



**City of Hamilton**  
**GENERAL ISSUES COMMITTEE REVISED**

**Meeting #:** 19-017  
**Date:** September 18, 2019  
**Time:** 9:30 a.m.  
**Location:** Council Chambers, Hamilton City Hall  
71 Main Street West

Stephanie Paparella, Legislative Coordinator (905) 546-2424 ext. 3993

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**1. CEREMONIAL ACTIVITIES**

**2. APPROVAL OF AGENDA**

(Added Items, if applicable, will be noted with \*)

**3. DECLARATIONS OF INTEREST**

**4. APPROVAL OF MINUTES OF PREVIOUS MEETING**

4.1 September 4, 2019

**5. COMMUNICATIONS**

\*5.1 Correspondence from Michael Andlauer, respecting the Invitation to Present the Bulldog/Cadillac Fairview Proposal to Committee

Recommendation: Be received and referred to the consideration of Item 10.8.

**6. DELEGATION REQUESTS**

\*6.1 Nicole Smith, Kumon Hamilton West End, respecting the Saturday Rallies and Standing for Love and Inclusion

(For the October 2, 2019 GIC)

- \*6.2 Kojo Dampsey, Hamilton Centre for Civic Inclusion, respecting Item 10.2, Report HUR19019 – Equity, Diversity and Inclusion Framework

(For the September 18, 2019 GIC)

- \*6.3 Chris Labenski, respecting the Arena Issue

(For the September 18, 2019 GIC)

## **7. CONSENT ITEMS**

## **8. PUBLIC HEARINGS / DELEGATIONS**

- 8.1 Michael Van Pelt, Cardus, respecting Item 10.1 - Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168) (no copy)

- 8.2 Dr. James Quinn, respecting the Growing Risks of the Climate Emergency

## **9. STAFF PRESENTATIONS**

## **10. DISCUSSION ITEMS**

- 10.1 Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168) (Ward 14)

- 10.2 Equity, Diversity and Inclusion Framework (HUR19019) (City Wide)

- 10.3 Barton Kenilworth Tax Increment Grant Program - 286 Sanford Avenue North (PED19184) (Ward 3)

- 10.4 Hamilton Tax Increment Grant Program - 244 Dundas Street East, Waterdown (PED19185) (Ward 15)

- 10.5 Update on Surplus and Sale of a Downtown City-owned Surface Parking Lot (PED16205(a)) (Ward 2)

- 10.6 First Ontario Place Operations Contingency Plan (PW18091(a)) (Ward 2)

- 10.7 Advisory Committee for Persons with Disabilities Report 19-007, August 13, 2019

\*10.8 Sports, Entertainment and Convention Venues Review (PED18168(b)) (City Wide)  
(Outstanding Business List item)

Discussion of Private and Confidential Appendices “B”, “C” and “E” to Report PED18168(b) in Closed Session would be pursuant to Section 8.1, Sub-sections (c) and (k) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (c) and (k) of the *Ontario Municipal Act*, 2001, as amended, as the subject matter pertains to a proposed or pending acquisition or disposition of land for City purposes; and, a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

**Due to its size Appendix “A” to Report PED18168(b) is not included in the printed agenda.**

**11. MOTIONS**

**12. NOTICES OF MOTION**

\*12.1 Request for a Full-Time Beat Officer for the Hamilton Downtown Core

**13. GENERAL INFORMATION / OTHER BUSINESS**

13.1 Amendments to the Outstanding Business List:

13.1.a Items to be removed:

13.1.a.a Equity, Diversity and Inclusion Framework (Addressed as Item 10.2 on this agenda – Report HUR19019)

**14. PRIVATE AND CONFIDENTIAL**

14.1 Closed Session Minutes – September 4, 2019

Pursuant to Section 8.1, Sub-sections (c), (e), (f) and (k) of the City's Procedural By-law 18-270; and, Section 239(2), Sub-sections (c), (e), (f) and (k) of the *Ontario Municipal Act*, 2001; as amended, as the subject matters pertain to a proposed or pending acquisition or disposition of land for City purposes; litigation or potential litigation, including matters before administrative tribunals, affecting the City; the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and, a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the City.

15. ADJOURNMENT





## **GENERAL ISSUES COMMITTEE MINUTES 19-015**

9:30 a.m.

Wednesday, September 4, 2019

Council Chambers

Hamilton City Hall

71 Main Street West

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**Present:** Mayor F. Eisenberger, Deputy Mayor T. Whitehead (Chair)  
Councillors M. Wilson, J. Farr, N. Nann, S. Merulla, C. Collins,  
T. Jackson, E. Pauls, J.P. Danko, B. Clark, M. Pearson, B. Johnson,  
L. Ferguson, A. VanderBeek

**Absent:** Councillor J. Partridge – Personal

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### **THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:**

#### **1. Relocation of Soletanche Bachy Canada from Pier 10 to Pier 15 (8.1)**

**(Farr/Collins)**

That the appropriate City staff be directed to meet with representatives of the Hamilton-Oshawa Port Authority and other relevant parties to investigate any possible options that may assist in the relocation of Soletanche Bachy Canada from Pier 10 to Pier 15.

**Result:** Motion **CARRIED** by a vote of 15 to 0, as follows:

YES - Councillor Maureen Wilson  
YES - Councillor Jason Farr  
YES - Councillor Nrinder Nann  
YES - Councillor Sam Merulla  
YES - Councillor Chad Collins  
YES - Councillor Tom Jackson  
YES - Councillor Esther Pauls  
YES - Councillor John-Paul Danko  
YES - Deputy-Mayor Terry Whitehead  
YES - Mayor Fred Eisenberger  
NOT PRESENT - Councillor Judi Partridge  
YES - Councillor Arlene VanderBeek  
YES - Councillor Lloyd Ferguson  
YES - Councillor Brenda Johnson  
YES - Councillor Maria Pearson  
YES - Councillor Brad Clark

2. **Sports, Entertainment and Convention Venues Review (PED18168(b)) (City Wide) (Item 9.1)**

**(Pearson/Farr)**

- (a) That the strategy outlined within the “City of Hamilton Entertainment Venues Review”, attached as Appendices “A” and “B” to Report PED18168(b), be approved;
- (b) That the recommendations outlined in confidential Appendix “C” **as amended**, to Report PED18168(b) be approved;
- (c) That Appendices “A” and “B” to Report PED18168(b), help to inform any Host City facilities strategy that staff consider when assessing the feasibility and potential benefits of a Hamilton bid for the 2030 Commonwealth Games;
- (d) That the entirety of Appendices “B”, “C” **as amended**, and “E” to Report PED18168(b) remain confidential and not be released as a public document.

**Result: Motion, As Amended, CARRIED by a vote of 7 to 1, as follows:**

CONFLICT - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 NOT PRESENT - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 NOT PRESENT - Councillor Tom Jackson  
 NOT PRESENT - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 NO - Deputy-Mayor Terry Whitehead  
 NOT PRESENT - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 YES - Councillor Arlene VanderBeek  
 NOT PRESENT - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

3. **Business Improvement Area Advisory Committee Report 19-008, August 13, 2019 (Item 10.1)**

**(Farr/Nann)**

**(a) Appointment of a Voting Member to the Keep Hamilton Clean & Green Advisory Committee (Item 10.3)**

That Keri Jarvi, Downtown Hamilton BIA be appointed as a voting member of the Keep Hamilton Clean & Green Advisory Committee for the remainder of the 2018-2022 term.

**(b) Waterdown Business Improvement Area Expenditure Request (Item 11.2)**

That the expenditure request from the Waterdown Business Improvement Area in the amount of \$5,443.56 for the purchase and planting of 49 hanging baskets to be funded from the Community Improvement Plan (CIP) Contribution Program (BIA Payments Account 815010-56905), be approved.

**Result: Sub-sections (a) and (b) above CARRIED by a vote of 13 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 YES - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 NOT PRESENT - Councillor Arlene VanderBeek  
 YES - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**(c) Coffee with Your Councillor Event (Item 11.1)**

WHEREAS, local Councillors benefit from having insight into their local Business Improvement Areas; and,

WHEREAS, Business Improvement Area members and patrons benefit from having the opportunity to meet with their local Councillor;

THEREFORE, BE IT RESOLVED:

That staff be directed to ***make efforts to*** organize a one-hour 'Coffee with your Councillor' event at a Coffee Shop, with Councillors, in their respective Business Improvement Areas during Small Business Week (October 20 to 26, 2019).

**Result: Main Motion, As Amended, CARRIED by a vote of 12 to 0, as follows:**

NOT PRESENT - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 YES - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 NOT PRESENT - Councillor Arlene VanderBeek  
 YES - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**4. Waiver of City Park Permit and Arena Facility Rental Fees for 2020 Winterfest Events (Item 11.1)**

**(Merulla/Jackson)**

WHEREAS, Winterfest is a community-driven event that is facilitated by the City of Hamilton;

WHEREAS, community Winterfest event organizers are mostly volunteers with access to minimal budgets; and,

WHEREAS, the City of Hamilton would like to encourage broad community participation in the 2020 Winterfest events;

THEREFORE, BE IT RESOLVED:

That City park permit and arena facility rental fees for the 2020 Winterfest events, be waived.

**Result: Motion CARRIED by a vote of 13 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 YES - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 NOT PRESENT - Councillor Arlene VanderBeek  
 YES - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**5. Mount Hope Gateway Funding and Licence Agreement between the City of Hamilton and the Canadian Warplane Heritage Museum (Ward 11) (Item 11.2)**

**(Johnson/Clark)**

WHEREAS, the community of Mount Hope and the City of Hamilton have a historic association with aviation that continues today with the success of the Canadian Warplane Heritage Museum and the John C. Munro Hamilton International Airport;

WHEREAS, a landscape and sign gateway feature for Mount Hope is proposed for Upper James Street and Homestead Drive; and,

WHEREAS, the Canadian Warplane Heritage Museum has agreed to supply, install and maintain a historic airplane from their collection at the gateway site to be the central focus of the gateway design;

THEREFORE, BE IT RESOLVED:

- (a) That staff be directed to establish a Mount Hope Gateway Project ID, to be funded up to \$100,000 from the Unallocated Capital Reserve Account No. 108020, in order to fund the final detail design and construction of an enhanced Mount Hope Gateway, including the supporting structure for and the installation and long-term maintenance of an airplane;

- (b) That, in order to consolidate project funding, staff be directed to transfer previously approved funding in the amount of \$182,000 from Annual Community Downtowns and BIA Project ID 8201703706 to the newly established Mount Hope Gateway Project; and,
- (c) The Mayor and City Clerk be authorized and directed to execute a Licence Agreement and ancillary documents, between the City of Hamilton and the Canadian Warplane Heritage Museum, for the Canadian Warplane Heritage Museum to install and maintain a decommissioned airplane as part of a gateway feature for the community of Mount Hope at the north intersection of Homestead Drive and Upper James Street, with content acceptable to the General Manager of the Planning and Economic Development Department, in a form satisfactory to the City Solicitor.

**Result: Motion CARRIED by a vote of 13 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 YES - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 NOT PRESENT - Councillor Arlene VanderBeek  
 YES - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**6. Lease of 1104 Fiddler's Green Road (PED19159) (Ward 12) (Item 14.2)**

**(Pearson/VanderBeek)**

- (a) That the direction provided to staff in Closed Session, respecting Report PED19159 – Lease of 1104 Fiddler's Green Road, be approved; and,
- (b) That Report PED19159, respecting the Lease of 1104 Fiddler's Green Road, remain confidential until such time as the Lease Agreement has been fully executed.

**Result: Motion CARRIED by a vote of 9 to 0, as follows:**

YES - Councillor Maureen Wilson

YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 NOT PRESENT - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 NOT PRESENT - Councillor Tom Jackson  
 NOT PRESENT - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 NOT PRESENT - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 YES - Councillor Arlene VanderBeek  
 NOT PRESENT - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**7. Pier 8 Development Agreement between the City of Hamilton and Waterfront Shores Corporation (PED14002(i)) (Ward 2) (Item 14.3)**

**(Ferguson/Pearson)**

- (a) That the direction provided to staff in Closed Session, respecting Report PED14002(i), regarding the Pier 8 Development Agreement between the City of Hamilton and Waterfront Shores Corporation, be approved; and,
- (b) That Report PED14002(i), respecting the Pier 8 Development Agreement between the City of Hamilton and Waterfront Shores Corporation, remain confidential.

**Result: Motion CARRIED by a vote of 9 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 NOT PRESENT - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 NOT PRESENT - Councillor Tom Jackson  
 NOT PRESENT - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 NOT PRESENT - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 YES - Councillor Arlene VanderBeek  
 NOT PRESENT - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**8. Litigation Update, Motor Vehicle Accident (LS19032) (City Wide) (Item 14.4)**

**(Pearson/Danko)**

- (a) That the direction provided to staff in Closed Session, respecting Report LS19032, regarding a Litigation Update, Motor Vehicle Accident, be approved; and,
- (b) That Report LS19032, respecting a Litigation Update, Motor Vehicle Accident, remain confidential.

**Result: Motion CARRIED by a vote of 9 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 NOT PRESENT - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 NOT PRESENT - Councillor Tom Jackson  
 NOT PRESENT - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 NOT PRESENT - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 YES - Councillor Arlene VanderBeek  
 NOT PRESENT - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**9. Potential Regulatory Litigation Update (PW19008(b)/LS19004(b)) (City Wide) (Item 14.5)**

**(Clark/VanderBeek)**

- (a) That the direction provided to staff in Closed Session, respecting Report PW19008(b)/LS19004(b), regarding the Potential Regulatory Litigation Update, be approved; and,
- (b) That Report PW19008(b)/LS19004(b), respecting Potential Regulatory Litigation Update, remain confidential and not be released as a public document.

**Result: Motion CARRIED by a vote of 7 to 2, as follows:**

NO - Councillor Maureen Wilson  
 YES - Councillor Jason Farr



YES - Councillor Nrinder Nann  
 NOT PRESENT - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 NOT PRESENT - Councillor Tom Jackson  
 NOT PRESENT - Councillor Esther Pauls  
 NO - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 NOT PRESENT - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 YES - Councillor Arlene VanderBeek  
 NOT PRESENT - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**10. Update re: Local Planning Appeal Tribunal appeals of Pier 6, 7 and 8 (LS19033(a)/PED19180(a)) (City Wide) (Item 14.6)**

**(Farr/VanderBeek)**

- (a) That the direction provided to staff in Closed Session, respecting Report LS19033(a)/PED19180(a), be approved; and,
- (b) That Report LS19033(a)/PED19180(a) and its appendices and recommendations remain confidential except as necessary to implement these recommendations at the discretion of the City Solicitor.

**Result: Motion CARRIED by a vote of 9 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 NOT PRESENT - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 NOT PRESENT - Councillor Tom Jackson  
 NOT PRESENT - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 NOT PRESENT - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 YES - Councillor Arlene VanderBeek  
 NOT PRESENT - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**FOR INFORMATION:**

**(a) APPROVAL OF AGENDA (Item 2)**

The Committee Clerk advised of the following changes to the agenda:

**1. COMMUNICATIONS (Item 5)**

- 5.1 Correspondence from Ruth Cameron respecting the Delegation Requests submitted by from Paul Fromm (Item 6.2); and, Lisa Thompson (Item 6.3)

Recommendation: Be received and referred to the consideration of Items 6.2 and 6.3.

**2. PRIVATE & CONFIDENTIAL (Item 14)**

- 14.6 Update re: Local Planning Appeal Tribunal appeals of Pier 6, 7 and 8 (LS19033(a)/PED19180(a)) (City Wide)

Pursuant to Section 8.1, Sub-sections (e) and (f) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (e) and (f) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the City; and, the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

**(Pearson/Merulla)**

That the agenda for the September 4, 2019 General Issues Committee meeting, be approved, as amended.

**Result: Motion CARRIED by a vote of 14 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 YES - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 NOT PRESENT - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge

YES - Councillor Arlene VanderBeek  
 YES - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**(b) DECLARATIONS OF INTEREST (Item 2)**

Councillor M. Wilson declared an interest to Item 9.1, respecting Report PED18168(b) - Sports, Entertainment and Convention Venues Review, as her spouse's involvement or potential involvement, directly or through firms with which he is associated in negotiations that might arise as a result of the reports implementation.

**(c) APPROVAL OF MINUTES OF THE PREVIOUS MEETINGS (Item 4)**

**(i) August 12, 2019 (Item 4.1)**

**(Ferguson/Clark)**

That the Minutes of the August 12, 2019 meeting of the General Issues Committee be approved, as presented.

**Result: Motion CARRIED by a vote of 14 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 YES - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 NOT PRESENT - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 YES - Councillor Arlene VanderBeek  
 YES - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**(d) COMMUNICATIONS (Item 5)**

- (i) Correspondence from Ruth Cameron respecting the Delegation Requests submitted by Paul Fromm (Item 6.2); and, Lisa Thompson (Item 6.3) (Item 5.1)**

**(VanderBeek/Collins)**

That the correspondence from Ruth Cameron, respecting the Delegation Requests submitted by Paul Fromm (Item 6.2); and, Lisa Thompson (Item 6.3), be received and referred to the consideration of Items 6.2 and 6.3.

**CARRIED****(e) DELEGATION REQUESTS (Item 6)**

- (i) Dr. James Quinn, respecting the Growing Risks of the Climate Emergency (For a future GIC) (Item 6.1)**

**(Merulla/Jackson)**

That the delegation request, submitted by Dr. James Quinn, respecting the Growing Risks of the Climate Emergency, be approved to appear before the General Issues Committee at a future meeting.

**Result: Motion CARRIED by a vote of 14 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 YES - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 NOT PRESENT - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 YES - Councillor Arlene VanderBeek  
 YES - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

- (ii) **Paul Fromm, Canadian Association for Free Expression, respecting Demonstrations in Public Places (For a future GIC) (Item 6.2)**

**(Merulla/Collins)**

That the delegation request submitted by Paul Fromm, Canadian Association for Free Expression, respecting Demonstrations in Public Places, be denied.

**Result: Motion CARRIED by a vote of 14 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 YES - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 NOT PRESENT - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 YES - Councillor Arlene VanderBeek  
 YES - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

- (iii) **Lisa Thompson, Hamilton Yellow Vest Group, respecting the Hamilton Yellow Vest Group and Clarity of Issues (For a future GIC) (Item 6.3)**

**(Nann/Wilson)**

That the delegation request submitted by Lisa Thompson, Hamilton Yellow Vest Group, respecting the Hamilton Yellow Vest Group and Clarity of Issues, be denied.

**Result: Motion CARRIED by a vote of 14 to 1, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 YES - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko

YES - Deputy-Mayor Terry Whitehead  
 YES - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 YES - Councillor Arlene VanderBeek  
 NO - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**(f) CONSENT ITEMS (Item 7)**

**(i) Airport Sub-Committee Minutes 19-001, March 29, 2019 (Item 7.1)**

**(Danko/Pauls)**

That the Airport Sub-Committee Minutes 19-001, March 29, 2019, be received.

**CARRIED**

**(g) PUBLIC HEARINGS / DELEGATIONS**

**(i) Ian Hamilton, Hamilton-Oshawa Port Authority Update (Item 8.1)**

Ian Hamilton, of the Hamilton-Oshawa Port Authority (H-OPA), addressed Committee and provided an update respecting the H-OPA.

**(Farr/Clark)**

That the presentation provided by Ian Hamilton of the Hamilton-Oshawa Port Authority (H-OPA), respecting the H-OPA, be received.

**CARRIED**

A copy of the presentation is available on the City's website at [www.hamilton.ca](http://www.hamilton.ca) or through the Office of the City Clerk.

For further disposition of this matter, please refer to Item 1.

**(ii) Brody Robinmeyer, respecting the Climate Emergency (Item 8.2)**

Brody Robinmeyer, addressed Committee respecting the Climate Emergency.

**(Collins/Wilson)**

That the presentation provided by Brody Robinmeyer, respecting the Climate Emergency, be received.

**CARRIED**

A copy of the presentation is available on the City's website at [www.hamilton.ca](http://www.hamilton.ca) or through the Office of the City Clerk.

**(h) STAFF PRESENTATIONS (Item 9)**

**(i) Sports, Entertainment and Convention Venues Review (PED18168(b))  
(City Wide) (Item 9.1)**

Glen Norton, Director of Economic Development, addressed Committee respecting Report PED18168(b), Sports, Entertainment and Convention Venues Review, and introduced Zach Pendley, of Ernst & Young, who continued the presentation.

**(Clark/Johnson)**

That the presentation provided by Zach Pendley, of Ernst & Young, respecting Report PED18168(b), Sports, Entertainment and Convention Venues Review, be received.

**CARRIED**

A copy of the presentation is available on the City's website at [www.hamilton.ca](http://www.hamilton.ca) or through the Office of the City Clerk.

**(Merulla/Jackson)**

That consideration of Report PED18168(b), respecting the Sports, Entertainment and Convention Venues Review, be DEFERRED until after the Closed Session portion of the meeting.

**CARRIED**

Staff were also provided with direction in Closed Session.

For further disposition of this matter, please refer to Item 2.

**(i) DISCUSSION ITEMS (Item 10)**

**(i) Business Improvement Area Advisory Committee Report 19-008.  
August 13, 2019 (Item 10.1)**

**(Pauls/Johnson)**

That Information Item (e)(i), of the Business Improvement Area Advisory Committee Report 19-008, being a Motion respecting the Coffee with Your Councillor Event, be lifted from the table and added as Item 3 to Report 19-008 for consideration.

**CARRIED**

**(Farr/Clark)**

That Item 3 to the Business Improvement Area Advisory Committee Report 19-008, respecting the Motion regarding the Coffee with Your Councillor Event, be amended by adding the words “***make efforts to***”, to read as follows:

That staff be directed to ***make efforts to*** organize a one-hour “Coffee with your Councillor” event at a coffee shop with Councillors, in their respective Business Improvement Areas, during their small Business Week (October 20 to 26, 2019).

**Result:       Amendment CARRIED by a vote of 12 to 0, as follows:**

NOT PRESENT - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 YES - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 NOT PRESENT - Councillor Arlene VanderBeek  
 YES - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

For disposition of this matter, please refer to Item 3(c) above.

**(j)       GENERAL INFORMATION / OTHER BUSINESS (Item 13)**

**(i)       Amendments to the Outstanding Business List (Item 13.1)**

**(Eisenberger/Clark)**

That the following amendments to the General Issues Committee’s Outstanding Business List, be approved:

**(a)       Items to be removed:**

- (i)       Sports, Entertainment and Convention Venues Review  
 (Addressed as Item 9.1 on this agenda – Report  
 PED18168(b))**



**Result: Motion CARRIED by a vote of 13 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 YES - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 NOT PRESENT - Councillor Arlene VanderBeek  
 YES - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson  
 YES - Councillor Maria Pearson  
 YES - Councillor Brad Clark

**(k) PRIVATE & CONFIDENTIAL (Item 14)**

**(i) Closed Session Minutes – August 12, 2019 (Item 14.1)**

**(Ferguson/Farr)**

- (a) That the Closed Session Minutes of the August 12, 2019 General Issues Committee meeting, be approved; and,
- (b) That the Closed Session Minutes of the August 12, 2019 General Issues Committee meeting remain confidential.

**Result: Motion CARRIED by a vote of 13 to 0, as follows:**

YES - Councillor Maureen Wilson  
 YES - Councillor Jason Farr  
 YES - Councillor Nrinder Nann  
 YES - Councillor Sam Merulla  
 NOT PRESENT - Councillor Chad Collins  
 YES - Councillor Tom Jackson  
 YES - Councillor Esther Pauls  
 YES - Councillor John-Paul Danko  
 YES - Deputy-Mayor Terry Whitehead  
 YES - Mayor Fred Eisenberger  
 NOT PRESENT - Councillor Judi Partridge  
 NOT PRESENT - Councillor Arlene VanderBeek  
 YES - Councillor Lloyd Ferguson  
 YES - Councillor Brenda Johnson

YES - Councillor Maria Pearson  
YES - Councillor Brad Clark

**(Eisenberger/Farr)**

That Committee move into Closed Session respecting Appendices “B”, “C” and “E” to Item 9.1; and, Items 14.2 to 14.6, pursuant to Section 8.1, Sub-sections (c), (e), (f) and (k) of the City's Procedural By-law 18-270; and, Section 239(2), Sub-sections (c), (e), (f) and (k) of the *Ontario Municipal Act, 2001*; as amended, as the subject matters pertain to a proposed or pending acquisition or disposition of land for City purposes; litigation or potential litigation, including matters before administrative tribunals, affecting the City; the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and, a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

**Result: Motion CARRIED by a vote of 13 to 0, as follows:**

YES - Councillor Maureen Wilson  
YES - Councillor Jason Farr  
YES - Councillor Nrinder Nann  
YES - Councillor Sam Merulla  
NOT PRESENT - Councillor Chad Collins  
YES - Councillor Tom Jackson  
YES - Councillor Esther Pauls  
YES - Councillor John-Paul Danko  
YES - Deputy-Mayor Terry Whitehead  
YES - Mayor Fred Eisenberger  
NOT PRESENT - Councillor Judi Partridge  
NOT PRESENT - Councillor Arlene VanderBeek  
YES - Councillor Lloyd Ferguson  
YES - Councillor Brenda Johnson  
YES - Councillor Maria Pearson  
YES - Councillor Brad Clark

**(ii) Lease of 1104 Fiddler's Green Road (PED19159) (Ward 12) (Item 14.2)**

Staff were provided with direction in Closed Session.

For further disposition of this matter, please refer to Item 6.

**(iii) Pier 8 Development Agreement between the City of Hamilton and Waterfront Shores Corporation (PED14002(i)) (Ward 2) (Item 14.3)**

Staff were provided with direction in Closed Session.

For further disposition of this matter, please refer to Item 7.

**(iv) Litigation Update, Motor Vehicle Accident (LS19032) (City Wide) (Item 14.4)**

Staff were provided with direction in Closed Session.

For further disposition of this matter, please refer to Item 8.

**(v) Potential Regulatory Litigation Update (PW19008(b)/LS19004(b)) (City Wide) (Item 14.5)**

Staff were provided with direction in Closed Session.

For further disposition of this matter, please refer to Item 9.

**(vi) Update re: Local Planning Appeal Tribunal appeals of Pier 6, 7 and 8 (LS19033(a)/PED19180(a)) (City Wide) (Item 14.6)**

Staff were provided with direction in Closed Session.

For further disposition of this matter, please refer to Item 10.

**(I) ADJOURNMENT (Item 13)**

**(Pearson/Clark)**

That there being no further business, the General Issues Committee be adjourned at 7:37 p.m.

**CARRIED**

Respectfully submitted,

---

T. Whitehead, Deputy Mayor  
Chair, General Issues Committee

Stephanie Paparella  
Legislative Coordinator,  
Office of the City Clerk

## 5.1

Good morning Mr. Andlauer,

Thank you for your response. I will schedule you for the October 2, 2019 General Issues Committee, which will begin at 9:30 a.m. in Council Chambers.

If you require any further information, please do not hesitate to contact me.

Thank you!

Stephanie Paparella  
Legislative Coordinator  
Office of the City Clerk  
71 Main Street West, 1st Floor  
Hamilton, ON L8P 4Y5

-----Original Message-----

From: Michael Andlauer - AMG <mandlauer@andlauer.ca>

Sent: September 13, 2019 9:04 AM

To: Paparella, Stephanie <Stephanie.Paparella@hamilton.ca>

Cc: Peggy Chapman <Peggy.Chapman@hamiltonbulldogs.com>; Auty, Nicole <Nicole.Auty@hamilton.ca>; wayne.barwise@cadillacfairview.com

Subject: Re: Sports, Entertainment and Convention Venues Review

Dear Ms. Paparella,

Thank you for this correspondence and for the update from Hamilton City Council.

I am pleased to hear council has invited me to present to them. Unfortunately, I am out of the country on September 18th, but I could be available for the GIC on October 2nd at 9:30 a.m. I am of the understanding that Council may also consider a "Special GIC" for my presentation. If that is the case, please send some possible dates.

In consideration of making the submission we made in confidence, I have spoken with the co-authors of the proposal, Cadillac Fairview, and we are in agreement that it would not be appropriate to release this publicly. In saying that, I am open to addressing council publicly with what I can discuss and answer any questions I can from Council to help move consideration of this proposal forward.

I would respectfully ask that the proposal be named Bulldog/Cadillac Fairview proposal. This would be in the spirit of the submission, which was presented in partnership.

Thank you again for your prompt communication, and I look forward to hearing from you on booking a time to meet with Council.

Respectfully,  
Michael Andlauer

----- Original message -----

From: "Paparella, Stephanie" <[Stephanie.Paparella@hamilton.ca](mailto:Stephanie.Paparella@hamilton.ca)>

Date: 2019-09-12 3:27 p.m. (GMT-05:00)

To: Michael Andlauer - AMG <[mandlauer@andlauer.ca](mailto:mandlauer@andlauer.ca)>

Cc: Peggy Chapman <[Peggy.Chapman@hamiltonbulldogs.com](mailto:Peggy.Chapman@hamiltonbulldogs.com)>, "Auty, Nicole" <[Nicole.Auty@hamilton.ca](mailto:Nicole.Auty@hamilton.ca)>

Subject: Sports, Entertainment and Convention Venues Review

Hello Mr. Andlauer,

At its meeting of September 11, 2019, Hamilton City Council referred Report PED18168(b), respecting the Sports, Entertainment and Convention Venues back to the General Issues Committee meeting of September 18, 2019 for further discussion and consideration.

Council, at that same meeting also approved the following two resolutions, respecting this same matter:

2. Sports, Entertainment and Convention Venues Review (PED18168(b)) (City Wide) (Item 9.1)
  - (a) That the City Clerk be directed to invite Mr. Andlauer to appear before the General Issues Committee meeting to review the contents of his proposal and answer questions from Committee; and,
  - (b) That Mr. Andlauer be requested to provide his presentation in writing prior to the General Issues Committee meeting, so that it can be included in the public agenda.

Therefore, I am respectfully requesting that, at your earliest convenience, you advise me directly if you are able to attend the September 18, 2019 General Issues Committee (GIC) meeting or any GIC meeting thereafter that would be convenient with your schedule. I would be happy to provide you with additional dates.

The second resolution that was passed is being provided for your information. Nicole Auty, the City Solicitor, will contact you directly with respect the sub-section (c) below:

- (a) That the motion to release the Bulldog proposal be referred to the September 18, 2019 General Issues Committee meeting;
- (b) That the City Solicitor provide legal advice in writing with respect to the release of the Bulldog proposal, in advance of the meeting on September 18, 2019 General Issues Committee meeting; and,
- (c) That the City Solicitor contact Mr. Andlauer with respect to the release of the Bulldog proposal for public consumption.

Thank you for your consideration and I look forward to your response.

# 6.1

**Form: Request to Speak to Committee of Council**  
Submitted on Friday, September 13, 2019 - 3:03 am

==Committee Requested==

**Committee:** General Issues Committee

==Requestor Information==

**Name of Individual:** Nicole Smith

**Name of Organization:** Kumon Hamilton West End

**Contact Number:** 9055726284

**Email Address:** [hamiltonwestend\\_on@ikumon.com](mailto:hamiltonwestend_on@ikumon.com)

**Mailing Address:**

318 Dundurn St S.

Unit 6

**Reason(s) for delegation request:** Regarding the Saturday rallies and standing for love and inclusion in Hamilton

**Will you be requesting funds from the City?** No

**Will you be submitting a formal presentation?** Yes

## 6.2

### **Form: Request to Speak to Committee of Council**

Submitted on Sunday, September 15, 2019 - 7:24 pm

==Committee Requested==

**Committee:** General Issues Committee

==Requestor Information==

**Name of Individual:** Kojo Dampthey

**Name of Organization:** Hamilton Centre for Civic Inclusion

**Contact Number:** 2899215294

**Email Address:** [kdampthey@hcci.ca](mailto:kdampthey@hcci.ca)

**Mailing Address:** 423 King Street East

**Reason(s) for delegation request:** Providing additional information and context for item 10.2 Equity, Diversity, and Inclusion Framework (HUR19019).

**Will you be requesting funds from the City?** No

**Will you be submitting a formal presentation?** Yes



905 297 4694  
www.hcci.ca  
423 King Street East,  
Hamilton, ON L8N 1C5

Dear Mayor & City Councillors of Hamilton,

**Re: Hamilton Centre for Civic Inclusion Response to City of Hamilton Equity, Diversity, and Inclusion (EDI) Framework**

We congratulate the Dept of Human Resources for their great work and dedication into drafting recommendations to advance Equity, Diversity, and Inclusion at the City of Hamilton. Well deserved congratulations to Lora Fontana (Executive Director- Human Resources) and Jodi Koch (Director Talent and Diversity) and her team for providing Council with an extensive road map.

HCCI would like to offer thoughts, perspectives, guidance, and advice on the recommendations offered in the EDI framework. We offer these suggestions not as criticisms but as added value from a community organization that has been doing this work for over 18 years in the city.

**Response to Recommendations**

- a) City Manager to be identified as the Diversity and Inclusion Champion for the City of Hamilton.  
**Response:** To build a culture of inclusion, it is important to acknowledge the work being done by current employees at the City that have been working on these issues for days, months, and years. Many of these employees sometimes face backlash from their supervisors and sometimes their work is undervalued. HCCI believes they should be the Diversity and Inclusion Champions. It is important to have more than one champion as this lets employees and residents know that there is a diversity of thought, acknowledgement of different perspectives and seriousness to organizational change. The City Manager can and should be a champion for the City on Diversity and Inclusion but there should be and there are other champions. The Ontario Council of Agencies Serving Immigrants uses this approach.<sup>1</sup>
- b) Develop & Implement a Diversity and Inclusion Steering Committee  
**Response:** This is a great idea since it is based on the Organizational Development Model of implementing an EDI approach. This approach is preferred for its clear focus, management driven style, and provides organizational security. However, this method is difficult to sustain, relies heavily on educational programs, policy changes and accountability measures. It also puts a strain on the Human Resources department to do the implementation, thus removing responsibility from managers, Councillors, and other staff.<sup>2</sup>
- c) Competitive procurement process for anti-racism, anti-oppression, unconscious bias, and inclusionary practices.  
**Response:** There are numerous times where procurement processes favour outside consultants. Holvino et al advise that organizations implementing diversity frameworks need to leverage the work done by in-country and in-city resources to ensure that local context and issues inform EDI strategies.<sup>3</sup> These local resources may include but are not limited to Universities (McMaster University, Mohawk College, College Boreal), local research organization (Social Planning and Research Council), Social Action Groups (Hamilton Acorn, Disability Justice Network of Ontario, Campaign for Adequate Welfare and Disabilities, Hamilton Roundtable for Poverty Reduction, etc), and other profit (Lura Consulting etc) and non-profit organizations (Environment Hamilton, Empowerment Squared, Hamilton Regional Indian Centre, YWCA etc) and Youth Groups (Spectrum, THE SPACE) working on EDI.

<sup>1</sup> OCASI Accessibility Champions Program <https://ocasi.org/accessibility-workshops>

<sup>2</sup> Holvino, Ferdman, Merrill-Sands, Creating and sustaining Diversity and Inclusion in Organization: Strategies and approaches

<sup>3</sup> Holvino, Ferdman, Merrill-Sands, Creating and sustaining Diversity and Inclusion in Organization: Strategies and approaches



- d) Mandatory training to be delivered to Council members, the Senior Leadership Team, all Supervisor and above employees, and Union Executive Leadership in 2020.  
**Response:** This is a great step to move forward. In addition to training all mentioned above, Holvino et al state that visions of inclusion in organizations should be achieved on three levels, namely systemic/structural, cultural, and behavioral.<sup>4</sup> Most of the recommendations outlined in the EDI document focus on trainings and not actionable systematic and cultural changes. Please refer to the “Working Group on Racial Equity” submission to Council on April 3<sup>rd</sup>, 2001.<sup>5</sup> In the submission they talk about creating a Standing Committee that strictly deals with issues around racism, I would amend that to a Standing Committee on Equity, Diversity, and Inclusion. This is an example of a Systematic/Structural change to specifically look at developing substantive change at all levels of the City. Other examples of Systematic/Structural change include but not limited to recruitment practices & retention programs, employment surveys on work place environment, and mentoring programs for equity seeking groups.
- e) Source options for systems/process enhancements to support Diversity and Inclusion metric dashboard requirements  
**Response:** One question still remains: what are the gaps that the EDI framework is addressing? What are the objectives, actions, and outcomes of the recommendation? It is HCCI’s position that until specific objectives are outlined in the EDI framework we will be collecting metrics that don’t advance values and principles of EDI.
- f) Equity, Diversity, and Inclusion 2020 training and community engagement components  
**Response:** Community engagement components sound great, it is however, evident that a number of City departments and employees haven’t built the necessary trust and relationships with many organizations and residents doing this work. Organizations like the Hamilton Legal Clinic, Hamilton RoundTable for Poverty Reduction, Disability Justice Network of Ontario, McMaster University Community Engagement Office, McMaster University Professors, Sexual Assault Centre for Hamilton and Area and many more. These orgs along with residents are operating their organizations with an anti-oppressive and anti-racism framework.
- g) Report back from Staff by June 17 2020 with status update respecting the implementation of the Equity, Diversity and Inclusion process. Matters respecting Equity, Diversity, and Inclusion Framework be considered complete and removed from the General Issues Committee’s outstanding business list.  
**Response:** If the City is truly serious about advance principles and values of EDI this should actually be a standing agenda item. The fact that recommendations have been presented doesn’t mean that these issues should be left to the Human Resources department to deal with. There needs to be a separate Standing Committee to ensure effective and accountable work is done.

### Summary

Holvino developed a framework she calls Model of Multicultural Organizational Development, as seen below. If one is to adhere to her model of six phases of developing a strong EDI organization, I would state that the City of Hamilton is currently in a Transitional – Compliance stage. This stage describes an organization that is passively committed to including other without making major changes, as seen in a number of policies that have been drafted in the last three months, and a number of ongoing projects under the city’s purview. It is our estimation that to get to phase six the following questions need to be addressed:

- What theoretical and methodological analysis is being used to frame the work?

