

EVENT CENTRE STUDY

October 24, 2016



BBB MULTI-USE SPECTATOR EVENT CENTRES

Air Canada Centre, Toronto
Arena Frankfurt, Frankfurt
Arena Hungary, Budapest
Arena Riga, Riga, Latvia
Budweiser Gardens, London
Barclaycard Arena, Hamburg
Barrie Molson Centre, Barrie,
Bradenton - Sarasota Arena, Sarasota*
Charlotte Hornets, Charlotte*
Croydon Centre, Croydon
Coastal Carolina Arena, Myrtle Beach*
Carmel Arena, Carmel*
First Arena, Elmira
Florida Panthers Ice Den, Coral Springs
GTA Centre, Markham
Germain Arena, Fort Myers*
Gene Polissen Center, Rochester Institute
of Technology, Rochester*
Hartwall Arena, Helsinki
Hallenstadion, Zurich
Indianapolis Ice, Indianapolis
**Jackson Sports and Entertainment
Center**, Jackson*
K-Rock Centre, Kingston
Kitchener Memorial Auditorium,
Kitchener
Kindersley Recreation Center, Kindersley

**Kimball Entertainment and Sports
Center**, Port Huron*
L.A. Forum, Los Angeles*
Lakewood Ranch Forum, Sarasota
Medibank Icehouse, Melbourne
Malmo Arena, Malmo
Madison Square Garden, New York
MSG Training Centre, New York
Metro Radio Arena, Newcastle upon Tyne
Mehrzweckhalle Berlin, Berlin
Milton Sports Centre, Milton
Moose Jaw Multiplex, Moose Jaw
National Ice Centre, Nottingham
**Nassau Veterans Memorial Coliseum
Uniondale**, New York*
Niagara University Ice Complex,
Niagara Falls*
**Orangetown Recreation & Sports
Facility**, Orangetown*
Oberhausen Arena, Oberhausen
Oshawa Civic Auditorium, Oshawa
Powerade Centre, Brampton
Peterborough Memorial Centre,
Peterborough
Ricoh Coliseum, Toronto
Rexall Place, Edmonton

Rose Garden, Portland
Rogers Arena, Vancouver
Scotiabank Saddledome, Calgary
Siemens Arena, Vilnius
**Sault Ste. Marie Entertainment and
Sports Centre (Essar Centre)**, Sault
Ste. Marie
**Sarnia International Entertainment and
Sports Centre**, Sarnia
**Seymour-Hannah Sports and
Entertainment Centre**, St. Catharines
SUNY Canton Recreation Centre, New York
The Sports Village, Vaughan
**Terwillegar Community Recreation
Centre**, Edmonton
U.S. Cellular Coliseum, Bloomington*
Valascia, Ambri
Webster Bank Arena, Bridgeport
Wells Fargo Center, Philadelphia*
**Windsor Family Credit Union (WFCU)
Centre**, Windsor
2014 Winter Olympics, Sochi

*Completed Through SCI Architects

BBB Big EVENT CENTERS



BBB Big EVENT CENTERS -- Multi-Use Spectator Arenas



BBB - MADISON SQUARE GARDEN

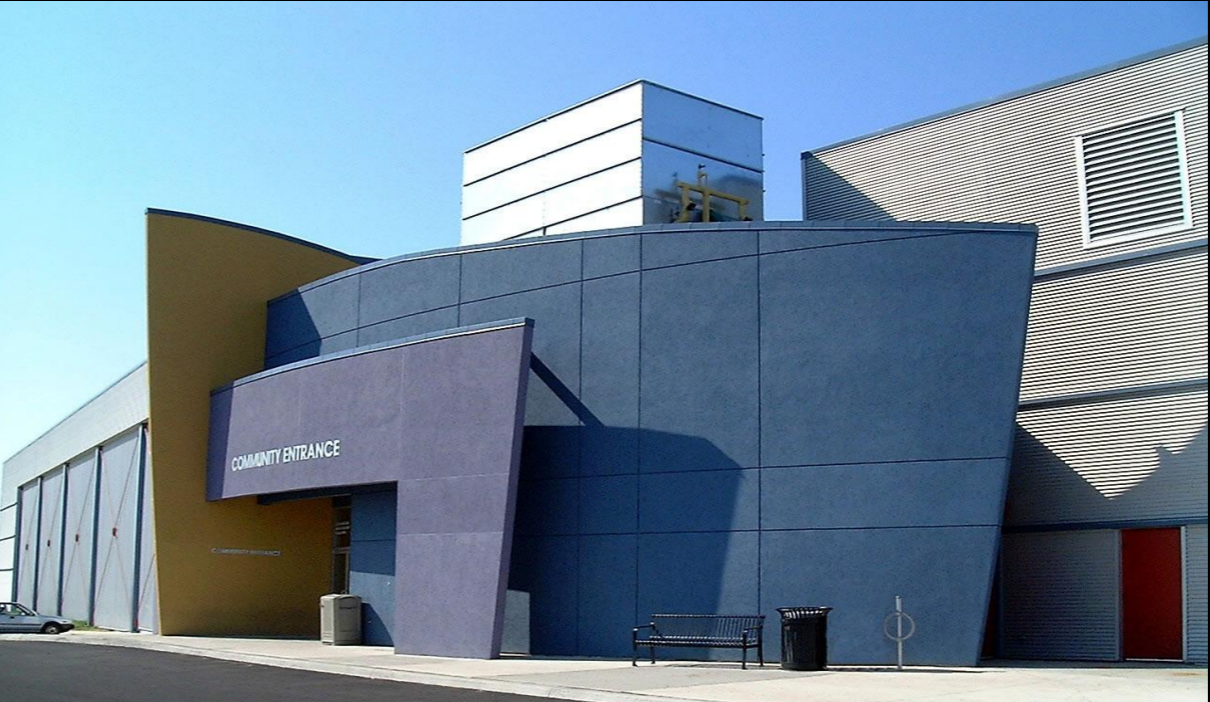


BBB Big EVENT CENTERS

Los Angeles FORUM



BBB MID SIZED EVENT CENTERS



BBB MID SIZED EVENT CENTERS



BBB MID SIZED EVENT CENTERS



BBB MID SIZED EVENT CENTERS



GERMAIN ARENA

Fort Myers, FL

BBB MID SIZED EVENT CENTERS



U.S CELLULAR COLISEUM

Bloomington, IL

BBB MID SIZED EVENT CENTERS



WEBSTER BANK ARENA

Bridgeport, Connecticut

BBB MID SIZED EVENT CENTERS



BUDWEISER GARDENS

London, ON

BBB MID SIZED EVENT CENTERS



BUDWEISER GARDENS

London, ON

BBB MID SIZED EVENT CENTERS



ICE – Hockey, Figure Skating, Curling, Sledge Hockey, Community Skating, Synchronized Skating, On Ice Theatre.



