location, because of the peak demands caused around event times, could result in significant additional traffic mitigation costs which could render this location not feasible for the Event Centre. Such measures could include an interchange.

Parking

- The site is expected to be of a sufficient size to accommodate over 2,000 parking spaced on site. In addition, future developments (including on the lands adjoining the site and fronting along Regent Street, and on the south side of the Remington Street extension) could serve as supplementary parking (assuming they would not have restrictions associated with their use).

Cost

- The cost to ready the lands to allow for the Event Centre to be developed thereon is currently estimated to be in the range of \$5.0 million to \$10.0 million.

The total cost to develop the Event Centre on the Algonquin Road Site is estimated to be in the range of \$110 million, including upgrades to the Four Corners intersection

Algonquin Road Site (continued)

Cost (continued)

- The cost for additional works and improvements needed for the effective operations of the Event Centre on the site, including improvements to the Four Corners intersection and a contribution towards the construction of the Remington Road extension, is estimated to be in the range of \$20.0 million
- The total cost to develop the Event Centre, inclusive of site acquisition costs, site development and servicing costs, infrastructure upgrades, including road / traffic management improvements, is currently estimated to be in the range of \$110 million.
- If should again be noted that because of the way the cost to construct the Event Centre had previously been estimated in PwC's March 2017 report (based on total development costs of other Event Centres; \$80.0 million), and because of the way other on-site and off-site costs have been calculated as part of this Site Evaluation Report, it is possible that there has been some double counting of costs, thereby lowering the Event Centre's cost of construction (the \$80.0 million figure).

Economic Impact

- The Algonquin Road Site constitutes a "greenfield" site abutting a built-up area. The ability of a "greenfield" Event Centre to spawn new development / enhance development opportunities in its neighbouring area is low in the short term. If development is to occur, it will be generally evolve over a longer period, and will tend to evolve more as a function of

- local economic conditions and development trends than purely because of the presence of the Event Centre.
- However, given the already existing "built form" that exists near the property, the ability to realize some degree of positive impacts is concluded to be somewhat greater in the short term compared to a pure greenfield site (where are critical mass of uses does not already exist). Such impacts would be less than if the site was located in a fully developed area, but potentially greater than a more isolated greenfield site.

City Building

- The site provides a degree of support to the "Regional Centre" designation associated with the abutting Four Corners area.
- The Algonquin Road Site potentially facilitates the further development of the South End of Sudbury, albeit at a lower level compared to the MacIsaac Drive Site.

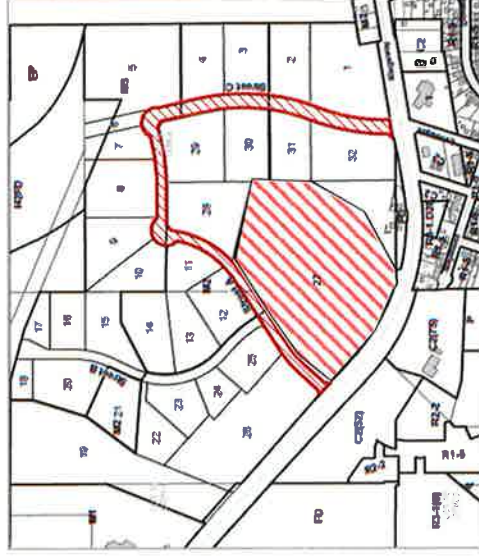
The Kingsway Site is an approximate 23.12 acre property located in the eastern quadrant of the City of Greater Sudbury. The Kingsway Site is proposed to be developed as a Regional Entertainment District, anchored by the Event Centre, a casino and numerous hospitality, entertainment and retail uses

Kingsway Site

- The Kingsway / Jack Nicholas Business and Innovation Park Site (“Kingsway Site”), is an approximate 23.12 acre site fronting along the north side of the Kingsway, immediately west of Levesque Street and opposite the Transport Training Centres of Canada building (the hatched Block 27 in the attached figure).
- The City has a signed Option Agreement with the owner of this property to purchase it should the City select the Kingsway Site.
- In addition, the City would be responsible for improving, at its cost, existing services to the property, including sewer, water and hydro, as well as make necessary improvements to the Kingsway to enable vehicular access to and from the site (the cost of such improvements could partially be recouped from the future development of the adjoining lands around the site).
- The Kingsway Site is intended to be developed by the owner as a Regional Entertainment District (“RED”). As envisioned, this 170 acre development would be anchored by the Event Centre and a proposed casino development. These uses are envisioned to support the eventual development of other ancillary and complimentary uses including hotels, conference spaces, other recreational amenities, retail uses and a motor sports park.
- Salient factors considered by the ECSET include the following.

Vision

- The entire Jack Nicholas Business and Innovation Park is zoned Industrial (M1, M2, M3), with the Kingsway Site zoned to also



The Kingsway Site will require rezoning to allow for an Event Centre and will require a number of additional costs to facilitate the operations of the Event Centre. An Event Centre on the Kingsway Site is envisioned to support a number of complimentary benefits

Kingsway Site (continued)

allow a private arena / commercial recreation centre. Developing the Event Centre on this site would require a rezoning.

- The property is located in proximity to the Sudbury Landfill Facility. While the proposed location for the Event Centre is further than 500 metres from the fill area (the area within which most significant contaminant discharges and visual problems are expected to occur), the actual influence area of a landfill can vary depending on the landfill, its operations, topography, etc. The Province's guidelines for land uses on or near landfills notes that the maximum distance within which adverse effects could be experienced is up to three kilometres from an operating landfill.