<sup>4</sup> Holvino, Ferdman, Merrill-Sands, Creating and sustaining Diversity and Inclusion in Organization: Strategies and approaches

<sup>5</sup> [http://www2.hamilton.ca/Hamilton.Portal/Inc/PortalPDFs/ClerkPDFs/committee-hearings/2001/apr17/Item4.1.PDF?fbclid=IwAR12Kwo04cAkFtGoxJKiptdmGsMkfzCQp\\_QE2H80DYGPQAaxuxSPTxbS6w8](http://www2.hamilton.ca/Hamilton.Portal/Inc/PortalPDFs/ClerkPDFs/committee-hearings/2001/apr17/Item4.1.PDF?fbclid=IwAR12Kwo04cAkFtGoxJKiptdmGsMkfzCQp_QE2H80DYGPQAaxuxSPTxbS6w8)

- What are the objectives and goals for the EDI frameworks?
- How can an EDI framework move ahead when objectives and goals aren't stated?
- Where are the structural/systematic, cultural, and behaviour actions in the EDI framework?
- Where is the inclusion of stakeholder orgs and residents in the EDI framework?

**Table 12.1** The multicultural organizational development model

Monocultural		Transitional		Multicultural	
<i>Exclusionary</i>	<i>Passive club</i>	<i>Compliance</i>	<i>Positive action</i>	<i>Redefining</i>	<i>Multicultural</i>
Actively excludes in its mission and practices those who are not members of the dominant group.	Actively or passively excludes those who are not members of the dominant group. Includes other members only if they "fit."	Passively committed to including others without making major changes. Includes only a few members of other groups.	Committed to making a special effort to include others, especially those in designated target groups. Tolerates the differences that those others bring.	Actively works to expand its definition of inclusion and diversity. Tries to examine and change practices that may act as barriers to members of non-dominant groups.	Actively includes a diversity of groups, styles and perspectives. Continuously learns and acts to make the systemic changes required to value and include all kinds of people.
Values the dominant perspective of one group, culture, or style.		Seeks to integrate others into systems created under dominant norms.		Values and integrates the perspectives of diverse identities, cultures, styles, and groups into the organization's work and systems.	

Source: Holvino (1998). © Chaos Management, Ltd., 1998, used by permission.

I trust these questions are taken into consideration before City Council approves the Equity, Diversity and Inclusion Framework for the City of Hamilton. The Hamilton Center for Civic Inclusion is available for ongoing conversations and is committed to working with the City to achieve our collective vision of an inclusive city for all residents of Hamilton. Thank you for your time and consideration.

Sincerely,



Kojo Dampety  
Interim Executive Director  
Hamilton Centre for Civic Inclusion

## 6.3

### **Form: Request to Speak to Committee of Council**

Submitted on Monday, September 16, 2019 - 1:50 pm

==Committee Requested==

**Committee:** General Issues Committee

==Requestor Information==

**Name of Individual:** Chris Labenski

**Name of Organization:**

**Contact Number:** 2893350696

**Email Address:** [cookieandchancesdad@gmail.com](mailto:cookieandchancesdad@gmail.com)

**Mailing Address:** 1716-360 king st e.

**Reason(s) for delegation request:** The Arena issue.

**Will you be requesting funds from the City?** No

**Will you be submitting a formal presentation?** No





Request: That City of Hamilton council direct staff to negotiate a formal long term lease agreement with Cardus regarding the Balfour estate.



# Cardus: local roots, national impact



Cardus: local roots, national impact





Thanks





# Challenge



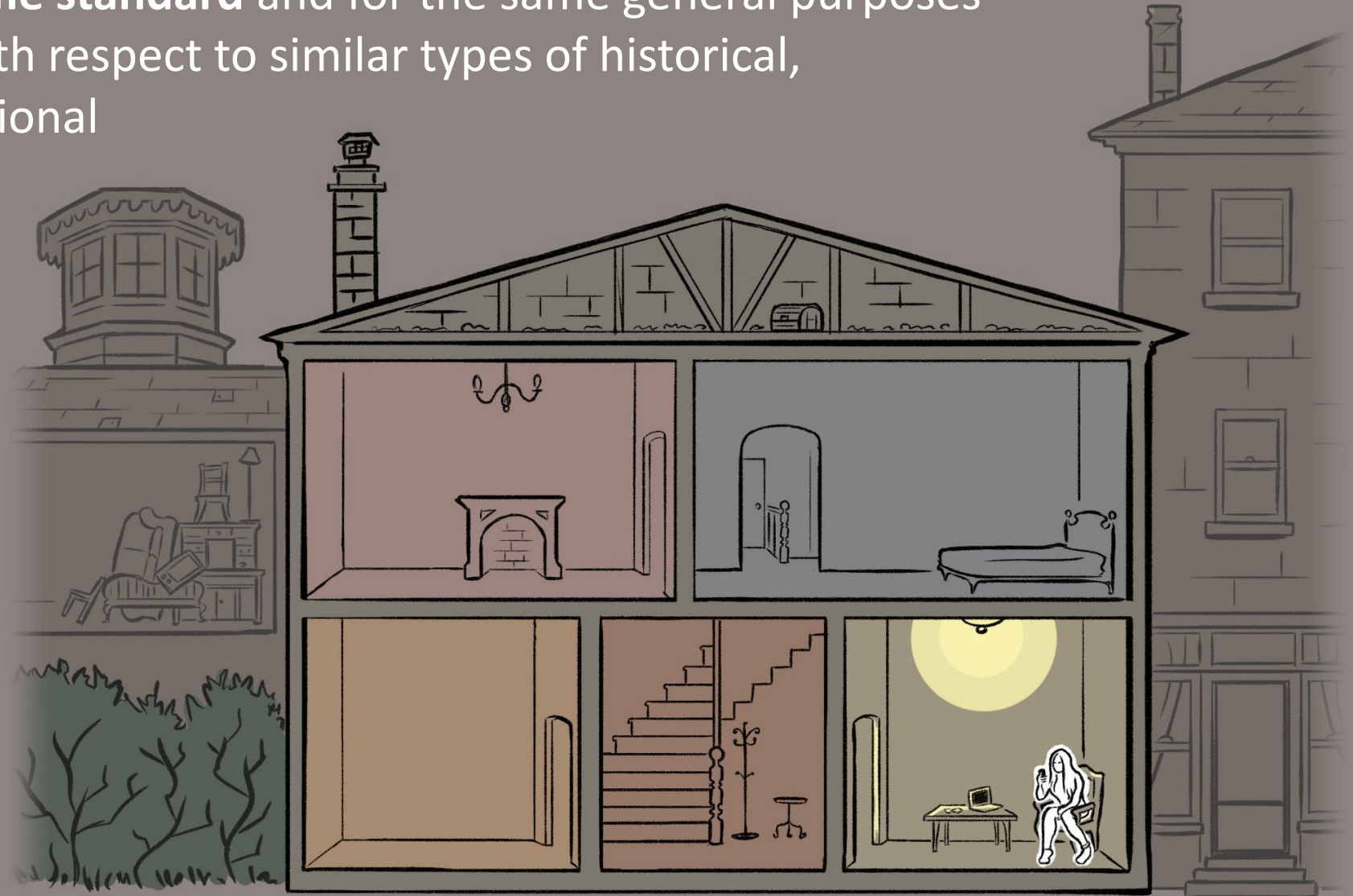


# Challenge





The City hereby agrees with the Foundation to **develop**, maintain, preserve, administer and supervise the property **in the same manner, to the same standard** and for the same general purposes as the City does with respect to similar types of historical, residential, recreational and park lands...”

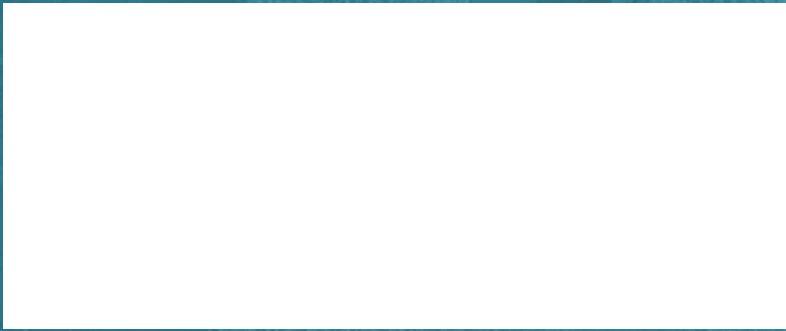






# #OpenBalfour Partners

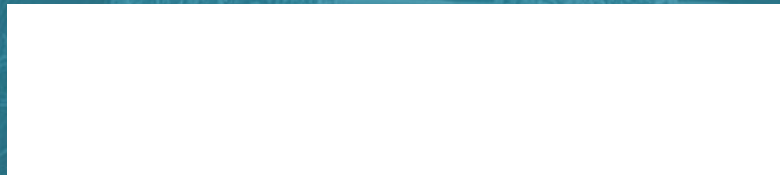
Philanthropic Lead



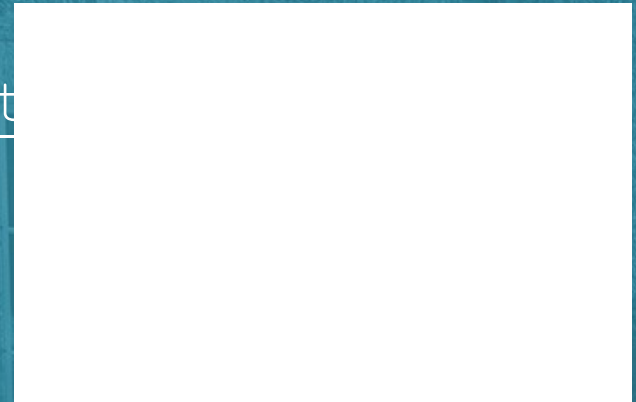
Lead



Construction Partner



Architect





# Summary

- Protect heritage
- Public access
- Private funding
- Local jobs

- City support
- Taxpayer savings
- Council approval**



In 2039

- Cardus hands back a beautiful and restored property
- Cost to City of Hamilton 2019–2039: **\$0**



# Seize the Opportunity



**Request:** That City of Hamilton council direct staff to negotiate a formal long term lease agreement with Cardus regarding the Balfour estate.



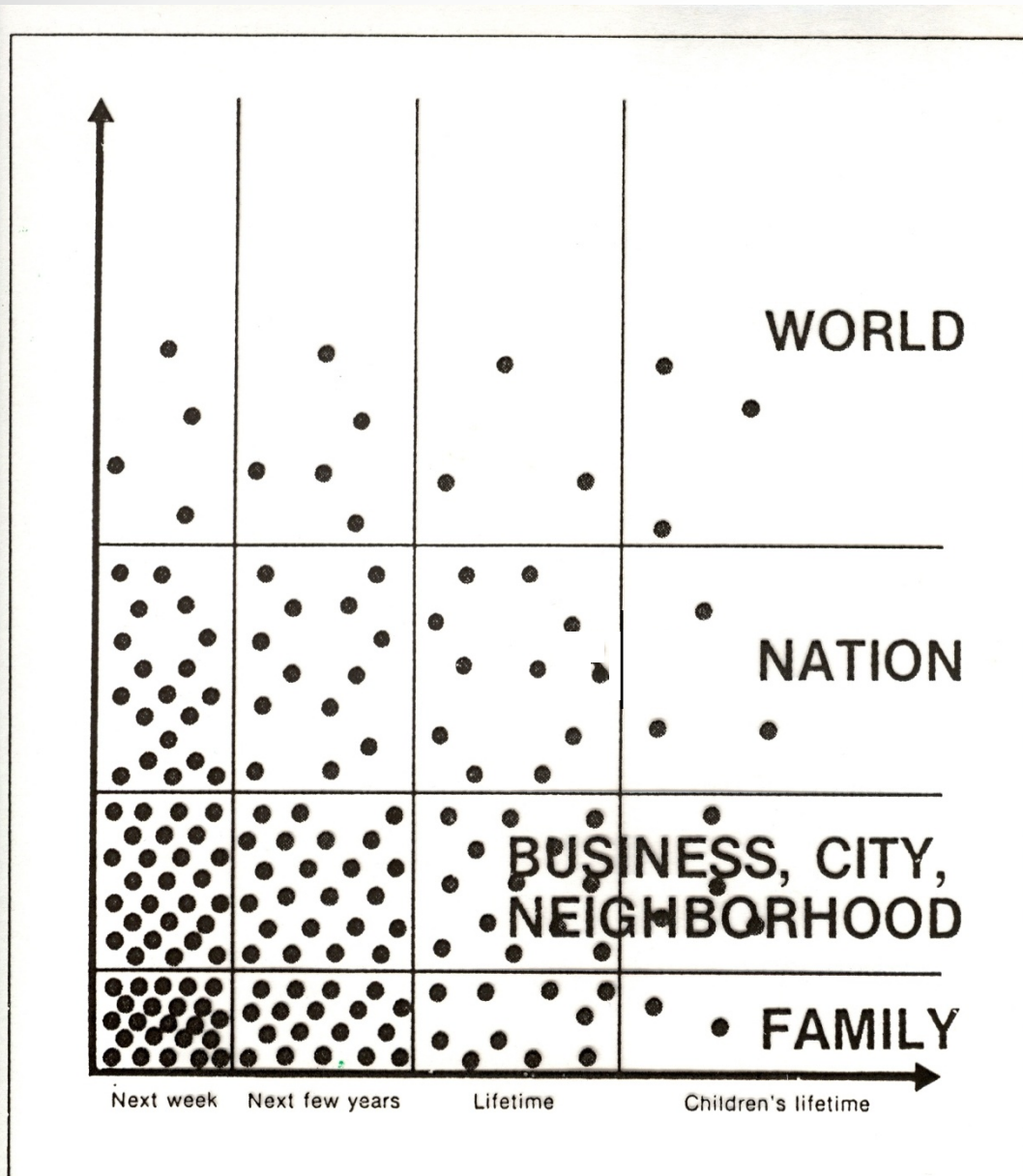


FIGURE 75. *Human perspectives. Most people are less concerned about future cost and benefits than present ones. (Dennis L. Meadows Limits to Growth, 1972.)*



# Your professional outlook:

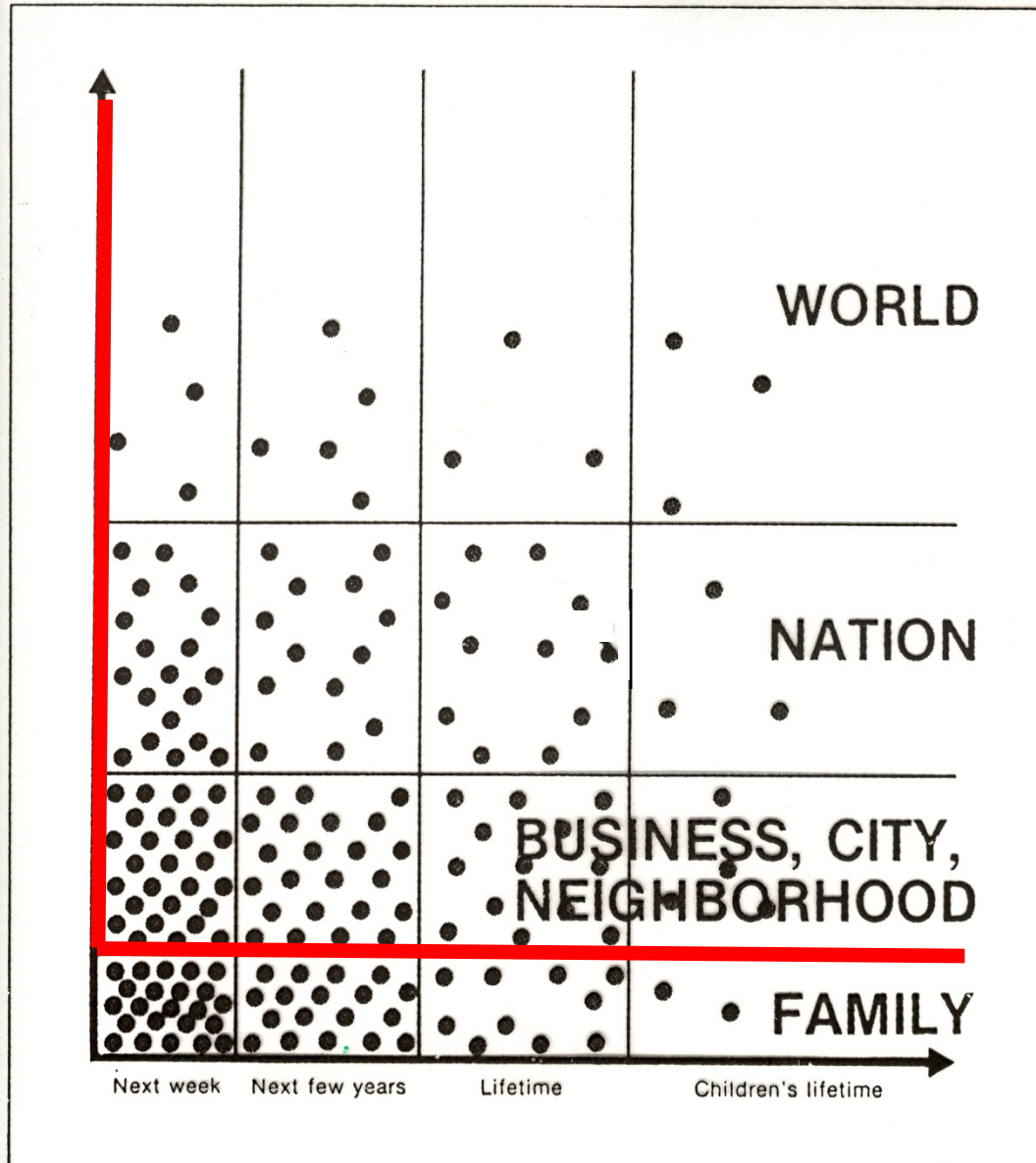


FIGURE 75. *Human perspectives. Most people are less concerned about future cost and benefits than present ones. (Dennis L. Meadows Limits to Growth, 1972.)*

# Your professional outlook:

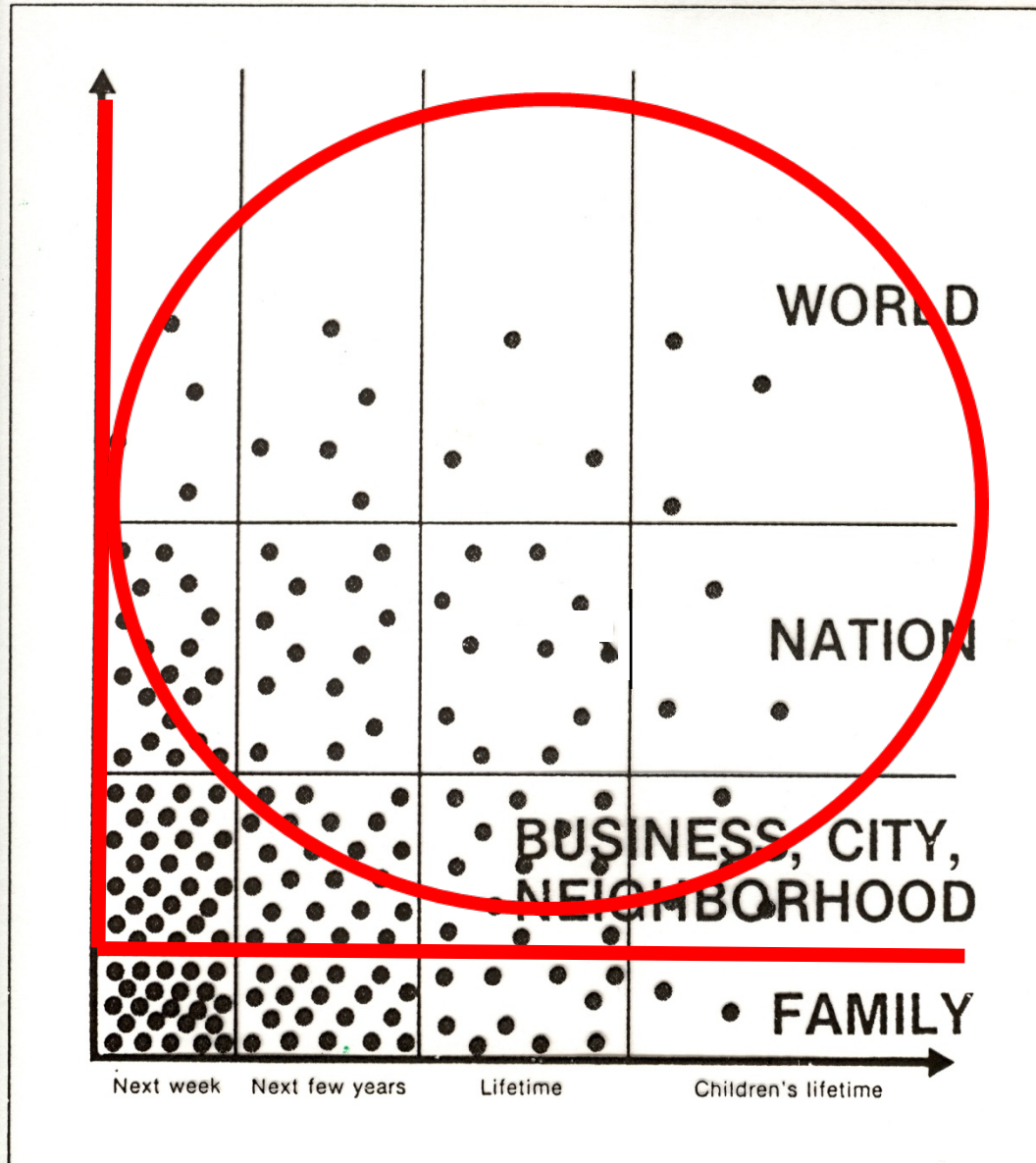


FIGURE 75. *Human perspectives. Most people are less concerned about future cost and benefits than present ones. (Dennis L. Meadows Limits to Growth, 1972.)*

**CLIMATE  
EMERGENCY!**

# Your professional outlook:

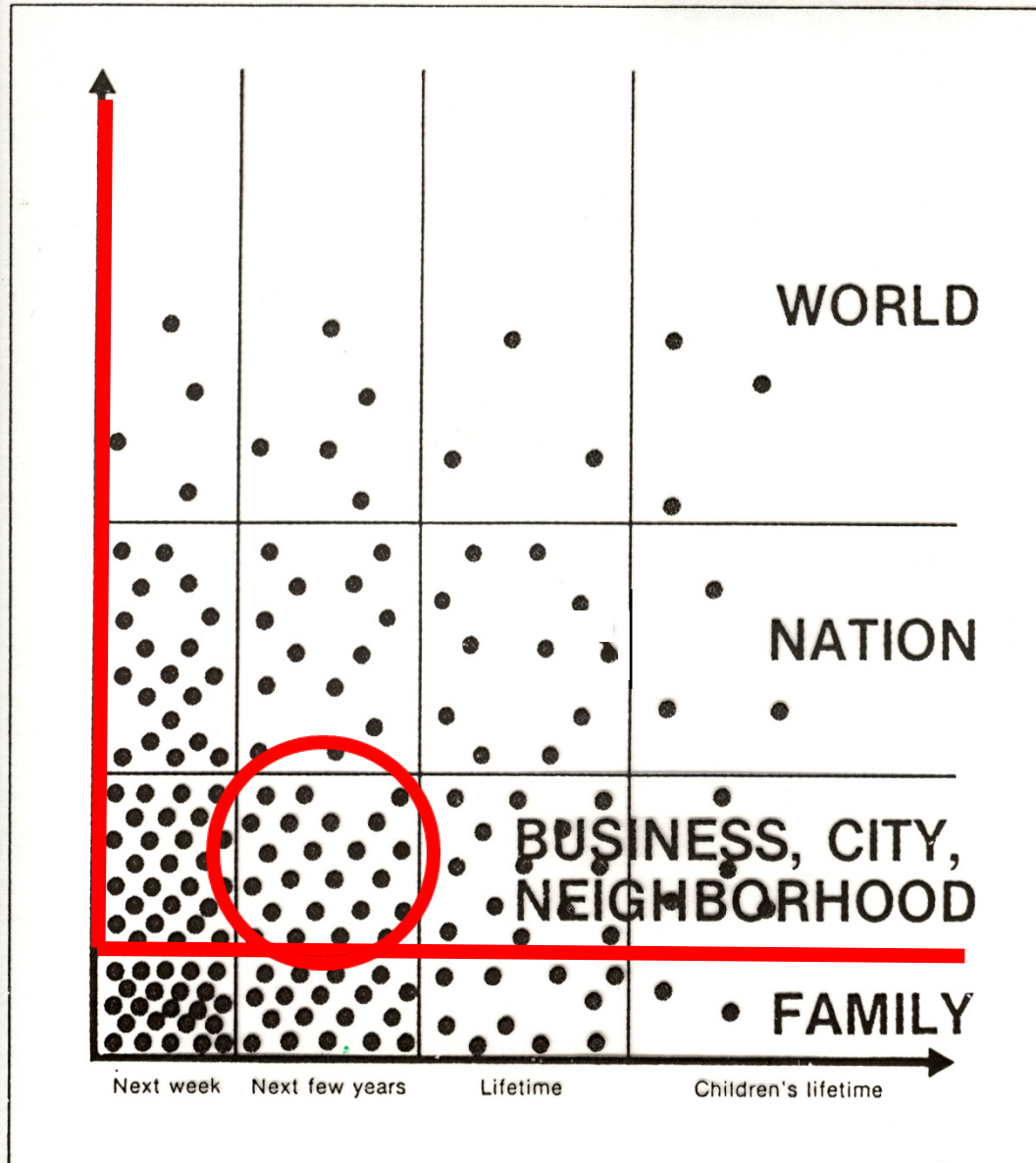
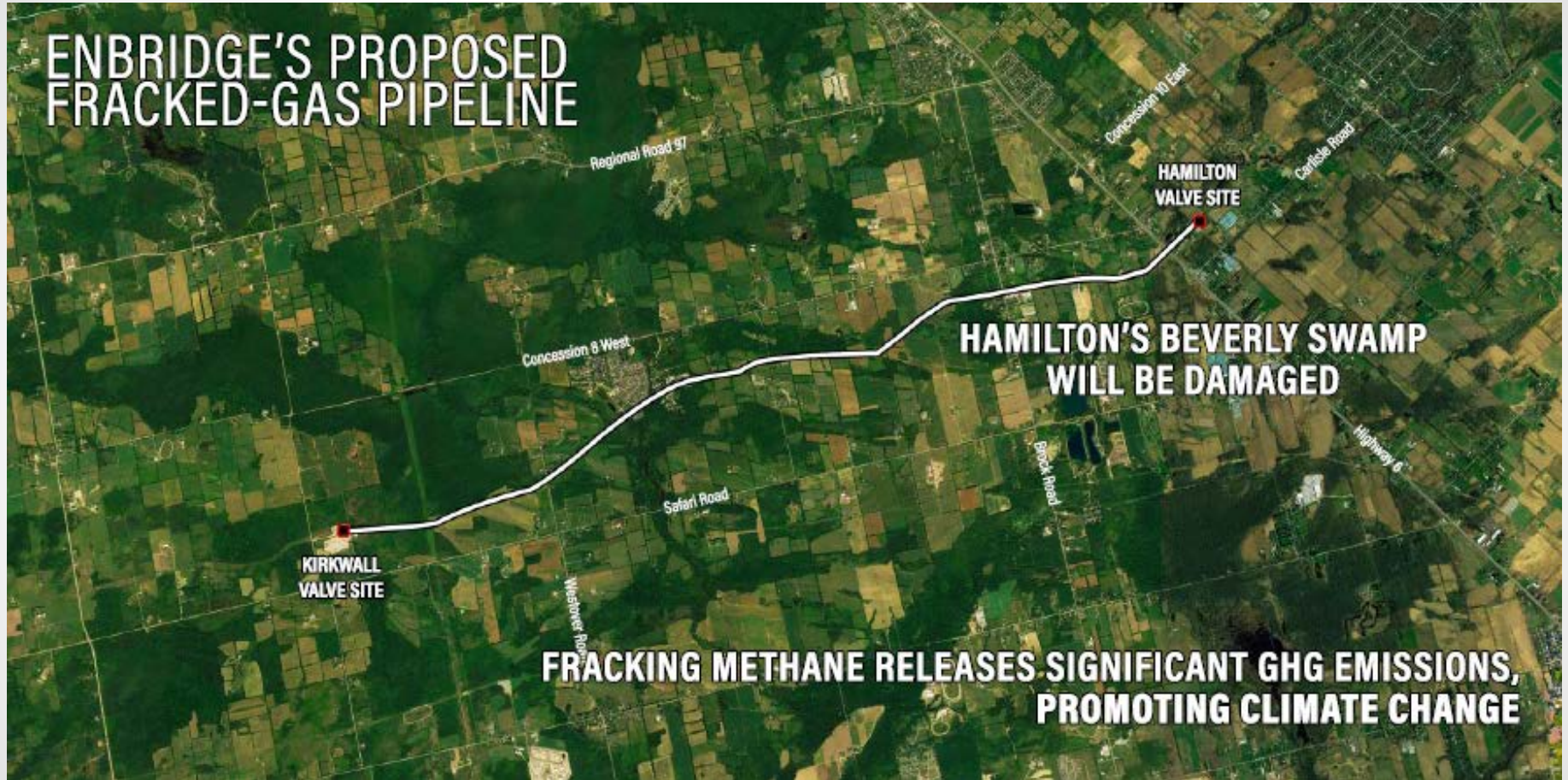


FIGURE 75. *Human perspectives. Most people are less concerned about future cost and benefits than present ones. (Dennis L. Meadows Limits to Growth, 1972.)*

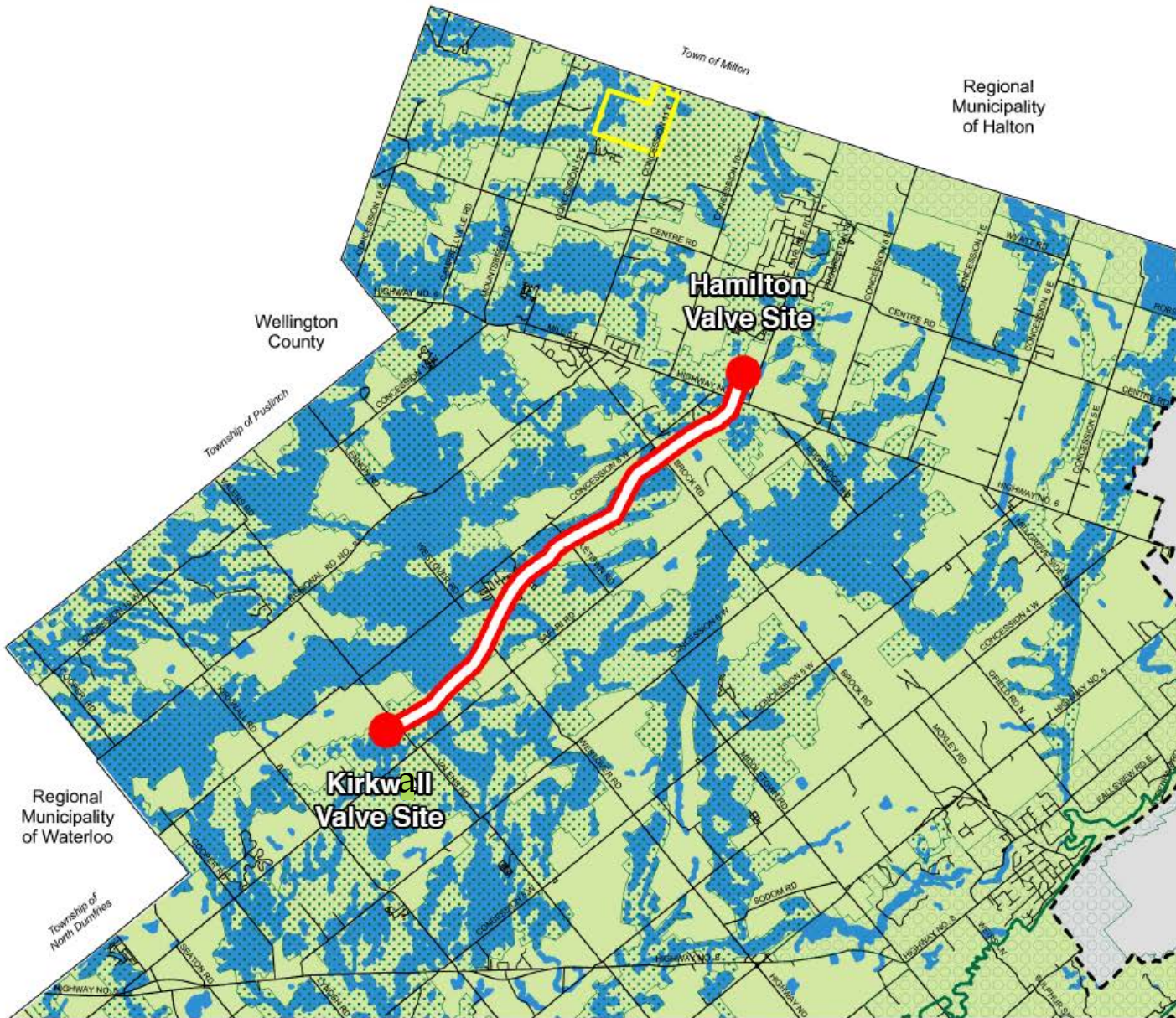
**CLIMATE  
EMERGENCY!**

**ACTION NOW!**









Regional Municipality of Halton

Wellington County

Township of Puslinch






Regional Municipality of Waterloo

Township of North Dumfries

### Legend

-  Key Natural Heritage and Key Hydrologic Feature Wetlands \*
-  Greenbelt Protected Countryside
-  Greenbelt Natural Heritage System
-  Niagara Escarpment Plan Area

### Other Features

-  Urban Area
-  John C. Munro Hamilton International Airport
-  Niagara Escarpment
-  Urban Boundary
-  Municipal Boundary

\* Note: Feature mapped with a 30m Vegetation Protection Zone.







**BRITISH COLUMBIA** 10/10/2018 13:14 EDT | **Updated** 10/10/2018 16:01 EDT

# Residents Starting To Return Home After Massive Enbridge Pipeline Explosion

The pipeline ruptured, sparking a massive blaze.

October  
2018



THE CANADIAN PRESS

A pipeline has ruptured and sparked a massive fire north of Prince George, B.C.

# Enbridge pipeline explodes in Kentucky, killing 1 person and sending 5 to hospital

August 1  
2019



In this Thursday photo provided by Naomi Hayes, a fire burns after an explosion near Junction City, Ky. A regional gas pipeline ruptured early Thursday in Kentucky, causing a massive explosion. (Naomi Hayes via The Associated Press)



# Enbridge Proposed Pipeline

- Construction through habitats dominated by the Beverly Swamp
- 30 M wide corridor, 10 Km long
- Fracked-gas from Pennsylvania
- Fracking and transportation leaks methane making this natural gas much worse for the climate
- It is necessary to wind down not expand fossil fuel extraction/transportation
- Approval or acceptance flies in the face of the climate emergency!

# Climate Emergency!

- As Greta Thunberg says: “ Our house is on fire!”
  - Please view the following speech given at the Davos World Economic Forum:
    - <https://www.theguardian.com/science/video/2019/jan/25/i-want-you-to-panic-16-year-old-greta-thunberg-issues-climate-warning-at-davos-video>
- We need to wind down fossil fuel extraction and use.
- What will you do to protect our climate and our significant habitats?
  - Tax the pipeline?
  - Withhold permit approvals?
  - Intervene at the Ontario Energy Board?

“Our house is on fire!”

It is time to abandon  
status quo decision-  
making!

# It is time for bold action to protect our environment!

- Please do!



## INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	September 18, 2019
<b>SUBJECT/REPORT NO:</b>	Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168) (Ward 14)
<b>WARD(S) AFFECTED:</b>	Ward 14
<b>PREPARED BY:</b>	Ian Kerr-Wilson (905) 546-2424 Ext. 1747
<b>SUBMITTED BY:</b>	Carrie Brooks-Joiner Director, Tourism and Culture Planning and Economic Development Department
<b>SIGNATURE:</b>	

### COUNCIL DIRECTION

Not Applicable

### INFORMATION

The purpose of this Information Report is to advise Council of the receipt of an unsolicited proposal for the adaptive reuse of the Balfour House/Chedoke Estate.

The Ontario Heritage Trust (OHT) is the owner of the Balfour House/Chedoke Estate (Balfour/Chedoke). Balfour/Chedoke includes significant heritage features on the exterior of all structures, the interior of the main house, in situ archaeological resources, and landscape.

The City of Hamilton assumed stewardship responsibility and all capital and maintenance costs under a 1979 agreement between the City and the OHT, attached as Appendix "A" to Report PED19168. The agreement continues to 2039.

At the September 18, 2013 General Issues Committee (GIC) meeting, staff was directed to work with the OHT to investigate potential adaptive re-uses for Balfour/Chedoke. Subsequently, at the March 19, 2014 GIC meeting, staff was directed to work with the OHT to adapt the property as a limited tenancy/film location. Work was completed in 2015.

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168) (Ward 14) - Page 2 of 3**

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The annual operating expenses for Balfour/Chedoke are approximately \$20,000. With revenue from commercial filming, the average annual impact on the municipal levy has been \$8,000 since 2015.

As part of the implementation of the current adaptive re-use, the City developed a partnership with the Willowbank School of Restoration Arts and the OHT. Willowbank oversees an intern who lives on site. The City receives the benefit of Willowbank's research and small on-site restoration projects.

Staff have no direction from Council to change the adaptive re-use model. The property is in overall good but undeveloped condition. No conservation or expanded adaptive re-use capital projects are identified for Balfour/Chedoke in the Heritage Resource Management 10-year Capital Plan. Relative to other heritage resource management challenges within Heritage Resource Management Section's portfolio, Balfour/Chedoke is a low priority. The OHT is satisfied with the City's current approach and regularly monitors the condition of the property.

In February 2019, staff from The Cardus Institute (Cardus), a registered Canadian charity (#11892 9207 RR 0001), contacted Planning and Economic Development staff and pitched the idea of an adaptive-reuse project for Balfour/Chedoke and tenancy of the property. This was an unsolicited overture.