GRASS – Football, Soccer, Cricket, Lacrosse, Field Hockey



DIRT – Equestrian, Motor Sports, Rodeo



EVENT FLOOR – Conventions, Graduations, Concerts, Theatre, Performances, Ballet, Public Speakers, Watching Parties.



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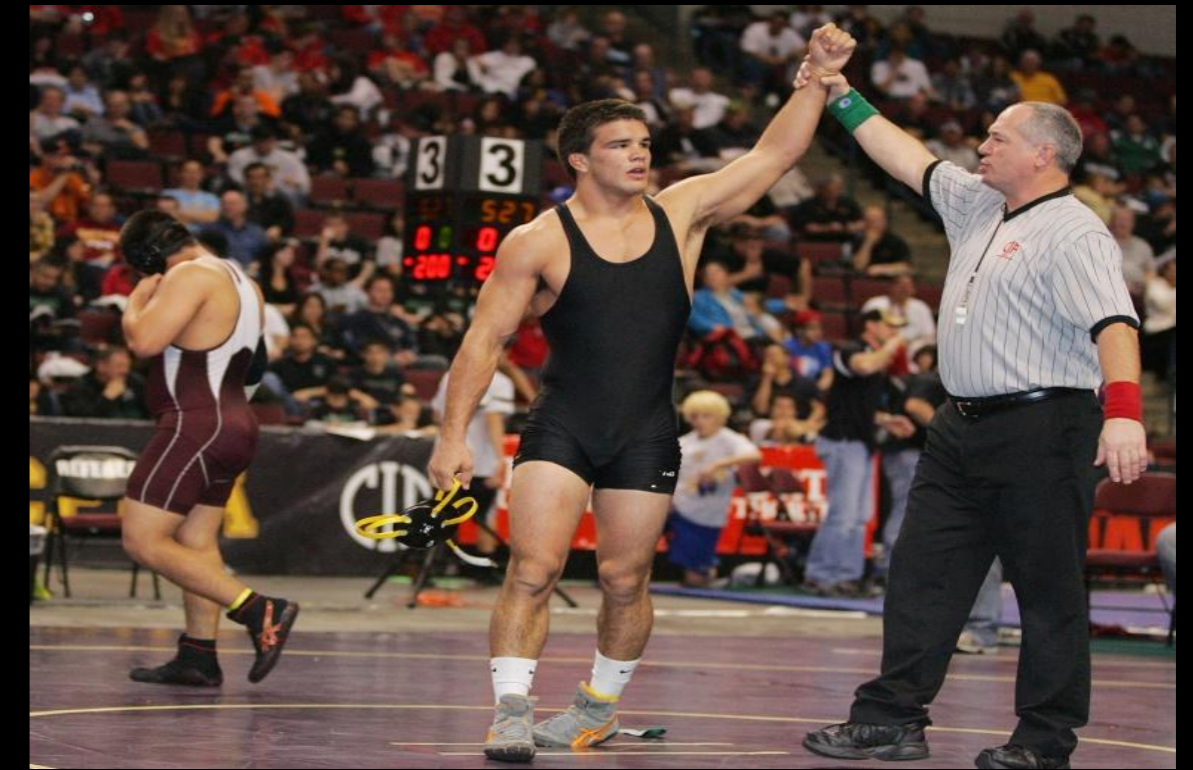
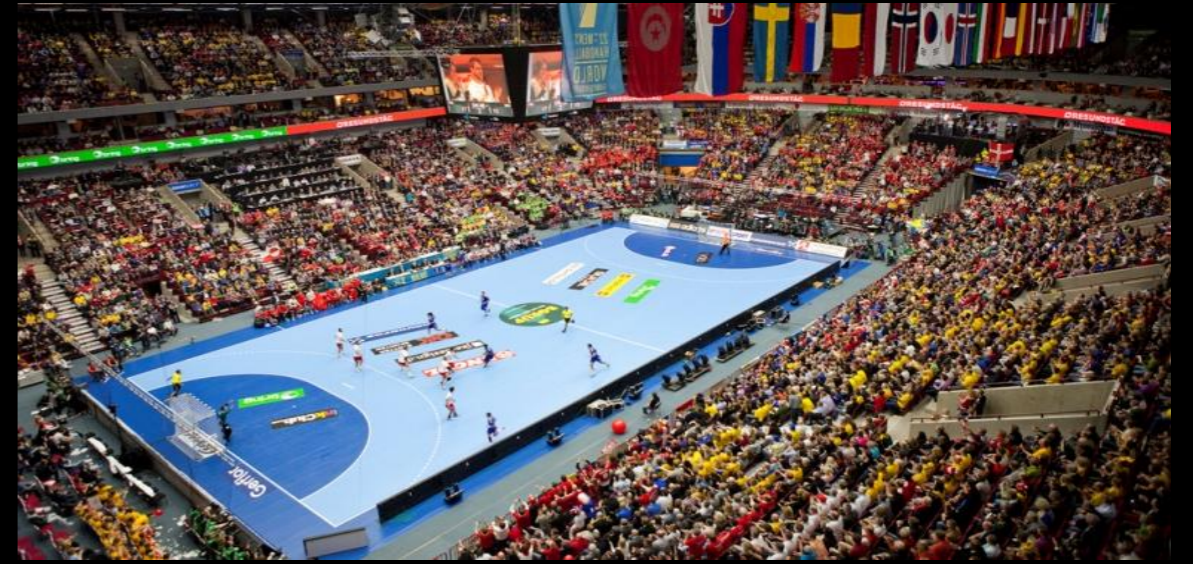
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COURT – Basketball, Handball, Badminton, Wrestling



WATER – Boat Shows



EVENT CENTRE STUDY

October 24, 2016



EVENT CENTRE STUDY OBJECTIVES

- Respond to City Council's designation of an Event Centre as one of their Strategic Plans' top 5 priorities.
- Report on the implications of Nanaimo having the opportunity to secure a WHL Team if an Event Centre is developed.
- Within one month, provide an INITIAL OVERVIEW on an Event Centre's financial & physical planning realities & benefits to allow City Council to make an informed decision on whether to pursue this initiative further.