Since 2013, the City has received approximately 60 complaints regarding odours associated with the landfill through its 311 system. Of these complaints, only seven included a municipal address, and came from four separate properties. Of these four properties, the farthest is located more than one kilometre from the landfill.

Siting the Event Centre will likely require that periodic nuisances (e.g., odour, noise, dust) should be expected and therefore considered in the physical placement and design of the Event Centre.

Complimentary Benefits

- While currently located in an undeveloped area of the City, the site is proximate to and could comprise an eastern extension to the Kingsway / Barrydowne commercial node, further adding to the regional draw of Greater Sudbury in Northeastern Ontario.
- The site is part of a larger 170 acre RED development. As envisioned, the build-out of the entire site could constitute a "critical mass" of development which becomes self-supporting, generating consumer activity on a year-round, day / evening basis (as opposed to where a stand-alone facility is built and would only generate activity around event times). Build-out of the entire site will, however, be dependent upon economic conditions in order to support future real estate investment decisions.
- In addition, the RED development at full build-out could generate increased property taxes to the City, including higher casino revenues should the development support higher levels of visitation (compared to where a casino is not built within an Event Centre anchored development area).

Ease of Development

- The site will require improvements being made to both water infrastructure and the sanitary sewer system under Leveque Street. Hydro will also need to be brought to the site.
- As noted previously, the site will require rezoning, a process that could add six months (or more) to the Event Centre's development schedule.

While supporting a sufficient number of on-site parking spaces, the Kingsway Site will also require a number of access and traffic improvements. The total cost to develop the Event Centre is currently estimated to be in the range of \$98 million

Kingsway Site (continued)

Ease of Development (continued)

- Given the topography and physical make-up of the site (the site is vacant and unimproved and contains undulating bedrock with dips and valleys), a significant amount of blasting and site grading will be required to either (a) create a single level building site which incorporates both the Event Centre and its adjoining parking area, or (b) to create a multi-level site for the Event Centre and adjoining parking areas. Preliminary estimates are that site preparation could last for a period of one year.

Access

- The site benefits from frontage along the Kingsway and proximity to the Southeast Bypass.
- While queue lengths resulting from Event Centre traffic could be accommodated within the existing lane configurations along the Kingsway, some improvements will be required in order to facilitate vehicular access to / from the site. Per WSP, the siting of the Event Centre on this property is expected to require, among other improvements:
 - two full-access intersections along the Kingsway leading into / out of the site at each entrance;
 - increasing cycle lengths at the intersection of Falconbridge Road and the Kingsway;
 - removing the existing centre curb / median along the Kingsway and constructing in its place new left turn lanes at each entrance into the site; and
 - constructing a new dedicated right turn lane along the Kingsway at each entrance into the site.

Parking

- The site is expected to be of a sufficient size to accommodate over 2,000 parking spaces on site. In addition, the abutting developments proposed to be contained in the RED would also contain parking which could serve as supplementary parking (assuming they would not have restrictions associated with their use).

Cost

- The cost to ready the lands to allow for the Event Centre to be developed thereon is currently estimated to be in a range of \$10.0 million to \$15.0 million.
- The cost for additional works and improvements needed for the effective operations of the Event Centre on the site, including road improvements, hydro and water and sewer improvements, is estimated to be in the range of \$5.0 million to \$10.0 million.
- The total cost to develop the Event Centre, inclusive of site acquisition costs, site development and servicing costs, infrastructure upgrades, including road / traffic management improvements, is currently estimated to be in the range of \$98 million.
- If should again be noted that because of the way the cost to construct the Event Centre had previously been estimated in PwC's March 2017 report (based on total development costs of other Event Centres; \$80.0 million), and because of the way other on-site and off-site costs have been calculated as part of this Site Evaluation Report, it is possible that there has been

An Event Centre developed on the Kingsway Site is proposed to impart a number of positive benefits including enhancing the area as an entertainment / event destination and stimulating additional commercial and hospitality development

Kingsway Site (continued)

Cost (continued)

some double counting of costs, thereby lowering the Event Centre's cost of construction (the \$80.0 million figure).

Economic Impact

- Generally, the ability of a “greenfield” Event Centre to spawn new development / enhanced development opportunities in its neighbouring area is low in the short term. If development is to occur, it will be generally evolve over a longer period, and will tend to evolve more as a function of local economic conditions and development trends than purely because of the presence of the Event Centre.
- A benefit of the Kingsway Site is that the Event Centre is being proposed as a part of a larger entertainment district which is to include a casino as well as various hospitality, retail and other entertainment uses. Such a development, if built, is concluded to provide a “critical mass” of uses that are generally required in order to support ancillary uses and enable the development to be economically viable 18 hours a day, seven days a week, 52 weeks a year. However, it should be noted that the actual development of such uses will still require that the economic and financial fundamentals associated with those individual projects be sufficient to allow for their investment and eventual development.

Given that a perception exists that each of these uses will be developed, the ECSET sought to clarify this point and seek a degree of certainty that these developments would in fact be undertaken. To this end, it was proposed that if the various

uses proposed for the RED had not commenced construction within a certain period after the opening of the Event Centre, the property owner would annually pay a financial penalty to the City until such time as when all projects had commenced construction. The final agreement calls for the owner to use reasonable efforts to substantially affect the development of the property (failing which the City would be entitled to receive payment).