Staff have not completed any testing of the market for interest in this property by others, and to date no RFP or Expression of Interest process has been undertaken for this property.

City staff communicated to Cardus staff that: the City of Hamilton is not the owner of the property; Council approval would be required before staff could proceed with any negotiations leading to a formal long-term lease agreement; OHT approval was also needed; and that the concept needed additional elaboration before it could be brought forward for consideration by either Council or the OHT. Between March and July, City staff worked with Cardus staff to clarify and better understand aspects of their concept. Staff also sought direction from OHT as to whether, as the property owner, any alternative leasing arrangement would even be considered by them.

The proposal that was ultimately received from Cardus is attached as Appendix "B" to Report PED19168. Cardus proposes the development and operation of a retreat facility incorporating offices, small meeting spaces and short-term accommodations for visiting scholars. The concept, as presented, respects the protected heritage elements of the site and provides broader public access to the building and grounds. Cardus has not yet developed the financial model.

**SUBJECT: Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168) (Ward 14) - Page 3 of 3**

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On August 1, 2019, staff received the response from the OHT, attached as Appendix “C” to Report PED19168. In summary, the OHT is satisfied with the current condition of Balfour/Chedoke and the City’s stewardship. It is not considering any changes to the ownership or the agreement. In the OHT’s view, should any project proceed towards a tenancy agreement, Cardus must conduct significant additional design work to ensure that both the heritage preservation requirements and Cardus’ programming needs are accommodated. The OHT emphasizes that the Trust and the City must approve any detailed final design. The OHT must also approve any change in the Balfour/Chedoke operation, including a change in tenancy. Further, the OHT requires that, as part of the stewardship responsibilities, City staff provide oversight and project management.

Following receipt of the OHT response in early August, staff had sufficient information to proceed with the development of this Information Report.

Staff also wish to advise Council that on August 28, 2019, subsequent to media reports about Cardus’ interest in Balfour/Chedoke, staff received an email indicating interest in the site from Jeremy Freiburger of Cobalt Connects. The email is attached as Appendix “D” to Report PED19168.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report PED19168 – 1979 Agreement with Ontario Heritage Trust

Appendix “B” to Report PED19168 – Cardus Proposal

Appendix “C” to Report PED19168 – Response from the Ontario Heritage Trust

Appendix “D” to Report PED19168 – Correspondence from Cobalt Connects

IKW:ro



THIS AGREEMENT made this *11<sup>th</sup>* day of December, 1979.

*048*

BETWEEN:

THE ONTARIO HERITAGE FOUNDATION,  
a body corporate continued by  
The Ontario Heritage Act, 1974,  
S.O. 1974, c.122

hereinafter called the "Foundation"

OF THE FIRST PART,

- and -

*[Handwritten signatures and notes]*

*[Handwritten signature]*

THE CORPORATION OF THE CITY  
OF HAMILTON,

hereinafter called the "City"

OF THE SECOND PART.

WHEREAS the Foundation is the owner of certain lands and premises situate, lying and being in the City of Hamilton in the Regional Municipality of Hamilton-Wentworth, municipally known as 654 Garth Street, Hamilton, and which said lands and premises are more particularly described in Schedule A attached hereto;

AND WHEREAS in holding the said lands and premises, it is the intention of the Foundation to conserve, protect and preserve the lands and premises as part of the heritage of Ontario;

AND WHEREAS the Foundation is desirous of granting

possession of the said lands and premises to the City pursuant to the provisions of this Agreement in order that the City may administer and manage the said lands and premises on behalf of the Foundation.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set out the parties hereto agree as follows:

1. In and for the purposes of this Agreement,
  - (a) "Property" means the real property described in Schedule "A" and includes the dwelling house and the coach house together with any other buildings or structures which may hereafter become situate upon the subject lands;
  - (b) "Buildings" means the structures of historical and architectural significance being a dwelling house and a coach house which are situated upon the subject lands as of the date of the execution of this Agreement and commonly known as "Chedoke".
  
2. The Foundation agrees to grant, and by the execution hereof does hereby grant unto the City the right to possession and control of the Property for a period of 30 years and from the date of this Agreement, but reserving in all events, all other incidents and rights of title in and to the Property and the Buildings to the Foundation, for the purposes of the development, maintenance, preservation, administration and supervision of the Property, and the Foundation hereby agrees with the City that, provided the City has complied with the terms of this Agreement, it will grant to the City the right to possession and control of the Property for a further period of 30 years from the expiry of the term hereby granted.
  
3. The City hereby agrees with the Foundation to develop, maintain, preserve, administer and supervise the property in the same manner, to the same standard and for the same general purposes as the City does with respect to similar types of historical, residential, recreational and park lands which are administered by or owned by and vested in the City.

4. The City agrees with the Foundation that all costs and expenses of any nature whatsoever incurred in connection with the development, maintenance, preservation, administration and supervision of the Property under this Agreement shall be borne by the City.

5. Subject to the written approval of the Foundation, which shall not be unreasonably withheld, the City may construct such new buildings or structures upon the Property as the City may require to carry out its obligations as set out in paragraph numbered 3 above. Any new buildings or structures which are constructed by the City under this Agreement shall become the property of the Foundation and ownership therein shall vest in the Foundation upon the termination of this Agreement or any renewal hereof. Subject to the written approval of the Foundation, which shall not be unreasonably withheld, the City may alter, renovate, repair and redecorate or make additions to any new buildings or structures which are constructed on the Property by the City.

6. Because of the historical, architectural and aesthetic character of the Buildings, the City shall not undertake or permit any construction, alteration, re-modelling, or any other thing or act which would materially affect the appearance or construction of the exterior of the Buildings without first receiving the express written permission of the Foundation. The approval required to be obtained from the Foundation herein shall be deemed to have been given upon the failure of the Foundation to respond in writing to a written request for it within sixty (60) days of receiving such request. If the approval of the Foundation is given or deemed to be given under this paragraph, the City, in undertaking or permitting the construction, alteration, remodeling, or other thing or act so approved of or deemed to be approved of, shall use materials specified by the Foundation. The City shall be permitted, without prior written approval of the Foundation, to undertake or permit the repair or refinishing of presently existing parts or elements of the Buildings, damage to which has resulted from casualty, loss, deterioration, or wear and tear, provided that such repair or refinishing may not be performed in a manner which would materially affect the appearance or construction of the exterior of the Buildings.

7. Because of the historical, architectural and aesthetic

character of the Buildings, the City shall not undertake or permit the demolition of the Buildings without first receiving the express written permission of the Foundation.

8. The City shall not commit or permit any act of waste on the Property. In respect to the subject lands, the City shall not, except with the prior express written approval of the Foundation,

- (a) grant any easement or right of way;
- (b) allow the dumping of soil, rubbish, ashes, garbage, waste or other unsightly, hazardous or offensive materials of any type or description;
- (c) except for the maintenance of existing improvements, allow any changes in the general appearance or topography of the lands, including and without limiting the generality of the foregoing, the construction of drainage ditches, transmission towers and lines, and other similar undertakings as well as the excavation, dredging or removal of loam, gravel, soil, rock, sand or other materials;
- (d) allow the removal, destruction or cutting of trees, shrubs or other vegetation except as may be necessary for (i) the prevention or treatment of disease, or (ii) other good husbandry practices;
- (e) Allow the planting of trees, shrubs or other vegetation which would have the effect of (i) reducing the aesthetics of the Buildings or the Property, or (ii) causing any damage to the Buildings;
- (f) allow any activities, actions or uses detrimental or adverse to water conservation, erosion control and soil conservation.

9. (a) The City shall at all times during the currency of this Agreement keep the Buildings insured against normal perils that are coverable by fire and extended coverage insurance in an amount that a prudent owner would normally purchase on

such structures, and shall cause to be inserted in all insurance policies on the Buildings a condition that the insurance company shall notify the Foundation of any cessation in insurance coverage or change in risk that might affect the liability of the insurance company under the policy or policies. If the City fails to so insure the Buildings, or if any such insurance on the Buildings is cancelled, or if the liability of the insurance company is affected by a change in risk, the Foundation may effect such insurance as the Foundation reasonably deems necessary and any sum paid in so doing shall forthwith be paid by the City to the Foundation on demand, or if not so paid shall be a debt owing to the Foundation.

(b) In the event of damage or destruction to the whole or any part of the Buildings, the City shall use the proceeds of the said insurance to replace, rebuild, restore or repair the whole or that part of the Buildings so damaged or destroyed to the limit of any proceeds receivable under the said insurance, unless it shall have been agreed between the Foundation and the City that replacement, rebuilding, restoration or repair thereof is impractical, unwarranted or unnecessary, in which case the proceeds of the said insurance shall be distributed between the City and the Foundation as follows:

(i) The City shall be entitled to that portion of the proceeds of the said insurance that is equal to the amount which the City has expended on behalf of capital and maintenance costs to the Buildings and which the City has not recovered from any tenant of the Property;

(ii) The Foundation shall be entitled to the remainder of the proceeds of the said insurance after the City has taken its portion pursuant to the provisions of clause (i) above.

(c) Similarly, in the event of damage or destruction to the whole or any part of any other buildings or structures upon the subject lands, the City shall use the proceeds of the said insurance to repair or replace the whole or that part of such building

or structure so damaged or destroyed to the limit of any proceeds receivable under the said insurance, unless it shall have been agreed between the Foundation and the City that repair or replacement thereof is impractical, unwarranted or unnecessary to carry out the intent and objects set out in paragraph numbered 3 of this Agreement, in which case the proceeds of the said insurance shall be retained by the City.

10.
  - (a) The City shall maintain comprehensive general liability insurance acceptable to the Foundation and subject to limits of not less than \$1,000,000.00 inclusive per occurrence for bodily injury (including personal injury), death, and damage to property including loss of use thereof and products.
  - (b) The policies of liability insurance shall include as an additional insured the Foundation, but only in respect of and the carrying out of the responsibilities assumed by the City under this Agreement and not in respect of any act or omission of the Foundation or any of its officers, directors, employees or agents. In addition, the policy of liability insurance shall contain a cross liability clause endorsement.
  - (c) The City shall arrange for the completion and submission of a certificate of liability insurance which shall include a provision requiring the insurer to give prior notice to the Foundation in the manner set forth in the policy conditions in the event that the policy of liability insurance is changed or cancelled.

11. The City will at all times indemnify and save harmless the Foundation, its officers, employees and agents from and against all claims, demands, losses, costs, damages, actions, suits or other proceedings by whomsoever made, sustained, brought or prosecuted in any manner based upon, occasioned by, or attributable to anything done or omitted to be done by the City, its officers, employees, servants or agents in connection with the Property or in the fulfilment or purported fulfilment or required fulfilment of any of the provisions of this

Agreement.

12. Notwithstanding any provision of this Agreement, nothing herein shall be interpreted or construed as giving rise to a claim by the City that it has acquired title by possession or prescription to the Property either during the term of this Agreement or upon the expiration of same.

13. The City agrees to submit to the Foundation, for its written approval, any document by which the City intends to divest itself of possession of the whole or any part of the Property, prior to its execution.

14. In the event of any disagreement between the Foundation and the City at any time concerning the rights or obligations of either of them hereunder, or of the reasonableness of the approval to perform some act sought to be performed hereunder or refused respectively, or concerning the requirement to replace, rebuild, restore or repair the whole or any part of the Buildings, or other building or structure which may have been damaged or destroyed, the parties hereto agree that either or both of them may apply to the Lieutenant Governor in Council to have the matter in dispute arbitrated pursuant to The Arbitrations Act, R.S.O. 1970, C.25, as amended, and that upon such application, the Lieutenant Governor in Council shall appoint a single arbitrator who shall investigate the dispute and whose decision in respect thereof shall be final and binding upon both parties hereto and this obligation to submit to arbitration is to be construed as an integral part of this Agreement.

15. If at any time during the continuance of this Agreement, the parties hereto shall deem it necessary or expedient to make any alteration or addition to this Agreement, they may do so by means of a written agreement between them which shall be supplemental hereto and form part hereof.

16. It is agreed that this written instrument embodies the entire agreement of the parties hereto with regard to the matters dealt with herein, and that no understandings or agreements, collateral, verbal or otherwise, exist between the parties except as herein expressly set out.

17. This Agreement shall enure to the benefit of and be binding

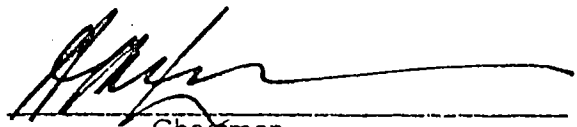
upon the parties hereto and their respective successors but shall not be assignable by either party hereto without the prior written consent of the other party.

IN WITNESS WHEREOF the parties hereto have affixed their respective corporate seals, attested to by the hands of their respective officers duly authorized in that behalf.

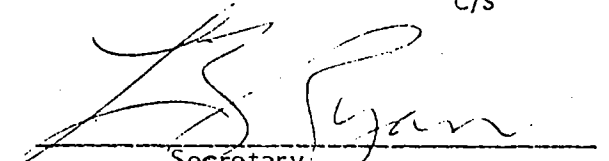
SIGNED, SEALED and DELIVERED  
in the presence of:

) THE ONTARIO HERITAGE  
) FOUNDATION

) Per:

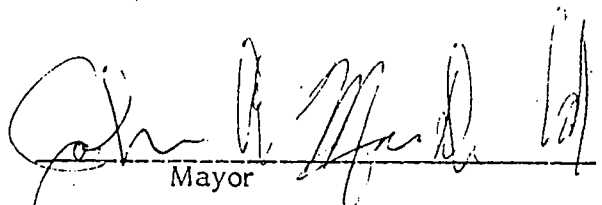
)   
) \_\_\_\_\_  
) Chairman

c/s

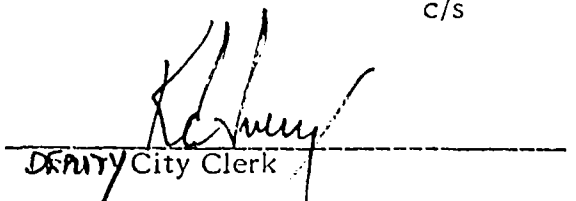
)   
) \_\_\_\_\_  
) Secretary

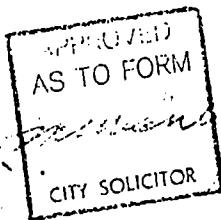
) THE CORPORATION OF THE CITY  
) OF HAMILTON

) Per:

)   
) \_\_\_\_\_  
) Mayor

c/s

)   
) \_\_\_\_\_  
) DEPUTY City Clerk

  
*W. [Signature]*  
CITY SOLICITOR



SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situateling and being in the City of Hamilton in the Regional Municipality of Hamilton-Wentworth (formerly in the Township of Barton in the County of Wentworth) and being composed of Lot One according to W.D. Flatt's plan of Chedoke Park Survey registered in the Registry Office for the County of Wentworth on the 29th day of December 1909 as number 447. SAVE AND EXCEPTING that part of said lot more particularly described as follows:

COMMENCING at a point in the western limit of Mount Pleasant Avenue distant four hundred and forty-five feet and six inches (445' 6") measured northerly from the northern limit of the road allowance between Concessions four and five. THENCE north eighteen degrees east along the said western limit of Mount Pleasant Avenue three hundred and fifty-three feet and eight inches (353' 8") more or less to the brow of the mountain. THENCE southwesterly and following the brow of the mountain one hundred and eighty-five feet and eight inches (185' 8") to a stake planted. THENCE south eighteen degrees west parallel to and distant one hundred and fifty feet (150') measured at right angles from the aforesaid western limit of Mount Pleasant Avenue two hundred and ninety-five feet and six inches (295' 6") to a stake planted. THENCE on a curve to the left and following the northern limit of an old roadway one hundred and fifty-nine feet and three inches (159' 3") to the place of beginning.

TOGETHER WITH those parts of Mount Pleasant Avenue and Edgecliffe Crescent as shown on said plan 447, to which the grantor became entitled by virtue of Orders made by the Judge of the County Court of the County of Wentworth closing such Avenue and Crescent, and which Orders were duly registered as Number 14693 and Number 15151 for the Township of Barton.

AND TOGETHER WITH AND SUBJECT TO a right-of-way twenty-four feet (24') in width leading from Garth Street to the hereinbefore described lands as set forth and provided for in an agreement dated the 20th day of October 1921 between Alan V. Young, Edna Greening Young, Herold Benjamin Greening and Ethel M. Balfour

- 2 -

which was duly registered in the Registry Office for the Registry Division of the County of Wentworth on the 21st day of October 1921 as Number 25232, and more particularly described as follows:

Said right of way being situate lying and being in the City of Hamilton, in the Regional Municipality of Hamilton-Wentworth and Province of Ontario, formerly in the Township of Barton, County of Wentworth, being composed of part of Lot Number Nineteen in the Fourth Concession of the said City of Hamilton, now laid out according to the plan of Chedoke Park Survey and registered in the Registry Office for the Registry Division of Wentworth as Plan Number 447, said right of way being composed of part of Lots Nos. 1, 8, 9, 24, 25, 37 and 54 and parts of Mount Pleasant Avenue, Edgecliffe Crescent and Westminster Avenue, as shown on the said plan of Chedoke Park Survey registered Plan No. 447, the centre line of said right of way may be more particularly described as follows, that is to say:

COMMENCING at a point in the western limit of Garth Street, distant Twenty-Seven feet and four inches measured on a course North eighteen degrees East along the western limit of Garth Street from the southeast angle of Lot No. 54 according to the plan of Chedoke Park Survey said point being also distant Four hundred and twenty-seven feet and four inches measured on a course north eighteen degrees East along the western limit of Garth Street from a stone monument marking the intersection of the western limit of Garth Street with the northern limit of the road allowance between Concessions Four and Five in the said City of Hamilton. Thence North sixty-nine degrees and twenty-nine minutes West Two hundred and fifty feet and three and three-quarter inches more or less to a point in the western limit of Westminster Avenue, according to said registered Plan No. 447 distant four hundred and thirty-nine feet and ten inches measured northerly along the western limit of Westminster Avenue from the northern limit of the road allowance between Concessions Four and Five. Thence north seventy-one degrees and sixteen minutes west Two hundred and sixteen feet and six inches to a point said point being distant Four hundred and forty-three feet and ten inches measured northerly parallel with the western limit of Mount Pleasant Avenue from the northern limit of the road allowance between Concessions Four and Five. From the point of commencement to this last mentioned point, said right of way has a width of Twenty-four feet, eight feet measured at right angles on the north side and sixteen feet on the south side of aforesaid centre line. From this last mentioned

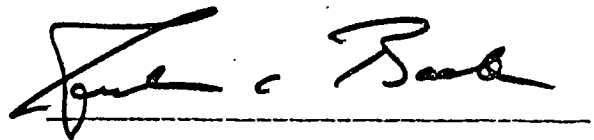
point said right of way having a width of Eight feet, Four feet measured at right angles on either side of the herein described centre line said centre line continuing as follows: Thence north eighty-six degrees and twenty minutes west One hundred and twenty-three feet and four inches to a point. Thence on a curve to the right having a radius of Fifty feet Seventy-eight feet and seven inches to a point. Thence north one degree and thirty minutes east Ten feet more or less to the division line between the properties of H.B. Greening and Ethel Balfour said division line being a line drawn westerly parallel with and distant One hundred and fifty feet measured at right angles from the western limit of Mount Pleasant Avenue as shown on the aforesaid registered Plan No. 447 and said point being distant Four hundred and sixty feet and three inches measured northerly parallel with the western limit of Mount Pleasant Avenue from the northern limit of the road allowance between Concessions Four and Five.

PROVINCE OF ONTARIO	)	IN THE MATTER OF
	)	The Ontario Heritage
REGIONAL MUNICIPALITY	)	Act, 1974, S.O. 1974,
	)	c. 122, as amended
OF HAMILTON-	)	
	)	
WENTWORTH	)	
	)	
	)	

APPROVAL

Pursuant to section 10 (1) (e) of The Ontario Heritage Act, 1974, S. O. 1974, c.122, I, the undersigned Minister of Culture and Recreation for the Province of Ontario, do hereby approve the execution by The Ontario Heritage Foundation of the attached Agreement between The Ontario Heritage Foundation, of the first part, and The Corporation of the City of Hamilton, of the second part, dated the        day of December, 1979, and do hereby certify that the said Agreement is in accordance with the policies and priorities determined by me for the conservation, protection and preservation of the heritage of Ontario.

DATED at Toronto the *11<sup>th</sup>* day of December, 1979.



Minister of Culture and  
Recreation for the Province  
of Ontario.

10/10/2010 10:10:10 AM

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CORPORATION OF THE CITY OF HAMILTON  
 LAW DEPARTMENT  
 M E M O R A N D U M

\*\*\*\*\*  
 TO: Mr. J. J. Schatz  
 City Clerk  
 Attention: Mr. S. G. Hollowell  
Manager, Records Division  
 OUR FILE: 80-1.342  
 FROM: Barbara Dawson  
 Legal Secretary  
 DATE: April 9, 1992  
 PHONE: 546-2129  
 RE: Lease Renewal Between the City and  
 Wilson Elizabeth Balfour Baxter and  
 The Ontario Heritage Foundation  
 1 Balfour Drive

Please be advised the above matter was authorized by City Council on March 26, 1991, in adopting Item 12 of the 6th Report of the Finance and Administration Committee.

For your custody, attached please find duplicate registered Lease Amendment dated the 27th day of March, 1992, registered in both the Land Titles and Registry Systems, as Instrument Nos. LT 320008 and 116368, respectively, on April 8, 1992.

bd  
 Enclosures

*Barbara Dawson*  
 Barbara Dawson  
 Legal Secretary

cc: Mr. I. Roy Hammel, Acting Treasurer  
 Treasury Department  
 Attention: Ms. Abbey Pirkas

~~Mr. D. W. Vyce, Director  
 Property Department  
 Attention: Mr. M.C.J. Watson~~

Property Department  
 Real Estate Division

Date: *Apr 10 1992*

File No.	Inf.	Act
Director		
<input checked="" type="checkbox"/> Manager		
Chief Appraiser		
Architect Div.		
Prop. Maint. Div.		
<i>Bob H</i>		
Secretary		<input checked="" type="checkbox"/>

*File*

FOR OFFICE USE ONLY

LAND TITLES  
# L.T. 320008

REGISTRY # 116368

BOTH REGISTERED ON APRIL 8TH, 1992

New Property Identifiers Additional: See Schedule

Executions Additional: See Schedule

(1) Registry  Land Titles  (2) Page 1 of 4 pages

(3) Property Identifier(s) Block Property Additional: See Schedule

(4) Nature of Document LEASE AMENDMENT

(5) Consideration NIL -----  
-----XX/100 Dollars \$

(6) Description  
FIRSTLY: REGISTRY - Part Lot 1, Plan 447, designated as Part 1, Plan 62R-11877  
SECONDLY: LAND TITLES - Parcel Block 24-7, Section M-316, Part Block 24, Plan M-316, designated as Part 2, Plan 62R-11877  
All in the City of Hamilton, Regional Municipality of Hamilton-Wentworth

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch  (b) Schedule for: Description  Additional Parties  Other

(8) This Document provides as follows:  
SEE LEASE AMENDMENT ATTACHED

Continued on Schedule

(9) This Document relates to instrument number(s) 146062 C.D.

(10) Party(ies) (Set out Status or Interest)  
Name(s) Signature(s) Date of Signature Y M D  
THE CORPORATION OF THE CITY OF HAMILTON *Elizabeth L* 1992 03 06  
by its Solicitor, Elizabeth Isajiw

(11) Address for Service P.O. Box 2040, 71 Main Street West, Hamilton, Ontario L8N 3T4

(12) Party(ies) (Set out Status or Interest)  
Name(s) Signature(s) Date of Signature Y M D  
THE ONTARIO HERITAGE FOUNDATION  
BAXTER, Wilson Elizabeth Balfour

(13) Address for Service c/o Lazier, Hickey, Langs, O'Neal, 25 Main St. W., Hamilton, Ont L8P 1H

(14) Municipal Address of Property  
1 Balfour Drive  
Hamilton, Ontario  
L9C 7A5

(15) Document Prepared by:  
City of Hamilton  
Law Department  
P.O. Box 2040, 71 Main St. W.  
Hamilton, Ontario  
L8N 3T4  
File No. 80-1.342

Fees and Tax	
Registration Fee	
Total	

**THIS INDENTURE** made as of the 27th day of March, 1991.

In pursuance of the Short Forms of Leases Act.

**B E T W E E N:**

**THE CORPORATION OF THE CITY OF HAMILTON**

(hereinafter called the "Lessor")

OF THE FIRST PART

- and -

**WILSON ELIZABETH BALFOUR BAXTER**, of the City of Hamilton, in the Regional Municipality of Hamilton-Wentworth, Widow

(hereinafter called the "Lessee")

OF THE SECOND PART

- and -

**THE ONTARIO HERITAGE FOUNDATION**, a body corporate continued by The Ontario Heritage Act, 1974, S.O. 1974, c. 122,

(hereinafter called the "Foundation")

OF THE THIRD PART.

**WHEREAS** the said parties of the first, second and third parts entered into a Lease dated September 1, 1979 and registered in the Land Registry Division of Wentworth (No.62) on December 12, 1979 as 146062 C.D. covering the lands described in Schedule "A" (hereinafter called the "Premises") for a period of 30 years with a provision for a further period of 30 years thereafter,

**AND WHEREAS** clause 3(e) of the said Lease provides that at the end of each five (5) year period of the Lease, the Lessor and the Lessee shall review the rent payable for the ensuing five (5) year period, and the rent shall be adjusted if requisite, to reflect a fair and reasonable rent having in mind the special nature of the premises and the particular arrangements which have been heretofore negotiated by the parties in respect of the premises,

**AND WHEREAS** an Agreement amending the said Lease as provided under clause 3(e) thereof regarding the second five (5) year period which ended October 31, 1989, was registered as No. 329661 C.D. on October 8, 1985,

**AND WHEREAS** the Lessor and the Lessee have reviewed the rent payable for the third five (5) year period, therefore the parties now agree as follows:

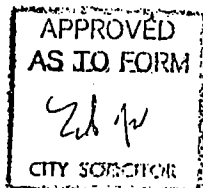
1. The sum of One Thousand, Two Hundred and Fifty Dollars (\$1,250.00) is to be payable monthly on the 1st day of November and December, 1989 and on the 1st day of January, 1990;



- 2. Subject to Section 3(e) of the Lease, the sum of One Thousand, Seven Hundred and Fifty Dollars (\$1,750.00) is to be payable monthly on the 1st day of each and every month during the remainder of this third five (5) year term of the Lease, the first of such payments to become due and be paid on the 1st day of February, 1990;
- 3. The parties acknowledge that subsequent to the original Lease herein, a new survey was prepared and deposited as Plan 62R-11877 and the parties hereby agree that the description in Schedule "A" of the said Lease is hereby deleted and the attached new description set out in Schedule "A" herein is substituted therefor.
- 4. All the other terms of the original lease dated September 1, 1979 are hereby confirmed in full force save and except as amended by paragraphs one, two and three herein.

**IN WITNESS WHEREOF** the Lessor has hereunto affixed its corporate seal attested by the hands of its duly authorized officers in that behalf, the Lessee has hereunto set her hand and seal and the Foundation has hereunto affixed its corporate seal attested by the hands of its duly authorized officers in that behalf as of the date and year first above written.

**SIGNED, SEALED AND DELIVERED**  
in the presence of



*Barbara Connor*

**THE CORPORATION OF THE CITY OF HAMILTON**

*[Signature]*  
ROBERT M. MORROW - Mayor

*[Signature]*  
K. E. AVERY - City Clerk  
J. J. SCHATZ

*Wilson Elizabeth Balfour Baxter*  
WILSON ELIZABETH BALFOUR BAXTER

**THE ONTARIO HERITAGE FOUNDATION**

*Richard D. Alway*  
Chairman: RICHARD ALWAY

*[Signature]*  
Treasurer

CHIEF OPERATING OFFICER  
BARRY GARDINER

**Legal Description: 1 Balfour Drive, Hamilton ("Chedoke")**

City of Hamilton,  
Regional Municipality of Hamilton-Wentworth

FIRSTLY: Registry

Part Lot 1, Plan 447,  
designated as Part 1, Plan 62R-11877

SECONDLY: Land Titles

Parcel Block 24-7, Section M-316  
Part Block 24, Plan M-316,  
designated as Part 2, Plan 62R-11877

# BALFOUR ESTATE CITY OF HAMILTON

CARDUS

# CARDUS TODAY

185 Young Street  
Hamilton





### CHALLENGE:

- Due to a previous agreement City of Hamilton manages and maintains a property owned by the Ontario Heritage Trust
- 1830s property is underused and no long term adaptive re-use plan has been approved by Council
- Significant long term liability obligation to the city - through 2039
- Occupied only by single individuals since 1979, currently a City of Hamilton intern
- Heritage property largely inaccessible to the community of Hamilton

#### Current estimated City of Hamilton liability 2019-2039:

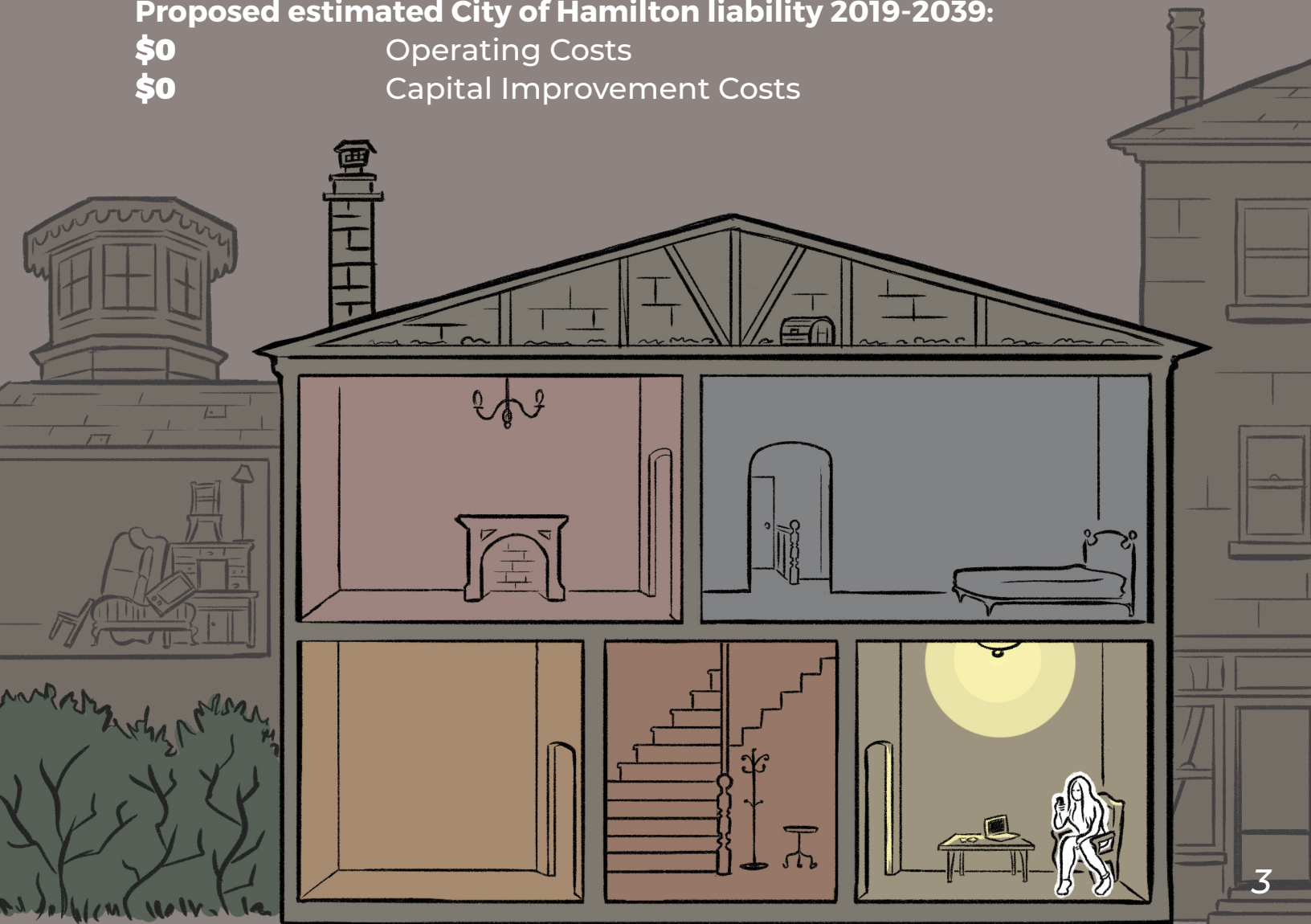
**\$500,000** Operating Costs (over 20 years, including inflation)  
**\$1,000,000** Capital Improvement Costs

### OPPORTUNITY:

- Cardus restoration and adaptive re-use proposal for Balfour: viable, sustainable
- Cardus proposes retreat facility which combines offices, small meeting spaces, and short-term accommodations for visiting scholars
- Cardus covers operational expenses AND capital costs, without any cost to the taxpayer of Hamilton
- Cardus usage would accomplish three of the City's four adaptive reuse 2014 proposals, through mixed residential and institutional tenancy
- Cardus would honour the Heritage character of the Balfour property, reintroducing a renewed Balfour House to the public, through Doors Open, Hamilton Employment Crawl, and more

#### Proposed estimated City of Hamilton liability 2019-2039:

**\$0** Operating Costs  
**\$0** Capital Improvement Costs



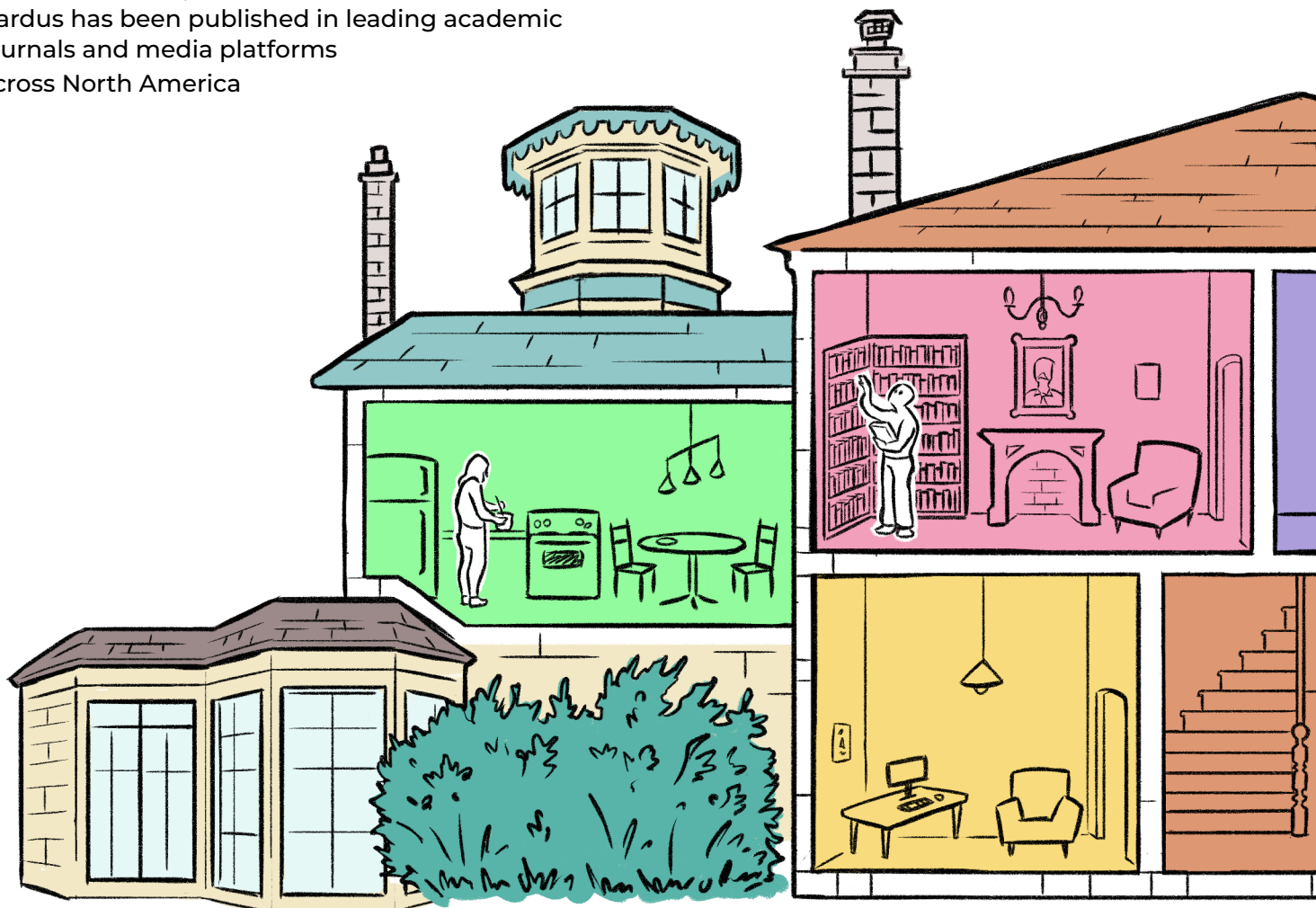


## CARDUS IS FINANCIALLY SOUND:

- Cardus has credible equity on balance sheet due to proper organizational stewardship over the last 10 years
- Cardus already owns heritage Hamilton property with significant equity
- Cardus has deeply committed community of philanthropists who will fund the restoration of Balfour
- Balfour requires up to \$30,000 annual operating costs from the City through 2039
- Escalating maintenance needs will require major restoration and repairs in short term
- A properly restored Balfour is in the public interest, but the public has so far not shown financial interest and ability
- The City of Hamilton now has an opportunity for a win-win with a well-established Hamilton institution
- Cardus is both willing and able to meet the heritage intent of Balfour, and the long-term capital costs for which the City seeks a solution
- Cardus is prepared to provide term guarantee to ensure restoration commitments