NANAIMO MARKET

- Primary Nanaimo Regional District: 165,000
- Secondary (1 hour travel time): 140,000
- Third (1.5 hour travel time): 86,000 *

* Victoria not included.

- “Captured Population” of over 400,000 & growing.

- Kelowna 275,000
- Red Deer 250,000

NANAIMO MARKET CHARACTERISTICS

- People expect to travel long distances.
- Nanaimo's central location and ferries.
- Strong student population.
- Unique destination for tourists.
- Port Theatre Sales:
 - 10% to households off Vancouver Island.
 - 20% to households on Vancouver Island but are outside NRD.
- Event Centre could attract 35% or more from outside the NRD.
- Nanaimo is largest urban area in Western Canada without a modern Event Centre.

NANAIMO BUSINESS MARKET

- Diversification and strength of its business community.
- 600 businesses with 20 or more employees, vast majority within City of Nanaimo.
- Anticipated continued growth.
- Will result in strong event ticket sales and sponsorships.

PRIMARY EVENT REQUIREMENTS

WESTERN HOCKEY LEAGUE

Establishing the overall spectator viewing capacity:

- Kelowna average attendance: 5,424
- Red Deer average attendance: 5,635
- WHL average attendance: 4,535
- Attendance varies as team wins/loses & on who they're playing.
- Right capacity for a Nanaimo WHL Team: 5,700

5700 will assist in attracting more premium games & championships.

- Also need suites, loges, clubs, restaurants, bars, etc.

PRIMARY EVENT REQUIREMENTS

TOURING SHOWS

- Most mid-sized regions have maximum 6,500 to 7,500 and host approximately 25 shows.
- Facilities with 8,000 to 9,000 are hosting approximately 35 to 40 touring shows.
- Need good quality acoustics, washrooms, fast move-ins, rigging loads, stage power, etc.

PRIMARY EVENT REQUIREMENTS

OTHER EVENTS

- Facility must be complimentary & coordinated with the Port Theatre and other Nanaimo entertainment facilities.
- Cultural and community events and activities.
- Public galleries and sitting areas at non-event times.
- Ice sport recreational and training uses.
- Indoor soft-surface circular walking routes.
- Rooms for not-for-profit community and cultural groups at non event times.
- Covered outdoor public activation & festival plaza.

RECOMMENDED FACILITY PROGRAM

- Large enough for WHL Team.
- Features to attract a broad variety of Touring Shows.
- Provides a first class experience with a tight vertical bowl that provides on-top-of-the-action visibility for all guests.
- A wide cross-section of different seating and hospitality options.
- Provide for an efficient future operation of the Centre
- Areas for growth that allow self-funding complimentary uses.

BASE FACILITY

- Capacity:
 - Hockey SVC - 5,700 spectators
 - Concerts SVC - 7,100 spectator
- 22 Suites & 22 Loges.
- 800 Seat Club.
- Restaurant & Bar open to Event Bowl.
- Neighbourhood Seating Sections for youth, families, businesses of different sizes, etc.
- Accessible 365 day/year Concourses, Restrooms and F&B Food Concepts.

OPTION A

Concert SVC is 8,300 instead of 7,100 which will attract more events & which requires 2,200m² of additional guest services. Hockey capacity stays the same as the BASE FACILITY's 7100.

This Option also includes add'l multi-purpose rooms for community recreation, meetings & other activities to augment the facility's use as a 365 day recreational/community centre.

OPTION B

An exterior and interior architectural upgrade including addition of a large covered exterior entry activation pavilion to make this a one-of-a-kind made-in-Nanaimo public assembly community centre.

Also creates an environmental showcase using traditional sustainable building products to create a world unique architectural interpretation of a First Nations' Long House.

OPTION C

If the City wants to minimize the cost of the facility while still maximizing the opportunity to attract a WHL Team, we recommend a 5,000 to 5,200 seat facility of 120,000sf that has minimal facilities to accommodate touring shows.



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BASE FACILITY

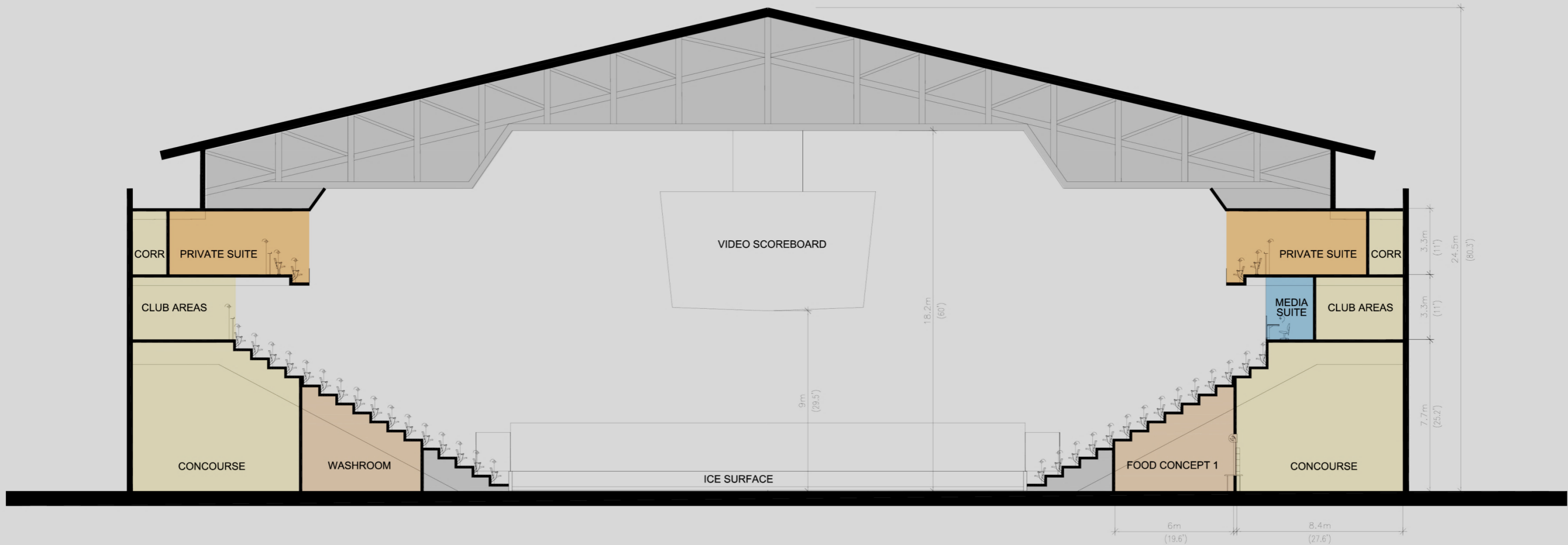
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EVENT CENTRE