While providing a degree of certainty (i.e., less than 100%) that the entire RED could be developed, there is still, however, no guarantee that the entire RED will be developed.

- With respect to the casino, Gateway Casinos has announced their intention to locate their new facility in proximity to an Event Centre. The combination of the Event Centre and casino could spur additional investment and development in the area.
- The Event Centre developed at this site is envisioned to impact a number of benefits to varying degrees, including enhancing the area as an entertainment / event destination, facilitating new money being brought into Greater Sudbury, stimulating additional commercial and hospitality development and, to a lesser extent, supporting / enhancing activity during non-event times. The realization of such benefits is, however, not guaranteed and will be dependent upon future real estate market and financial investment conditions.

City Building

- The development of the Event Centre on the Kingsway Site has generated significant public discussion.

An Event Centre developed on the Kingsway Site could serve as a regional draw but do so at the expense of other areas

Kingsway Site (continued)

City Building (continued)

- As noted previously, the Event Centre as part of a RED has the ability to enhance the profile of Greater Sudbury as a destination. While adding to the regional draw of Greater Sudbury in Northeastern Ontario, it may do so at the expense of other “regional commercial nodes” including the downtown and south end / “Four Corners”.

The Downtown Site is an approximate 3.0 acre property located next to the existing Sudbury Community Arena, and is bounded by Brady Street, Minto Street, Shaughnessy Street and Van Horne Street

Downtown Site

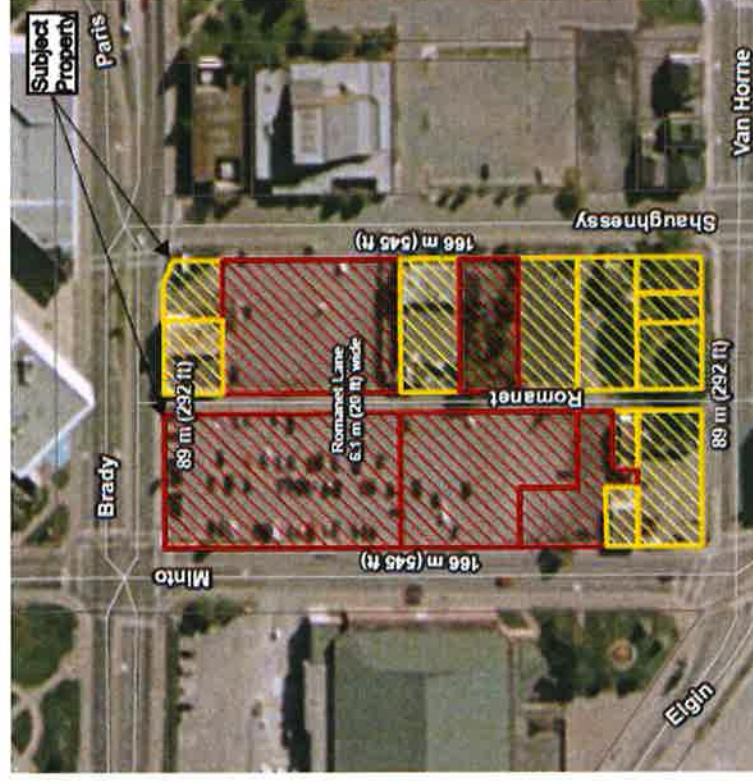
- The Downtown Site is an approximate 2.6 acre to 3.4 acre site located in Downtown Sudbury. The property is located next to the existing Sudbury Community Arena and is bounded by Brady Street to the north, Minto Street to the west, Shaughnessy Street to the east and Van Horne Street to the south.
- The City has entered into Option Agreements with land owners in the northern portion of the site, allowing a total site area with sufficient room to accommodate the siting of the Event Centre (approximately 2.6 acres). Concluded option agreements are still required with property owners on the southern portion of the site.
- The Downtown Site is mostly vacant and is currently used as a parking lot; the northern portion of the site contains two business lots with whom the City has signed Option to Purchase agreements.
- Salient factors considered by the ECSET include the following (it being noted that the ECSET considered the entirety of the Downtown Site, from Brady Street to Van Horne Street):

Vision

- The property is currently zoned C6 which permits the construction and operation of an Event Centre. No rezoning would be required.
- An Event Centre located on the Downtown Site is consistent with the City's Official Plan and an investment in an Event Centre would be consistent with the Community Improvement Plan recently adopted by the City.

Complimentary Benefits

- The development of an Event Centre is viewed as being able to impart a number of complimentary benefits within the



The Downtown Site is zoned to allow for an Event Centre and will require significant expenditures to prepare the site in order for the facility to be constructed

Downtown Site (continued)

Complementary Benefits (continued)

downtown including taking advantage of existing infrastructure, enhancing the existing urban fabric with compatible projects and assisting with the revitalization of Downtown Sudbury.

- The potential exists for the Event Centre to facilitate the broader revitalization of Downtown Sudbury, consistent with what has occurred in other communities which have developed new event centres in their downtown cores. The siting of the Event Centre on the Downtown Site could also spur the development of complimentary facilities including a new parking structure.