## CARDUS IS A WELCOMING PARTNER:

- Cardus was founded in 1974 - five years before Balfour was donated to OHT
- Cardus means "Main Street" - we work to support the "middle" institutions that all citizens need to live well together
- Many years of partnership with Redeemer University College
- Regular internships from institutions of higher learning
- Annual participant in Hamilton Doors Open
- Invited by Hamilton Employment Crawl 2019
- Cardus is a registered charity (Canada) and 501(c)(3) (United States)
- Cardus creates dozens of competitive and desirable Hamilton jobs
- Median age of Cardus staff is under 40: long-term taxpaying citizens
- Cardus has published 140 research reports and over 3,000 articles, all online for the public
- Cardus has been published in leading academic journals and media platforms across North America

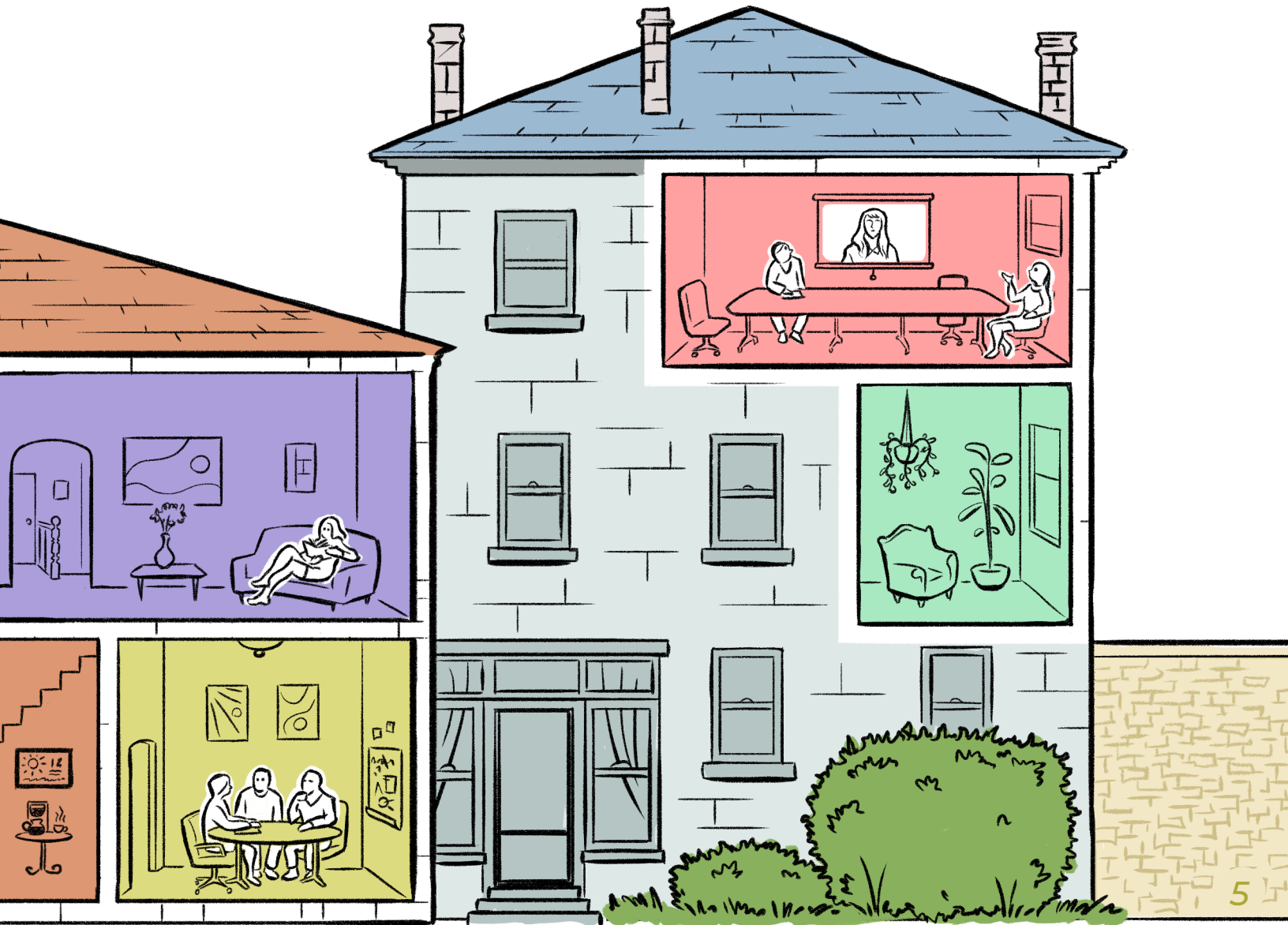


## CARDUS DOES EDUCATIONAL RESEARCH:

- Cardus is an institution of learning, regularly featuring lectures and paper presentations on social trends in education, city planning, families, religion, and health
- Many Cardus staff are current or former professors and lecturers
- All Cardus Senior Fellows are active educators with terminal degrees in their respective disciplines

## CARDUS DOES RELIGIOUS FORMATION:

- First charitable purpose (object) is religious formation: the study and refinement of the Christian faith and how it applies to social trends
- Second charitable purpose is education: educational programs, online products and meetings open to the public addressing social trends
- Cardus staff include Catholic and Protestant clergy and scholars



## CARDUS HONOURS BALFOUR HOUSE:

- Balfour is zoned “B” District allowing residential, institutional, public, commercial, and farm uses
- After initial consultation, Cardus is confident that our planned uses can be verified under the present zoning
- After initial consultation, Cardus is confident that the intensity of our use will honour the physical structure of this heritage building and not require undermining any heritage elements
- Cardus work consists of independent research, scholarship, and formation promoting a flourishing society—what the City of Hamilton calls “A Prosperous & Healthy Community”
- Cardus helps Canadians live together well despite their differences, enlarging public conversation on key policy issues: see [cardus.ca](http://cardus.ca)
- Cardus already uses downtown heritage building (Corktown) for reading rooms, offices, library, small meeting spaces for colloquia and roundtables
- Proposed Balfour retreat facility adds short-term residential lodging for visiting Fellows, scholars, and employees
- Cardus will honour history of Balfour’s chapel with contemplative space

## RESTORATION AND REPAIRS:

- Cardus will retain a respected Hamilton architectural firm with expertise and experience in the adaptive re-use of heritage buildings, to review existing building and property assessment and prepare construction drawings
- Prior to commencing work, Cardus and the City will reach joint agreement with the Ontario Heritage Trust, owners of the property, to assign to Cardus sublease control of the property through 2039.
- Cardus has reviewed in detail existing reports on the condition of the property, engineering estimates on costs, proposals for various adaptive uses, etc. Cardus will restore the Balfour property without any cost to the City of Hamilton
- Cardus is not proposing an intensive use and thus no additional parking is required. The Cardus team regularly at the Balfour will range from 10 – 14 members. Based on previous Cardus activity we estimate 2 colloquia per month averaging from 12 – 24 scholars/students.
- No significant changes required to grounds or building envelope. The grounds will be meticulously maintained
- Cardus has four sources of funds to manage the capital cost of the Balfour restoration. 1) Existing Balance Sheet Equity 2) Using equity in present 185 Young Street property 3) Existing Bank Line of Credit, 4) Promissory notes from Long term supporters.
- Cardus does not plan to use any of these sources as our expectation is that the capital investment will be funded by donations
- The increased cost of Balfour operations (maintenance and ongoing repair) is not material to our existing \$5M annual budget and would not be considered a financial risk by our BOD Audit and Risk Management Committee

## STEPS TOWARD MEMORANDUM OF UNDERSTANDING:

- Cardus usage will comply with existing residential, institutional, and public zoned uses, and be consistent with the historic use of the property and the heritage values/resources identified in the OHT Statement of Significance
- Cardus has internal expertise on planning and building matters. It will retain a leading construction management company to oversee restoration
- Cardus believes there are no significant engineering barriers, Building Code compliance issues, or heritage elements that cannot be overcome
- Cardus plan is supported by the City of Hamilton’s Official Plan

Upon signed MOU between Cardus and the City, Cardus will engage with the Balfour neighbours and with the Municipal Heritage Committee, and is committed to curating a storied heritage public property for the enjoyment of the community of Hamilton and beyond.



# CARDUS TOMORROW

## Balfour Estate



cardus.ca





An agency of the Government of Ontario

10 Adelaide Street East  
Toronto, Ontario M5C 1J3

Telephone: 416-325-5000  
Fax : 416-325-5071  
www.heritagetrust.on.ca

August 1, 2019

Ian Kerr-Wilson  
Manager, Heritage Resource Management  
City of Hamilton  
71 Main Street West  
Hamilton, Ontario L8P 4Y5

Dear Mr. Kerr-Wilson:

I am following up on recent discussions between Trust staff and City staff with respect to a proposal for the Chedoke Estate, which is owned by the Ontario Heritage Trust. The Trust has a good relationship with the City of Hamilton, built in part through the management of numerous heritage cultural easements. We are also pleased to have a longstanding operating agreement with the City of Hamilton for the preservation of the Chedoke Estate. The work that the City has done to conserve the physical heritage resources of the site and recently to introduce low-impact uses bodes well for the long-term integrity of the property. The preservation of the lands and premises including the historical, architectural and aesthetic character of the buildings is the Trust's overall goal.

The Trust has recently been provided a copy of a proposal from the charitable organization Cardus to the City of Hamilton for an adaptive re-use project at Chedoke Estate. It envisions converting the building to a retreat, with an as-yet-to-be-determined combination of short-term residential lodging, meeting space, office use and support facilities. The proposed term of occupancy is through 2039. Although it is still at a conceptual stage, the proposal would represent a milestone change in the evolution of Chedoke worthy of circumspect consideration.

In the Trust's experience, the conversion of a residential building to public use usually requires substantial physical interventions to meet regulatory health and safety, building code, access and amenities required of a public building. Precise detail of program uses is key to determining whether a proposed use is compatible or detrimental to the heritage building being adapted. The information provided in the Cardus proposal is not sufficient for the Trust to make this determination.

Should the City of Hamilton choose to pursue further investigation of the Cardus proposal, the Trust would commit to provide additional review and comments as required. However, further consideration by the Trust would require that the following conditions be met.

- The City will continue to be the Trust's operating partner and shall retain control of the property for the duration of the agreement.
- Planning, design and construction associated with the adaptive re-use must conform with Parks Canada's Standards and Guidelines for the Conservation of Historic Places in Canada. The Trust has adopted these standards for all work undertaken at Trust-owned heritage sites.

.../2

- Pursuant to the current operating agreement between the Ontario Heritage Trust and the City of Hamilton, and by established precedent, the City must be the Project Manager for any work undertaken, working in cooperation with the Trust as the approval authority.
- The prime consultant for the project must be an architect with demonstrated experience in conservation work at national historic sites, managing an interdisciplinary team of sub-consultants having similar experience.

The Trust appreciates the need to develop viable new uses for Chedoke Estate and we look forward to working with city staff towards that end.

Sincerely,



Wayne Kelly  
Director, Heritage Programs and Operations

**From:** Jeremy@cobaltconnects.ca  
**To:** [Norton, Glen](#); [Thorne, Jason](#); [Brooks-Joiner, Carrie](#); [Whitehead, Terry](#)  
**Subject:** Belfour House  
**Date:** August 28, 2019 10:29:04 AM

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Hi Clr. Whitehead, Glen, Jason and Carrie

I'm just responding to the article about Belfour House being open to proposals.

Cobalt would very much like to engage in such conversations with the City as we have a great interest in establishing a home for an artist residency program in Hamilton. Belfour House would receive far more public engagement under a mode like this than being the head office for Cardus.

We expressed this interest many years ago and even met with a Le Whitehead and Anna Bradford on-site to explore the property.

If the site is open for options we would love to participate before a decision is made on a private use.

Cobalt has not received City funding in almost a decade, as we prefer to seek these types of service and stewardship relationships in communities.

Looking forward to your response.

Jeremy

Sent from my iPhone



**CITY OF HAMILTON**  
**CITY MANAGER'S OFFICE**  
**Human Resources Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	September 18, 2019
<b>SUBJECT/REPORT NO:</b>	Equity, Diversity and Inclusion Framework (HUR19019) (City Wide) (Outstanding Business List Item)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Jodi Koch (905) 546-2424 Ext. 3003
<b>SUBMITTED BY:</b>	Lora Fontana Executive Director Human Resources
<b>SIGNATURE:</b>	

**RECOMMENDATION(S)**

- (a) That the City Manager to be identified as the Diversity and Inclusion Champion for the City of Hamilton;
- (b) That Human Resources staff be directed to develop and implement a Diversity and Inclusion Steering Committee comprised of representatives from all departments and across all levels of the organization, who will be responsible to:
  - (i) Confirm appropriate definitions to guide Equity, Diversity and Inclusion (EDI) work;
  - (ii) Identify appropriate framework for EDI lens for the City of Hamilton;
  - (iii) Establish Standards of Practice;
  - (iv) Review and revise draft Equity, Diversity, and Inclusion Handbook to be consistent and in alignment with the framework;
  - (v) Complete an updated internal environmental scan on annual basis;
  - (vi) Identify key initiatives and project priorities and develop appropriate workplans and milestones for such; and,
  - (vii) Engage in appropriate internal and external consultations on above;

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**SUBJECT: Equity, Diversity and Inclusion Framework (HUR19019) (City Wide)**  
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- (c) That Human Resources staff be directed to source, through a competitive procurement process, suitable training from an external provider on Diversity and Inclusion training, relating to such elements including, but not limited, to anti-racism, anti-oppression, unconscious bias, and inclusionary best practices;
- (d) That Human Resources staff be directed establish a schedule for the above mandatory training to be delivered to Council members, the Senior Leadership Team, all Supervisor and above employees, and Union Executive Leadership in 2020;
- (e) That Human Resources staff be directed to source options for systems/process enhancements to support Diversity and Inclusion metric dashboard requirements;
- (f) That an amount not to exceed \$100,000, to be funded from Tax Stabilization Reserve Account #110046, to facilitate the Equity, Diversity and Inclusion 2020 training and community engagement components, be approved; and,
- (g) That staff be directed to report back to the General Issues Committee by June 17, 2020 with a status update respecting the implementation of the Equity, Diversity and Inclusion process; and,
- (h) That the matter respecting the Equity, Diversity and Inclusion Framework be considered complete and removed from the General Issues Committee's outstanding business list.

## **EXECUTIVE SUMMARY**

Over the past several years, there has been an increased level of awareness that Municipalities need to take a greater role to ensure communities are safe, respectful, and inclusive for all its citizens. Local government has a tremendous direct impact on policy, services, and civic engagement. It is clear that Hamilton faces unique challenges and opportunities and, as such, the model and framework selected must to be designed to meet our City's specific needs.

The Mayor's motion on February 27, 2019 directed staff to return in Q3 2019 with recommendations on how such a framework can be established. The recommendations contained in this report include the appointment of the City Manager as the organization's Diversity and Inclusion Champion, the creation of a cross-functional and multi-level Diversity and Inclusion Steering Committee, mandatory training for Council members, Senior Leadership Team, all Supervisor and above staff, and Union Executive Leadership, as well as community engagement on the EDI Framework and key initiatives

**SUBJECT: Equity, Diversity and Inclusion Framework (HUR19019) (City Wide)**  
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and priorities. This work would be shared with the broader community at an EDI Summit to be held in 2020. Finally, a budgetary request is \$100,000, to be funded out of Reserves, for the training and community engagement recommendations.

**Alternatives for Consideration – See Page 7**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** Budget forecast of up to \$100,000 to facilitate, develop and train Council Members, Senior Leadership Team, over 600 Supervisor and above staff, and Union Executive Leadership.

**Staffing:** Approximately 15 - 20 staff required to incorporate role of Diversity and Inclusion Steering Committee member into existing roles and responsibilities. Expected time commitment of a monthly two hour meeting and quarterly half day sessions for the next five years.

**Legal:** None

**HISTORICAL BACKGROUND**

The City of Hamilton began its Diversity journey many years ago, albeit in a less formal fashion. Many key projects and initiatives have contributed to where the City is today in its current state, as well as helped to shape our desired future state.

These key projects and initiatives include:

- a) City of Hamilton's Strategic Plan 2016 – 2025
- b) Corporate Culture Pillars
- c) Our Future Hamilton 2016 – 2025
- d) Our People and Performance Plan – 2016 - 2025
- e) Voluntary Demographic Collection – 2018
- f) Regional Roundtable Organizational Assessment – 2017/2018
- g) Diversity and Inclusion Strategic Plan – 2017
- h) Review of Access and Equity's Function – 2016
- i) Employment Systems Review – 2014
- j) Vision 2020

While these initiatives have contributed significantly to the progress made, there remains a need to have an overarching framework to guide our policy and decision making process and to ensure barriers are eliminated and inclusion is enhanced in our daily work. This is what led to the Mayor's motion on an Equity, Diversity, and Inclusion Framework.

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An EDI Framework is intended to promote equity and inclusion throughout the organization. In order to enhance equity and inclusion, one must first gain knowledge of how people from diverse backgrounds experience the City of Hamilton. No one single facet of identity or one single experience defines us, but rather it is a complex model that requires us to consider many elements such as gender, race, ability, socio-economic status, ancestry, sexual orientation, age, education, and geography. The term “intersectionality” refers to the concept that patterns of oppression are interrelated and bound to one another. An intersectional approach is intended to assist in the creation and implementation of policies, procedures, and practices that are responsive to the needs of diverse communities.

The EDI framework will be utilized in a wide variety of manners including, but not limited to internal policies and procedures, strategies, goal setting, and service delivery models. For example, the implementation of the framework will inform the work required to complete the motion approved by Council in February 2019 regarding using an EDI framework/lens for the City’s Housing and Homelessness Strategy and service delivery as well as inform the Integration of an Equity, Diversity & Inclusion (EDI) Framework to the Policies and Procedures of the Selection Committee and Interview Sub-Committees respecting the Appointment of Citizens to the City’s Agencies, Boards, Commissions, Advisory (Volunteer) Committees and Sub-Committees as approved by Council in July 2019.

There are various models and versions of EDI frameworks utilized in both public and private sector organizations. There is no one best model, rather each organization should be mindful of its own unique needs when designing and selecting an EDI framework.

There are many definitions used when speaking about EDI frameworks. A draft glossary of terms is provided in Appendix A to Report HUR19019 for review.

**Equity, Diversity and Inclusion Framework**

An EDI Framework will inform and guide business decisions. The EDI framework is not the end goal, but rather it is part of an ongoing process in a world of constant change. Appendix B to Report HUR19019 illustrates how the EDI Framework fits into the organization’s overall structure and deliverables.

The “Advancing Equity and Inclusion Guide for Municipalities” issued in June 2015 by the City for All Women Initiative identifies the following steps cities should take on their inclusion journey:

- 1) Strategize for Change
- 2) Define Aspirations
- 3) Consider the Costs (Actions and Non-Actions)

**SUBJECT: Equity, Diversity and Inclusion Framework (HUR19019) (City Wide)**  
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- 4) Scan the Environment
- 5) Identify Obstacles
- 6) Identify Champions
- 7) Create Conditions for Change
- 8) Measure Results

In 2017/2018, the City's Diversity staff participated in the Regional Roundtable on Diversity forum facilitated by external consultants. An environmental scan (Appendix C to Report HUR19019) was performed at that time which led to the implementation of the following actions:

- 1) Voluntary Demographic Collection – Volunteers
- 2) Voluntary Demographic Collection – Applicants
- 3) Voluntary Demographic Collection – Employees (Q4 2019)
- 4) Diversity Competencies in Management PAD process
- 5) Community Engagement at Festivals and Events

### **Importance of Equity, Diversity and Inclusion Framework**

The EDI Framework is important because there are many citizens that are at risk of exclusion if community leaders are not aware of the impacts decisions have on these groups. These populations include, but are not limited to:

- Indigenous peoples
- LGBTQ2S
- Immigrants
- Persons with Disabilities
- Persons living in Poverty
- Racialized People
- Rural Residents
- Women
- Youth
- Older Adults

These groups are traditionally more likely to face barriers, assumptions, stereotypes or discrimination when accessing services, employment, and other social benefits. An EDI framework affects policies, procedures, and practices which lead to enhanced Diversity and Inclusion. Numerous studies have shown that enhancing Diversity and Inclusion in an organization results in better service delivery, improved perception as employer of choice, improved employee engagement and retention and reduced attrition.

### **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

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The City of Hamilton has various policies that have relevance to the EDI Framework and associated work. These include:

- Equity and Inclusion Policy
- Harassment in the Workplace Prevention Policy
- Personal Harassment in the Workplace Prevention Policy
- Use of Indigenous Medicines Policy
- Code of Conduct
- Recruitment Accommodation Procedure
- Employment Accommodation Procedure
- Flexible Work Arrangements Policy
- Protocol for Gender Identity and Gender Expression
- Recruitment and Selection Policy
- Substance Use Policy
- Telecommuting Policy
- Violence in the Workplace Policy

Additionally, relevant legislation includes:

- Accessibility for Ontarians with Disabilities Act (AODA)
- Ontario Human Rights Code
- Employment Standards Act

As part of annual policy review process, the EDI framework, once established, should be utilized as a tool to evaluate the various policies and inform possible required revisions. The Diversity and Inclusion Steering Committee will serve as a resource to the Policy Review Committee to assist in this endeavour.

## **RELEVANT CONSULTATION**

Extensive research has been done by Diversity staff on various models and methods to develop an EDI Framework or Lens. Internal consultation will be facilitated by the monthly Diversity and Inclusion Steering Committee meetings and engagement with Senior Leadership and Departmental Leadership Teams. Various community leaders will be invited to attend the monthly Diversity and Inclusion Steering Committee meetings to provide lived experience and perspectives to inform the group and the related work product.

The City's Diversity staff have also been invited to join a newly formed Municipal Network of Diversity and Inclusion which includes representatives from the cities of Edmonton, Calgary, Vancouver, Victoria, Saskatoon, and Halifax which will prove to be a valuable

**SUBJECT: Equity, Diversity and Inclusion Framework (HUR19019) (City Wide)**  
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resource and sounding board for the framework and other related Diversity and Inclusion initiatives.

The EDI Summit held in 2020 would allow for broader community consultation on the proposed framework and priorities. This would be completed prior to the final submission for Council approval in 2020.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

In conducting the research for this Recommendation Report, numerous models and approaches were reviewed and considered. What became apparent during this process is the need for organizations to customize their approach to EDI work by consulting with various stakeholders. The City of Hamilton's Strategic Plan clearly identifies the overall Vision and Mission. This has been supplemented with the Diversity and Inclusion Strategic Plan which was designed in alignment with the Corporate Strategy. A number of key initiatives and projects have been undertaken in the past several years which have led to our current state.

In order to move forward and advance towards our desired future state, a more focussed and better resourced effort is required. This effort also requires defined measurables and deliverables to ensure the work remains on or ahead of target schedules and engagement. In viewing a Diversity Maturity Matrix, concrete and sustainable foundational elements need to be incorporated to achieve the future desired state shown in Appendix D to Report HUR19019.

A successful framework requires several key elements according to a report by IDylls Consulting. These include:

- Informed and committed leadership
- Comprehensive scope of goals and activities
- Integration of objectives within business plans
- Dedicated resources
- Focussed training opportunities
- Policy review and development
- Shared responsibilities and individual accountability
- Measurement and evaluation

The Recommendations contained within this report will directly contribute to achieving these key elements.

**ALTERNATIVES FOR CONSIDERATION**

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One alternative for consideration is to create a standalone Diversity and Inclusion Champion that would report to the City Manager. The other Recommendations would remain the same. This model is frequently being used and is gaining in popularity, particularly in the area of post-secondary education as well as private industry. This approach, which would require additional one (1) FTE and associated budget would accomplish a number of key goals:

- 1) Clearly communicate the priority this work has within the organization
- 2) Allow for dedicated resources and focus on Diversity and Inclusion work
- 3) Increase the effectiveness and timeliness of the deliverables

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** Budget forecast of up to \$219,000 annually to cover associated salary and benefit costs. Would still require \$100,000 of funding from Reserves to cover costs of developing and delivering training as outlined above.

**Staffing:** Would require the hiring of a new position at the Senior Leadership Team level to convey the organization's commitment to the newly created role. Approximately 15 – 20 staff would still be required to support the Diversity and Inclusion Steering Committee as part of their existing roles and responsibilities. Expected time commitment of a monthly two hour meeting and quarterly half day sessions for the next five years.

**Legal:** None

Given the additional costs as well as the need for some preliminary foundational work, this option is not recommended at this time.

A second alternative for consideration would be to enlist the support of a Consultant(s) who specializes in Diversity and Inclusion work and have them develop the definitions, framework, and conduct the community consultations. This approach would relieve current staff from taking on additional duties but would not result in the same level of ownership or engagement from the organization's staff. There would also be a significant financial cost in taking this approach.

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** Budget forecast estimated of up to \$200,000 annually to cover associated Consultant costs. Would still require \$100,000 of funding from Reserves to cover costs of developing and delivering training as outlined above.

**Staffing:** Approximately 15 – 20 staff would still be required to support the Diversity and Inclusion Steering Committee as part of their existing roles and responsibilities. Expected

**SUBJECT: Equity, Diversity and Inclusion Framework (HUR19019) (City Wide)**  
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time commitment of a monthly two hour meeting and quarterly half day sessions for the next five years.

Legal: None

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Community Engagement and Participation**

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

### **Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

### **Healthy and Safe Communities**

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

### **Culture and Diversity**

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

### **Our People and Performance**

Hamiltonians have a high level of trust and confidence in their City government.

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix A to Report HUR19019 – Draft Glossary of Terms

Appendix B to Report HUR19019 – EDI Framework in Organizational Structure

Appendix C to Report HUR19019 – Internal Environmental Scan

Appendix D to Report HUR19019 – Diversity Maturity Matrix

## Glossary of Terms

### **Ableism**

A belief system that sees persons with disabilities as being less worthy of respect and consideration, less able to contribute and participate, or of less inherent value than others. Ableism may be conscious or unconscious, and may be embedded in institutions, systems or the broader culture of a society. It can limit the opportunities of persons with disabilities and reduce their inclusion in the life of their communities.

### **Acceptance**

Affirmation and recognition of those whose race, religion, nationality, values, beliefs, etc. are different from one's own. Acceptance goes beyond 'tolerance' which represents a "coming to terms" with difference rather than an embrace or approval of it.

### **Adverse Impact**

The impact, whether intended or not, of employment practices that disproportionately affect groups such as visible minorities and women. Though a practice may appear neutral, it has a discriminatory effect on groups protected by human rights and/or employment legislation.

### **Ageism**

Ageism refers to two concepts: a socially constructed way of thinking about older persons based on negative attitudes and stereotypes about aging and a tendency to structure society based on an assumption that everyone is young, thereby failing to respond appropriately to the real needs of older persons. Ageism also includes discrimination that is more systemic in nature, such as in the design and implementation of services, programs and facilities. Age discrimination involves treating persons in an unequal fashion due to age in a way that is contrary to human rights law.

### **Ally**

A member of a different group who works to end a form of discrimination for a particular individual or designated group.

### **Anti-Oppression**

Strategies, theories, and actions that challenge social and historical inequalities/injustices that have become part of our systems and institutions and allow certain groups to dominate over others.

### **Anti-Racism**

An active and consistent process of change to eliminate individual, institutional and systemic racism.



**Antisemitism**

Antisemitism is a certain perception of Jews, which may be expressed as hatred or blame. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities. The IHRA definition provides examples, which may serve as illustrations, found here.

**Attitude**

An individual's state of mind which makes them react in certain ways towards social events or objects; a consistent pattern of thoughts, beliefs, emotions, and reactions.

**Barrier**

An overt or covert obstacle which must be overcome for equality and progress to be possible.

**Bias**

A subjective opinion, preference, prejudice, or inclination, often formed without reasonable justification, which influences the ability of an individual or group to evaluate a particular situation objectively or accurately.

**Bona Fide Occupational Requirement**

A workplace prerequisite that is directly related to the requirements of a specific job and which employers may consider when making decisions on the hiring and retention of employees.

**Conciliation**

An informal communications process aimed at getting two or more parties to establish meaningful dialogue, narrow down issues in dispute, and suggest cooperative ways of resolving conflict.

**Creed**

A professed system and confession of faith, including both beliefs and observances or worship. A belief in a god or gods or a single supreme being or deity is not a requisite.

**Cultural Assimilation**

The full adoption by an individual or group of the culture, values and patterns of a different social, religious, linguistic or national ethos, resulting in the diminution or elimination of attitudinal and behavioural characteristics of the original individual or group. Can be voluntary or forced.

**Culture**

The mix of ideas, beliefs, values, behavioural and social norms, knowledge and traditions held by a group of individuals who share a historical, geographic, religious, racial, linguistic, ethnic and/ or social context. This mix is passed on from one generation to another, resulting in a set of expectations for appropriate behaviour in seemingly similar contexts.

**Designated Groups**

Social groups whose individual members have been historically denied equal access to employment, education, social services, housing, etc. because of membership in the group. In the Employment Equity Act, the four designated groups are: women, aboriginal peoples, persons with disabilities, and members of visible minorities.

**Discrimination**

The denial of equal treatment and opportunity to individuals or groups because of personal characteristics and membership in specific groups, with respect to education, accommodation, health care, employment, access to services, goods, and facilities. This behaviour results from distinguishing people on that basis without regard to individual merit, resulting in unequal outcomes for persons who are perceived as different. Differential treatment that may occur on the basis of any of the protected grounds enumerated in human rights law.

**Diversity**

A term used to encompass the acceptance and respect of various dimensions including race, gender, sexual orientation, ethnicity, socio-economic status, religious beliefs, age, physical abilities, political beliefs, or other ideologies.

**Dominant Group**

Defined as the group that controls the major elements of a society's norms and values. The dominant group is often but not always the majority.

**Employment Equity**

A program designed to remove barriers to equality in employment for reasons unrelated to ability, by identifying and eliminating discriminatory policies and practices, remedying the effects of past discrimination, and ensuring appropriate representation of the designated groups (women; Aboriginal peoples; persons with disabilities; and visible minorities). Employment Equity can be used as an active effort to improve the employment or educational opportunities of members of minority groups and women through explicit actions, policies or programs.

**Equity**

A condition or state of fair, inclusive, and respectful treatment of all people. Equity does not mean treating people the same without regard for individual differences.

**Ethnic Group**

Refers to a group of people having a common heritage or ancestry, or a shared historical past, often with identifiable physical, cultural, linguistic and/or religious characteristics.

**Ethnicity**

The multiplicity of beliefs, behaviours and traditions held in common by a group of people bound by particular linguistic, historical, geographical, religious and/or racial homogeneity. Ethnic diversity is the variation of such groups and the presence of a number of ethnic groups within one society or nation.

**First Nation**

A term that came into common usage in the 1980's, to replace the term "Indian," which some people find offensive – it has no legal definition. "First Nation peoples" or "First Nations" refers to the Indian peoples of Canada, both status and non-status, who are descendants of the original inhabitants of Canada who lived here for millennia before explorers arrived from Europe and can also refer to a community of people as a replacement term for "band" (see "Band"). First Nation peoples are one of the distinct cultural groups of Aboriginal peoples in Canada. There are 52 First Nations cultures in Canada, and more than 50 languages. The term "First Nation" is not interchangeable with "Aboriginal," because it does not include Métis or Inuit.

**Genocide**

The United Nations defines genocide as any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group: killing members of the group; causing serious bodily or mental harm to members of the group; deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part; imposing measures intended to prevent births within the group; forcibly transferring children of the group to another group.

**Harassment**

Harassment is a form of discrimination. It involves any unwanted physical or verbal behaviour that offends or humiliates you, whether subtle or overt. Generally, harassment is a behaviour that persists over time. Serious one-time incidents can also sometimes be considered harassment.

## **Hate Crime**

The Criminal Code of Canada defines Hate Crime as an offence committed to intimidate, harm or terrify not only a person, but an entire group of people to which the victim belongs. Crimes are motivated by hate, prejudice or bias on the basis of grounds such as colour, race, religion, ethnic origin or sexual orientation, gender identity or expression, or mental or physical disability. In such cases, the sentencing principles of the Code (section 718.2) can be enforced to impose an increased sentence. As noted in a separate entry, Hate Propaganda offenses are covered under specific sections of the Code.

## **Hate Group**

An organization that – based on its official statements or principles, the statements of its leaders, or its activities – has beliefs or practices that attack or malign an entire class of people, typically for their immutable characteristics. These organizations spread propaganda intended to incite hatred toward certain groups of people; advocate violence against certain groups on the basis of sexual orientation, race, colour, religion etc.; claim that their identity (racial, religious etc.) is 'superior' to that of other people; do not value the human rights of other people.

## **Hate Propaganda**

Negative ideologies and beliefs transmitted in written, verbal, or electronic form in order to create, promote, perpetuate, or exacerbate antagonistic, hateful, and belligerent attitudes and action or contempt against a specific group or groups of people. The Criminal Code defines Hate Propaganda as “any writing, sign or visible representation that advocates or promotes genocide or the communication of which by any person would constitute an offence under section 319.”

## **Human Rights**

In Canada, human rights are protected by federal, provincial and territorial laws. The Canadian Human Rights Act and provincial/territorial human rights codes protect individuals from discrimination and harassment in employment, accommodation and the provision of services. The Canadian Charter of Rights and Freedoms protects every Canadian's right to be treated equally under the law. The Charter guarantees fundamental freedoms such as (a) freedom of conscience and religion; freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication; freedom of peaceful assembly; and freedom of association.

**Immigrant**

One who moves from their native country to another with the intention of settling permanently for the purpose of forging a better life or for better opportunities. This may be for a variety of personal, political, religious, social or economic reasons.

**Inclusion**

The extent to which diverse members of a group (society/organization) feel valued and respected.

**Indigenous**

First used in the 1970's, when Aboriginal peoples worldwide were fighting for representation at the U.N., this term is now frequently used by academics and in international contexts (e.g., the United Nations Declaration of the Rights of Indigenous Peoples). Indigenous is understood to mean the communities, peoples, and nations that have a historical continuity with pre-invasion, pre-settler, or pre-colonial societies that developed on their territories, as distinct from the other societies now prevailing on those territories (or parts of them). Can be used more or less interchangeably with "Aboriginal," except when referring specifically to a Canadian legal context, in which case "Aboriginal" is preferred, as it is the term used in the Constitution.

**Intersectionality**

The experience of the interconnected nature of ethnicity, race, creed, gender, socio-economic position etc., (cultural, institutional and social), and the way they are imbedded within existing systems and define how one is valued.

**Intolerance**

Bigotry or narrow mindedness which results in refusal to respect or acknowledge persons of different backgrounds.

**Inuit**

A circumpolar people who live primarily in four regions of Canada: the Nunavut Territory, Nunavik (northern Quebec), Nunatsiavut (Newfoundland and Labrador), and the Inuvialuit Settlement Region (western Arctic). "Inuit" means "people" in the Inuit language of Inuktitut; when referring to one person use the word "Inuk," which means "person." Inuit are one of the ethno-cultural groups comprising the Aboriginal peoples of Canada. The Inuit are not to be confused with the Innu, who are a First Nations group living in southeastern Quebec and southern Labrador.

**Islamophobia**

Fear, hatred of, or prejudice against the Islamic religion or Muslims.



## **Marginalization**

With reference to race and culture, the experience of persons outside the dominant group who face barriers to full and equal participating members of society. Refers also to the process of being “left out” of or silenced in a social group.

## **Métis**

The Métis people originated in the 1700’s when French and Scottish fur traders married Aboriginal women, such as the Cree, and Anishinabe (Ojibway). Their descendants formed a distinct culture, collective consciousness and nationhood in the Northwest. Distinct Métis communities developed along the fur trade routes. Today, it is sometimes used as a generic term to describe people of mixed European and Aboriginal ancestry, but in a legal context, it only refers to descendants of specific historic communities (e.g., the inhabitants of the Red River Colony in today’s Manitoba) or specific groups (e.g., the Paddle Prairie Métis Settlement, a contemporary community in today’s Alberta) or the people who received land grants or scrip from Canadian government. The term is sometimes contentious, as each Métis organization defines membership using different terms. Canada has the only constitution in the world that recognizes a mixed-race culture, the Métis as a rights-bearing Aboriginal people.

The Métis National Council website defines Métis as “a person who self-identifies as Métis, is distinct from other Aboriginal Peoples, is of historic Métis Nation ancestry and who is accepted by the Métis Nation.”

## **People of Colour**

A term which applies to non-White racial or ethnic groups; generally used by racialized peoples as an alternative to the term “visible minority.” The word is not used to refer to Aboriginal peoples, as they are considered distinct societies under the Canadian Constitution. When including Indigenous peoples, it is correct to say, “people of colour and Aboriginal / Indigenous peoples.”

## **Power**

The ability to influence others and impose one’s beliefs.

## **Prejudice**

A state of mind; a set of attitudes held, consciously or unconsciously, often in the absence of legitimate or sufficient evidence.

A prejudiced person is considered irrational and very resistant to change, because concrete evidence that contradicts the prejudice is usually dismissed as exceptional. Frequently prejudices are not recognized as false or unsound assumptions or stereotypes, and, through repetition, become accepted as common sense notions.

The terms “racism” and “prejudice” are sometimes used interchangeably but they are not the same. A primary difference between the two is that racism relies on a level of institutional power in order to impose its dominance.

### **Privilege**

The experience of unearned freedoms, rights, benefits, advantages, access and/or opportunities afforded some people because of their group membership or social context.

### **Race**

Modern scholarship views racial categories as socially constructed, that is, race is not intrinsic to human beings but rather an identity created, often by socially dominant groups, to establish meaning in a social context. This often involves the subjugation of groups defined as racially inferior, as in the one-drop rule used in the 19th-century United States to exclude those with any amount of African ancestry from the dominant racial grouping, defined as “white”. Such racial identities reflect the cultural attitudes of imperial powers dominant during the age of European colonial expansion. This view rejects the notion that race is biologically defined.

### **Racial Discrimination**

According to the International Convention on the Elimination of All Forms of Racial Discrimination (to which Canada is a signatory), racial discrimination is “any distinction, exclusion, restriction or preference based on race, colour, descent, or national or ethnic origin, which nullifies or impairs the recognition, enjoyment or exercise of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life.”