BUILDING SECTION

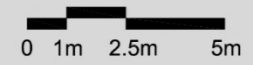
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BASE FACILITY



EVENT CENTRE

BUILDING SECTION

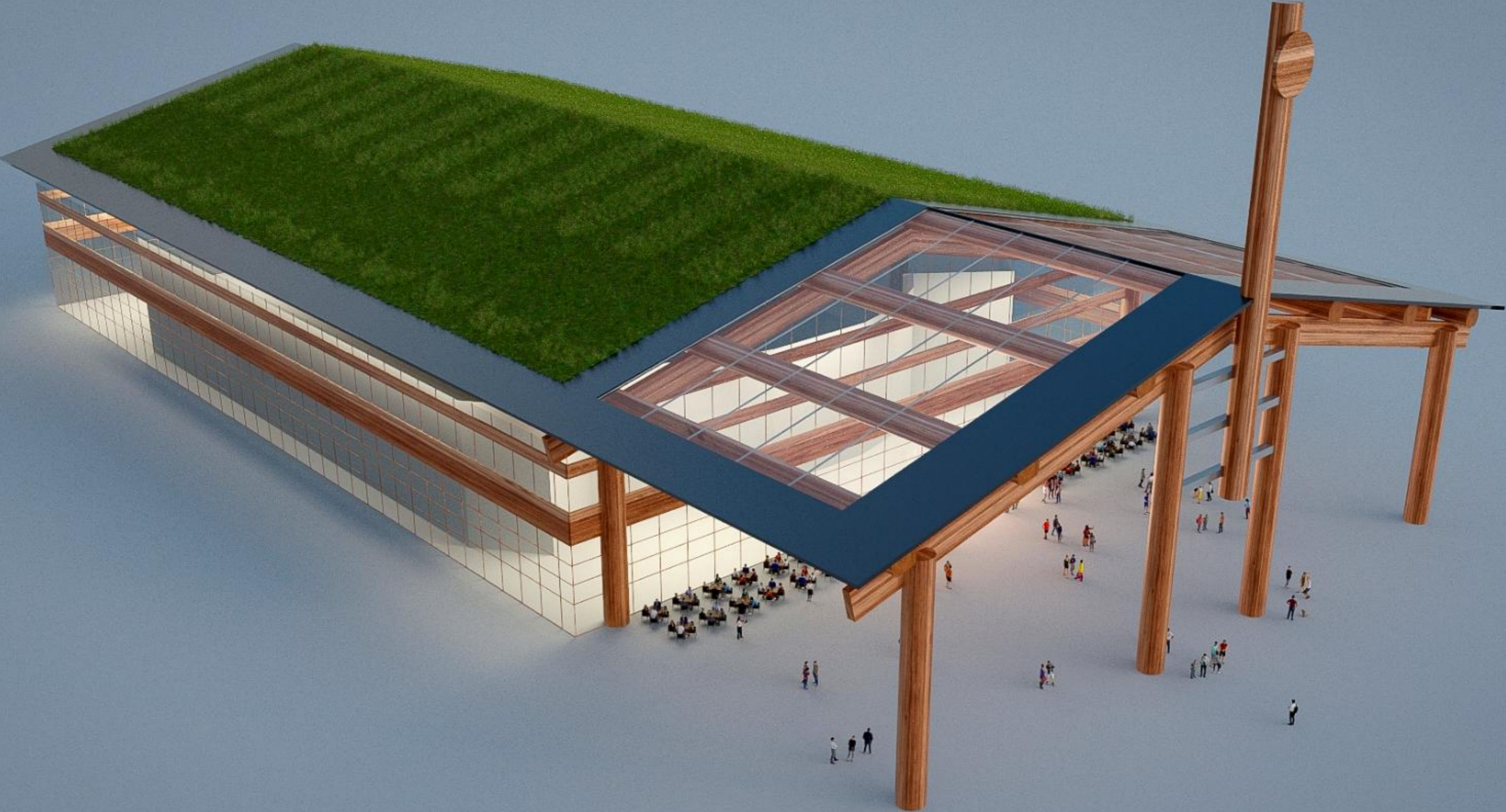
OCTOBER 14, 2016



BASE FACILITY WITH OPTIONS A & B



BASE FACILITY WITH OPTIONS A & B





**EXISTING BUILDING
ASSESSMENT**

EXISTING ARENA ASSESSMENT

Frank Crane Arena

- Nanaimo's existing Event Centre with seating of 2,200.
- Well maintained but out of date.
- Impractical to renovate and add to this facility.
- Beban Park is almost at full utilization.
- If new Event Centre, options are:
 1. Leave as is to host smaller events until time for an overall rec/training assessment.
 2. Remove existing seating and renovate.
- Recommend Option 1.

OTHER EXISTING RINKS

- A. Cliff McNabb Arena - good condition.
 - B. Nanaimo Ice Centre – good condition.
 - C. Curling Rink – needs structural/seismic upgrading
- None of these facilities could be renovated into a modern multi-use spectator Event Centre.
 - Their ongoing activities will not impact the successful operation of a new Event Centre.
 - If the Curling Rink is to be replaced, it should not be adjacent to a new Event Centre.



SITE EVALUATIONS



SITE EVALUATIONS – KEY ATTRIBUTES

1. Accommodate the recommended Event Centre.
2. Located in the centre of the urban population to maximize accessibility, attendance and economic benefits.
3. Proximity to other hospitality, retail and accommodation offerings.
4. Prominent exposure to maximize impact and sponsorship revenues.
5. Access to public transit.
6. Proximity to 1,500 customer parking spaces.
7. Minimizes impact of truck traffic.
8. Reasonable cost.
9. Can be approved and expedited reasonably quickly.
10. Adjacent to other developable lands.