Ease of Development

- Current zoning allows for the construction of an Event Centre.
- Geotechnical and soil conditions (soft clay and silts with low bearing strengths) are such that micropilings will be required, similar to the recent development of Laurentian University's School of Architecture and the Meridian Centre in St. Catharines.
- Risk of environmental contamination, per Terraprobe, based on the site's proximity to the CP rail lands.
- Should the entire Downtown Site be desired, construction could be delayed pending the acquisition of other properties.
- Existing in-ground services will require modest upgrades.

Access

- The site benefits from multiple points of access, facilitating multi-directional event access / egress.
- The Downtown Site would benefit from additional improvements to the existing road network, including:
 - the addition of a 30 metre southbound right turn storage lane at the intersection of Paris and Brady Streets; and
 - adjusting signal timing plans at the intersections of Paris and Brady Streets and Paris and Van Horne Streets.

Parking

- Currently within Downtown Sudbury, there exists approximately 1,900 parking spaces within municipal and private lots and on-street in the area bounded by Elgin Street, Elm Street, Paris Street and the CP rail lands. Per an analysis completed by the City's Parking Section, some 1,500 parking spaces (within parking lots and on-street) exist within 400 metres / a five minute walk from the Downtown Site, while more than 2,500 parking spaces are available within 600 metres / 7.5 minute walk from the Downtown Site. With 800 metres (10 minutes) there exists more than 3,500 parking spaces with this area including parking spaces located within the Rainbow Centre (710 spaces) and Energy Court (450).
- Included in these parking space counts are, however, parking spaces that will / may be removed from the available inventory should the City proceed with various initiatives, including the Minto Street parking lot and the Elgin Street Greenway project.
- While a sufficient number of spaces may be available with 600 metres of the Downtown Site, the public perception is that many of these spaces are located too far from the Event Centre.

The cost to develop the Event Centre on the Downtown Site is estimated to be in the range of \$99 million, including acquisition costs for the entire site, micropiling and other off-site costs, excluding parking

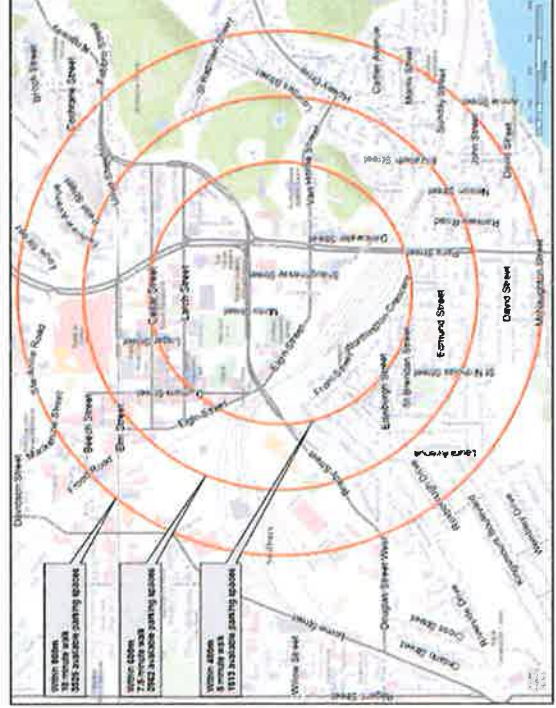
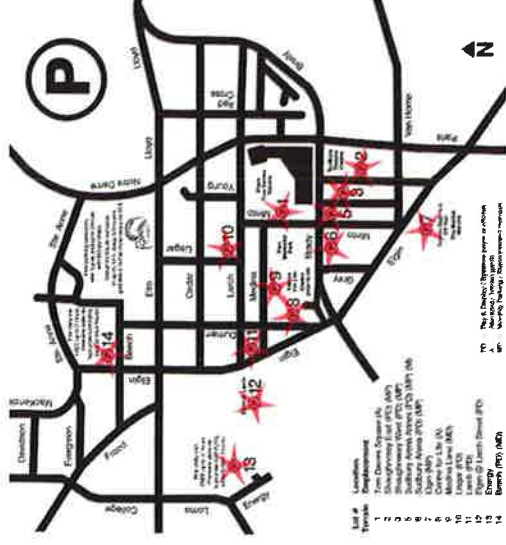
Downtown Site (continued)

Parking (continued)

- Investigations undertaken by City staff confirmed that utilization of parking spaces in lots located beyond 600 metres has been low during Sudbury Wolves hockey games.
- Discussions with Prime Real Estate and Gross Capital indicated that they have been considering the construction of a new parking facility in Downtown Sudbury. While demand for parking remains high during business hours, evening and weekend demand is low. The siting of the Event Centre in Downtown Sudbury is concluded by Gross Capital to enhance the business case for the construction of a new facility as the Event Centre’s programming and operations would add to the potential for evening and weekend use. For the purpose of this assessment, no consideration has been given to the increased potential for the construction of a new parking facility.

Cost

- Per the Option Agreements the City has with three current owners, the cost to acquire portions of the site not already owned by the City have been concluded. Allowances have been carried for the acquisition of other properties located in the southern portion of the Site.
- The cost to ready the lands for the development of the Event Centre is estimated to be in the range of \$5.0 million to \$10.0 million.
- The cost for additional works and improvements needed for the effective operations of the Event Centre on the site is estimated to be less than \$5.0 million.
- In addition, it should be noted that the Downtown Sudbury BIA recently adopted a resolution, committing some \$2.2 million over the next 25 years to the Event Centre project if it is located in the Downtown. The net present value of this commitment is estimated to be in the range of \$1.5 million.