### **Racial Profiling**

Any action undertaken for reasons of safety, security or public protection that relies on assumptions about race, colour, ethnicity, ancestry, religion, or place of origin rather than on reasonable suspicion, to single out an individual for greater scrutiny or differential treatment. Profiling can occur because of a combination of the above factors, and age and/or gender can influence the experience of profiling. In contrast to criminal profiling, racial profiling is based on stereotypical assumptions because of one’s race, colour, ethnicity, etc. rather than relying on actual behaviour or on information about suspected activity by someone who meets the description of a specific individual.

### **Racialization**

The process through which groups come to be socially constructed as races, based on characteristics such as race, ethnicity, language, economics, religion, culture, politics, etc.

**Racism**

Racism is a belief that one group is superior to others performed through any individual action, or institutional practice which treats people differently because of their colour or ethnicity. This distinction is often used to justify discrimination. There are three types of racism: Institutional, Systemic, and Individual.

**Racist**

Refers to an individual, institution, or organization whose beliefs and/or actions imply (intentionally or unintentionally) that certain races have distinctive negative or inferior characteristics. Also refers to racial discrimination inherent in the policies, practices and procedures of institutions, corporations, and organizations which, though applied to everyone equally and may seem fair, result in exclusion or act as barriers to the advancement of marginalized groups.

**Sexism**

Prejudice or discrimination based on sex, usually though not necessarily against women; behaviours, conditions or attitudes that foster stereotypes of social roles based on sex. Sexism may be conscious or unconscious, and may be embedded in institutions, systems or the broader culture of a society. It can limit the opportunities of persons with disabilities and reduce their inclusion in the life of their communities.

**Social Justice**

A concept premised upon the belief that each individual and group within society is to be given equal opportunity, fairness, civil liberties, and participation in the social, educational, economic, institutional and moral freedoms and responsibilities valued by the society.

**Social Oppression**

Social oppression refers to oppression that is achieved through social means and that is social in scope—it affects whole categories of people. This kind of oppression includes the systematic mistreatment, exploitation, and abuse of a group (or groups) of people by another group (or groups). It occurs whenever one group holds power over another in society through the control of social institutions, along with society's laws, customs, and norms. The outcome of social oppression is that groups in society are sorted into different positions within the social hierarchies of race, class, gender, sexuality, and ability. Those in the controlling, or dominant group, benefit from the oppression of other groups through heightened privileges relative to others, greater access to rights and resources, a better quality of life, and overall greater life chances. Those who experience the brunt of oppression have fewer rights, less access to resources, less political power, lower economic potential, worse health and higher mortality rates, and lower overall life chances.

**Stereotype**

A preconceived generalization of a group of people. This generalization ascribes the same characteristic(s) to all members of the group, regardless of their individual differences.

### **Systemic Discrimination**

The institutionalization of discrimination through policies and practices which may appear neutral on the surface, but which have an exclusionary impact on particular groups. This occurs in institutions and organizations, including government, where the policies, practices and procedures (e.g. employment systems – job requirements, hiring practices, promotion procedures, etc.) exclude and/or act as barriers to racialized groups.

### **Tolerance**

A liberal attitude toward those whose race, religion, nationality, etc. is different from one's own. Since it has the connotation of 'to put up with', the term "acceptance" is now preferred.

### **Visible Minority**

Term used to describe people who are not white. Although it is a legal term widely used in human rights legislation and various policies, currently the terms racialized minority or people of colour are preferred by people labelled as 'visible minorities'.

### **White**

A social colour. The term is used to refer to people belonging to the majority group in Canada. It is recognized that there are many different people who are "White" but who face discrimination because of their class, gender, ethnicity, religion, age, language, or geographical origin. Grouping these people as "White" is not to deny the very real forms of discrimination that people of certain ancestry, such as Italian, Portuguese, Jewish, Armenian, Greek, etc., face because of these factors.

### **White Privilege**

The inherent advantages possessed by a white person on the basis of their race in a society characterized by racial inequality and injustice. This concept does not imply that a white person has not worked for their accomplishments but rather, that they have not faced barriers encountered by others.

Source: Canadian Race Relations Foundation – Abridged Glossary of Terms

<https://www.crrf-fcrr.ca/en/resources/glossary-a-terms-en-gb-1>

### **Gender**

Gender is a system that operates in a social context to classify people, often based on their assigned sex. In many contexts this takes the form of a binary classification of either 'man' or 'woman'; in other contexts, this includes a broader spectrum.

### **Sex/Gender Binary**

The notion that there are only two possible sexes (male/female) and genders (man/woman), and that they are opposite, distinct and uniform categories. This view also asserts that gender is determined by sex.

### **LGBTQI2S**

An acronym for "Lesbian, Gay, Bisexual, Trans, Queer, Questioning, Intersex, Two Spirit". This acronym is often used as an umbrella term to encompass a broad spectrum of identities related to gender and attraction. This acronym takes many forms.

### **Ally**

An ally is someone who believes in the dignity and respect of all people and takes action by supporting and/or advocating with groups experiencing social injustice. An ally does not identify as a member of the group they are supporting (e.g., a heterosexual person can act as an ally for gay people and communities; a cisgender lesbian can act as an ally for trans people and communities). As described in this definition, the responsibilities of trans allyship are reserved for those who do not themselves identify as trans, most commonly cisgender people. The specifics of trans allyship vary depending on the circumstance but can be summed up through acts of supporting and including trans identities within all aspects of community. Equally important is the recognition that allyship is an ongoing process of support, as opposed to a singular goal or achievement which can be attained and then forgotten. Acting as an ally to trans communities means constant re-assessment of one's surroundings in terms of their inclusion of, and accessibility to, trans community members. Acknowledging and incorporating the voices of trans community members, as well as their needs and wishes, is an essential part of allyship. Otherwise, allies risk alienating and further sidelining the communities they intend to support. Allyship is a never-ending process of education, as allies learn more about the social systems and institutions that continue to isolate, stigmatize and discriminate against trans and gender variant people. Only through education can allies gain the skills and language to recognize and help to disrupt, the workings of these systems, which are otherwise invisible to many cisgender individuals.

### **Sex/Assigned Sex**

Sex / assigned sex is the classification of a person as male, female or intersex based on biological characteristics, including chromosomes, hormones, external genitalia and

reproductive organs. The reason we say assigned sex versus biological sex is to acknowledge that sex is often a value determined by medical professionals and is commonly assigned to newborns based on visual assessment of external genitalia.



Inclusion here of the recognized category of “intersex,” frequently overlooked in discussions of sex, serves as a reminder that even at the level of biology, sex is not a binary system.

### **Gender Identity**

Gender Identity is a person’s internal and individual experience of gender. This could include an internal sense of being a man, woman, both, neither or another gender entirely. A person’s gender identity may or may not correspond with social expectations associated with the sex they were assigned at birth. Since gender identity is internal, it is not necessarily visible to others. It is important to remember that gender identity is not the same as sex / assigned sex.

### **Gender Expression**

The way a person presents and communicates gender within a social context. Gender can be expressed through clothing, speech, body language, hairstyle, voice, and/or the emphasis or de-emphasis of bodily characteristics or behaviours, which are often associated with masculinity and femininity. The ways in which gender is expressed are culturally specific and may change over time. May also be referred to as gender presentation or gender performance.

### **Attraction**

Often referred to as sexual orientation, this classifies a person’s potential for emotional, intellectual, spiritual, intimate, romantic, and/or sexual interest in other people, often based on their sex and/or gender. Attraction may form the basis for aspects of one’s identity and/or behaviour.

### **Intersex**

Refers to a person whose chromosomal, hormonal or anatomical sex characteristics fall outside the conventional classifications of male or female. The designation of “intersex” can be experienced as stigmatizing given the history of medical practitioners imposing it as a diagnosis requiring correction, often through non-consensual surgical or pharmaceutical intervention on infants, children and young adults (some people may not be identified as “intersex” until puberty or even later in life).

### **AFAB**

An acronym that refers to someone who was assigned female sex at birth. This may also be expressed as Coercively Assigned Female at Birth (CAFAB).

### **AMAB**

An acronym that refers to someone who was assigned male sex at birth. This may also be expressed as Coercively Assigned Male at Birth (CAMAB).

**Heterosexual**

A person who experiences attraction to people of a different sex and/or gender. Also referred to as “straight”.

**Gay**

A person who experiences attraction to people of the same sex and/or gender—gay can include both male-identified individuals and female-identified individuals or refer to male identified individuals only.

**Lesbian**

A female-identified person who experiences attraction to people of the same sex and/or gender.

**Bisexual**

A person who experiences attraction to both men and women. Some bisexual people use this term to express attraction to both their own sex and/or gender, as well as to people of a different sex and/or gender.

**Asexual**

A person who may not experience sexual attraction or who has little or no interest in sexual activity.

**Pansexual**

A person who experiences attraction to people of diverse sexes and/or genders. The term pansexual reflects a desire to recognize the potential for attraction to sexes and/or genders that exist across a spectrum and to challenge the sex/gender binary.

**Cisgender**

A person whose gender identity corresponds with the social expectations associated with the sex assigned to them at birth. E.g., imagine a newborn baby. The midwife who just delivered this child takes a look at the external genitalia, recognizes a vulva, and declares “she’s a girl,” thus assigning the child’s sex as ‘female.’ Based on this information, it’s generally assumed that this child would then grow up to identify themselves as a girl or woman. If that was the case, they could be described by the term cisgender. Cisgender, or cis for short, is a particularly important term in that it describes an extremely common, and in fact socially dominant, experience of gender identity in relation to assigned sex at birth. At first reading, it is often difficult for many people to distinguish the difference between sex / assigned sex and gender identity. This is quite common due to the fact that the two are frequently portrayed as essentially the same thing. One reason for this is that many individuals experience the sex they were assigned by medical professional at birth as very similar to their conception of their own gender identity. The term cisgender describes this particular relationship. Without access to the word cisgender, people have

often resorted to language like ‘real/normal men and women.’ Referring to cisgender individuals as ‘real’ or ‘normal’ when compared to trans individuals is particularly violent language in that it implies that trans men and woman are not in fact real or normal. This is inaccurate, and it excludes and alienates trans individuals from community, and propagates transphobic attitudes. Cisgender is the appropriate term whenever describing individuals whose gender identity aligns with the social expectations of them based on their sex assigned at birth.

### **The Trans Umbrella**

The term trans is frequently used as an umbrella term for a variety of other terms, including transgender, transsexual and can also refer to terms like genderqueer, agender, bigender, Two Spirit, etc. Some people may identify with these or other specific terms, but not with the term trans. Similarly, some people may identify as trans, but not with other terms under the trans umbrella. At their simplest, each of these terms has commonalities with the term trans, and yet they are all unique in their specific reference to the context of, and specific relationships between, conceptions of gender identity and identities simply because there is quite a lot of variation in the lived experience and identities of individuals who may identify, or be described, as trans.

The example above regarding a newborn baby represents only a fraction of the possibilities, and specifically those that remain within a binary (i.e. male, female) gender system. The reality is that for many people their experience of their own gender identity may not align with social expectations based on the sex assigned to them at birth, nor with any gender options available within a binary system. Acknowledging this means moving from a binary gender system to something better described through metaphor, like a spectrum with unlimited combinations of light, or a universe with the potential for unlimited constellations of gender.

### **Transgender**

Refers to a person who does not identify, either fully or in part with the gender associated with the sex assigned to them at birth, according to dominant social expectations. It is often used as an umbrella term to represent a wide range of gender identities and may be called simply ‘trans’ for short.

### **Gender Non- Conforming**

An umbrella term for gender identities and/or gender expressions that differ from dominant cultural or societal expectations based on assigned sex. Other common terms associated with gender non-conforming are gender diverse and gender variant. Someone who is gender non-conforming may or may not also identify as trans.

### **Genderqueer**

A person whose gender identity exists outside of the gender binary. A person who identifies as genderqueer may identify as men, women, neither, both, or may reject gender entirely.

**Genderfluid**

A person whose gender identity is experienced as not being fixed and that shifts and varies over time and in relation to the context.

**Non-Binary**

An umbrella term to reflect a variety of gender identities that are not exclusively man or woman. Identity terms which may fall within this category may include, genderqueer, agender, bigender, or pangender.

**Agender**

A person who identifies as either having no gender or a neutral gender identity.

**Transfeminine**

An umbrella term for trans people who identify with or express femininity and may or may not also identify as a woman.

**Transmasculine**

An umbrella term for trans people who identify with or express masculinity and may or may not also identify as a man.

**Transsexual**

This term is most frequently associated with movement from one side of the gender binary to the other with strong feelings for the need to transition medically. For some people this is a stigmatizing term because of its historical association with mental illness, and the implication that a person's gender identity is not valid unless they medically transition. It is important to note that someone may still identify with the label of transsexual without medical intervention.

**Transition**

Frequently discussions around trans identities are focused on the ways in which individuals may align elements of their identity and bodies with their gender identity. While many voices in popular culture may use the expression "sex change" to describe these processes, the term transition is much more appropriate, being preferred and used by members of trans communities. It refers to a variety of social, medical and/or legal changes that some trans people may pursue to affirm their gender identity. For many trans individuals, pursuing some form of transition is essential to their overall health and well-being. This is evident in research data related to the impacts of transition on suicidal behaviour within trans communities. For instance, Ontario's Trans Pulse study found that

27% of respondents who were planning, but had not yet begun, transition had attempted suicide within the last year, compared to only 1% of those who had transitioned medically (Bauer, Hammond, and Travers 2010). The potential elements of transition can be broken down into three categories. It's important to note that none of these three categories are required steps as part of a process of transition. The transition process is a very personal one. Each individual trans person will decide the ways in which they may choose to transition, or not, depending on what is comfortable and accessible to them.

### **Social Transition**

This expression is used to describe the common ways in which individuals may choose to publically affirm their gender identity in social environments. This may include changes to:

- name(s)
- pronouns
- gender expression (e.g., clothing, accessories, mannerisms, way of speaking, etc.);
- access to gendered spaces (e.g., washrooms, change rooms, religious/community spaces)

Social transition is often the most common form within elementary or secondary school contexts. Educators can create safer and more inclusive spaces for trans persons who socially transition by structuring opportunities for students to share their preferred names and pronouns and respecting these requests throughout the year. Equally important is creation of a class culture of respect and understanding, including clear guidelines regarding the ways in which everyone, including trans and gender variant students, can show respect for diverse expressions of gender. This could include lesson plans, media, books, movies, television, theater, music and web content that are trans-inclusive and that reflect gender diversity.

### **Pronouns**

Using a person's self-determined pronouns at their request, is a way of validating that we all have the right to live our truth, to share our truth, and to be granted safety, respect and dignity in doing so. This involves knowledge about personal pronoun options beyond she/her/hers and he/him/his when referring to someone in the third person. Some people go by the non-binary, gender neutral pronoun set; they/ them/theirs. Over time, we have also seen the addition of other non-binary, gender neutral options.



## Medical Transition

Medical transition is often at the focus of discussion of trans identities, despite the fact that the term represents only one potential part of the transition process. As with social transition, medical transition can involve a variety of procedures and treatments. Potential elements of medical transition can include:

- Counselling/support (from psychologists, vocal/ behavioural coaches, social workers, etc.)
- Hormone therapy (e.g., administering testosterone, estrogen, hormone blockers)
- Gender affirming surgical procedures (e.g., hysterectomies, orchiectomies, oophorectomies, vaginoplasty, phalloplasty, mastectomy, tracheal shaving, facial feminization, etc.)

Within an Ontario context, some of these transition stages are covered by the Ontario Health Insurance Plan (OHIP). This means that residents of the province will not be required to pay out of pocket for these support services. However, given the limited number of medical professionals and facilities equipped to offer these services, there are often challenges in access due to prolonged wait times and prohibitive travel costs for those living outside of major urban centres. Many trans people and their families are unable to access inclusive healthcare, and community advocacy for improvements to the healthcare system is ongoing. As with any medical procedure, the details of medical transition are part of the private relationship between an individual and their health care providers. On a personal level, each individual interested in transitioning has the right to decide what processes they will undertake. There is no universal model for what medical transition looks like, and an individual's gender identity or sex cannot be assumed simply by knowing which procedures someone has or hasn't undergone.

An important element of a trans-inclusive classroom is an understanding of appropriate discussions around bodies and transition. Boundaries around discussions of bodies in transition can be part of broader discussions around respecting one another's privacy (including recognizing inappropriate questions, such as whether a trans person has undergone gender-affirming 'bottom' surgery or not). Educators can create safer spaces for medical transition by doing their own research into the subject so as not to feel compelled to ask for details from individual students, or their family members, who may have undergone transition or who may be at the beginning stages of transition.

## Legal Transition

For the most part legal transition refers to the process of changing the ways in which official (provincial or federal) documentation refers to an individual's sex designation. This process

differs substantially between regions and jurisdictions, but can include updates to documents such as:

- Birth certificate
- Passport
- Citizenship card
- Driver's license
- Health card

The process of accessing gender-affirming identification can be time consuming and complex. Many countries, including Canada, have yet to create sex or gender categories for identification that are reflective of the actual diversity existent within their populations. Countries like Germany, Nepal and Australia have all acknowledged the need for such updates to state identification and have created further designation options outside of the gender/sex binary which reflect a more diverse spectrum of identity.

### **Queer**

A term used by some in LGBTQ communities, particularly youth, as a symbol of pride and affirmation of diversity. This term makes space for the expression of a variety of identities outside of rigid categories associated with sex, gender or attraction. It can be used by a community to encompass a broad spectrum of identities related to sex, gender or attraction (as with the acronym LGBTQ), or by an individual to reflect the interrelatedness of these aspects of their identity. Queer was historically a derogatory term for difference, used in particular to insult homosexuality and LGBTQ people. Although sometimes still used as a slur, the term has been reclaimed by some members of LGBTQ communities.

### **Questioning**

An umbrella term that often reflects a process of reconciling three different pieces of information: 1) The feelings you have within yourself about the attraction(s) you experience and/or how you experience gender; 2) The language you have available to you to frame those feelings; and 3) The sense you have of how this will impact your interactions with other people in a social context.

### **Two Spirit**

An English umbrella term to reflect the many words used in different Indigenous languages describing the fluid and diverse nature of gender and attraction and its interconnectedness to community and spirituality. The term seeks to restore traditional identities and roles forcefully suppressed or stamped out through the process of European Colonization. Some Indigenous people identify as Two Spirit rather than or in addition to identifying as LGBTQI.

### **Cisnormativity**

A cultural and societal bias, often unconscious, that privileges cisgender identities and gender norms, and ignores or underrepresents trans identities and/or gender diversity by

assuming that all people are cisgender and will express their gender in a way that aligns with perceived gender norms.

**Cissexism**

Prejudice and discrimination against trans or gender diverse identities and/or expressions. This includes the presumption that being cisgender is the superior and more desirable gender identity.

**Transphobia**

Fear and/or hatred of any transgression of perceived gender norms, often exhibited by name-calling, bullying, exclusion, prejudice, discrimination or acts of violence—anyone who is trans and/or gender diverse (or perceived to be) can be the target of transphobia.

**Heteronormativity**

A cultural and societal bias, often unconscious, that privileges heterosexuality, and ignores or underrepresents diversity in attraction and behaviour by assuming all people are heterosexual.

**Heterosexism**

Prejudice and discrimination in favour of heterosexuality. This includes the presumption of heterosexuality as the superior and more desirable form of attraction.

**Homophobia**

Fear and/or hatred of homosexuality, often exhibited by name-calling, bullying, exclusion, prejudice, discrimination or acts of violence—anyone who is LGB (or assumed to be) can be the target of homophobia.

**Mononormativity**

A cultural and societal bias, often unconscious, that privileges attraction to a single sex and/or gender and ignores or underrepresents diversity in attraction and behaviour by assuming all people are monosexual.

**Monosexism (Binegativity)**

Prejudice and discrimination in favour of single sex and/or gender attraction. This includes the presumption of monosexuality as the superior and more desirable form of attraction.

**Biphobia**

Fear and/or hatred of bisexuality, often exhibited by name-calling, bullying, exclusion, prejudice, discrimination or acts of violence—anyone who is or is assumed to be bisexual or experiences attraction to multiple sexes and/or genders can be the target of biphobia.

**Perceived Gender Identity**

The assumption that a person is trans, cisgender or genderqueer without knowing what their gender identity actually is. Perceptions about gender identity are often predicated on stereotypes relating to gender expression (e.g., what a man “should” look like).

### **Perceived Gender Identity**

The assumption that a person is lesbian, gay, bisexual or heterosexual without knowing how they actually experience attraction. Perceptions about attraction are often predicated on stereotypes relating to gender expression (e.g., what a heterosexual woman “should” look like).

### **System of Oppression**

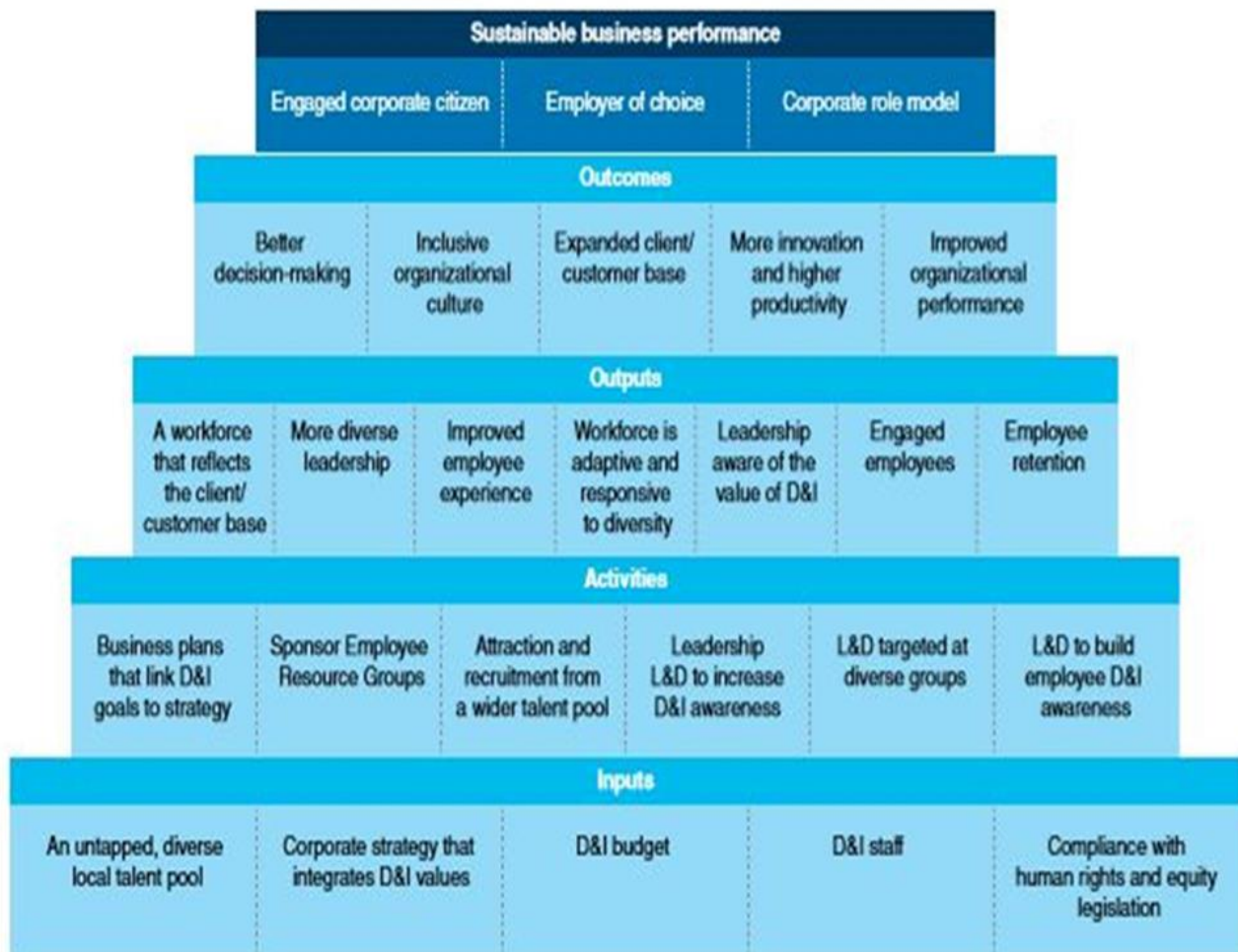
The unjust and harmful exertions of power, authority or control that are built into the structures, operations and institutions of a society.

### **Intersectionality**

The concept of intersectionality recognizes how each person simultaneously exists within multiple and overlapping identity categories (including but not limited to: ability, attraction, body size, citizenship, class, creed, ethnicity, gender expression, gender identity, race, religion.) An intersectional analysis recognizes that no individual’s experience of identity based oppression or privilege can be viewed solely within the context of any one single element of their identity. The ways in which an individual experiences systems of privilege and oppression are often impacted by the interplay of their various identity categories.

## EDI Framework in Organizational Structure

The Conference Board of Canada



D&I – diversity and inclusion; L&D – learning and development

Sources: The Conference Board of Canada; adapted from Heskoth, *Managing the Value of Your Talent*.



**ACHIEVING THE VISION OF AN  
INCLUSIVE REGION:  
A Diversity, Equity, and Inclusion  
Organizational Self-Assessment Tool**

**City of Hamilton  
Internal Environmental  
Scan**



Developed by the Regional Diversity Roundtable of Peel

# Building Diversity, Equity and Inclusion in Leadership Pilot Program

This Diversity, Equity and Inclusion (DEI) Organizational Self-Assessment Tool (SAT) was originally developed in Peel Region, to assist all types of organizations in assessing their diversity, equity, and inclusion work. The tool is now being implemented as part of a pilot program to support organizational leaders in advancing DEI within their organizations.

This program, Building DEI in Leadership, is funded by a grant from the Ministry of Citizenship and Immigration, and is being rolled out across five regions: Durham, Halton, Hamilton, Peel and Waterloo. The Regional Diversity Roundtable of Peel, in collaboration with local community partners, is supporting the implementation of this project.

As part of this pilot program, organizational leaders will use this tool to better understand their organization's strengths and to identify gaps when it comes to DEI. The tool will help organizations develop a baseline of where their organization is at when it comes to DEI, and will help to inform the development and implementation of an action plan to address identified issues.

The tool remains largely the same, however specific references to Peel Region have been removed.

**Adopted from: Regional Diversity Roundtable of Peel**

## Introduction

The Diversity and Inclusion (D & I) Charter of Peel is a regional initiative aimed at fostering inclusiveness and equity in Peel Region. Organizations that sign the D & I Charter are committing to promote, support, and integrate diversity, equity, and inclusion within their organizations, as well as within the broader community of Peel Region. Completing the self-assessment is one way signatories can act on this commitment. The Diversity, Equity and Inclusion (DEI) Organizational Self-Assessment Tool (SAT) was designed to assist all types of organizations in assessing their diversity, equity, and inclusion work. This assessment tool can be used to celebrate successes in diversity, equity, and inclusion work, and also to identify areas for improvement. It can be used as a discussion starter in order to enhance understanding of diversity, equity, and inclusion within the organization, and it can help to set a roadmap for action.

The SAT is designed to apply to all types of organizations, whether private, public, non-profit, government, or volunteer driven. It is intended to be useful to organizations that have very little experience addressing DEI issues, and also to organizations that have been working actively on these issues for many years. Section I is intended for all types of organizations to complete, while Section II is intended for service-oriented organizations.

## How to Complete the Tool

The tool is organized into 8 different domains, each of which focuses on a different aspect of managing an organization. Within each domain, the organization is asked to rate the extent to which it complies with a series of concrete indicators that reflect diversity, equity, and inclusion promising practices, using a scale from 1 to 5. Some indicators may not apply to some organizations. In this case, organizations should rate the indicator as 'Not Applicable' and keep this indicator out of the calculation of the average assessment score.

The self-assessment process will be most useful if the ratings are based on careful, honest review of current practice. The tool provides space to note the evidence used to reach a decision about each self-rating. Once

an organization has entered a score for each indicator, it can calculate an overall domain score in the final column of the chart.

The final section of the tool is an action planning guide. It prompts the organization to review the completed self-assessment and identify three areas that they see as priorities for action. A table allows the organization to identify the people and resources needed to move forward with each priority.

## Who Should Complete the Tool

Any individual with knowledge of an organization can answer the questions. When completing the tool, it is important to remember that the focus is on how an organization as a whole is doing. Although the personal experiences of individuals completing the assessment are relevant, the tool is not designed to assess the experiences of individual employees – it is meant for conducting an intensive and comprehensive system wide organizational assessment.

Organizations may use the SAT differently depending on the time and resources available to conduct the assessment, but it will often take the commitment of several hours of work from a number of different employees. Some organizations will choose to have individuals representing different roles within the organization complete the assessment individually and then compile their scores together for an overall assessment. Protecting employee confidentiality is paramount here. Some organizations may choose to use individual responses to the tool as a starting point for group discussion, while others may choose to have one individual or a small group of people work together to complete one copy of the assessment. Ideally, people from multiple levels and areas of an organization will be involved in the process in some way. This will enable an accurate assessment of the indicators and ensure a comprehensive picture of the organization's diversity, equity, and inclusion work. It will provide an opportunity for staff to enhance their understanding of diversity, equity, and inclusion, and enable the development of a shared vision on how the organization will advance diversity, equity, and inclusion work.



# Diversity, Equity, and Inclusion Self-Assessment Tool

## SECTION I: FOR ALL ORGANIZATIONS TO COMPLETE

### DOMAIN 1: PLANNING AND POLICY

**Objective:** The organization identifies diversity, equity, and inclusion as a priority and has incorporated diversity, equity, and inclusion objectives into its planning and policies.

#### Domain Scoring Scale:

No action taken	Minimal action taken	Partial action taken	Substantial action taken	Full action taken	Not Applicable
1	2	3	4	5	N/A

Domain 1 indicators	List the evidence that supports how your organization fulfils this indicator	Score
Our organization has made a formal commitment to diversity, equity and inclusion as part of our mission, vision, and/or strategic plan.	City Council approved a new Diversity and Inclusion Strategic Plan in June 2017	4
Our organization's policies promote diversity, equity, and inclusion (e.g., Non-discrimination Policy, Diversity and Inclusion Policy).	We have a number of HR policies relating to harassment and discrimination in the workplace	4
Our organization has a concrete action plan to address diversity, equity, and inclusion (e.g., equity plan or strategy).	Although we have an Equity and Inclusion policy, the implementation of same is difficult to put into a concrete plan	3
Our organization has identified staff, volunteers, or committees to work on actions related to diversity, equity, and inclusion.	We have a dedicated team of 6 staff to oversee Human Rights, Diversity and Inclusion as well as eight volunteer advisory committees	4
Our organization has allocated financial resources for diversity, equity, and inclusion work.	Our organization allocates budget to this division as part of our annual budget process	3
Our organization regularly evaluates its diversity, equity, and inclusion work (e.g., progress audits, impact assessments).	Audits have been done, but not on regular schedule. New employee survey to be implemented every three years starting Sept 2017	3
Our organization includes diversity, equity, and inclusion requirements in its organizational reporting structure (e.g., annual reports, newsletters, performance metrics, reports to executive and governing bodies).	Not currently done, although we have started tracking metrics for the purpose of populating HR dashboard	2
Our organization includes diversity, equity, and inclusion objectives in its financial planning and fund development (e.g., seeks funding to support diversity, equity, and inclusion work).	We currently prepare annual budget submissions for both staff and volunteer advisory committees based on expected workplans	2
Peel Organizations support the DI Charter, does your organization? Have you endorsed the Charter? <a href="http://www.dicharter.rdrpeel.org/endorse">http://www.dicharter.rdrpeel.org/endorse</a>	We would require Council direction to endorse the Charter	1

## DOMAIN 2: ORGANIZATIONAL CULTURE

**Objective:** The organization demonstrates a strong commitment to diversity, equity, and inclusion by ensuring its organizational culture and environment are welcoming and inclusive.

### Domain Scoring Scale:

No action taken	Minimal action taken	Partial action taken	Substantial action taken	Full action taken	Not Applicable
1	2	3	4	5	N/A

Domain 2 indicators	List the evidence that supports how your organization fulfils this indicator	Score
Our organization's leaders actively promote diversity, equity, and inclusion (e.g., leadership communicates about diversity, equity, and inclusion, management supports staff in setting and achieving diversity, equity, and inclusion goals).	The Diversity and Inclusion Strategic Plan was communicated to all leadership teams across the organization	3
Our organization regularly seeks feedback from employees about their experiences of inclusion (e.g., diversity, equity, and inclusion questions are included in employee satisfaction surveys and exit interviews).	Employee survey to take place in Sept 2017 and be repeated every 3 years	2
Our organization has a formal process in place for employees to raise concerns or complaints regarding issues related to diversity, equity, and inclusion (e.g., complaint process, request for /assessment of accommodation process), and a structured approach for responding to employees' concerns or complaints regarding diversity, equity, and inclusion (e.g., mediation process, Ombudsperson, accommodation process).	We have a well defined procedure for employees to file any type of harassment, discrimination, personal harassment or equity issue as well as for citizens to file complaints about City staff or experiences at City facilities	4
Our organization provides an inclusive and welcoming environment for diverse groups (e.g., decor, posters, signage reflect the diverse employee and client populations).	Some signage in place on "It Starts With You" to reflect Respect and inclusion in the workplace	3
Our organization ensures our key communication materials (i.e., brochures, signage) are accessible to, and inclusive of diverse groups (e.g., written in plain language, translated into different languages, written in braille, include images that represent the diverse employee and client populations).	All documents are available in accessible/translated formats upon request	3
Our organization ensures that its website is accessible to, and inclusive of diverse groups (e.g., accessibility functions, translated into different languages, includes images that represent the diverse employee and client populations).	All materials are available upon request however, website is English only with several reminders on accommodations available and how to request	2
Our organization recognizes and celebrates diverse cultures and religious/spiritual affiliations (e.g., dietary requirements, holidays and celebrations, prayer accommodations).	We have a robust accommodation process for a variety of grounds. Currently working on a smudging policy for implementation	3



## DOMAIN 3: EMPLOYEE EDUCATION AND TRAINING

**Objective:** The organization recognizes the value of diversity, equity, and inclusion education/training, and provides employees with opportunities to develop knowledge and skills to work effectively within a diverse environment.

### Domain Scoring Scale:

No action taken	Minimal action taken	Partial action taken	Substantial action taken	Full action taken	Not Applicable
1	2	3	4	5	N/A

Domain 3 indicators	List the evidence that supports how your organization fulfils this indicator	Score
Our organization requires all staff from all levels of the organization (e.g., Board of Directors, senior management, frontline staff, volunteers) to complete education/training related to diversity, equity, and inclusion.	All new hires receive training and staff receive training at least every five years	4
Our organization offers on-going education/training on diversity, equity, and inclusion (e.g., e-learning modules, workshops, lunch and learns) to all staff (e.g., orientation training, volunteer training, leadership/management training) that takes into account different learning styles, and our organization supports staff to participate in professional development opportunities related to diversity, equity and inclusion (e.g., offers staff financial support and time away from work to participate in external training, conferences, Train-the-Trainer workshops)	We periodically offer lunch and learn sessions (i.e. Indigenous residential schools) and will financially support diversity and inclusion training as part of annual departmental training budgets	3
Our organization evaluates the effectiveness of its diversity, equity, and inclusion training (e.g., assessment of staff knowledge and skill acquisition, behaviour change and/or practice change).	We evaluate the training based on feedback and trend analysis on issue identification and behaviours displayed	3

## DOMAIN 4: HUMAN RESOURCES

**OBJECTIVE:** The organization is committed, through its Human Resource policies and practices, to recruit, hire, and retain employees that are representative of the diverse regional population and/or have expertise in diversity, equity, and inclusion.

### Domain Scoring Scale:

No action taken <b>1</b>	Minimal action taken <b>2</b>	Partial action taken <b>3</b>	Substantial action taken <b>4</b>	Full action taken <b>5</b>	Not Applicable <b>N/A</b>
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Domain 4 indicators	List the evidence that supports how your organization fulfils this indicator	Score
When advertising for new or vacant positions, our organization actively reaches out to diverse communities.	To date, we have relied primarily on high applicant volume and have not done much outreach work apart from isolated events	2
Our organization's hiring and promotion practices assess candidates' diversity, equity, and inclusion experience and expertise (e.g., through interview questions or requests for demonstrations of experience and expertise).	Our current interview guides do not include diversity questions, but we have launched a pilot on included in HR roles	2
Our organization's performance assessment includes diversity, equity, and inclusion indicators for staff at all levels of the organization (e.g., diversity, equity, and inclusion indicators related to professional development, achievement of goals, adherence to policies).	There are no corporate metrics for diversity and inclusion currently	1
Our organization collects demographic information about all staff to monitor and assess whether equitable Human Resource practices are employed (e.g., demographics on new hires, those who receive salary increases, promotions, and disciplinary action).	No new hire data has been collected to date, but we are doing an employee survey in Sept/Oct 2017 which will request demographic information and the survey will be repeated every three years	1
Our organization has accommodation policies and practices in place that support employees' accommodation needs (e.g., flex-time, telecommuting, ergonomic accommodations, barrier-free structure, Employee Assistance Program).	We have extensive policies and procedures for all of the items listed	4

## DOMAIN 5: COMMUNITY CAPACITY BUILDING

**Objective:** The organization is committed to the Diversity and Inclusion Charter's goal of cooperatively creating community change by supporting the development of partnerships and networks, advocacy, and capacity building to advance diversity, equity, and inclusion work within the Region.