FIVE POTENTIAL SITES

1. The Howard Johnson Site
2. 1 Port Drive Site
3. West side of the Maffeo Sutton Park Site
4. Existing Ballpark Site
5. Curling Rink Site



CURLING RINK SITE

MAFFEO SUTTON PARK SITE

HOWARD JOHNSON SITE

1 PORT DRIVE SITE

BALLPARK SITE

ELIMINATED

Maffeo Sutton Park Site

- Too small.
- Strong positive emotional ties “as a park” for the citizens of Nanaimo.

Existing Ballpark

- Won't provide full potential of economic & community benefits.

Existing Curling Arena Site

- Too far from downtown to produce the economic & community benefits.
- Large amount of required parking will be difficult to satisfy.

COMMON POSITIVES AND CHALLENGES FOR HOWARD JOHNSON & 1 PORT DRIVE SITES:

Positives:

- Large enough.
- Prominent gateway entry locations.
- Adjacent to downtown.
- Significant public parking within a 10 – 12 minute walk.
- Space for new complimentary development.
- Opportunity to continue the heritage of being important traditional First Nations meeting places.

COMMON POSITIVES AND CHALLENGES FOR HOWARD JOHNSON & 1 PORT DRIVE SITES:

Challenges:

- Snuneymuxw First Nation issues.
- Archaeological issues.
- Unknown geotechnical conditions.
- Potential for a 2nd ice rink will be small.

HOWARD JOHNSON SITE

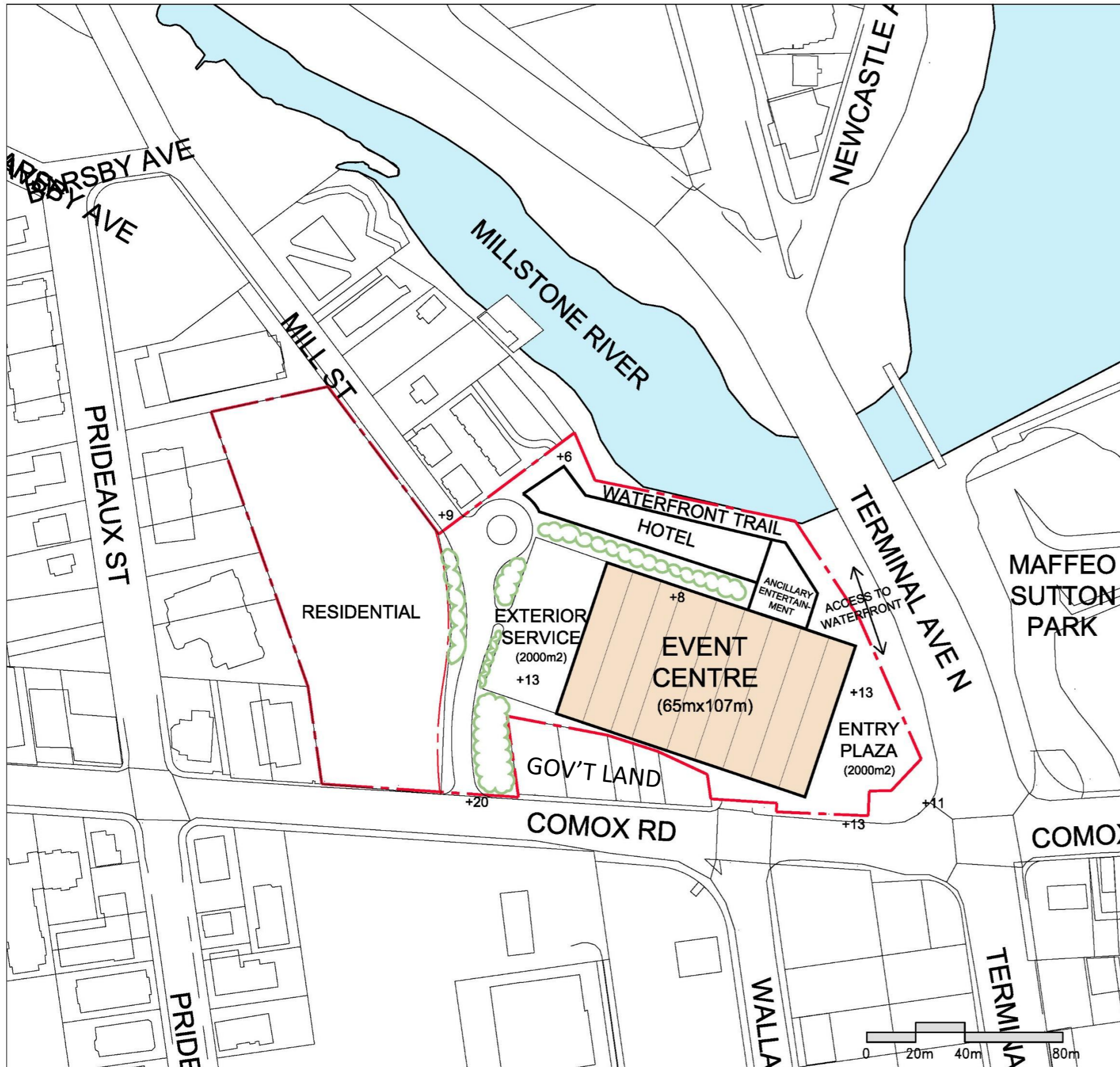
Positives:

- Close proximity to adjacent Maffeo Sutton Park.
- Stronger year round north anchor to the downtown.
- Upgrade to adjacent Waterfront Trail and Millstone River.
- Zoned for a multi-use spectator arena.
- Ancillary private sector development.
- Possible Comox Road dedications should not impact site's overall viability.