The development the Event Centre on the Downtown Site is concluded to allow the City to realize greater economic benefits area in the shorter term and enhance and strengthen the City's Downtown core per its Official Plan

Downtown Site (continued)

Cost (continued)

- The total cost to develop the Event Centre, inclusive of site acquisition costs, site development and servicing costs, infrastructure upgrades and the value of the Downtown Sudbury BIA commitment, is currently estimated to be in the range of \$99 million. The cost of adding additional parking is not considered in this estimate.
- If should again be noted that because of the way the cost to construct the Event Centre had previously been estimated in PwC's March 2017 report (based on total development costs of other Event Centres; \$80.0 million), and because of the way other on-site and off-site costs have been calculated as part of this Site Evaluation Report, it is possible that there has been some double counting of costs, thereby lowering the Event Centre's cost of construction (the \$80.0 million figure).

Economic Impact

- Given the already existing "built form" that exists within Downtown Sudbury, the ability to realize positive impacts is concluded to be greater in the short term compared to a greenfield site (where are critical mass of uses does not already exist).
- Precedent examples of Event Centres and the ability of new facilities being located within downtown cores and stimulating economic development illustrates that the development of an Event Centre adjacent to existing development would create a more immediate impact with a greater potential for new development in the medium to longer term compared to a greenfield site which has the potential to spur new development but would likely occur over a much longer period.

- Similar to the observations included within the commentary provided for Complimentary Developments, an Event Centre developed within a city's downtown is viewed as supporting investment in its core, with such investments complementing other existing investments and planned future investments (including the School of Architecture, Place des Arts, Performing Arts Centre, etc.).

City Building

- Locating the Event Centre on the Downtown Site would allow the City to continue to support its longer-term city building vision as articulated in its Official Plan:

"...Greater Sudbury's Downtown will be developed and sustained as the vibrant hub of a dynamic city by preserving its historical built form, promoting arts and culture, improving linkages to neighbourhoods and amenities, integrating natural features, developing residential uses, and creating unique urban spaces through innovative design."

and,

"...The heart of Greater Sudbury, its most urban place, is and will be the Downtown. With the changing role of downtowns, there is a continuing need for appropriate policies and programs to enhance the Downtown as a location of government, commerce, cultural and entertainment facilities. Residential development in and around the Downtown is needed to support new and expanded facilities and amenities. Town Centres will continue to serve the needs of local communities."

Summary and Recommendation

Based on the Consensus Evaluation by members of the Event Centre Site Evaluation Team, the site which yielded the highest comparative ranking was the Downtown Site followed by the Kingsway Site

Site Evaluation Results

- Based on a consensus ranking by members of the ECSET, each site was evaluated based on the eight site selection criteria approved by Greater Sudbury City Council and per the relative weighting as also approved by Greater Sudbury City Council (identified on Slide 10, above). The attached table summarizes the relative ranking of each site.
- Based on the results of this review and assessment:
 - The Downtown Site is the highest ranked site overall, considering all site evaluation criteria, ranking first in every category with the exception of “Parking” and “Cost” where it ranked fourth and second respectively.
 - The Kingsway Site is the second highest ranked site overall, ranking first in Parking (tied with both the MacIsaac Drive Site and Algonquin Road Site) and Cost, and ranking second in most other categories with the exception of “Access” and “Ease of Development” (where it ranked third and fourth respectively).
 - In terms of those categories which were identified by Greater Sudbury City Council as of “Highest Importance”, the Kingsway Site ranked first overall. The Downtown Site ranked second overall for this classification of site evaluation criteria, including ranking first in Economic Impact; from a cost perspective, the Kingsway Site is concluded to be slightly less expensive than the Downtown Site.
 - In terms of those categories identified by Greater Sudbury City Council as being “Extremely Important”, the Downtown Site ranked first overall (and ranked first in each category). The Kingsway Site ranked second overall (ranking second, third and fourth in this classification of site evaluation criteria).

Criteria	MacIsaac	Algonquin	Kingsway	Downtown
Parking	1	1	1	4
Cost Impact	3	4	1	2
Economic Impact	3	3	2	1
Complimentary Benefits	3	4	2	1
Ease of Development	2	3	4	1
Access	2	4	3	1
Vision	3	4	2	1
City Building	4	3	2	1
Of Highest Importance	3	4	1	2
Extremely Important	3	4	2	1
Highest and Extremely Important	3	4	2	1
Important	3	4	2	1
Combined	3	4	2	1

Both the Downtown Site and the Kingsway Site comprise appropriate locations for an Event Centre, with each site featuring various advantages and disadvantages

Site Evaluation Results (continued)

- In terms of those categories identified by Greater Sudbury City Council as being “Of Highest Importance” and “Extremely Important”, combined, the Downtown Site ranked first overall while the Kingsway Site ranked second overall.
- Finally, in terms of those categories identified by Greater Sudbury City Council as being “Important”, the Downtown Site ranked first overall (and ranked first in each category) while the Kingsway Site ranked second overall (and second in each category).
- While ranking second, the Kingsway Site scored high and would constitute a viable location.