### Domain Scoring Scale:

No action taken	Minimal action taken	Partial action taken	Substantial action taken	Full action taken	Not Applicable
1	2	3	4	5	N/A

Domain 5 indicators	List the evidence that supports how your organization fulfils this indicator	Score
Our organization engages in advocacy related to diversity, equity, and inclusion (e.g., advocacy for policy and system changes that support diversity, equity, and inclusion).	We do not consider ourselves advocates, but rather do collect inputs from various groups to form recommendations to City Council	3
Our organization develops meaningful partnerships with government, service providers, community-based organizations, and community groups to advance diversity, equity, and inclusion within our Region.	We are currently launching a new partnership with McMaster and HCCI on an Anti-Racism Centre as well as having eight Volunteer Advisory Groups which meet monthly.	3
Our organization develops cross-sectoral partnerships to enhance service coordination and provision to clients from vulnerable and marginalized communities.	Our Neighbourhood and Community Initiatives group actively develops partnerships (i.e. HIPC) to assist clients in accessing services. Ontario Works works with a number of non-profit groups to assist clients.	3
Our organization participates in advisory committees, networks, coalitions, and task forces focused on enhancing diversity, equity, and inclusion within our Region.	We have eight Volunteer Advisory Committees representing approx. 75-125 citizens on various issues	4
Our organization shares its diversity, equity, and inclusion promising practices and resources with the broader community of our Region (e.g., though mentorship, community events/forums, education/training, linkages to the RDR website).	We tend to be more reactive to requests for information rather than proactive in sharing the information with various networks. Have recently assisted Burlington with their Diversity strategic plan	3

## SECTION II: FOR SERVICE ORGANIZATIONS TO COMPLETE

This section of the DEI Organizational Assessment Tool should only be completed by organizations that provide a service to the public. The domains in this section relate to key organizational areas that are relevant to service planning, development, and provision.

### DOMAIN 6: SERVICE PLANNING AND DEVELOPMENT

**Objective:** The organization incorporates diversity, equity, and inclusion principles into planning and developing services.

#### Domain Scoring Scale:

No action taken	Minimal action taken	Partial action taken	Substantial action taken	Full action taken	Not Applicable
1	2	3	4	5	N/A

Domain 6 indicators	List the evidence that supports how your organization fulfils this indicator	Score
Our organization utilizes community demographic information to inform service planning and development (e.g., organization collects client demographic information, uses Statistics Canada data).	We do collect and disseminate demographic information to community groups upon request.	2
Our organization uses and/or conducts research and needs assessments to identify diversity, equity, and inclusion related needs and gaps in services (e.g., Vital Signs, Peel Counts, regional research reports).	At present, we are not conducting research on needs or performing gap analysis	1
Our organization has a process in place to identify and reduce barriers to accessing services (e.g., accessibility audits, community consultations, interpretation request process).	We are actively involved in identifying barriers and have a number of community consultations particularly as it relates to Built Environment and physical barriers	3

## DOMAIN 7: CLIENT ENGAGEMENT

**Objective:** The organization recognizes the value of engaging clients in the planning, development, and evaluation of its services.

### Domain Scoring Scale:

No action taken <b>1</b>	Minimal action taken <b>2</b>	Partial action taken <b>3</b>	Substantial action taken <b>4</b>	Full action taken <b>5</b>	Not Applicable <b>N/A</b>
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Domain 7 indicators	List the evidence that supports how your organization fulfils this indicator	Score
Our organization has a process in place to engage clients in service planning, development, and evaluation (e.g., client councils, clients participate in planning and development committees, organization utilizes participatory evaluation methods) and provides supports to promote client participation in service planning, development, and evaluation (e.g., child care, transportation assistance, honouraria, language/sign interpretation).	The City has a large number of committees with citizen involvement to gather input and feedback	3
Our organization trains staff on how to effectively engage clients in service planning, development, and evaluation.	No training at present	1
Our organization evaluates the effectiveness of its engagement processes (e.g., collects and monitors client demographics, measures client involvement in service planning, development, and evaluation, assesses client satisfaction with engagement process).	We do not have a formal evaluation process	1



## DOMAIN 8: SERVICE PROVISION

**Objective:** The organization is committed to delivering inclusive and equitable services.

### Domain Scoring Scale:

No action taken <b>1</b>	Minimal action taken <b>2</b>	Partial action taken <b>3</b>	Substantial action taken <b>4</b>	Full action taken <b>5</b>	Not Applicable <b>N/A</b>
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Domain 8 indicators	List the evidence that supports how your organization fulfils this indicator	Score
Our organization conducts intake assessments/collects clients' histories that include individual and familial cultural, social, and economic information.	This data is not available at present. Further investigation required	1
Our organization provides education/training to staff on how to provide service that is respectful of clients' values, beliefs, and knowledge.	All employees receive training on respect in the workplace and human rights, including harassment and discrimination	3
Service plans incorporate clients' individual and family cultural, social, and economic characteristics.	This data is not available at present. Further investigation required	1
Our organization provides communication supports for service provision (e.g., supports for hearing, visual, cognitive, and speech impairments).	We have various supports and accommodations available upon request	4
Our organization ensures client education and communication materials are accessible to, and inclusive of diverse groups (e.g., materials are written in plain language, materials are offered in multiple languages).	Materials are available in a variety of formats and languages upon request	2
Our organization has a formal process to identify and address clients' complaints or concerns related to diversity, equity, and inclusion (e.g., client relations office).	Our Human Rights, Diversity and Inclusion Office will address any citizen issue/complaint if it relates to a City employee or experience at City facility	4
Our organization has an outreach strategy to ensure service provision reaches diverse and marginalized communities (e.g., satellite sites in hard to serve areas).	This data is not available at present. Further investigation is required	1
Our organization evaluates services to ensure that service delivery is inclusive and equitable (e.g., client satisfaction surveys, assess if quality of service provision is high across client populations), and our organization makes service results and evaluation findings available to clients (e.g., newsletters, website, communication boards).	This data is not available at present. Further investigation is required	1

## OVERALL ORGANIZATIONAL ASSESSMENT AND ACTION PLANNING

This section of the self-assessment tool will assist you in understanding how well your organization is performing with regards to diversity, equity, and inclusion across the eight domains. It provides an opportunity to identify where your organization is excelling in diversity, equity, and inclusion, as well as where it needs to improve. The Action Plan section prompts you to identify the concrete steps needed to take action.

### Interpretation of the Average Assessment Score:

<b>Substantial</b> work is needed for our organization to reflect the D & I Charter commitments  <b>1</b>	<b>Moderate</b> work is needed for our organization to reflect the D & I Charter commitments  <b>2</b>	<b>Some</b> work is needed for our organization to reflect the D & I Charter commitments  <b>3</b>	<b>Minimal</b> work is needed for our organization to reflect the D & I Charter commitments  <b>4</b>	<b>Our organization embodies the commitments outlined in the D &amp; I Charter</b>  <b>5</b>
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DOMAINS	TOTAL ASSESSMENT SCORE (Sum of scores)	AVERAGE ASSESSMENT SCORE (Total Score/#of applicable indicators = /5)
1 - Planning & Policy		26 / 9 = 2.9 / 5
2 - Organizational Culture		20 / 7 = 2.9 / 5
3 - Education & Training		10 / 3 = 3.3 / 5
4 - Human Resources		10 / 5 = 2 / 5
5 - Community Capacity Building		16 / 5 = 3.2 / 5
6 - Service Planning & Development		6 / 3 = 2 / 5
7 - Client Engagement		5 / 3 = 1.7 / 5
8 - Service Provision		17 / 8 = 2.1 / 5

Based on the assessment of needed action, identify **3 domains where your organization is strong** with respect to diversity, equity, and inclusion.

1. Education and Training
2. Community Capacity Building
3. Planning and Policy

Based on the assessment of needed action, **identify 3 domains where your organization requires improvement** with regards to diversity, equity, and inclusion.

1. Client Engagement
2. Service Planning and Development
3. Human Resources

## Creating an Action Plan

Based on the overall assessment of your organization, identify 3 areas for improvement that your organization will address over the next year, and then create an action plan that outlines how you will advance diversity, equity, and inclusion in these 3 areas.

It is recommended that you identify clear and focused areas for improvement so that concrete and targeted actions can be specified that will effectively enhance diversity, equity, and inclusion in that particular area. For example, indicating that you want to improve your organization's commitment to diversity, equity, and inclusion does not translate directly into a concrete and targeted action. In contrast, indicating that you want to increase frontline staff's knowledge and understanding of diversity, equity, and inclusion would clearly translate into an action plan that involves developing and providing diversity, equity, and inclusion training to all frontline staff. Identified areas for improvement may all fall within one domain or may cross a number of domains. It is recommended that you select areas of improvement that are most important to your organization and will have the greatest impact at this point in its diversity, equity, and inclusion journey.

**Note:** In your action planning, based on the overall assessment, you may also wish to identify what your organization's strengths are and how you will build on these. In addition to referring to the action planning guidelines below, a useful strategy for this is to engage in team-based brainstorming around organizational assets and opportunities for growth in these areas.

### Areas for Improvement:

1. Client Engagement

2. Human Resources

3. Service Planning and Development

## Action Plan for Area #1

What action will you take to advance diversity, equity, and inclusion in this area?	Client Engagement - Look for opportunities to engage community groups to have greater input into services provided
How will this action advance diversity, equity, and inclusion in your workplace?	Ideally, it will allow us to better serve the needs of the community effectively
What is the timeline for taking this action?	TBD - work in conjunction with the Neighbourhood and Community Initiatives group
Who will lead the development and implementation of this action?	TBD - need to develop a collaborative plan as it is not likely that the Diversity and Inclusion Office will be the lead on this effort
Which stakeholders will need to be involved to make this action happen?	Neighbourhood and Community Initiatives
What resources are needed to make this action happen?	TBD
How will you assess whether this action leads to an improvement?	Feedback from community members, Volunteer Advisory Groups, focus groups

## Action Plan for Area #2

<p>What action will you take to advance diversity, equity, and inclusion in this area?</p>	<p>Human Resources - include Diversity screening questions as part of standard interview process.          Include Diversity goal/competency on PADs for Manager and above level employees.          Establish metrics to monitor progress</p>
<p>How will this action advance diversity, equity, and inclusion in your workplace?</p>	<p>Including competencies in the PAD will further highlight the organization's commitment to D&amp;I</p>
<p>What is the timeline for taking this action?</p>	<p>Implementation for 2019 PAD process</p>
<p>Who will lead the development and implementation of this action?</p>	<p>Director, Talent and Diversity</p>
<p>Which stakeholders will need to be involved to make this action happen?</p>	<p>Will require consultation with Organizational Development, HRLT, SLT and Council</p>
<p>What resources are needed to make this action happen?</p>	<p>System support</p>
<p>How will you assess whether this action leads to an improvement?</p>	<p>Our People Survey will be conducted again in 2020 which will be a form of measurement</p>



### Action Plan for Area #3

<p>What action will you take to advance diversity, equity, and inclusion in this area?</p>	<p>Service Planning - continue to involve community through various initiatives such as focus groups, working groups etc. to better identify opportunities and needs in the community. Currently working on Hearing Loop project for Council Chambers and selected meeting rooms as well as Senior Centres</p>
<p>How will this action advance diversity, equity, and inclusion in your workplace?</p>	<p>Ideally, will allow for greater participation of community members in such things as Council meetings, community events, Volunteer Advisory meetings, fitness classes, etc.</p>
<p>What is the timeline for taking this action?</p>	<p>Report being presented to Council December 7 for approval</p>
<p>Who will lead the development and implementation of this action?</p>	<p>Director, Talent and Diversity</p>
<p>Which stakeholders will need to be involved to make this action happen?</p>	<p>Council, Facilities, Recreation</p>
<p>What resources are needed to make this action happen?</p>	<p>Financial costs approximately \$40000 People resources to support the project work</p>
<p>How will you assess whether this action leads to an improvement?</p>	<p>Assess the level of participation, room bookings, community requests for facility utilization</p>

## Resources

- Diversity & Inclusion Charter of Peel – English – [www.dicharter.rdrpeel.org/charter/](http://www.dicharter.rdrpeel.org/charter/)
- Diversity & Inclusion Charter of Peel – French - [www.dicharter.rdrpeel.org/charter-french/](http://www.dicharter.rdrpeel.org/charter-french/)
- Diversity & Inclusion Charter of Peel Backgrounder and Guidelines - [www.dicharter.rdrpeel.org/edu-training-tools-resources/](http://www.dicharter.rdrpeel.org/edu-training-tools-resources/)
- The Regional Diversity Roundtable Glossary - <http://www.regionaldiversityroundtable.org/?q=glossary>

## Acknowledgements

This tool was drawn from an original draft created in 2013 by The Regional Diversity Roundtable of Peel's Diversity, Equity and Inclusion (DEI) Self-Assessment Tool Working Group.

Working closely with the Regional Diversity Roundtable of Peel's Diversity & Inclusion Charter of Peel Steering Committee and Evaluation Working Group, Taylor Newberry Consulting revised and extended the original draft to create the current version of the Self-Assessment Tool (2015).

It is acknowledged that the design of this tool has been adapted from "Building Diversity in Your Organization: A Self-Assessment Tool" created by the Regional Municipality of York in 2014.

The Regional Diversity Roundtable of Peel would like to thank the Collaborative Partnership for the Diversity & Inclusion Charter of Peel Phase 2 Initiative for contributing to the development of this tool. The partnership includes the following organizations:

Brampton Library  
Credit River Métis Council  
Peel District School Board  
Peel Multicultural Council  
William Osler Health System

Finally, all supporters and users of the tool are acknowledged for their ongoing contributions to ensuring an equitable and inclusive Peel Region.

For more information about the Diversity & Inclusion Charter of Peel Initiative, please visit [www.dicharter.rdrpeel.org](http://www.dicharter.rdrpeel.org)

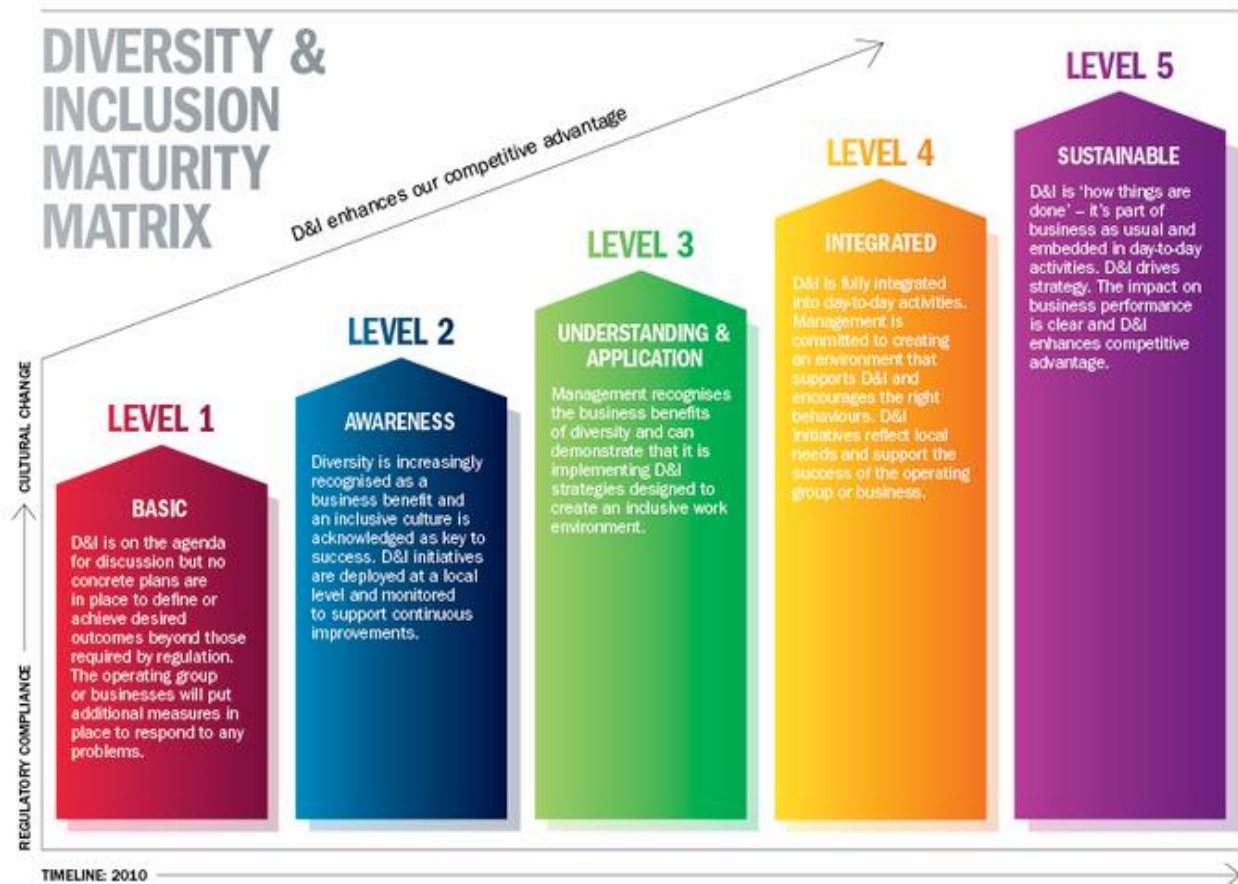
Funded By | Financé Par:



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## Diversity Maturity Matrix



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**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	September 18, 2019
<b>SUBJECT/REPORT NO:</b>	Barton Kenilworth Tax Increment Grant Program - 286 Sanford Avenue North (PED19184) (Ward 3)
<b>WARD(S) AFFECTED:</b>	Ward 3
<b>PREPARED BY:</b>	Carlo Gorni (905) 546-2424 Ext. 2755
<b>SUBMITTED BY:</b>	Glen Norton Director, Economic Development Planning and Economic Development Department
<b>SIGNATURE:</b>	

### RECOMMENDATION

- (a) That a Barton Kenilworth Tax Increment Grant Program application submitted by 2580922 Ontario Inc. (Sheldon Meir Dick), for the property at 286 Sanford Avenue North, estimated at \$934,444.07 over a maximum of a nine-year period, and based upon the incremental tax increase attributable to the renovations of 286 Sandford Avenue North, Hamilton, be authorized and approved in accordance with the terms and conditions of the Barton Kenilworth Tax Increment Grant Program;
- (b) That the Mayor and City Clerk be authorized and directed to execute a Grant Agreement together with any ancillary documentation required, to effect recommendation (a) of Report PED19184, in a form satisfactory to the City Solicitor;
- (c) That the Mayor and City Clerk be authorized and directed to execute such assigning agreement as required, to effect recommendation (a) of Report PED19184, in a form satisfactory to the City Solicitor;
- (d) That the General Manager of the Planning and Economic Development Department be authorized to approve and execute any Grant Amending Agreements, together with any ancillary amending documentation, if required, provided that the terms and conditions of the Hamilton Tax Increment Grant Program, as approved by City Council, are maintained.

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OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.



**SUBJECT: Barton Kenilworth Tax Increment Grant Program - 286 Sanford Avenue North (PED19184) (Ward 3) - Page 2 of 6**

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**EXECUTIVE SUMMARY**

The Barton Kenilworth Tax Increment Grant Program (BKTIGP) application for the renovation of 286 Sanford Avenue North, Hamilton, was submitted by 2580922 Ontario Inc. (Sheldon Meir Dick). The existing building is 7 storeys. Vacant when the application was submitted, the second floor is now occupied by an architectural firm. The third floor will be renovated to accommodate shared office space. The rest of the building is currently vacant. The ground floor is also being renovated with the intent of creating an event space and auditorium where public events can take place. The applicant is renovating the building by making improvements to the exterior of the building, including the replacement of all windows while also preparing each floor for future tenants.

Development costs are estimated at \$9,695,000 and it is projected that the proposed redevelopment will increase the assessed value of the property from its current value of \$335,000 to approximately \$6,700,000. This will increase total annual property taxes generated by the property. The municipal share of this property tax increase (municipal tax increment) will be approximately \$133,492.01 of which 100% would be granted to the owner during years one to five, 80% or approximately \$106,793.61 in year six, 60% or approximately \$80,095.21 in year seven, 40% or approximately \$53,396.80 in year eight and 20% or approximately \$26,698.40 in year nine. The estimated total value of the grant is approximately \$934,444.07. Note that every year the tax increment is based on actual taxes for that year.

Upon completion of the redevelopment and reassessment of the property by the Municipal Property Assessment Corporation (MPAC), staff will report back in an Information Update to Council on the actual redevelopment costs, the reassessment amount determined by MPAC and the grant amount.

**Alternatives for Consideration – See Page 6**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** The City will collect full property taxes on the property and, in turn, provide a grant for nine years, declining each year after the first five years by 20%, based on the increase in the municipal portion of the taxes, post-development completion of 286 Sanford Avenue North, Hamilton. Following year five of the grant payment, the City will start to realize the positive results of the Program from a financial perspective. Based on the projected figures, the estimated tax increment over nine years totals \$1,201,428.09, of which the applicant would receive a grant totalling approximately \$934,444.07 and the City retaining taxes totalling approximately \$266,984.02.

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**SUBJECT: Barton Kenilworth Tax Increment Grant Program - 286 Sanford Avenue North (PED19184) (Ward 3) - Page 3 of 6**

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**Staffing:** Applicants and subsequent grant payments under the BKTIGP are processed by the Urban Renewal Section and Taxation Division. There are no additional staffing requirements.

**Legal:** Section 28 of the *Planning Act* permits a municipality, in accordance with a Community Improvement Plan, to make loans and grants which would otherwise be prohibited under Section 106(2) of the *Municipal Act*, to registered/assessed owners and tenants of lands and buildings. A Community Improvement Plan can only be adopted and come into effect within a designated Community Improvement Project Area. Changes to a Community Improvement Plan or Community Improvement Project Area require formal amendments as dictated by the *Planning Act*.

The applicant will be required to execute a Grant Agreement prior to the grant being advanced. The Grant Agreement will be developed in consultation with Legal Services.

As construction projects move forward, it is sometimes necessary to amend previously approved Grant Agreements and any ancillary documentation. Therefore, staff recommends that the General Manager of Planning and Economic Development be authorized to amend Grant Agreements and any ancillary documentation, provided that the terms and conditions of the HTIGP are maintained.

## **HISTORICAL BACKGROUND**

City Council, at its meeting held May 11, 2016, approved an amendment to the Downtown and Community Renewal Community Improvement Plan which introduced the BKTIGP. The Program is offered exclusively to property owners of residential/commercial lands and buildings located within the boundaries of the Barton Village Business Improvement Area (BIA), the Barton and Kenilworth commercial corridors and the properties that front on Barton Street between James Street North and Victoria Avenue North as identified in the Downtown and Community Renewal Community Improvement Project Area By-law. The terms of the Program offer a nine-year grant not to exceed the increase in municipal realty taxes as a result of the development.

The grant is to be in an amount which does not exceed 100% of the municipal realty tax increase during the first five years, 80% in year six, 60% in year seven, 40% in year eight, and 20% in year nine.

The project at 286 Sanford Avenue North, Hamilton, is an eligible project under the terms of the BKTIGP. The applicant will qualify for the BKTIGP grant upon completion of the project. Development costs are estimated at \$9,695,000. The total estimated grant over the nine-year period is approximately \$934,444.07.

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**SUBJECT: Barton Kenilworth Tax Increment Grant Program - 286 Sanford Avenue North (PED19184) (Ward 3) - Page 4 of 6**

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## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

### Urban Hamilton Official Plan

The subject lands are municipally known as 286 Sanford Avenue North and are located within the “Employment Areas” on Schedule “E” – Urban Structure and designated as “Industrial Lands” on Schedule “E-1” – Urban Land Use Designations.

The use of the property conforms to the above designation. The specific commercial uses for the remaining unoccupied floors have not yet been identified and will be subject to the respective sections of the in force and effect Urban Hamilton Official Plan with respect to permitted uses and associated policies.

### Zoning By-law No. 05-200

Under the City of Hamilton Zoning By-Law No. 05-200, the subject property is zoned “Light Industrial (M6) Zone”.

The use of the property is permitted. The specific commercial uses for the remaining unoccupied floors have not yet been identified and will be subject to the respective sections of the in force and effect Zoning By-Law with respect to permitted uses and associated regulations.

## **RELEVANT CONSULTATION**

Staff from the Finance and Administration Division, Corporate Services Department and the Legal Services Division, City Manager’s Office was consulted, and the advice received is incorporated into Report PED19184.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Urban Renewal staff, in co-operation with staff from the Taxation and Legal Services Divisions, developed an estimated schedule of grant payments under the terms of the Program. The final schedule of grant payments will be contingent upon a new assessment by MPAC following completion of the project. The applicant will be required to sign a Grant Agreement. The Grant Agreement contains provisions for varying the grant payment in each and every year based on MPAC’s assessed value. By signing, the applicant will accept the terms and conditions outlined therein prior to any grant payments being made. The Agreement outlines the terms and conditions of the grant payments over the nine-year period.

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**SUBJECT: Barton Kenilworth Tax Increment Grant Program - 286 Sanford Avenue North (PED19184) (Ward 3) - Page 5 of 6**

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The estimated grant shall be calculated according to the following formulas:

Grant Level:		100%
Total Eligible Costs (Maximum):	\$	9,695,000.00
Pre-project CVA: CX (Commercial Vacant Land)	\$	35,000.00 Year: 2018
Municipal Levy:	\$	7,242.97
Education Levy:	\$	<u>3,675.25</u>
Pre-project Property Taxes	\$	10,918.22
***Post-project CVA: XT (Commercial New Construction)	\$	6,700,000.00
<b>Estimated</b> Post-project CVA	\$	6,700,000.00 Year: TBD
Post-project Property Taxes		
** <b>Estimated</b> Municipal Levy:	\$	140,734.98
** <b>Estimated</b> Education Levy:	\$	<u>69,010.00</u>
** <b>Estimated</b> Post-Project Property Taxes:	\$	209,744.98

\*The actual roll number(s), assessed value(s), tax classification(s) and value partitioning (where applicable) are to be determined by the Municipal Property Assessment Corporation (MPAC).

\*\*2019 tax rates have been used for calculation of the estimated post-development property taxes.

Pre-project Municipal Taxes = Municipal Levy = \$7,242.97  
Municipal Tax Increment = \$140,734.98 - \$7,242.97 = \$133,492.01  
Payment in Year One = \$133,492.01 x 1.0 = \$133,492.01

**ESTIMATED GRANT PAYMENT SCHEDULE for commercial building**  
**(Subject to re-calculation each year and up to the total eligible costs)**

Year	Grant Factor	Tax Increment*	Grant
1	100%	\$ 133,492.01	\$133,492.01
2	100%	\$ 133,492.01	\$133,492.01
3	100%	\$ 133,492.01	\$133,492.01
4	100%	\$ 133,492.01	\$133,492.01
5	100%	\$ 133,492.01	\$133,492.01
6	80%	\$ 133,492.01	\$106,793.61

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**SUBJECT: Barton Kenilworth Tax Increment Grant Program - 286 Sanford Avenue North (PED19184) (Ward 3) - Page 6 of 6**

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Year	Grant Factor	Tax Increment*	Grant
7	60%	\$ 133,492.01	\$ 80,095.21
8	40%	\$ 133,492.01	\$ 53,396.80
9	20%	\$ 133,492.01	\$ 26,698.40
<b>Total</b>		<b>\$1,201,428.09</b>	<b>\$934,444.07</b>

\*Note that the tax increment is based every year on actual taxes for that year. The figures above are estimates. In other words, for each year a grant payment is paid, the actual taxes for the year of the grant payment will be used in the calculation of the grant payment.

## **ALTERNATIVES FOR CONSIDERATION**

### **Decline the Grant and Approve a Reduced Amount**

Declining a grant and/or approving a reduced amount would undermine the principles of the BKTIGP and regeneration efforts in general. This alternative is not recommended.

**Financial:** Grants totalling \$934,444.07 over a nine-year period would not be issued.

**Staffing:** N/A

**Legal:** N/A

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

### **Healthy and Safe Communities**

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

### **Our People and Performance**

Hamiltonians have a high level of trust and confidence in their City government.

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" – Location Map

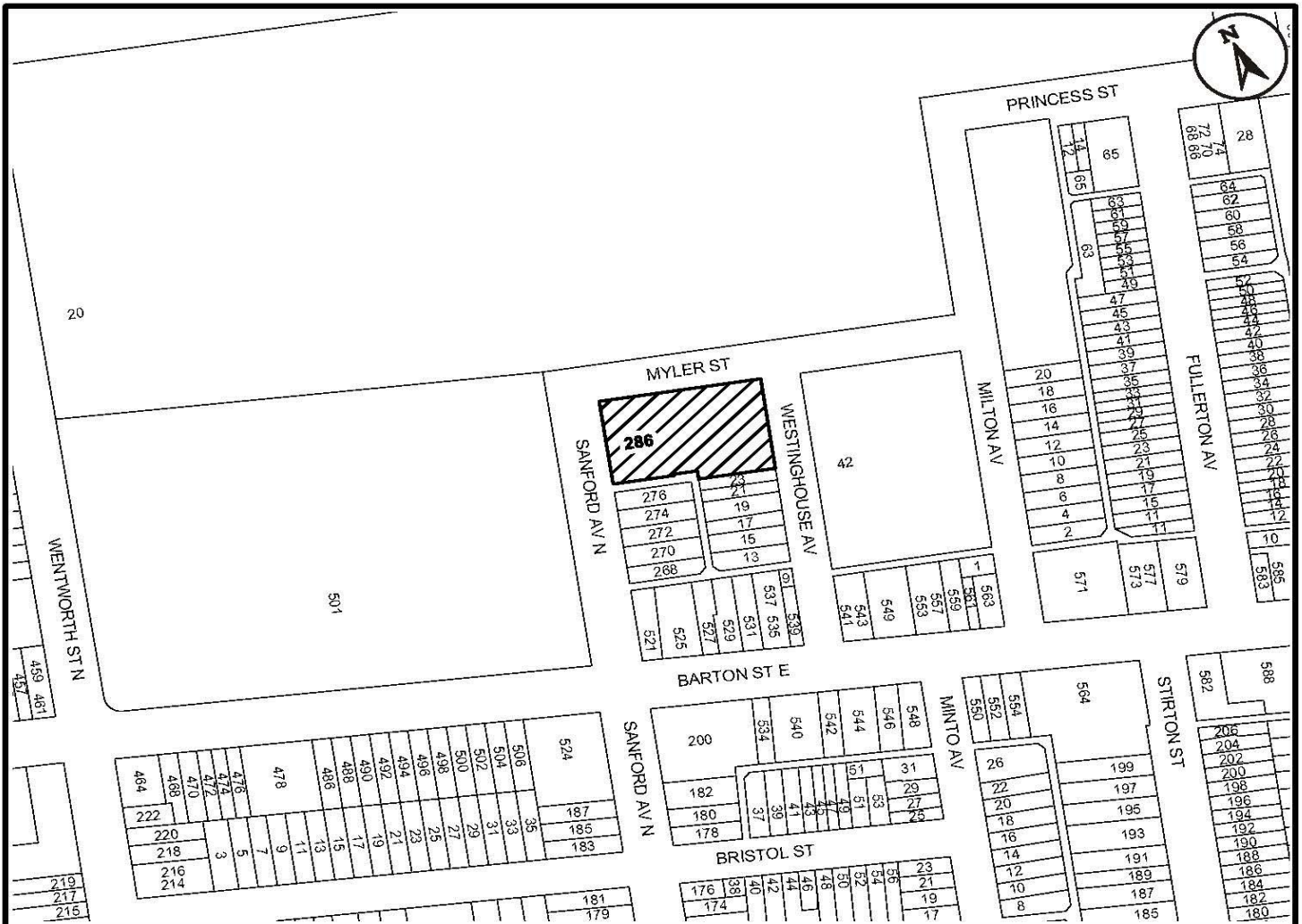
CG:dt

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● Site Location



Key Map - Ward 3

N.T.S.

# Location Map



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:  
286 Sanford Av N

Date:  
December 19, 2018

Appendix "A"

Scale:  
N.T.S.

Planner/Technician:  
CG/AL

### Subject Property

286 Sanford Avenue North





**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	September 18, 2019
<b>SUBJECT/REPORT NO:</b>	Hamilton Tax Increment Grant Program - 244 Dundas Street East, Waterdown (PED19185) (Ward 15)
<b>WARD(S) AFFECTED:</b>	Ward 15
<b>PREPARED BY:</b>	Carlo Gorni (905) 546-2424 Ext. 2755
<b>SUBMITTED BY:</b>	Glen Norton Director, Economic Development Planning and Economic Development Department
<b>SIGNATURE:</b>	

### RECOMMENDATION

- (a) That a Hamilton Tax Increment Grant Program application submitted by Burnside Insurance and Financial Services Ltd. (Andy Burnside), for the property at 244 Dundas Street East, Waterdown, estimated at \$4,853.37 over a maximum of a five-year period, and based upon the incremental tax increase attributable to the renovations of 244 Dundas Street East, Waterdown, be authorized and approved in accordance with the terms and conditions of the Hamilton Tax Increment Grant Program;
- (b) That the Mayor and City Clerk be authorized and directed to execute a Grant Agreement together with any ancillary documentation required, to effect recommendation (a) of Report PED19185, in a form satisfactory to the City Solicitor;
- (c) That the Mayor and City Clerk be authorized and directed to execute such assigning agreement as required, to effect recommendation (a) of Report PED19185, in a form satisfactory to the City Solicitor;
- (d) That the General Manager of the Planning and Economic Development Department be authorized to approve and execute any Grant Amending Agreements, together with any ancillary amending documentation, if required,

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**SUBJECT: Hamilton Tax Increment Grant Program - 244 Dundas Street East, Waterdown (PED19185) (Ward 15) - Page 2 of 7**

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provided that the terms and conditions of the Hamilton Tax Increment Grant Program, as approved by City Council, are maintained.

**EXECUTIVE SUMMARY**

The Hamilton Tax Increment Grant Program (HTIGP) application for the renovation of 244 Dundas Street East, Waterdown, was submitted by Burnside Insurance and Financial Services (Andy Burnside). The existing building is 2 storeys with commercial on the ground floor. The second floor is a residential unit. The applicant is renovating the building by making improvements to the front façade of the building and building out new office space on the ground floor.

Development costs are estimated at \$169,350 and it is projected that the proposed redevelopment will increase the assessed value of the property from its current value of \$578,500 to approximately \$681,500. This will increase total annual property taxes generated by the property. The municipal share of this property tax increase (municipal tax increment) will be approximately \$1,617.79, of which 100% would be granted to the owner during year one, 80% or approximately \$1,294.23 in year two, 60% or approximately \$970.67 in year three, 40% or approximately \$647.12 in year four and 20% or approximately \$323.56 in year five. The estimated total value of the grant is approximately \$4,853.37. Note that every year the tax increment is based on actual taxes for that year.

Upon completion of the redevelopment and reassessment of the property by the Municipal Property Assessment Corporation (MPAC), staff will report back in an Information Update to Council on the actual redevelopment costs, the reassessment amount determined by MPAC and the grant amount.

**Alternatives for Consideration – See Page 6**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The City will collect full property taxes on the property and, in turn, provide a grant for five years, declining each year after the first year by 20%, based on the increase in the municipal portion of the taxes, post-development completion of 244 Dundas Street East, Waterdown. Following year one of the grant payment, the City will start to realize the positive results of the Program from a financial perspective. Based on the projected figures, the estimated tax increment over five years totals \$8,088.95, of which the applicant would receive a grant totalling approximately \$4,853.37 and the City retaining taxes totalling approximately \$3,235.58.

**SUBJECT: Hamilton Tax Increment Grant Program - 244 Dundas Street East, Waterdown (PED19185) (Ward 15) - Page 3 of 7**

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**Staffing:** Applicants and subsequent grant payments under the HTIGP are processed by the Urban Renewal Section and Taxation Division. There are no additional staffing requirements.

**Legal:** Section 28 of the *Planning Act* permits a municipality, in accordance with a Community Improvement Plan, to make loans and grants which would otherwise be prohibited under Section 106(2) of the *Municipal Act*, to registered / assessed owners and tenants of lands and buildings. A Community Improvement Plan can only be adopted and come into effect within a designated Community Improvement Project Area. Changes to a Community Improvement Plan or Community Improvement Project Area require formal amendments as dictated by the *Planning Act*.

The applicant will be required to execute a Grant Agreement prior to the grant being advanced. The Grant Agreement will be developed in consultation with Legal Services.

As construction projects move forward, it is sometimes necessary to amend previously approved Grant Agreements and any ancillary documentation. Therefore, staff recommends that the General Manager of Planning and Economic Development be authorized to amend Grant Agreements and any ancillary documentation, provided that the terms and conditions of the HTIGP are maintained.

## **HISTORICAL BACKGROUND**

City Council, at its meeting held August 22, 2001, approved an amendment to the Downtown and Community Renewal Community Improvement Plan which introduced the HTIGP. Since that time, a number of Program refinements have been approved by City Council, including expanding the Program to Community Downtowns, Business Improvement Areas, the Mount Hope / Airport Gateway, the corridors of Barton Street and Kenilworth Avenue as identified in the Downtown and Community Renewal Community Improvement Project Area and most recently, to properties designated under Part IV or V of the *Ontario Heritage Act*. The terms of the Program offer a five-year grant not to exceed the increase in municipal realty taxes as a result of the development. The grant is to be in an amount which does not exceed 100% of the municipal realty tax increase during the first year, 80% in year two, 60% in year three, 40% in year four, and 20% in year five.

The project at 244 Dundas Street East, Waterdown, is an eligible project under the terms of the HTIGP. The applicant will qualify for the HTIGP grant upon completion of the renovation project. Development costs are estimated at \$169,350. The total estimated grant over the five-year period is approximately \$4,853.37.

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**SUBJECT: Hamilton Tax Increment Grant Program - 244 Dundas Street East,  
Waterdown (PED19185) (Ward 15) - Page 4 of 7**

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**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Urban Hamilton Official Plan

The subject lands are municipally known as 244 Dundas Street East and are located within “Community Nodes” on Schedule “E” – Urban Structure and designated as “Mixed Use – Medium Density” on Schedule “E-1” – Urban Land Use Designations.

The uses of the property conform to the above designation.

Zoning By-law No. 05-200

Under the City of Hamilton Zoning By-Law No. 05-200, the subject property is zoned “Mixed Use Medium Density (C5) Zone”.

The uses of the property are permitted.

**RELEVANT CONSULTATION**

Staff from the Finance and Administration Division, Corporate Services Department and the Legal Services Division, City Manager’s Office was consulted, and the advice received is incorporated into Report PED19185.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Urban Renewal staff, in co-operation with staff from the Taxation and Legal Services Divisions, developed an estimated schedule of grant payments under the terms of the Program. The final schedule of grant payments will be contingent upon a new assessment by MPAC following completion of the project. The applicant will be required to sign a Grant Agreement. The Grant Agreement contains provisions for varying the grant payment in each and every year based on MPAC’s assessed value. By signing, the applicant will accept the terms and conditions outlined therein prior to any grant payments being made. The Agreement outlines the terms and conditions of the grant payments over the five-year period.