HOWARD JOHNSON SITE

Challenges:

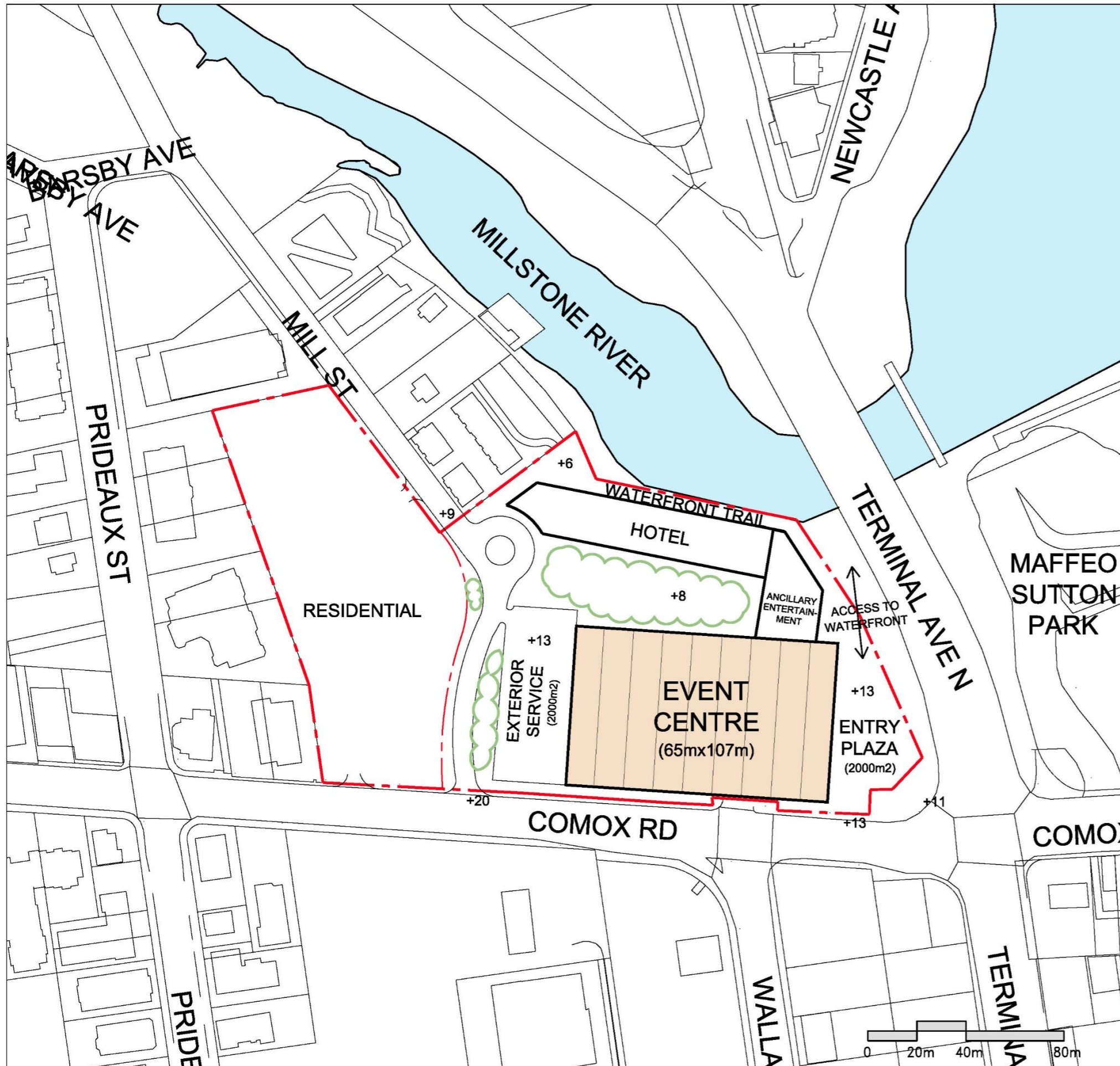
- On-site grade differential.
- Completion of agreements between the public and private sectors.
- Adjacent residential.
- Further environmental approvals.
- Need to acquire the adjacent government lands.



EVENT CENTRE

HOWARD JOHNSON SITE PLAN

OPTION 1 - WITH EXISTING LANDS



EVENT CENTRE

HOWARD JOHNSON SITE PLAN

OPTION 2 - WITH ADDITIONAL LANDS





1 PORT DRIVE SITE

Positives:

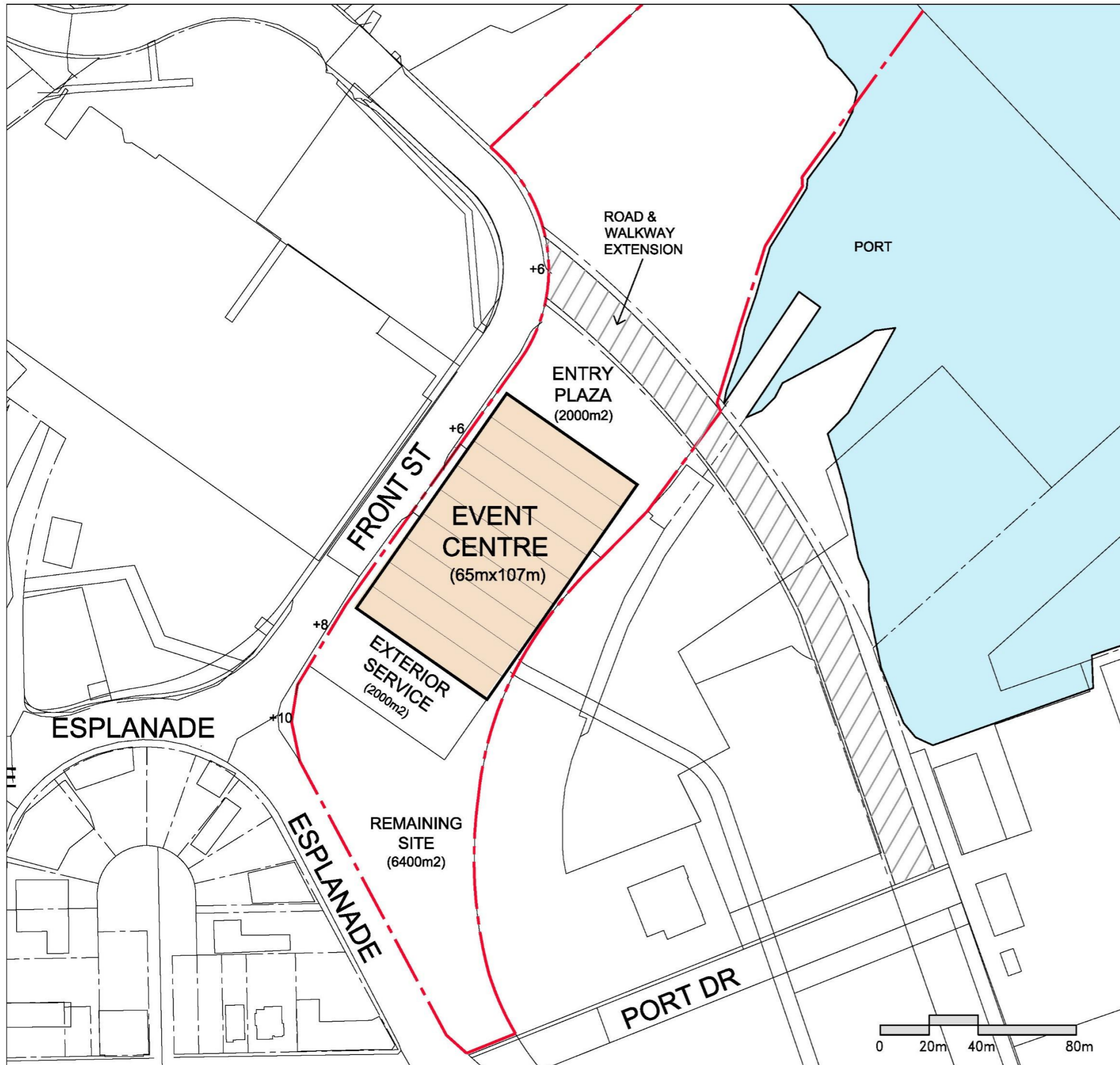
- Assumed City Ownership.
- Environmental approvals have been received
- Anchor the south end of the existing Waterfront Trail.
- Closer proximity to Convention Centre.
- Room for additional public attractions.
- Support almost all of the December 2013 South Downtown Waterfront Initiative's Guiding Principles.