Salient Considerations Associated with the Two Highest Ranking Sites

- Salient considerations associated with the two highest ranking sites include the following:
 - **Downtown Site**
 - Advantages associated with the Downtown Site include:
 - option agreements with land owners are in place which will provide a sufficiently sized site on which to construct an Event Centre
 - site is appropriately zoned allowing construction to commence immediately
 - the location is directly consistent with the City’s strategic vision and city building policies
 - the selection of the site would support a \$1.5 million (present value) commitment by the Downtown Sudbury BIA
 - the Downtown Site provides a greater ability to realize complimentary benefits in the short to medium term

- compared to other sites
- selection could spur the development of a new structured parking facility in the downtown core
- Disadvantages associated with the Downtown Site include:
 - concluded Option Agreements with land owners in the southern portion of the block are not yet in place and could add delays if entire block is desired
 - while the downtown benefits from an adequate supply of parking with a 10-minute walking radius, the location of such parking is generally viewed as inconvenient

Kingsway Site

- Advantages associated with the Kingsway Site include:
 - an option agreement with the land owner has been agreed to
 - the property is large enough to accommodate a sufficient amount of on-site parking
 - the total cost to develop the property is slightly less expensive compared to the Downtown Site
 - the property has been planned and is being actively promoted as an entertainment district centered around the Event Centre and casino
 - the property potentially has the highest potential to convey positive benefits within the community, including enhancing this area of the Kingsway as an entertainment / event destination.

The recommended location for the Event Centre is the Downtown Site

Salient Considerations Associated with the Two Highest Ranking Sites (continued)

- while not guaranteeing the full build out of the property, the owner has agreed to pay a financial penalty to the City if they fail to use reasonable efforts to effect the substantial development of the site
- Disadvantages associated with the Kingsway Site include:
 - the property will require rezoning which will delay when construction of the Event Centre could commence
 - the site will also require significant blasting and grading, further adding to the timeframe associated with the Event Centre's development
 - the property is located in proximity to the Sudbury Landfill Facility
 - while offering longer-term economic potential, the development property is not guaranteed and will be subject to future real estate market and financial investment decisions.

Recommended Site

- In consideration of the individual and relative rankings of each site against the site evaluation criteria, the recommended location for the Event Centre is the Downtown Site:
 - It scored highest in all categories except Parking and Cost (where its total estimated cost is estimated to be only marginally higher than the Kingsway Site).
 - In addition, it scored highest in terms of economic development, access, ease of development and its ability to deliver complementary benefits.
 - Finally, it is concluded to be best able to support the stated long-term vision of the City and contribute most to city building.

	MacIsaac Drive	Algonquin Road	Kingsway	Downtown
Land, Site Development and Off-Site Improvements	\$30.0 million to \$35.0 million	\$30.0 million to \$35.0 million	\$15.0 million to \$20.0 million	\$15.0 million to \$20.0 million
Facility Development Costs*	\$80.0 million	\$80.0 million	\$80.0 million	\$80.0 million
Total	\$110.7 million	\$111.3 million	\$98.3 million	\$99.6 million

* Because of the way the cost to construct the Event Centre had previously been estimated in PwC's March 2017 report (based on total development costs of other Event Centres), and because of the way on-site and off-site costs have been calculated as part of this Site Evaluation Report, it is possible that there has been some double counting of costs, thereby lowering the Event Centre's cost of construction (the \$80.0 million figure).

General Assumptions and Limiting Conditions

1. The use of any Projection made in conjunction with this Report may not be appropriate for use outside of its intended purpose. The Projection, which will not reflect actual development, economic, demographic and / or financial results, may reflect a possible scenario for the operations of new Sports and Entertainment Centre / Arena in Greater Sudbury, Ontario during the Projection Period, given PwC's judgment as to a probable set of economic conditions, together with the hypotheses which are consistent with the purpose of the Projections. Scenarios produced in conjunction with our analysis may contain hypotheses and assumptions which are based on a set of economic conditions or anticipated courses of action that are not unreasonable, are consistent with the purpose of the projections, but which will not materialize as set out therein. The hypotheses represent plausible circumstances, but need not be, and may not have been fully supported.

Since future events are not subject to precise projections, some assumptions will not materialize in the exact form presented by our analysis. In addition, other unanticipated events and circumstances may occur which could influence the future performance of the Facility. Therefore, the level of growth which will occur in the future will vary from the analysis of prospective market and economic conditions set out therein. While there is no recourse to predicting these matters with certainty apart from informed and reasoned judgments, it must be stated that future events will lead to variations in performance which may materially alter the success and performance of the Facility. PwC does not warrant that actual results achieved during the Projection Period will be the same, in whole or in part, as those shown in the Projection. The Projection is based on hypotheses and there is a significant risk that actual results will vary, perhaps materially, from the results projected.

Estimates and projections contained in this report are based, in part, on information provided by the City of Greater Sudbury, by Terraprobe and WSP, among others. PwC was not retained to review or provide comment on the findings of these reports or on the consultants retained to provide those findings.

