

NEWS RELEASE

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City of Nanaimo publishes events centre business plan

Summary

The City of Nanaimo has published a detailed events centre business plan to give Nanaimo citizens full access to information they may need to make a decision in advance of a March 11 referendum. The business plan provides extensive details around estimated costs, projected revenue scenarios as well as cost of borrowing and estimated economic benefits resulting from construction and the events centre's ongoing operations. The business plan is a comprehensive summary of information that had been released in sections in earlier reports.

The full report, as well as other reports and background information, can be viewed at nanaimo.ca.

Strategic Link: An events centre supports the Recreation, Culture, Sports and Tourism priority by providing the necessary resources and space to facilitate the development of recreation, sport and culture in Nanaimo.

Key Points

- Situated on three acres at the 1 Port Drive Lands, the events centre is estimated to cost \$80 million, split between \$58 million for hard construction costs and \$12 million for soft costs. Off-site costs for road access and sewer line relocation are estimated at \$10 million.
- To finance the events centre the City is proposing borrowing up to \$80 million over a term of 20 years at an estimated interest rate of 3 per cent per year. The cost of borrowing will be covered by new and existing revenue sources, but will not require an increase in property taxes.
- The initial business plan was produced by Stafford Sports, an internationally recognized sports consultant that provides expert services for public assembly venues with further refinement by City staff. Proposed negotiating mandates for a WHL agreement and operator agreement remains confidential to ensure both parties can negotiate in good faith.
- A referendum on whether the City should borrow the money to finance the events centre will be held on Saturday, March 11, 2017.

Quotes

"The City of Nanaimo's Business Plan is a comprehensive summary of the proposed approach to assessing the feasibility of building an event centre in our community. The City's finance, public works, engineering and community planning departments have reviewed the consulting reports and agreed with the recommended approach to due diligence and financial plan."

Tracy Samra
Chief Administrative Officer
City of Nanaimo

"This report is a culmination of work by Stafford Sports and City staff for the operation of the events centre based on other facilities of similar size in similar communities. For additional due diligence we also commissioned Ernst & Young to provide an analysis of the assumptions in the business case. We hope this comprehensive presentation of the information gives the community clear information for making a decision on March 11."

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