1 PORT DRIVE SITE

Challenges:

- Sanitary sewer.
- Large amount of on-site fill.
- If the trains start to operate evenings or weekends, the Event Centre will require special acoustic mitigation that will result in additional costs.
- Deal to transfer these lands to the City has to be finalized.
- Master planning including road and Waterfront Trail designations may take additional time to complete.
- SFN have site specific claims to this site.

EVENT CENTRE



1 PORT DRIVE SITE PLAN





DEVELOPMENT COSTS

- Base Project: \$69m
- Option A: +\$8m
- Option B: +\$6m
- TOTAL with Options A & B: \$83m

- Option C Total Cost: \$62m

ECONOMIC IMPACT – The Bigger Picture

- More visitors from out of town.
- Increase in foot traffic around local restaurants, bars, and retail shops.
- Increase in property values.
- Catalyst for infrastructure growth.
- More taxable sources of income.



Events That Draw People Out

More Exposure to Local Businesses

More Active Downtown

Kingston's Downtown Tax Base Up 38%

"In talking to Doug Ritchie, managing director of the Kingston Business Improvement Area, he advised that investing \$3 million into the construction was the best investment the BIA ever made and they have had a payback in spades.

Nights when there are games and events the restaurants are alive. I know from personal experience that the night Elton John was here you couldn't get a restaurant reservation in the downtown or in the suburbs.

A study commissioned two years ago has shown that the Rogers K-Rock Centre has an annual economic impact for the city of \$17 million and this will soar as the volumes increase at the arena. It was a deliberate plan to have non-destination parking so attendees would pass by shops and restaurants going and coming from events."