2. Responsible and competent management are assumed.

3. Information furnished by others upon which all or portions of this report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information.
4. Our report and work product cannot be included, or referred to, in any prospectus, securities and exchange commission filing or other public investment document.
5. The intended use of this report is in support of a locational assessment and site selection for the location of a proposed new Sports and Entertainment Centre / Arena in Greater Sudbury, Ontario by Greater Sudbury City Council.
6. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, provincial, or national government or private entity or organization have been, or can readily be obtained, or renewed for any use on which the estimates provided in this report are based.
7. No investigation has been made of, and no responsibility is assumed for, the legal description or for legal matters including title or encumbrances.
8. Full compliance with all applicable federal, provincial and local zoning, use, occupancy, environmental, and similar laws and regulations is assumed, unless otherwise stated.
9. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions which occur subsequent to the effective date of this report.
10. Any financial structure within this report is predicated on the market conditions prevailing as of the date of this report.
11. Areas and dimensions of any property referenced in this report were obtained from sources believed to be reliable. Maps or sketches, if included in this report, are only to assist the reader in visualizing the property / site and no responsibility is assumed for their accuracy. No independent surveys were conducted.

12. It is assumed that there are no hidden or unapparent conditions of the site, subsoil, or structures that affect future use and / or value. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
13. Only preliminary soil analyses and geotechnical studies were ordered or made in conjunction with this report. No investigation made of any water, oil, gas, coal, or other subsurface mineral and use rights or conditions. It is assumed that such reviews and examinations would be made following any decision by Greater Sudbury City Council.
14. Neither PwC nor any individuals signing or associated with this report shall be required by reason of this report to give further consultation, to provide testimony or appear in court or other legal proceedings, unless specific arrangements thereof have been made.
15. This report has been made only for the purpose stated and shall not be used for any other purpose. Neither this report nor any portions thereof (including without limitation any conclusions, the identity of PwC or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties by any means without the prior written consent and approval of PwC.
16. We have not been engaged nor are qualified to detect the existence of hazardous material which may or may not be present on or near the property. The presence of potentially hazardous substances such as asbestos, urea-formaldehyde foam insulation, industrial wastes, etc. may affect the value and future use of a particular site and the viability of using the site for an Event Centre. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. It is assumed that such reviews and examinations would be made following any decision by Greater Sudbury City Council.
17. We have not audited or otherwise verified the various costs associated with developing the Facility on particular site.

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PwC refers to the Canadian firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

City of Greater Sudbury
Greater Sudbury Event Centre
Site Evaluation

June 2017

Revised

pwc

Background

- The Event Centre Site Evaluation Team included the Special Advisor to the CAO, PwC, HDR|CEI Architecture and the following City Departments:
 - Economic Development
 - Planning
 - Engineering
 - Real Estate
- Technical expertise was also provided by other City departments, as well as by third party consultants retained to provide commentary on specific matters, including:
 - Terraprobe (for anticipated geotechnical / soil characteristics and foundation system constructability); and
 - WSP / MMM Group (traffic operational assessment and identification and costing of resultant mitigating measures, if any).

Initial Assessment of Potential Sites

- 23 individual sites / site configurations were initially reviewed by the ECSET
- These sites consisted of properties which are already owned by the City, are privately owned sites where the owner of that property had previously expressed an interest in utilizing their site for the Event Centre, or are privately owned sites which are currently vacant and would be of a sufficient size to house a 5,800-seat Event Centre.
- Each site was initially reviewed based on a number of criteria, including:
 - Site size and dimensions
 - Proximity to parking
 - Proximity to arterial roads
 - Proximity to municipal services
 - Suitable soils / topography

Initial Assessment of Potential Sites

- MacIsaac Drive Site, a 19.2 acre site on the north side of MacIsaac Drive, west of Old Burwash Road, adjoining the Southridge Mall
- Algonquin Road Site, a 22 acre site located on the north side of a proposed new road (Remington Street) between Regent Street and Algonquin Road
- Kingsway / Jack Nicholas Business and Innovation Park, a 23.12 acre site fronting along the north side of the Kingsway, immediately west of Levesque Street
- Downtown Site, an approximate 3.5 acre block bounded by Brady Street to the north, Minto Street to the west, Van Horne to the south and Shaughnessy Street to the east