**SUBJECT: Hamilton Tax Increment Grant Program - 244 Dundas Street East,  
Waterdown (PED19185) (Ward 15) - Page 5 of 7**

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The estimated grant shall be calculated according to the following formulas:

Grant Level:		100%	
Total Eligible Costs (Maximum):	\$	169,350.00	
Pre-project CVA: CT (Commercial)	\$	297,000.00	Year: 2018
RT (Residential)	\$	<u>281,500.00</u>	
Total Pre-Project CVA	\$	578,500.00	
Pre-Project Property Taxes			
Municipal Levy:	\$	8,643.69	
Education Levy:	\$	<u>3,736.91</u>	
Pre-project Property Taxes	\$	12,380.60	
*Post-project CVA: CT (Commercial)	\$	400,000.00	
RT (Residential)	\$	<u>281,500.00</u>	
<b>Estimated</b> Post-project CVA	\$	681,500.00	Year: TBD
Post-Project Property Taxes			
** <b>Estimated</b> Municipal Levy:	\$	10,261.48	
** <b>Estimated</b> Education Levy:	\$	<u>4,575.94</u>	
** <b>Estimated</b> Post-Project Property Taxes:	\$	14,837.42	

\*The actual roll number(s), assessed value(s), tax classification(s) and value partitioning (where applicable) are to be determined by the Municipal Property Assessment Corporation (MPAC).

\*\*2019 tax rates have been used for calculation of the estimated post-development property taxes.

Pre-project Municipal Taxes = Municipal Levy = \$8,643.69  
Municipal Tax Increment = \$10,261.48 - \$8,643.69 = \$1,617.79  
Payment in Year One = \$1,617.79 x 1.0 = \$1617.79

**SUBJECT: Hamilton Tax Increment Grant Program - 244 Dundas Street East,  
Waterdown (PED19185) (Ward 15) - Page 6 of 7**

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**ESTIMATED GRANT PAYMENT SCHEDULE for mixed-use building: main floor commercial, upper floor apartment  
(Subject to re-calculation each year and up to the total eligible costs)**

Year	Grant Factor	Tax Increment*	Grant
1	100%	\$1,617.79	\$1,617.79
2	80%	\$1,617.79	\$1,294.23
3	60%	\$1,617.79	\$ 970.67
4	40%	\$1,617.79	\$ 647.12
5	20%	\$1,617.79	\$ 323.56
<b>Total</b>		<b>\$8,088.95</b>	<b>\$4,853.37</b>

\*Note that the tax increment is based every year on actual taxes for that year. The figures above are estimates. In other words, for each year a grant payment is paid, the actual taxes for the year of the grant payment will be used in the calculation of the grant payment.

## **ALTERNATIVES FOR CONSIDERATION**

### **Decline the Grant and Approve a Reduced Amount**

Declining a grant and / or approving a reduced amount would undermine the principles of the TIGP and regeneration efforts in general. This alternative is not recommended.

**Financial:** Grants totalling \$4,853.37 over a five-year period would not be issued.

**Staffing:** N/A

**Legal:** N/A

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Community Engagement and Participation**

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

### **Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.



**SUBJECT: Hamilton Tax Increment Grant Program - 244 Dundas Street East,  
Waterdown (PED19185) (Ward 15) - Page 7 of 7**

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**Our People and Performance**

Hamiltonians have a high level of trust and confidence in their City government.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report PED19185 – Location Map

CG:dt



● Site Location



Key Map - Ward 15

N.T.S.

# Location Map



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:  
244 Dundas St E

Date:  
October 30, 2017

Appendix "A"

Scale:  
N.T.S.

Planner/Technician:  
HM/AL

**Subject Property**



244 Dundas Street East



**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b>	Chair and Members General Issues Committee
<b>COMMITTEE DATE:</b>	September 18, 2019
<b>SUBJECT/REPORT NO:</b>	Update on Surplus and Sale of a Downtown City-owned Surface Parking Lot (PED16205(a)) (Ward 2)
<b>WARD(S) AFFECTED:</b>	Ward 2
<b>PREPARED BY:</b>	Raymond Kessler (905) 546-2424 Ext. 7019 Michelle Schiau (905) 546-2424 Ext. 7024
<b>SUBMITTED BY:</b>	Glen Norton Director, Economic Development Planning and Economic Development Department
<b>SIGNATURE:</b>	

## RECOMMENDATION

- (a) That subject to the requirements of the Parking Master Plan, the Real Estate Section of the Planning and Economic Development Department be authorized and directed to sell 207-211 Hughson Street North, Hamilton, on the open market, at fair market value, and in accordance with the City of Hamilton Sale of Land Policy By-law 14-204.

## EXECUTIVE SUMMARY

The purpose of this Report is to provide an update to Council's direction of November 23, 2016, to sell Car Park Lot No. 70, municipally known as 207-211 Hughson Street North to the abutting neighbour the Synod of the Diocese of Niagara and The Incumbent and Churchwardens of Christ's Church Cathedral. Christ's Church Cathedral has advised the City that it is no longer prepared to acquire Car Park Lot No. 70 and therefore this Report seeks Council's direction to sell Car Park Lot No. 70 on the open market, subject to the completion of the Parking Master Plan.

## Alternatives for Consideration – See Page 3

## FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: There are no immediate financial implications to this Report. Staff will seek direction of Council on the financial and budget implications related to

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OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Update on Surplus and Sale of a Downtown City-owned Surface Parking Lot (PED16205(a)) (Ward 2) - Page 2 of 4**

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Hamilton Municipal Parking System and the City when reporting to Council for approval of the property transaction.

Staffing: There are no staffing implications arising from this recommendation.

Legal: Legal Services Division will be required to assist in the preparation of necessary legal documents.

## **HISTORICAL BACKGROUND**

On May 28, 2014, Council directed and authorized staff under Item 9.1 of Planning Committee Report 14-008 through a Motion to report back with a process, through conveyance, for redevelopment of City of Hamilton owned surface parking lots with the intent to maximize the capital return to the City.

On April 27, 2016, Council directed staff under Planning Committee Report 16-007 Item 11 of Planning Committee, being Information Report PED16104 dated April 19, 2016, to circulate the Downtown City-owned Parking Lots in accordance with the Portfolio Strategy for potential surplus and report to the Planning Committee with a recommended disposition strategy for each lot surplus to the City's needs.

On November 23, 2016, Council directed staff under Planning Committee Report 16-020 Item 8.2, being Report PED16205 dated November 15, 2016, that among other things, Car Park Lot No. 70, located at 207-211 Hughson Street North, be sold at fair market value to the abutting property owner of 252 James Street North, being the Synod of the Diocese of Niagara; The Incumbent and Churchwardens of Christ's Church Cathedral.

On September 13, 2017, Council directed staff, under General Issues Committee Report 17-018 Item 6.2, to review the request for a reduction in the purchase price of the municipal parking lot adjacent to the adjoining Church at 252 James Street North, Hamilton, and report back to the October 4, 2017, General Issues Committee with options respecting the Diocese's request.

On October 4, 2017, the General Issues Committee received Information Report number LS17032/PED17132. The Information Report received did not generate alternate direction from Council. Staff continued with the direction that the lands are to be sold at fair market value to the abutting property owner.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

This recommendation is consistent with the City's Real Estate Portfolio Management Strategy Plan as approved by City Council on November 24, 2004 and the Procedural By-law for the Sale of Land, By Law No. 14-204.

**SUBJECT: Update on Surplus and Sale of a Downtown City-owned Surface Parking Lot (PED16205(a)) (Ward 2) - Page 3 of 4**

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**RELEVANT CONSULTATION**

- Corporate Services Department, Finance Division;
- Corporate Services Department, Legal Services Division; and,
- Planning and Economic Development Department, Transportation Planning and Parking Division.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Following direction from Council that Car Park Lot No. 70 be sold at fair market value to the abutting property owner, Christ's Church Cathedral, staff have been working to arrive at a satisfactory sale of the lands with representatives of Christ's Church Cathedral.

On June 18, 2019, a representative of Christ's Church Cathedral advised Real Estate staff that they would no longer be pursuing the purchase of Car Park Lot No. 70.

In order to place Car Park Lot No. 70 on the open market, Council will have to rescind its original direction to staff to direct the sale to the neighbour. Notwithstanding, this site continues to represent an opportunity for redevelopment into additional residential and employment opportunities in the Downtown Community Improvement Plan area.

While the sale of this lot is an opportunity from a revenue generation and re-development perspective, it is prudent to wait until the on-going Parking Master Plan is complete to make a final decision on the sale and timing. One of the objectives of the Parking Master Plan is to forecast the short, medium and long-term parking needs of commercial areas such as James Street North. The Parking Master Plan will also review the financial sustainability of the Hamilton Municipal Parking System overall.

**ALTERNATIVES FOR CONSIDERATION**

Car Park Lot No. 70, located at 207-211 Hughson Street North, could be retained for use for public parking long term. At present this lot generates a net profit of approximately \$16 K for the Parking System and contributes to the supply of parking for businesses and employees on James Street North. Net revenues have been steadily increasing since 2016 and are projected to increase.

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

**SUBJECT: Update on Surplus and Sale of a Downtown City-owned Surface  
Parking Lot (PED16205(a)) (Ward 2) - Page 4 of 4**

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**Built Environment and Infrastructure**

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" - Location Map

MS:sd




Appendix "A" to Report PED16205(a)  
Page 1 of 1



● Site Location



Key Map - Ward 2

N.T.S. 

## Location Map



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:  
Car Park Lot 70  
207-211 Hughson St N

Date:  
October 4, 2017

Car Park Lot 70

Scale:  
N.T.S.

Planner/Technician:  
FA/AL

### Subject Property



207 - 211 Hughson Street North



252 - 254 James Street North -  
Lands owned by Cathedral Place



## INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	September 18, 2019
<b>SUBJECT/REPORT NO:</b>	First Ontario Place Operations Contingency Plan (PW18091(a)) (Ward 2)
<b>WARD(S) AFFECTED:</b>	Ward 2
<b>PREPARED BY:</b>	Chuck Alkerton (905) 546-2424 Extension 7015 Tript Hara (905) 546-2424 Extension 2570
<b>SUBMITTED BY:</b>	Rom D'Angelo, C.E.T.; CFM Director, Energy, Fleet and Facilities Management Public Works Department
<b>SIGNATURE:</b>	

### COUNCIL DIRECTION

At its meeting of December 7, 2018, City Council received Information Report PW18091, as a result of which, the Mayor asked a question regarding the expected remaining life of the brine lines, as well as the contingency plan if a catastrophic failure was to take place at First Ontario Centre (FOC).

### INFORMATION

The primary purpose of this Report PW18091(a) is to address questions pertaining to the remaining life of the glycol piping (brine lines). The Energy, Fleet & Facilities Management (EFFM) team defined an inspection and testing regime designed to underpin a more scientific, engineering based investigative process resulting in a more refined Facility Risk Assessment on critical components of the arena.

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**SUBJECT: First Ontario Place Operations Contingency Plan (PW18091(a))  
(Ward 2) - Page 2 of 4**

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Investigation:

In addition to the brine line investigation, there were other major building components/systems that were deemed highly critical in affecting the functionality of the arena/venue and therefore were part of the investigation process; building components/systems such as;

Rink Roofing - Any leak would not only damage the ice surface, but also the seating areas as well as possibly cause other health and safety issues.

Rink Slab from a Structural Viewpoint - The concrete rink slab itself which, if damaged on its surface or in between in-floor rink slab piping could lead to disruption.

Rink Slab from a Refrigeration Viewpoint (In-Floor Rink Slab Piping) - The in-floor rink slab piping may potentially be a source of leaks.

Original portion of refrigeration that was not replaced in 2014 - The header mains running through the old plant all the way to the trench, then to the nipples connecting to the in-floor rink slab piping.

The Inspection and Testing Program:

A variety of testing methodologies were used through this exercise; testing included:

- Ground Penetrating Radar (GPR);
- Visual examination;
- Ultrasonic testing;
- Infrared scanning and roof test cuts.

The Refrigeration System

While the plant is fairly new (2014), the headers and in-floor rink slab piping are original (1985). Therefore, the focus was to investigate them by carrying out a selected sampling for inspection and testing.

There have been two reported cases of glycol leaks in the last few years at the start of the ice-making season (August). When glycol levels drop due to ongoing leaks, the ice surface would be compromised. If the glycol leaks are sufficient enough, it could also damage the rink slab.

The Inspection and Testing included the following:

- Ground Penetrating Radar (GPR) of in-floor pipes of 4 feet area on each end of the rink slab. One end is where the pipes connect to the headers, the other is where the

**SUBJECT: First Ontario Place Operations Contingency Plan (PW18091(a))  
(Ward 2) - Page 3 of 4**

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pipe U-bends are. The intent was to investigate if any ponding of glycol was present. That would indicate a leak since the piping is under pressure even in the off season;

- Visual examination and ultrasonic testing of main and return headers and “nipple” pipes in the trench below;
- Establish the risk of potential failure of headers within the next three to five years and assess the potential risk of future piping leaks.

### Structural Systems

The focus was on the steel roof structure (Subsystem #1) and the rink concrete slab (Subsystem #2).

- Subsystem #1: Partial or total failure of the steel roof structure could be construed as critical as it would be a major disaster. Structural investigations are usually mandated for arenas on a regular basis;
- Partial or total failure of the concrete rink slab including deep cracks from glycol leaks would affect the quality of the ice playing surface rendering it unusable.

### Inspection Consisted In:

- Inspect and test the steel roof structure to ascertain the real condition;
- Inspect and test the concrete rink slab to determine if any structural damage had occurred after the glycol leaks using the recommended inspection methodology;
- Establish levels of risk and criticality for both subsystems if no remedial action is taken.

### Roofing Systems

The focus was on the roofing membrane, insulation, roof drains and mechanical areas roofing systems.

Failure of the roofing membrane could cause roof leaks during significant precipitation events such as heavy rain or heavy snow. Water can leak inside the building. The arena roof and the upper and lower mechanical roofs were evaluated. If there is failure of the arena roof, it can cause leaks causing the ice to bubble, making it impractical for skating on the surface.

**SUBJECT: First Ontario Place Operations Contingency Plan (PW18091(a))  
(Ward 2) - Page 4 of 4**

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Using visual reviews, infrared scanning and roof test cuts resulted in an assessment of the roofing risk profile.

Proposed Risk Management Process:

It needs to be clearly noted the building systems at First Ontario Centre (FOC) are beyond the original life-cycle and the purpose of the investigation was to determine if there was additional or extend life in these critical systems. Overall the practical aim would be to manage the known and unknown risks for the next five (5) years to give the City time to formulate a long-term solution regarding the FOC.

Based on the findings and with a few operational adjustments along with regular monitoring of the systems, staff are indicating with a medium-to-high level of certainty that the replacement of these critical system can be deferred for a period of 5 years provided follow-up testing is conducted in future years. Nonetheless, if the FOC is to remain as a hockey and skating facility for the long term and given the timelines for planning, engineering and specification development for the replacement of the brine lines, a portion of the funding will be required in year 3 or 4 of the extending period of time.

Contingency Venue Assessment:

Meetings with key Stakeholders, Hamilton Bulldogs, Spectra and the Recreation Division of the City of Hamilton enabled EFFM to establish a number of criteria and requirements for an alternate venue. This option was investigated in the event of a total failure occurring at FOC, preventing the use of the facility.

It should be noted that the only operation of interest in this exercise, was ice hockey. The entertainment portion was not tackled. When including Ontario Hockey League (OHL) Standards, we were able to draw up a checklist, a filter through which each potential alternate facility could then be assessed.

In reviewing the inventory of City owned and private arenas only one (1) venue stood out: Dave Andreychuk Mountain Arena. In assessing its potential conversion to the above-mentioned standards, it was found that using it as a backup facility presented significant challenges. Increasing the seating capacity to over 4,000 seats as required by the OHL would have an extensive impact on the building structure, HVAC and plumbing systems. It would potentially trigger Building Code and Zoning Bylaws issues that may not be resolved within the confines of the existing site.

**APPENDICES AND SCHEDULES ATTACHED**

None.



Hamilton

**ADVISORY COMMITTEE FOR PERSONS WITH  
DISABILITIES**

**Report 19-007**

**4:00 p.m.**

**Tuesday, August 13, 2019**

**Rooms 192 and 193, City Hall**

**71 Main Street West**

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**Present:** A. Mallet (Chair), J. Cardno (Vice-Chair), S. Aaron,  
L. Dingman, C. McBride, M. McNeil, T. Murphy,  
and A. Wilson

**Absent**

**with regrets:** A. Frisina, S. Geffros, J. Hawker, K. Nolan, and T.  
Nolan

**Also Present:** J. Bowen, Supervisor, Diversity and Inclusion

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**THE ADVISORY COMMITTEE FOR PERSONS WITH  
DISABILITIES PRESENTS REPORT 19-007 AND  
RESPECTFULLY RECOMMENDS:**

- 1. City of Hamilton's Housing and Homelessness Action  
Plan (Item 7.2)**

That the Director of Housing Services, or their designate, be  
invited to attend a future meeting of the Advisory Committee



for Persons with Disabilities to discuss the City of Hamilton's Housing and Homelessness Action Plan.

**2. Advisory Committee for Persons with Disabilities' Representative on the Housing and Homelessness Advisory Committee (Item 7.2)**

WHEREAS, it would be beneficial for the Housing Issues Working Group of the Advisory Committee for Persons with Disabilities to work more closely with the Housing and Homelessness Advisory Committee; and,

WHEREAS, Lance Dingman is a member of both the Advisory Committee for Persons with Disabilities and the Housing and Homelessness Advisory Committee;

THEREFORE, BE IT RESOLVED:

That Lance Dingman be approved to represent the Advisory Committee for Persons with Disabilities at the Housing and Homelessness Advisory Committee on matters of mutual interest.

**3. City of Hamilton's Emergency Plan (Item 7.6)**

That Emergency Management Staff be invited to attend a future meeting of the Advisory Committee for Persons with Disabilities to present on the City of Hamilton's Emergency Plan.

**4. Appointment to the Greater Toronto and Hamilton Area Accessibility Advisory Committee (GTHA AAC) Representative (deferred from the July 9, 2019 meeting) (Item 10.2)**

That Shahan Aaron, Jayne Cardno, and Mark McNeil be appointed as representatives to the Greater Toronto and Hamilton Area Accessibility Advisory Committee (GTHA AAC) for the 2018-2022 Term of Council, or until such time as a successor has been appointed.

**5. Accessible Pedestrian Signals Video (deferred from the July 9, 2019 meeting) (Item 10.4)**

(a) That the following feedback from the Advisory Committee for Persons with Disabilities, respecting the Accessible Pedestrian Signals Video, be forwarded to Transportation Operations & Maintenance Staff for consideration:

- (i) Reduction of background traffic noise and music throughout the video to enhance the audibility of the speaker's voice;
- (ii) Utilization of a professional voice over recording for narration, as opposed to having the speaker narrate directly in front of the camera;
- (iii) Addition of closed captions to the video; and,
- (iv) Addition of overlay text throughout the video to highlight important information.

(b) That Transportation Operations & Maintenance Staff be directed to work with the Built Environment Working Group to review the location, height, placement, and activation requirements (i.e. strength, reach, dexterity) of accessible pedestrian signal push-buttons throughout the City of Hamilton.

**6. Membership Appointments to Working Groups of the Advisory Committee for Persons with Disabilities (Item 11.1)**

WHEREAS, Item 2 of the Advisory Committee for Persons with Disabilities Report 19-006 established a Built Environment Working Group, a Housing Issues Working Group, an Outreach Working Group, a Transportation Working Group, a Wheelchair and Scooter Safety Working Group, a Disability Justice and Climate Crisis Working Group, and a Community Safety Working Group on a pilot basis for 2019;

THEREFORE, BE IT RESOLVED:

(a) That the following Members of the Advisory Committee for Persons with Disabilities be appointed to the Built Environment Working Group:

- (i) Anthony Frisina
- (ii) Sophie Geffros
- (iii) John Hawker
- (iv) Jayne Cardno

(b) That the following Members of the Advisory Committee for Persons with Disabilities be appointed to the Housing Issues Working Group:

- (i) Lance Dingman
- (ii) Sophie Geffros
- (iii) John Hawker

(c) That the following Members of the Advisory Committee for Persons with Disabilities be appointed to the Outreach Working Group:

- (i) Anthony Frisina
- (ii) Corbin McBride

- (d) That the following Members of the Advisory Committee for Persons with Disabilities be appointed to the Transportation Working Group:
  - (i) Shahan Aaron
  - (ii) Anthony Frisina
  - (iii) Mark McNeil
  - (iv) Tim Murphy
  - (v) Kim Nolan
  - (vi) Tim Nolan
  - (vii) Aznive Mallett
  
- (e) That the following Members of the Advisory Committee for Persons with Disabilities be appointed to the Wheelchair and Scooter Safety Working Group:
  - (i) To be determined
  - (ii) To be determined
  
- (f) That the following Members of the Advisory Committee for Persons with Disabilities be appointed to the Disability Justice and Climate Crisis Working Group:
  - (i) Anthony Frisina
  - (ii) Sophie Geffros
  - (iii) Corbin McBride
  - (iv) Alex Wilson
  
- (g) That the following Members of the Advisory Committee for Persons with Disabilities be appointed to the Community Safety Working Group:
  - (i) Shahan Aaron
  - (ii) Sophie Geffros
  - (iii) Corbin McBride

(iv) Alex Wilson

**7. Increase in Citizen Membership of the Advisory Committee for Persons with Disabilities (Added Item 11.2)**

WHEREAS, the Advisory Committee for Persons with Disabilities is composed of a group of extremely passionate and active persons with disabilities;

WHEREAS, the Advisory Committee for Persons with Disabilities formed seven Working Groups on a pilot basis for 2019; and,

WHEREAS, the Advisory Committee for Persons with Disabilities anticipates the need for a larger membership to accommodate increased workload from a more fulsome project plan;

THEREFORE, BE IT RESOLVED:

- (a) That the Terms of Reference for the Advisory Committee for Persons with Disabilities be amended to note their membership as 18 citizen members; and,
- (b) That the Selection Committee be reconvened to recommend the appointment of five additional citizen members to the Advisory Committee for Persons with Disabilities.

**FOR INFORMATION:**

- (a) CHANGES TO THE AGENDA (Item 2)**

The Committee Clerk advised of the following changes to the agenda:

**1. NOTICES OF MOTION (Item 12)**

12.1 Increase in Citizen Membership of the Advisory Committee for Persons with Disabilities

**2. GENERAL INFORMATION / OTHER BUSINESS (Item 13)**

13.1 General Meeting Administration Practices

The agenda for the August 13, 2019 meeting of the Advisory Committee for Persons with Disabilities was approved, as amended.

**(b) DECLARATIONS OF INTEREST (Item 3)**

There were no declarations of interest.

**(c) APPROVAL OF MINUTES (Item 4)**

**(i) July 9, 2019 (Item 4.1)**

The minutes of the July 9, 2019 meeting of the Advisory Committee for Persons with Disabilities, were approved, as presented.

**(d) CONSENT ITEMS (Item 7)**

**(i) Built Environment Working Group Update (Item 7.1)**



T. Murphy indicated that the Built Environment Working Group meeting scheduled on August 6, 2019 was not held due to lack of quorum.

**(ii) Housing Issues Working Group Update (Item 7.2)**

J. Cardno advised that the Housing Issues Working Group met on July 16, 2019. Discussion items included, but were not limited to, the following:

- The potential to merge the Housing Issues Working Group together with the Built Environment Working Group in future;
- The potential benefits to the Housing Issues Working Group to work more closely with the Housing and Homelessness Advisory Committee; and,
- Simplifying the application process for social housing in Hamilton.

For further disposition of this matter, see Items 1 and 2.

**(iii) Outreach Working Group Update (Item 7.3)**

No update.

**(iv) Transportation Working Group Update (Item 7.4)**

The Transportation Working Group Meeting Notes of July 30, 2019 (Item 7.4(a)), were received.

WHEREAS, having the ability to quickly and easily share, view, and edit documents via an online workspace can greatly speed up work flow and allow real-time collaborative editing of documents;

THEREFORE, BE IT RESOLVED:

That Diversity and Inclusion Staff be requested to investigate and report back to the Advisory Committee for Persons with Disabilities on the feasibility of a document sharing portal or similar technology to serve as an online workspace and centralized document repository for Working Groups of the Advisory Committee for Persons with Disabilities, enabling members to work on projects more effectively.

**(v) Wheelchair and Scooter Safety Working Group Update (Item 7.5)**

No update.

**(vi) Disability Justice and Climate Crisis Working Group Update (Item 7.6)**

A. Wilson indicated that he is actively working to establish a meeting schedule for the Disability Justice and Climate Crisis Working Group in consultation with the other Working Group Members.

For further disposition of this matter, see Item 3.

**(vii) Community Safety Working Group Update (Item 7.7)**

No update.

**(e) DISCUSSION ITEMS (Item 10)**

**(i) Advisory Committee for Persons with Disabilities Budget (deferred from the July 9, 2019 meeting) (Item 10.1)**

J. Bowen, Supervisor, Diversity and Inclusion, addressed the Committee respecting the Advisory Committee for Persons with Disabilities Budget.

The 2019 budget for the Advisory Committee for People with Disabilities was approved by Council on December 19, 2018 in the amount of \$6,100, with \$1,500 being allocated towards conferences and related travel expenses. As of July 2019, the available budget remaining is \$4,478.

The 2020 budget submission process will likely commence in September/October 2019, so Committee members were asked to start thinking about their budget needs for 2020.

The verbal update from J. Bowen, Supervisor, Diversity and Inclusion, respecting the Advisory Committee for Persons with Disabilities Budget, was received.

**(ii) Notice of Ministry Training Webinar for Municipal Accessibility Advisory Committees (deferred from the July 9, 2019 meeting) (Item 10.3)**

The Notice of Ministry Training Webinar for Municipal Accessibility Advisory Committees, was received.

**(iii) Accessible Pedestrian Signals Video (deferred from the July 9, 2019 meeting) (Item 10.4)**

During the 2014-2018 Term of Council, the Built Environment Working Group participated in the filming of a video respecting the proper use of Accessible Pedestrian Signals.

The video, respecting Accessible Pedestrian Signals, was shown to the Committee and can be accessed via the following link: <https://youtu.be/0pVpO71bLGg>

The video, respecting Accessible Pedestrian Signals, was received.

For further disposition of this matter, see Item 5.

**(f) MOTIONS (Item 11)**

**(i) Membership Appointments to Working Groups of the Advisory Committee for Persons with Disabilities (Item 11.1)**

Recommendation (a)(iv) was amended by replacing Tim Murphy with Jayne Cardno, as follows:

(a) That the following Members of the Advisory Committee for Persons with Disabilities be appointed to the Built Environment Working Group:

- (i) Anthony Frisina
- (ii) Sophie Geffros
- (iii) John Hawker
- (iv) Jayne Cardno**

For further disposition of this matter, refer to Item 6.

**(g) NOTICES OF MOTION (Item 12)**

**(i) Increase in Citizen Membership of the Advisory Committee for Persons with Disabilities (Added Item 12.1)**

A. Mallett relinquished the Chair to J. Cardno.

The Rules of Order were waived to allow for the introduction of a Motion respecting an Increase in Citizen Membership of the Advisory Committee for Persons with Disabilities.

A. Mallett reassumed the Chair.

For further disposition of this matter, refer to Item 7.

**(h) GENERAL INFORMATION / OTHER BUSINESS (Item 13)**

**(i) General Meeting Administration Practices (Added Item 13.1)**

The Committee made several inquiries into general meeting administration practices.

The verbal responses from A. Davenport, Legislative Coordinator, Office of the City Clerk, respecting general meeting administration practices, were received.

**(i) ADJOURNMENT (Item 15)**

There being no further business, the Advisory Committee for Persons with Disabilities was adjourned at 5:59 p.m.

Respectfully submitted,

A. Mallett, Chair  
Advisory Committee for  
Persons with Disabilities

Alicia Davenport  
Legislative Coordinator  
Office of the City Clerk





**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	September 4, 2019
<b>SUBJECT/REPORT NO:</b>	Sports, Entertainment and Convention Venues Review (PED18168(b)) (City Wide) (Outstanding Business List item)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Ryan McHugh (905) 546-2424 Ext. 2725
<b>SUBMITTED BY:</b>	Glen Norton Director, Economic Development Planning and Economic Development Department
<b>SIGNATURE:</b>	

Discussion of Confidential Appendices “B”, “C” and “E” to report PED18168(b) in closed session is subject to the following requirement(s) of the City of Hamilton’s Procedural By-law and the *Ontario Municipal Act, 2001*:

- ◆ As the subject matters pertain to a proposed or pending acquisition or disposition of land
- ◆ A position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

### RECOMMENDATION

- (a) That the strategy outlined within the “City of Hamilton Entertainment Venues Review”, attached as Appendices “A” and “B” to Report PED18168(b), be approved;
- (b) That the recommendations outlined in confidential Appendix “C” to Report PED18168(b) be approved;
- (c) That Appendices “A” and “B” to Report PED18168(b), help to inform any Host City facilities strategy that staff consider when assessing the feasibility and potential benefits of a Hamilton bid for the 2030 Commonwealth Games;
- (d) That the entirety of Appendices “B” “C” and “E” to Report PED18168(b) remain confidential and not be released as a public document.

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**SUBJECT: Sports, Entertainment and Convention Venues Review (PED18168(b))  
(City Wide) (Outstanding Business List item) - Page 2 of 8**

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**EXECUTIVE SUMMARY**

Working closely with a cross functional team of City Staff, Ernst and Young (EY) has completed a comprehensive strategic review of the City's Sports, Entertainment and Convention Venues. This exercise consisted of, but was not limited to, a needs analysis, a market scan, a real estate review, an economic impact analysis and an extensive stakeholder consultation undertaking, consistent with the Council approved scope of work outlined in Appendix "D" to Report PED18168(b). The City's Sports, Entertainment and Convention Venues include the FirstOntario Centre, FirstOntario Concert Hall and Hamilton Convention Centre. Although the Art Gallery of Hamilton was consulted during this exercise, because they are not a City controlled entity, their venue was not the primary focus of this review. The ultimate goal of this Sports, Entertainment and Convention Venues Review was to identify options that best achieved the following outcomes:

- Incentivise the private sector to undertake the redevelopment and operation of any/all of the Entertainment Assets; and/or,
- Strategically divest of any/all of the Entertainment Assets.

In assessing the viability of options, priority was given to options which best:

- Maximize spin-off private investment in the downtown core; and,
- Best positions the City to meet the objectives outlined in the Council approved, Economic Development Action Plan, Cultural Plan and Hamilton Tourism Strategy.

As detailed in Appendix "A", attached to Report PED18168(b), EY's analysis indicates that the existing facilities provide the Hamilton economy with an estimated \$92.46 M in annual economic output and sustain 509 local jobs. \$69.56 M of this total economic output is related to the ongoing operations and maintenance of the facilities and \$22.9 M is related to economic output derived from tourism spending. These facilities also allow Hamilton to host major events such as the JUNOs and CCMA's, which showcase Hamilton on a national and international stage. According to economic impact reports commissioned by Culture and Tourism, the 2015 JUNOs and 2018 CCMA's alone, created \$10 M and \$5.3 M in economic impact respectively. In addition to this substantial economic uplift, the facilities add to the vibrancy of downtown, creating more animated streetscapes and foster a more "liveable" city.

Although it was determined that the City of Hamilton's Sports, Entertainment and Convention venues provide a substantial benefit to the community, the budgetary implications of operating and maintaining the existing facilities, particularly the FirstOntario Centre, were deemed to be increasingly challenging. Based on EY's findings, the combined cost of the City's operating subsidy and capital investment required to keep each of the facilities operational over the next five years are as follows:

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**SUBJECT: Sports, Entertainment and Convention Venues Review (PED18168(b))  
(City Wide) (Outstanding Business List item) - Page 3 of 8**

5 Year Forecast	FirstOntario Centre	FirstOntario Concert Hall	Hamilton Convention Centre
Capital Forecast	\$34.3 M	\$8.831 M	\$4.035 M
Operating Subsidy/ Utility Contributions	\$8 M	\$3 M	\$1.25 M
<b>Total</b>	<b>\$42.3 M</b>	<b>\$11.831 M</b>	<b>\$5.285 M</b>

These forecasts were in-line with the forecasted operating subsidies outlined in a 2019 staff report titled “Downtown Entertainment Asset Operating Agreements (CM18013(a))” and the capital forecasts outlined in a 2017 staff report titled “Capital Lifecycle Renewal - First Ontario Centre Vertical Transportation (PW17095).” It is also presumed that the level of subsidy and capital investment required will only continue to increase as the venues age over a longer time horizon.

When conducting the needs analysis portion of this exercise, EY’s findings can be summarized as follows:

**FirstOntario Centre:**

While the market demand for higher-order entertainment programming in Hamilton would appear to be growing, given the low utilization levels of the FirstOntario Centre, a misalignment exists between market demand and the facility’s large capacity. Natural market growth alone is unlikely to create sufficient demand to ensure on-going commercial viability. Based on EY’s review of the current level of demand and comparable attendance levels for other arenas with an OHL lead tenants, an arena with a capacity of 10,000 seats would best support the needs of the Hamilton market.

**FirstOntario Concert Hall:**

Historical data suggests that the FirstOntario Concert Hall’s overall utilization is growing into a level of reasonable commercial viability, as both per-event attendance and the number of total annual events grows with viable per-ticket revenues across a variety of event segments. The current level of demand for the FirstOntario Concert compares favourably to attendance levels at comparable regional performing arts venues. The facility’s current capacity appears suitable to support the needs of the Hamilton market.

**Convention Centre:**

The current composition of events at the Hamilton Conference Centre does not completely align with a traditional conference centre business, as the facility hosts a disproportionate number of local events. While the demand for a renewed convention centre facility is uncertain at this time, in order to compete more directly for provincial and national business, a minimum floorplate of 35,000 sq. ft. of continuous exhibit space has been identified. Based on this minimum

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**SUBJECT: Sports, Entertainment and Convention Venues Review (PED18168(b))  
(City Wide) (Outstanding Business List item) - Page 4 of 8**

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requirement, using an average exhibit space to meeting/ballroom space ratio of 0.5, a total requirement of 70,000 sq. ft. has been identified. Based on the growth in demand for the highest revenue-generating segments of programming, EY believes that sufficient market demand does exist to support a “right-sized” facility over the long-term.

After quantifying the financial challenges associated with keeping the facilities operating on an ongoing basis, EY began to assess the feasibility of the following courses of action:

- 1) The complete divestment of one or more of the Entertainment Assets with the condition that the facility/facilities continue to operate under the new owner;
- 2) Various renovation options; and,
- 3) New build scenarios, where the private sector could build and operate a “right-sized” facility on an ongoing basis.

When analysing these alternatives, it was determined that developing a sustainable business case for an arena was by far the most challenging of the facilities. As a result, it was determined that when shaping an “Entertainment Precinct” strategy, evaluating potential arena options before the development potential of any complementary entertainment venues would be most prudent. It was also determined that due to the facilities’ substantial capital backlogs and lack of profitability (in the absence of a municipal subsidy), it would be unlikely that the private sector would assume ownership of the existing facilities if it were conditional on their continued operation. As a result, Staff are recommending a three-phased Entertainment Renewal strategy, consistent with the course of action outlined in EY’s recommendations.

Staff would also like to note that on August 14, 2019, the City received an unsolicited new arena proposal which is attached as confidential Appendix “E” to Report PED18168(b).

Appendices “B”, “C”, and “E” attached to Report PED18168(b) proposes a potential disposition of land as well as setting out a position and criteria/instructions to be applied to negotiations and, therefore, is appropriate for discussion in closed session, pursuant to the *Ontario Municipal Act*.

**Alternatives for Consideration – N/A**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial: N/A**

**Staffing: N/A**

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**Legal:** N/A

**HISTORICAL BACKGROUND**

After 30 plus years of serving as the marquee Sports, Entertainment and Convention Venues in the community, the City of Hamilton's FirstOntario Centre (1985), FirstOntario Concert Hall (1973) and Hamilton Convention Centre (1981), are starting to show their age and reduced functionality (e.g. sub-optimal size, limited amenities).

Since the transition away from HECFI's operations in 2013, both Spectra and the Carmen's Group have had considerable success given the limitations of the aging facilities they operate. In addition to providing the City combined savings of approximately \$10 M since transitioning away from HECFI's operation in 2013, both Spectra and Carmen's Group have been exceptional stewards of the facilities and have been actively involved in the local community.

On December 1, 2017, Council approved the Motion attached as Appendix "D" to Report PED18168(a) providing staff the direction to explore the feasibility of various ownership, divestment and subsidy reduction models. General Issues Committee directed staff to move forward with the scope of work outlined in Appendix "D" to report PED18168(b) in January of 2019. The RFP for the Council approved scope of work, was officially awarded to EY and their sub-consultant, CSL International (CSL), on May 10, 2019.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

City Council, at its meeting of November 23, 2004, adopted the City's Portfolio Management Strategy Plan, which established a formalized process to be consistently applied across all areas of the City to guide the management of the City's real property. In accordance with the City's Portfolio Management Strategy, By-law 14-202, property no longer required for municipal programs is declared surplus by Council and is disposed of in accordance with this policy.

**RELEVANT CONSULTATION****Internal Stakeholders:****Core Project Team:**

Glen Norton, Director, Economic Development;  
Raymond Kessler, Manager, Real Estate; and,  
Ryan McHugh, Senior Development Consultant, Real Estate.

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**Steering Committee Members:**

Public Works, Energy, Fleet & Facilities Management:  
Director, Energy, Fleet & Facilities Management; and,  
Manager, Strategic Planning, Capital & Compliance.

City Manager's Office, Strategic Partnerships:  
Director, Strategic Partnerships and Communications.

Planning and Economic Development, Culture and Tourism:  
Acting Manager, Tourism and Events.

Planning and Economic Development, Planning:  
Director, Planning and Chief Planner;  
Development Planning Heritage and Design; and,  
Senior Project Manager, Development Planning Heritage and Design.