David Garrick, The Kingston Whig-Standard



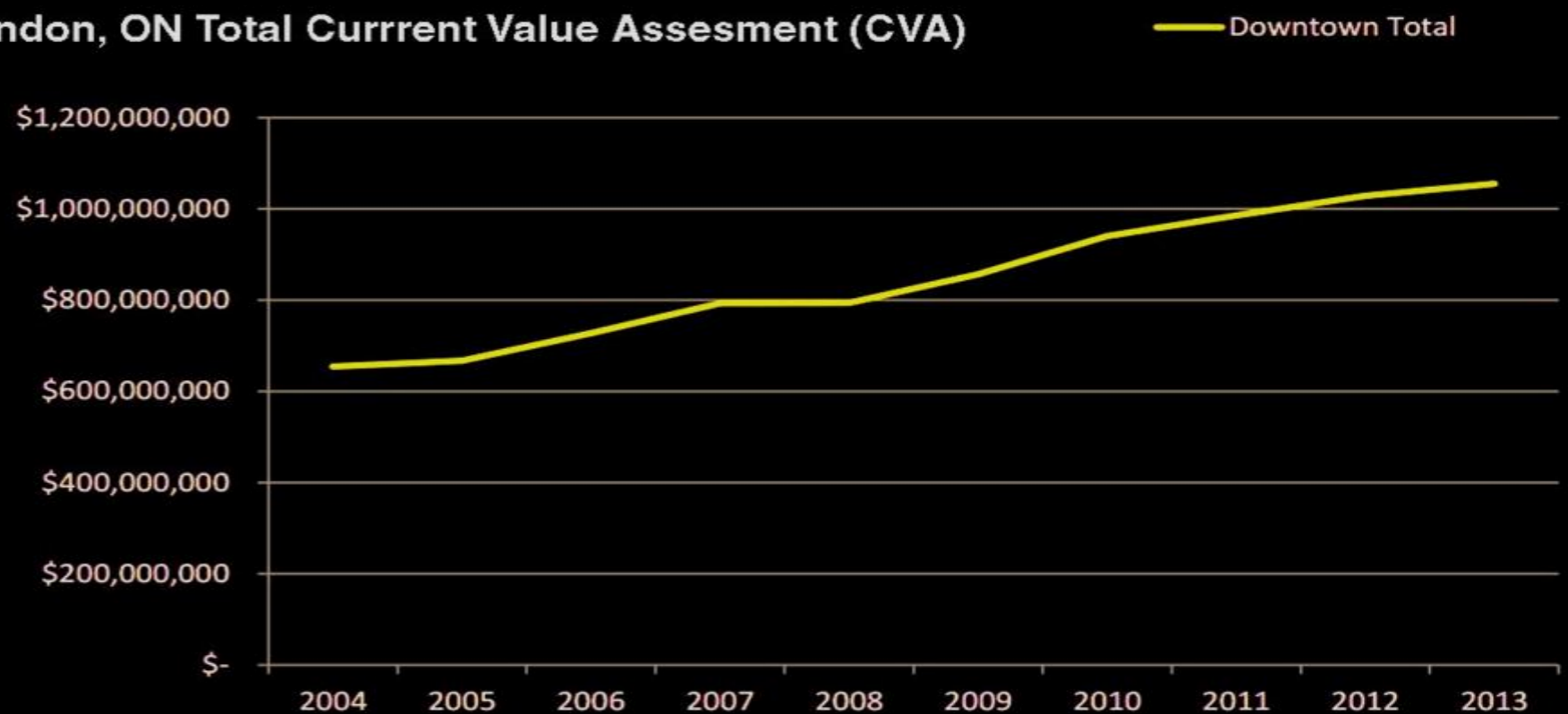
London's Downtown Tax Base Up 61%

Key Stats:

- **Tax Base:** Since 2004, property assessments have risen from \$654,434,460 to \$1,054,692,127 in 2013, up 61%
- **Vacant Storefronts:** On major pedestrian routes, they fell to 11.5% from 12.1% between 2011 to 2013.
- **Visitors:** More than one million – from the city, the region and beyond in 2012-2013.
- **Residents:** More than 4,000 people live downtown, whose population swelled by nearly 75% from 1996 to 2011.
- **Age:** Most downtown residents are between 20 and 40 with the biggest number between 25-29.
- **Income:** The median household income has risen 46% over the last decade from \$34,667 to \$50,553.

Report credits public investment – London has put more than \$100 million into big ticket core projects, from Budweiser Gardens to the new central library and Covent Garden Market.

London, ON Total Current Value Assessment (CVA)



Budweiser Gardens drew 675,631 people to 147 events in 2013 – almost the equivalent of two cities the size of London.

“It demonstrates that investment in the downtown generates positive economic activity”
Mayor Joni Baechler

ECONOMIC & COMMUNITY IMPACTS

IMPACTS FROM DEVELOPMENT

- With a \$75m development cost, the direct & indirect impact is \$100m.
- The direct impact will result in 580 person years of full time employment.
- The total direct & indirect employment income increase will be \$48m.

ECONOMIC & COMMUNITY IMPACTS

ANNUAL IMPACTS FROM OPERATIONS

- With \$2.9m operating expenses and \$1.5m of food & beverage expenditures, the total direct & indirect expenditures will be \$6.6m.
- Based on above 86 person years of employment will be created.
- The above does not include the economic impacts of the WHL Team & the Touring Shows...

FUNDING OPTIONS

- Debenture Financing.
- Build Canada Gas Tax Fund.
- TIF (tax increment financing).
- Community Revitalization Levy.
- City's Renew Reserve Fund.
- Casino Revenue.
- Borrowing from the Province.
- Bed Tax on Hotel Rooms.
- Developers by Allowing Increased Density.
- Ticket Tax on Events.
- Users Fee Tax on Event Centre Rentals.
- Private Sector.
- Philanthropy.
- Provincial Infrastructure Grants.
- First Nations.
- Federal Infrastructure Grants for Other Municipal Projects Redirected to the Event Centre.
- Economic Impact.
- Increase in Property Taxes.
- Construction Financing Combined with Long Term Financing.

At a project's outset, no one knows where the funding will come from and no one will volunteer to give money. There has to be a leader & advocate.

WHL BENEFITS



OVERVIEW OF A WHL FRANCHISE BUSINESS

- Founded in 1966.
- Member of the Canadian Hockey League, the world's premier player development league for the NHL.
- 22 Teams in 4 Divisions.
- Nanaimo Team likely play in the BC Division with Victoria, Kamloops, Vancouver, Prince George and Kelowna.
- Regular Season Schedule consists of 72 games that runs from the third week in September to the third week in March.
- 72% of all games are played on weekends, holidays & Christmas break.
- Games are broadcast on Rogers Sportsnet, Sportsnet One and Shaw TV.
- All WHL facilities are municipally owned except Kelowna.

HOW THE WHL WILL BENEFIT NANAIMO

- Significant entertainment attraction.
- One Economic Impact Study for a BC Team determined total impact of \$31m.
- Another study indicated an annual impact of \$9m annually.

Economic Impacts include:

- Ticket sales.
- Billet family expenses.
- Spending at games by spectators.
- Tourism and spending before/after games.
- Corporate sponsorships.
- A WHL franchise will put the city “on the map”.
- Local and regional advertising.
- Salaries and wages for coaches and support staff.
- Raising Nanaimo’s exposure and awareness.
- A more interesting place to live there by attracting an expanding workforce and new companies.

HOW THE WHL WILL BENEFIT NANAIMO

- **Social Benefits:**

- Community outreach programs.
- Charitable activities.
- Youth league hockey involvement.
- Encouraging local youth to develop their skills.
- Players that are transferred to the area often stay or return.
- Quality locally based family entertainment.

NEXT STEPS

Have completed an overview on the key aspects of developing and operating an Event Centre including:

- An Event Centre's Primary Objectives.
- The Nanaimo Market.
- Recommended Building Program.
- Potential Concept Design.
- Initial Visualizations.
- Impact on Existing Ice Facilities.
- Site Selection Criteria.
- The 2 Best Preferred Sites.
- Development Cost.
- Projected Operating Results.
- Economic & Community Benefits.
- Potential Funding Options.
- The WHL.

NEXT STEPS

If Nanaimo City Council decides to continue to investigate and pursue this initiative, we recommend the following be undertaken:

1. Community, city & stakeholder engagement, review and input.
2. Additional market research and economic impacts.
3. More detailed concept design and capital cost estimate.
4. A more detailed technical review of the preferred site(s).
5. Formalized meetings with the WHL .
6. A detailed operating proforma for the facility's first 10 years of operation.
7. Initiatives to secure project funding.
8. Compilation of the above into a concise feasibility report.

NEXT STEPS

To meet the overall schedule objectives, we would again address this 2nd phase in an accelerated time frame of 5 weeks to be presented to Council by Dec. 19th . Based on lack of time allowable, our firm has started the process and risk approvals.

EVENT CENTRE STUDY

October 24, 2016