MacIsaac Drive Site



Algonquin Road Site



Kingsway Site



Downtown Site



Site Evaluation Criteria

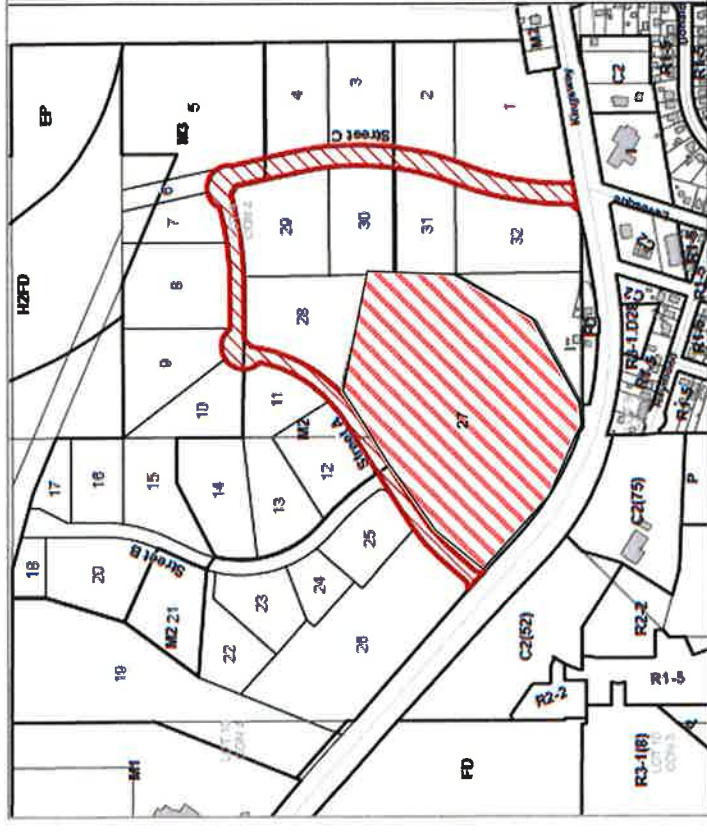
SITE EVALUATION MATRIX

1	Vision	9.50%
a	Will the development of an SEC on this site be seen by Greater Sudbury residents as appropriate?	
b	Does an SEC on this site reflect the City's vision and City's Official Plan?	
c	Will this development stimulate future growth / expansion consistent with the City's vision?	
2	Complimentary Benefits	12.00%
a	Will the surrounding neighbourhood / area be positively impacted by this development?	
b	Can this site support the development / expansion of a commercially viable event / entertainment precinct?	
c	Will this project advance existing infrastructure expansion or improvement plans?	
d	Does development strike an appropriate balance between public and private sector benefits?	
d	Are there additional benefits not necessarily associated with entertainment / event activity?	
3	Ease of Development	12.00%
a	Is the site well-serviced and can existing servicing handled the added requirements of an SEC?	
b	Can development move quickly and avoid a prolonged due diligence or approval process?	
c	Are there site development issues that would extend the design / construction process or delay the project?	
d	Are there significant geotechnical, topographic or environmental issues with the site specifically for an SEC?	
4	Access	12.00%
a	Does the site have easy vehicular access and egress for event setup?	
b	Does the site have appropriate vehicular access and egress for spectators at events?	
c	Does transit currently service the site and/or would service be provided?	
d	Can transit reduce car dependent travel to this site?	
e	Is this site accessible by patrons walking to the event (hotel, restaurants, etc.)?	
5	Parking	15.00%
a	Is there the potential for adequate parking on or near the site?	
b	Is there existing parking in the area that can be used for events?	
c	Does the event centre parking also effectively support other uses during non-event days?	
d	Is there appropriate space for event loading/busing?	
6	Cost Impact	15.00%
a	Is there a cost premium for developing the spectator component on this site?	
b	Is there a cost premium for overall site development?	
c	Are there funding opportunities associated with the development of this site?	
d	Are there partnering opportunities associated with the development of this site?	
7	Economic Impact	15.00%
a	Does the development of this site have a positive economic impact on the surrounding area?	
b	Would this site become an entertainment/event destination?	
c	Is this site positively impacted by the existing surrounding development?	
8	City-building	9.50%
a	Does the development on this site enhance the profile of Greater Sudbury as a destination?	
b	Would the development of this site enhance the quality of life for the community?	
c	Would the development as envisioned foster pride by the residents of Greater Sudbury?	
TOTAL SCORE		100.00%

Site Evaluation – Kingsway Site

Advantages

- Signed Option Agreement
- Ability to accommodate sufficient on-site parking
- Lowest cost to develop, considering site acquisition, site preparation and off-site improvements (slightly lower than Downtown)
- Property being planned and actively promoted as an entertainment district centred around the Event Centre and a casino
- Property has the potential to convey the greatest long-term benefits assuming the entire development is realized
- While not guaranteeing the larger property's full build out, the owner has agreed to pay a financial penalty if they fail to use reasonable efforts to effect the substantial development of the site



Site Evaluation – Kingsway Site

Disadvantages

- Site requires rezoning
- Site requires significant blasting and grading
- Property is located in proximity to the Sudbury Landfill Facility
- While offering longer-term economic potential, the development of the property is not guaranteed and will be subject to future real estate and financial investment decisions



Site Evaluation – Downtown Site

Advantages

- Signed Option Agreements allowing for a sufficiently sized site on which to build the Event Centre
- Site is zoned and can commence construction immediately
- Selection would support a \$1.5 million contribution from the Downtown Sudbury BIA
- Provides the greatest ability to realize complimentary benefits and positive economic benefits in the short to medium term
- Location supports the City's vision and city building directives as contained in its Official Plan



Site Evaluation – Downtown Site

Disadvantages

- Concluded Option Agreements with land owners in the southern portion of the block net yet in place and could add delays if the entire block is desired
- While some 3,000 parking spaces exist with an 10-minute walk of the site, the location of this parking is not generally viewed as convenient
- Site will require micro-pilings to enable the Event Centre to be built

Site Evaluation – Cost Summary

	Mael saac Drive	Algonquin Road	Kingsway	Downtown
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Site Evaluation – Overall Summary

Criteria	MacIsaac	Algonquin	Kingsway	Downtown
Parking	1	1	1	4
Cost Impact	3	4	1	2
Economic Impact	3	3	2	1
Complimentary Benefits	3	4	2	1
Ease of Development	2	3	4	1
Access	2	4	3	1
Vision	3	4	2	1
City Building	4	3	2	1
Of Highest Importance	3	4	1	2
Extremely Important	3	4	2	1
Highest and Extremely Important	3	4	2	1
Important	3	4	2	1
Combined	3	4	2	1

Recommendation

- In consideration of the individual and relative rankings of each site against the site evaluation criteria, the recommended location for the Event Centre is the Downtown Site:
- It scored highest in all categories except Parking and Cost (where its total estimated cost is estimated to be only marginally higher than the Kingsway Site).
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Questions