Planning and Economic Development Urban Renewal:  
Manager, Urban Renewal; and,  
Senior Business Development Consultant.

Corporate Services, Financial Planning Administration and Policy:  
Director, Financial Planning Administration and Policy.

Safe and Healthy Communities, Recreation:  
Director, Recreation; and,  
Senior Project Manager.

**Other Internal Staff Consulted:**

- City Manager;
- General Manager, Planning and Economic Development;
- General Manager, Finance and Corporate Services;
- General Manager, Safe and Healthy Communities;
- General Manager, Public Works;
- Senior Director, Growth Management; and,
- Manager, Energy Initiatives.

**Public Consultation:**

Citizen Survey – 421 Responses;  
Findings Summarized in Appendix “A” attached to Report PED18168(b).

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**SUBJECT: Sports, Entertainment and Convention Venues Review (PED18168(b))  
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**External Stakeholder Consulted:**

Global Spectrum;  
Carmen's Group;  
Art Gallery of Hamilton;  
Hamilton Bulldogs;  
Michael Andlauer;  
Hamilton Philharmonic Orchestra;  
Live Nation;  
Hamilton Honey Badgers;  
Downtown BIA;  
International Village BIA;  
Hamilton 100;  
Vrancor Group;  
Equal Parts Hospitality; and,  
The Other Bird Restaurant Group.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Staff have reviewed the analysis EY has completed and believe that EY has successfully completed the Council approved scope of work outlined in Appendix "D" attached to Report PED18168(b). Staff are supportive of EY's recommendations outlined within.

**ALTERNATIVES FOR CONSIDERATION**

N/A

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Community Engagement and Participation**

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

**Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

**Built Environment and Infrastructure**

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

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**Culture and Diversity**

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

**Our People and Performance**

Hamiltonians have a high level of trust and confidence in their City government.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" – City of Hamilton, Entertainment Venues Review, Ernst and Young

Appendix "B" – Confidential Information - Entertainment Venues Review, Ernst and Young

Appendix "C" – Confidential Recommendations and Real Estate Considerations

Appendix "D" – Sports, Entertainment and Convention Venues Scope of Work

Appendix "E" – Confidential Unsolicited Arena Proposal

RM/sd

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# City of Hamilton Entertainment Venues Review Final Report 15 August 2019







**Appendix "A" to Report PED18168(b)**  
**Page 2 of 130**

**Confidential and Proprietary** - Disclosure of this report to third parties is prohibited. It is intended to be used solely by the City of Hamilton.

This report is confidential and has been prepared to assist the City of Hamilton. Our report has not considered issues relevant to third parties. Any use a third party may choose to make of this report is entirely at its own risk.

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- 4 - <https://www.soundcheckentertainment.ca/kenny-chesney-in-hamilton/>
- 5 - <https://stadiumjourney.com/stadiums/firstontario-centre-s1196>



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# 1. Introduction

## 1.1 About the Entertainment Venues Review

The City of Hamilton (the "City") owns a portfolio of Sports, Entertainment and Convention Venues, which include the FirstOntario Concert Hall, the Hamilton Convention Centre, and the FirstOntario Centre. Collectively, these facilities are referred to as the City's "Entertainment Venues."

As the Art Gallery of Hamilton is not under the direct control of the City, the facility is not considered one of the City's Entertainment Venues. However, as it is situated on City-owned land, it is a stakeholder in any discussion of potential adaptive reuse and redevelopment of adjacent Entertainment Venues.

The Entertainment Venues have served as the primary sports, entertainment and convention venues in Hamilton, providing a significant source of community use and enjoyment. Over the years this has included Canadian and international performances, major award shows, and sporting events which have acted as a catalyst to millions of attendees coming to the City. It is additionally acknowledged that these Entertainment Venues drive economic value to the City's restaurants, bars, retailers, and hotels.

After more than 30 years in operation, however, each facility is characterized by physical challenges that significantly limit its ability to serve today's market. (e.g. sub-optimal size, limited amenities, technical deficiencies) Additionally, the age of the facilities continues to create substantial, increasing levels of capital reinvestment and on-going municipal subsidy requirements.

To better position the City to respond to this challenge, Ernst & Young Orenda Corporate Finance Inc. ("EY" or "we") was engaged in June 2019 to undertake an Entertainment Venues Review.

With a primary objective of eliminating the City's annual subsidization of the Entertainment Venues, the overarching framework for this project is to provide Hamilton's City Council with an option analysis that assess various models to either:

- ▶ Incentivise the private sector to undertake the redevelopment and operation of any and/or all of the City's Entertainment Assets; or,
- ▶ Strategically invest or divest in any and/or all of the City's Entertainment Assets.

When assessing the viability of these options, priority is to be given to options which best:

- ▶ Maximize spin-off private investment in the downtown core; and,
- ▶ Those which best position the City to meet the objectives outlined in the Council approved, Economic Development Action Plan, Cultural Plan and Hamilton Tourism Strategy.





**1.2 Project Goals**

Guided by the Council-approved vision set out in the Downtown Secondary Plan, Economic Development Action Plan, Cultural Plan and Hamilton Tourism Strategy, the following goals were identified for the successful completion of this Entertainment Venue Review:

- ▶ Assess Hamilton’s Sports, Entertainment and Convention Centre facility needs, given the City’s size and position within the Southern Ontario marketplace.
- ▶ Consider the role that the existing FirstOntario Centre, FirstOntario Concert Hall, the Hamilton Convention Centre assets play in meeting Hamilton’s Sports, Entertainment and Convention Centre needs moving forward.
- ▶ Identify whether there is any added benefit in locating the City’s entertainment assets in a clustered, downtown precinct that includes residential and commercial development and how suitable the City’s existing entertainment asset sites are for the development of any such facility or facilities.
- ▶ Evaluate various models of ownership and/or divestment of entertainment facilities that have succeeded in comparable municipalities, with a focus on the estimated economic impact and cultural impacts, including but not limited to, both indirect and direct financial benefits each model could potentially provide to Hamilton.
- ▶ Assess deal structure models which will enable the City to opportunistically partner with and maximize contributions of private sector market participant(s) with the required experience and know-how to execute on the City’s preferred model.
- ▶ Determining optimal transaction processes that will enable the city to act in an appropriately commercial manner while contemplating the redevelopment of the Entertainment Venues criteria for assessing any unsolicited proposals the City may receive.
- ▶ Identify options to best engage citizens and community stakeholders in a future consultation process on any proposed opportunity.

**1.3 Structure of Final Report**

Section of Report	Outcome(s)
Current State Assessment	<i>Conduct a comprehensive data-driven analysis to assess current facility utilization, event programming, financial operating environment and capital investment requirements.</i>
Needs Analysis	<i>Communicate qualitative observations on the Entertainment Venues from consultation with managers, tenants, investors, real estate developers, as well as the general public.</i>
Market Overview	<i>Inform recommendations for size and location of entertainment venues in Hamilton through an assessment of the competitive marketplace, and local real estate development trends.</i>
Entertainment Venue Options Analysis	<i>Identify and evaluate a series of potential options for the City to achieve the primary goal of on-going subsidy reduction.</i>
Funding Model Review	<i>Assess deal structuring and municipal land value contribution to inform recommended go-forward approach for Hamilton.</i>
Final Recommendations	<i>Present final recommendation(s) which include an implementation plan that considers timing, how to approach the market, and how to respond to unsolicited partnership requests.</i>



## 2. Current State Assessment

### 2.1 Facilities Summary

#### FirstOntario Centre

Built in 1985, the FirstOntario Centre is a 17,400-seat multi-use sports and entertainment venue originally designed with the capacity to encourage an NHL franchise expansion to Hamilton. With flexible seating capacity, the facility may accommodate up to 19,000 seats for major concert events. In its current configuration, the FirstOntario Centre includes 9,000 Lower Bowl and 8,400 Upper Bowl seats, in addition to 12 premium boxes situated around the upper perimeter of the Lower Bowl. The facility has one (1) main concourse entrance and Food & Beverage ("F&B") offering which together serve both the Upper and Lower Bowls. The facility can also accommodate up to 117,000 sf of exhibit space. Based on information provided to EY, the deferred maintenance for capital repairs on items which have reached or exceeded their reasonable service life is estimated at over \$34 million.

The facility is currently home to the Hamilton Bulldogs Ontario Hockey League ("OHL") franchise and the Hamilton Honey Badgers Canadian Elite Basketball League ("CEBL") franchise. It is currently managed by Spectra Venue Management ("Spectra"), in partnership with Live Nation.

The FirstOntario Centre is situated at the corner of Bay Street North and York Boulevard in downtown Hamilton, with adjacent land uses identified in Figure 1 below. Its main point of access is Bay Street North, with no direct connection to adjacent developments or public spaces such as Jackson Square.

Figure 1 - FirstOntario Centre Adjacent Land Uses<sup>1</sup>



- |  |   |  |
|--|---|--|
| <b>A</b> Federal Government Office Tower         | <b>F</b> Philpott Memorial Church (Vacant Site) |  Jackson Square Terrace |
| <b>B</b> Standard Life Centre Office Tower       | <b>G</b> Philpott Memorial Church               |  |
| <b>C</b> Sheraton Hotel                          | <b>H</b> Salvation Army Men's Shelter           |  |
| <b>D</b> Jackson Square Mall                     | <b>I</b> Retail Strip Mall                      |  |
| <b>E</b> Hamilton Public Library/Farmer's Market | <b>J</b> Low-rise Commercial Building           |  |

<sup>1</sup> Developed with Geographic Information System ("GIS") and EY research.





**FirstOntario Concert Hall**

First opened in 1973, the FirstOntario Concert Hall is a multi-use music, performing arts and events venue which is comprised of two (2) spaces; the Great Hall, with a capacity of 2,193 seats and the Studio, with a capacity of 350 seats. The spaces share an entry concourse with F&B offering and may often be used together with the Studio supporting larger events in the Great Hall. Noted for its strong acoustic qualities, the Great Hall has delivered a wide range of musical and theatrical performances while the Studio acts as a setting for more intimate, local concerts, other live performances and film production. The facility is home to the Hamilton Philharmonic Orchestra.

The FirstOntario Concert Hall is situated adjacent to Main Street West across from City Hall, with adjacent land uses as outlined in Figure 2 below. It's main point of entry is the below-grade Summers Lane entryway, which connects to a municipal parking garage. While the entrance provides some animation to the street front corner, there is limited connectivity to the adjacent Commonwealth Square.

**Hamilton Convention Centre**

First opened in 1981, the Hamilton Convention Centre was one of Ontario's original purpose-built convention facilities with several competing venues built shortly thereafter. Spread across three (3) levels, it offers a total rentable area of approximately 54,000 sf which, comprised of 20,000 sf of exhibit/conference space, 20,000 sf of ballroom space and 14,000 sf of meeting and break-out rooms. The facility benefits from a direct overpass connection to the Hamilton Sheraton Hotel. The Hamilton Convention Centre is situated adjacent to the FirstOntario Concert Hall, with the building's northern brick facade fronting along King Street West, with adjacent land uses outlined in Figure 2 below.

Figure 2 - FirstOntario Concert Hall / Hamilton Convention Centre Adjacent Land Uses<sup>2</sup>



- A Sheraton Hotel
- D Heritage Courthouse
- Commonwealth Square
- B Art Gallery of Hamilton
- E Government Office Tower
- F Jackson Square Mall
- C City Hall

<sup>2</sup> Developed with GIS and EY research.



**2.2 Current Facility Utilization**

To establish a baseline level of demand for the City's Entertainment Venues, different approaches may be employed for the arena and conference facilities. An analysis of the 2018 event breakdown and average per-seat event attendance will be considered relative to historical performance for arena venues. Conference facility utilization is typically conducted by considering utilization relative to industry benchmarks, coupled with an assessment of the key event segments driving facility revenues.

**FirstOntario Centre**

Using data provided to EY by Spectra, in Table 1 below we have presented a summary breakdown of the events and revenue for 2018. From this data, the following major observations were identified:

- ▶ With a capacity of 17,400, in 2018 the average per-event facility utilization rate was 28% where 13 of the 98 events held required the use of the Upper Bowl seating.
- ▶ With the Hamilton Bulldogs and Hamilton Honey Badgers as the facility's lead tenants, total attendance at their events in 2018 represented approximately one-third of the total attendance with per-event attendance of 3,429. On average, non-sporting events draw a per-event average attendance of 6,377 in 2018, which is 85% larger than the facility's anchor tenant.
- ▶ From an income perspective, cultural programming such as major concerts, Disney on Ice, and Cirque du Soleil are the major drivers of Direct Event Income at the facility, with 87% of the total income. Major concerts and Disney on Ice alone contribute 67% of the Direct Event Income.
- ▶ From our discussions with industry stakeholders, we understand that a pre-negotiated agreement with the Hamilton Bulldogs provides the organization with greater revenue-share and control of ticket sales relative to other comparable markets. As such, the current facility manager budgets for an annual operating loss for Regular Season Hockey Event Income.<sup>3</sup>

Table 1 - FirstOntario Centre 2018 Event Breakdown

2018 FirstOntario Event Attendance & Income by Type						
Event Type	Count	Attendance	Income	Avg. Attendance	Avg. Income <sup>4</sup>	
Regular Season Hockey	34	102,394	-\$97,105	3,012	-\$0.95	
Major Concerts	9	97,228	\$1,279,183	10,803	\$13.16	
Disney on Ice & Marvel	16	78,351	\$549,065	4,897	\$7.01	
Hockey Playoffs	12	55,110	\$15,056	4,593	\$0.27	
Cirque Du Soleil	7	29,710	\$195,069	4,244	\$6.57	
Religious	4	27,000	\$44,517	6,750	\$1.65	
Monster Jam	2	21,762	\$118,610	10,881	\$5.45	
Minor Concerts	4	21,601	\$114,518	5,400	\$5.30	
Stars on ice	1	14,745	\$131,459	14,745	\$8.92	
Special Events	2	14,635	\$244,307	7,318	\$16.69	
Community Events	2	12,000	\$35,484	6,000	\$2.96	
Consumer Shows	2	6,660	-\$14,990	3,330	-\$2.25	
Misc. Sports	2	4,240	\$73,449	2,120	\$17.32	
Globetrotters	1	3,671	\$45,160	3,671	\$12.30	
<b>2018 Total / Avg.</b>	<b>98</b>	<b>489,107</b>	<b>\$2,733,782</b>	<b>4,991</b>	<b>\$5.59</b>	

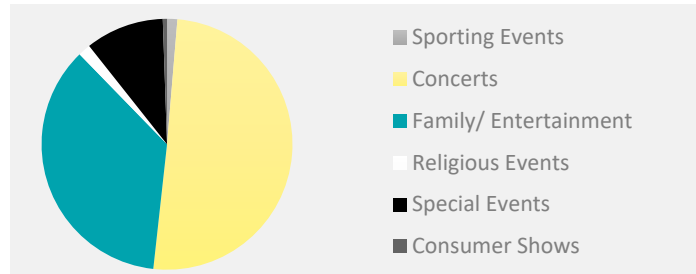
<sup>3</sup> Other non-operating income (e.g. naming rights) depend greatly on the facility's aggregate attendance level.

<sup>4</sup> Includes Direct Event Income and F&B Operating Income, Facility Fees, and Ancillary Income for Spectra.



Figure 3 - 2018 FirstOntario Centre Event Income Composition

To further demonstrate the 2018 Direct Event Income composition at FirstOntario Centre, segmented data has been presented in Figure 3 where it is evident that Concerts, Family/Entertainment and Special Event segments driving nearly all of the Direct Event Income.



In terms of how the 2018 event schedule compared to previous years' performance, EY has considered the historical event breakdown from 2013 to 2018 in Table 2. Based on our assessment, we feel this data provides the evidence to suggest that recurring market demand for a wide variety of programming in the Hamilton market exists, with cultural segments of event programming seeing the largest growth.

Table 2 - FirstOntario Centre Historical Event Breakdown (2013 - 2018)

FirstOntario Centre Historical Event Breakdown (2013 - 2018)						
Event Classification	2013	2014	2015	2016	2017	2018
Sporting Events	32	40	42	41	41	49
Family/Entertainment	12	23	20	18	19	26
Concerts - Full House	5	5	3	9	6	9
Concerts - Half House	5	7	6	5	3	4
Religious Events	2	1	0	0	0	4
Special Events	3	3	4	1	1	4
Consumer Shows	0	0	0	0	2	2
<b>Total Events</b>	<b>59</b>	<b>79</b>	<b>75</b>	<b>74</b>	<b>72</b>	<b>98</b>

From our assessment of this historical data, the following major observations have been identified that may be further referenced throughout this Entertainment Venues Review, including:

- ▶ The utilization of the FirstOntario Centre is naturally impacted in any given year by the performance of the Hamilton Bulldogs. Should they advance to the playoffs, the average per-seat attendance at their games increases dramatically and additional games are held. As a lead tenant, the Hamilton Bulldogs represent a stable attendee base driving overall attendance at the facility which can create cross-promotional and advertising opportunities.
- ▶ Since Spectra assumed management of FirstOntario Centre in 2013, there has been a considerable, recurring increase in both the number of events and average non-sporting per-event attendance, particularly in for Concerts and Family/Entertainment event segments.
- ▶ Acknowledging that 2013 was a turnover year in the management of the FirstOntario Centre, EY further considered data for the 2008 - 2010 period, where an average annual event count of 85 occurred.
  - Despite these somewhat higher total event counts from 2008 - 2010, it is worth noting that the average per-event attendance for Concert Events was 7,305 during this period, which is 25% less than the 2018 average of 9,140. The total number of Concert Events also decreased by nearly 50% over the 2008-2010 period.





- ▶ The decline in half-house concerts over the 2013 - 2018 period we understand may result in part from current management's approach to balancing the promotion of the Great Hall as a desirable alternative to holding smaller-sized shows at the FirstOntario Centre, potentially opening up the schedule for larger, more profitable events.
- ▶ Acknowledging the record performance in 2018 and the ability of current management to outperform both its own historical performance and the historical performance of the previous facility manager, we feel the 2018 event schedule provides a valuable indication of expected market demand level for the Hamilton market in the current facility.

While the market demand for higher-order entertainment programming in Hamilton would appear to be growing, given the low utilization levels of the FirstOntario Centre we believe that a misalignment exists between market demand and the facility's large capacity. Natural market growth, in our view, is unlikely to create sufficient demand to ensure on-going commercial viability.

Based on the growth in demand for the highest revenue-generating segments of programming, we do however believe that sufficient market demand does exist to support a "right-sized" facility over the long-term.

**FirstOntario Concert Hall**

Using data provided by Spectra, in Table 3 and Table 4 we have tabulated the 2018 event and revenue breakdowns for the Great Hall and Studio spaces, which include summary observations.

Table 3 - FirstOntario Concert Hall 2018 Event Breakdown (Great Hall)

Great Hall 2018 Event Breakdown					
Event	Events	Attendance	Revenue	Avg. Attendance	Avg. Income
Concerts	23	32,592	\$313,994	1,417	\$9.63
Graduations	21	27,093	\$99,494	1,290	\$3.67
Mix Family Shows	14	21,600	\$261,627	1,543	\$12.11
HPO Symphony	10	15,395	\$88,970	1,540	\$5.78
Performing Arts	11	13,344	\$109,513	1,213	\$8.21
Dance recitals	10	10,385	\$85,099	1,039	\$8.19
Comedy	6	10,054	\$107,293	1,676	\$10.67
Broadway	6	9,339	\$39,095	1,557	\$4.19
Dance Competitions	4	3,862	\$102,888	966	\$26.64
Religious	2	3,278	\$13,227	1,639	\$4.04
Misc. Other	4	1,910	\$21,432	478	\$11.22
<b>Total Events</b>	<b>111</b>	<b>148,852</b>	<b>\$1,242,632</b>	<b>1,341</b>	<b>\$8.35</b>

- ▶ In 2018, the variety of programming offering in the Great Hall is demonstrated by the facility's event composition; Performing Arts (24%), Concerts (21%), Graduations (19%), and Family Shows/Entertainment (18%) all had similar proportions of total events in 2018.
- ▶ In addition to the number of events across categories, viable demand is demonstrated across segments through comparable average per-event utilization. Performing Arts (67%), Concerts (67%), Family/Entertainment (75%) and Graduations (61%) all have reasonably strong average per-event facility utilization rates.





- ▶ With a capacity of 2,193, the facility had an average per-event utilization rate of 61%, with 38 selling over 75% of seats. The facility’s lead tenant had an average per-event facility utilization of 70%, with many of their performances being sold out at capacity.
- ▶ The Direct Event Income for the Great Hall is largely split among four (4) segments of programming, including Family Show/Entertainment (30%), Concerts (25%), Performing Arts (19%) and Dance-Related Rentals (15%).

Table 4 - FirstOntario Concert Hall 2018 Event Breakdown (Studio)

The Studio 2018 Event Breakdown					
Event	Events	Attendance	Revenue	Avg. Attendance	Avg. Income
Theatre & Concerts	23	5,298	44,568	230	\$8.41
Misc. Other	14	1,793	13,725	128	\$7.65
Performing Arts	3	251	1,902	84	\$7.58
<b>Total Events</b>	<b>40</b>	<b>7,342</b>	<b>60,195</b>	<b>184</b>	<b>\$8.20</b>

- ▶ With a capacity of 350, the average per-event utilization of the Studio space was 52%, with concerts routinely performing above the 75% event utilization marker.
- ▶ As performing arts performances will often include specialized stage design, the actual capacity for individual events can differ and may skew the overall per-event utilization.
- ▶ It is also acknowledged that the Studio space often may be considered a valuable marketing tool for events in the Great Hall. For example, staging areas for graduations or awards ceremonies and more intimate pre and post-show performances may take place but may not be recorded as a ticketed event for the Studio.

In terms of how the 2018 utilization compares to the historical performance, further data from Spectra identified in Table 5 provides event segmented data from 2013 to 2018 for both the Great Hall and Studio.

Table 5 - 2014-2018 FirstOntario Concert Hall Historical Event Breakdown

2014-2018 FirstOntario Concert Hall Historical Event Breakdown (Great Hall & Studio)					
Event Classification	2014	2015	2016	2017	2018
Concerts	41	40	41	43	46
Graduation	17	17	21	20	21
Family Show/Entertainment	28	18	15	18	26
Performing Arts	19	14	14	16	20
Dance-Related	15	13	13	12	14
Misc. Other	13	8	9	14	17
Religious	3	3	1	1	2
<b>Total Events</b>	<b>136</b>	<b>113</b>	<b>114</b>	<b>124</b>	<b>146</b>

- ▶ Based on this data, we can see that over the 5-year period, 2018 recorded the highest overall number events at the FirstOntario Concert Hall. With some fluctuation, since 2013 there would appear to an overall general upward trajectory in the utilization of the FirstOntario Concert Hall.



- ▶ From 2014, volumes of Concerts, Graduations, Family Shows/Entertainment and Performing Arts have all have contributed somewhat equally to the growth in the overall facility utilization, providing evidence of broad market demand from a variety of programming offered.

Based on the per-event attendance levels at the FirstOntario Concert Hall, we would consider the facility to be "right-sized" for this market. As both the number of events and per-event utilization demonstrate historical growth across a variety of event segment types, demand fundamentals exist to augment the facility's future on-going commercial viability.

**Hamilton Convention Centre**

Comparing utilization rates across convention centres can often be challenging as the approach used can vary across facilities. However, industry-wide data typically identifies a benchmark of 60% utilization as representing near-capacity given the seasonality of events and move-in/move-out days.

The current operator of the Hamilton Convention Centre, Carmen's Group, tracks utilization based upon the number of days per year in which the facility holds events. Using this methodology, the Hamilton Conference Centre has experienced average utilization of 57% for 2017 and 2018. Using this methodology, the current utilization would appear to be nearing full capacity.

While acknowledging the frequency of events being in line with industry-wide benchmark utilization, under this methodology we would note that it is challenging to understand the total amount and type of space being rented, driving the convention centre's overall business. We were unable to assess key drivers of revenue-generation with no segmented financial data available. Carmen's Group additionally provided EY with a historical breakdown of events by segment from 2014 - 2015, which is provided in the table below.

Table 6 - Hamilton Convention Centre Historical Event Summary (2014 - 2017)

Hamilton Convention Centre Historical Event Summary (2014 - 2017)				
	2014	2015	2016	2017
Other <sup>5</sup>	46	48	52	52
Galas	22	25	24	28
Conferences/Conventions	23	28	26	24
Meetings	25	28	26	21
Trade Shows	6	12	12	10
Weddings	6	10	10	8
<b>Total Events</b>	<b>128</b>	<b>151</b>	<b>150</b>	<b>143</b>

- ▶ In terms of the event composition, the proportion of traditional conference-style events held at the Hamilton Convention Centre (e.g. conferences, trade shows, meetings) has decreased to 38% in 2018 from a 3-year historical average of approximately 43%.
- ▶ The "Other" segment, which accounts for over 35% of all events, includes facility rental uses which are not typically representative of a conference centre business, such as school formals and dance competitions. It is further noted that this is the only event segment which has seen consistent, recurring growth at the Hamilton Conference Centre from 2014 - 2018.

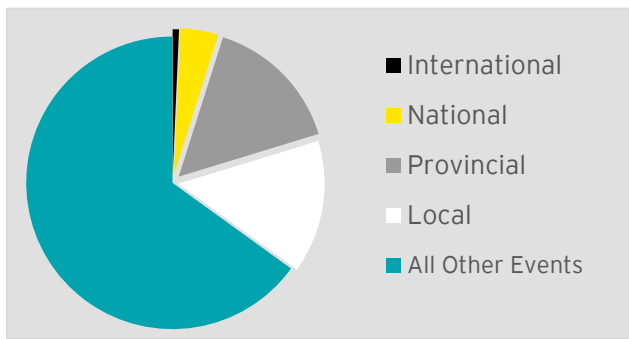
<sup>5</sup> Includes dance competitions, school formals, exams, room rental, holiday parties, graduation, and special events.



The economic rationale for conference centre investment is driven by the associated economic, civic, and tourism benefits to the local economy. While later sections of the report will discuss the market viability and building design limitations which impact marketability of the existing facility, the historical analysis of events based on geographic origin would suggest these desired outcomes may not align to the current drivers of business today for the Hamilton Convention Centre.

EY reviewed the Carmen's Group 2018 annual report, which identified the specific 22 conferences, 8 trade shows, and 13 special events for the year. This segment of 43 events represents 30% of all events held, but is often considered the key driver of local economic impact and tourism spending, subject to area of geographic origin. Based on our assessment of the 43 events, we identified the following breakdown:

Figure 4 - Breakdown of 2018 Conference, Trade Show, and Special Events by Geographic Origin



With 30% of all events held at the facility representative of traditional conference business, only 20% are assumed to be driving local tourism and economic spending given geographic area of origin as a provincial, national, or international event. This would be proportionately lower than other more traditional conference centres who would see higher numbers of provincial, national, or international events.

In discussion with Tourism Hamilton, we were provided with additional data pertaining to lost traditional conference business which resulted from scheduling challenges with other more local events being held at the facility. Since 2016, the City has been unable to bid on 13 provincial/national conferences which would have booked over 6,600 room nights due to scheduling conflicts with local events.

The breakdown of events by geographic origin data at the Hamilton Convention Centre would not appear to be drawing significant international, national, or provincial business to support local economic impact generation. The marketing efforts to draw this type of business may be limited by scheduling conflicts with the facility's more local events business.

### 2.3 Current Financial Operating Assessment

The following section of the report summarizes the 2018 operating environment for each of the facilities, comparing the current operations to comparable facilities where data is available.

#### FirstOntario Centre & FirstOntario Concert Hall

Outlined below in Table 7 are the 2018 operating statements for the FirstOntario Centre and FirstOntario Concert Hall, which are collectively subject to a management agreement with Spectra. The following material terms of the agreement should be noted:

- ▶ The City is required to guarantee a minimum annual net loss of \$1.4 million to Spectra, which is split at 70% and 30% for the City and Spectra, respectively with any operational surplus credited. In addition, Spectra is provided with a base management fee of \$450,000.
- ▶ The City is also responsible for covering a utility subsidy equal to \$1.2 million per year, the 2011 cost of utilities. Spectra is responsible for any additional costs above this amount.
- ▶ The City is responsible for all capital costs while Spectra is responsible for all operating costs.



Table 7 - 2018 Spectra Operating Statements

Spectra 2018 Management Operating Statements			
	FOC	FOCH	Combined
Direct Event Income	\$738,627	\$651,088	\$1,389,715
Net Ticketing Revenue	\$779,075	\$276,971	\$1,056,046
Facility Fees	\$437,790	\$224,853	\$662,643
Suite Revenue	\$28,152	\$541	\$28,693
Ancillary Income	\$750,137	\$149,354	\$899,491
<b>Total Event Income</b>	<b>\$2,733,781</b>	<b>\$1,302,807</b>	<b>\$4,036,588</b>
Other Income	\$613,450	\$185,527	\$798,977
<b>Total Income</b>	<b>\$3,347,231</b>	<b>\$1,488,334</b>	<b>\$4,835,565</b>
Indirect Expenses	\$2,897,194	\$1,914,638	\$4,811,832
<b>Net Operating Income (loss)</b>	<b>\$450,037</b>	<b>-\$426,304</b>	<b>\$23,733</b>
Proportionate Management Fee	(\$401,538)	(\$48,462)	(\$450,000)
Proportionate Net Loss Subsidy	(\$261,196)	(\$31,524)	(\$292,720)
Proportionate Utility Subsidy	(\$1,070,769)	(\$129,231)	(\$1,200,000)
<b>Net City Proceeds</b>	<b>(\$1,283,467)</b>	<b>(\$635,520)</b>	<b>(\$1,918,987)</b>

For the 2018 operating year, the estimated total subsidy which the City will be contributing to the operation of these venues is approximately \$1.9 million, a \$680,000 decrease from the 4-year average subsidy of \$2.6 million. Solid operating results have contributed to this reduction, including an increase of 47 events across both venues, increased revenue from large shows (e.g. BTS) and an approximate \$200,000 indirect expense savings. In 2018, an operating profit of \$23,788 was recorded while a 2018 (\$807,726) operating loss was budgeted for.

For the previous 5-year period from 2013-2017, the City contributed a total operating subsidy of nearly \$12.5 million, or \$2.5 million per year. In Table 8, the impact to the City's operating subsidy on changes in the level of cultural programming may be seen.

Table 8 - FirstOntario Centre Event Breakdown & Net Subsidy Impact

Impact of Event Segment to City's Operating Subsidy						
	2013	2014	2015	2016	2017	2018
Sport	32	40	42	41	41	49
YoY		25%	5%	-2%	0%	20%
Cultural	27	39	33	33	31	49
YoY		44%	-15%	0%	-6%	58%
<b>Subsidy</b>	<b>\$2,166,667</b>	<b>\$2,616,000</b>	<b>\$2,616,000</b>	<b>\$2,616,000</b>	<b>\$2,616,000</b>	<b>\$1,918,987</b>

As per-ticket income for cultural programming are significantly greater than OHL sport events in Hamilton, Hamilton Bulldog's attendance levels are less impactful to reducing the City's net subsidy, creating the need for more cultural programming. This may be exacerbated in Hamilton with the City's current management agreement with Spectra and revenue-sharing agreement with the Hamilton Bulldogs.





To consider the relative financial performance of the FirstOntario Centre operations to comparable facilities, Budweiser Gardens, London ON and Scotiabank Place, Halifax NS were considered. As few direct comparable venues exist, considering these facilities are both situated in similar-sized markets, have a similar mix of sport and non-sport event programming, and neither of which house a national, professional-level sports franchise (e.g. NHL, NBA, MLB), they represent reasonable comparisons.

- ▶ Relative to FirstOntario Centre, both of the comparable venues' operating structure is highly differentiated by their higher "Other Income" which includes premium box sales, naming rights and other promotional and/or advertising revenue streams.
- ▶ Budweiser Gardens, which has a greater proportion of cultural events than Scotiabank Place, would collect great "Other Income" due to higher premium box and cross-promotional sales within this event segment.
- ▶ The outsized expenses relative to income at FirstOntario Centre, we feel, further demonstrates the mis-alignment between operating costs of the current facility given its capacity and the relative income potential of a facility with similar design attributes.

Table 9 - FirstOntario Centre Relative Financial Performance

FirstOntario Centre	\$/Seat		Budweiser Gardens	\$/Seat		Scotiabank Place	\$/Seat	
Total Capacity	17,400		9,500		10,595			
Event Income	\$2,733,781	\$157	\$2,603,645	\$274	\$3,300,000	\$254		
Other Income	\$613,450	\$35	\$3,718,498	\$391	\$3,600,000	\$277		
Total Income	\$3,347,231	\$192	\$6,322,143	\$665	\$6,900,000	\$531		
Expenses	\$4,560,527	\$262	\$6,319,745	\$665	\$6,896,982	\$531		

While both Budweiser Gardens and Scotiabank Place would appear to operate on a nearly "net-even" basis, municipal revenues are collected from lease payments and/or facility fees.

In a hypothetical arena facility of 10,000, event income based on the current level of demand would be aligned on a per-seat basis to these comparable arena facilities. With additional revenue drivers such as enhanced F&B, premium box seating and promotional partnerships, a similar operating environment would likely be achieved as other commercially viable venues.

Despite the best efforts and recent successes of the current management, we would expect a net operational subsidy for the City to continue for the foreseeable future in the current facility.

Acknowledging the operating losses at the FirstOntario Concert Hall, the venue's per-event utilization and revenues are reasonably strong under a "right-sized" facility size of 10,000, an event income of \$273 based on demand today would be comparable to facilities identified.



**Hamilton Convention Centre**

Outlined in Table 10 are the Carmen’s Group 2018 and 2017 operating statements, which highlight the organization operates at net profit, while also providing the City with a \$165,000 annual utility subsidy.

Table 10 - 2018 Carmen’s Group Operating Statement

2018 Carmen’s Group Operating Statement		
	2018	2017
Sales	\$3,813,605	\$3,420,733
Other Income		\$125,000
Event Costs	\$1,392,407	\$1,416,862
Corporate Expenses	\$2,272,189	\$1,965,274
Net Earnings Before Income Tax	\$149,009	\$163,597

From an operational perspective, the 2018 and 2017 financial data illustrates the capacity of the Carmen’s Group to run a successful commercial operation in the existing Hamilton Conference Centre.

Given the on-going, annual reduction in the City subsidy from 2013 - 2016, and the net contribution to the City in 2017 and 2018 from a utility subsidy, we would assume that the agreement with Carmen’s Group in the existing facility will continue to provide a net operating benefit to the City for the foreseeable future.

As we explore more fully in Section 4, given the unique event breakdown at this facility, limitations would exist in any comparative analysis of financial performance to other conference facilities.

**2.4 Capital Investment Requirements**

While Sections 2.3 and 2.4 have focused on identifying the baseline, current utilization and financial operating environment for the three (3) entertainment venues, capital investment requirements are an additional critical point of consideration. As municipal assets ranging from 34 to 46 years old, the remaining economic life of these facilities is constrained by a series of mechanical, structural, and commercial considerations.

With a currently budgeted annual capital spend for all three (3) Entertainment Venues of \$800,000, funding levels are insufficient to support the renewal of key systems, requiring staff to manage these systems on run-to-fail basis. To estimate the baseline level of additional capital investment required to sustain the Entertainment Venues in their current form, EY employed the following methodology.

**FirstOntario Centre**

Using the City information report dated 7 December 2018 and entitled “Capital Lifecycle Renewal - FirstOntario Centre Brine Lines and Ice Plant Safety”, a series of staff-recommend capital investment items have been identified in Table 11 as part of a 5-year budget outlook to 2024 and have been used to inform our analysis of baseline capital investment requirements for FirstOntario Centre, which have been reviewed by City capital planning staff.





Table 11 - FirstOntario Centre Baseline 5-Year Capital Budget

FirstOntario Centre 5-Year Capital Budget - Total Hard & Soft Cost Estimates						
	2019	2020	2021	2022	2023	2024
Brine Lines	\$730,000	\$6,570,000				
Roof		\$700,000	\$6,300,000			
Mechanical			\$1,500,000	\$6,750,000	\$6,750,000	
AODA					\$500,000	\$4,500,000
Annual Total	\$730,000	\$7,270,000	\$7,800,000	\$6,750,000	\$7,250,000	\$4,500,000
<b>5-Year Total</b>	<b>\$34,300,000</b>					

**FirstOntario Concert Hall & Hamilton Convention Centre**

Using the 2016 V2PM Facility Capital Planning Reports (“V2PM Report(s)”) provided to EY, order of magnitude investment requirements are presented based on a 5-year timeframe from 2016. These reports present three (3) investment options for each facility based upon progressive levels of criticality, with Priority 1 being the highest priority items. Priority 1 recommendations have been identified as “systems that have reached the end of their service life or beyond. In some cases, these items risk catastrophic failure for the entire facility.”<sup>6</sup> In developing a current estimate of capital investment requirements, EY considered the Priority 1A investment option presented in the V2PM Reports, and calculated a Remaining Priority Capital Balance.

This calculation uses the Priority 1A 5-Year investment requirements identified in the V2PM report and subtracts the total capital investments made in these venues since 2016. Using this calculation, a 5-year allocation from 2019-2024 has been calculated. While we acknowledge that the variable nature of capital investment planning, this analysis is intended to act as a proxy that identified the investments which will be required to ensure the on-going operation of these Entertainment Venues.<sup>7</sup> For detail on assumptions employed in developing the following Remaining Priority Capital Balance Calculations and 5-year 2019 budgets identified on the following page in Table 12, with further details in Appendix A.

It should also be noted that while outside of the scope of our analysis, additional capital requirements for the Commonwealth Square, Summer’s Lane, and Pedestrian Bridge connection to the Hamilton Convention Centre may also require consideration. The FirstOntario Concert Hall and Hamilton Convention Centre both have building egresses integrated into these three (3) structures.

<sup>6</sup> V2PM, *Facility Capital Planning Reports, Section 1.2.2.2 - Priority Definitions*. (1 December 2016)



Table 12 - FirstOntario Concert Hall & Hamilton Convention Centre Estimated 2019 5-Year Priority Capital Budgets

<b>FirstOntario Concert Hall</b>							
Remaining Priority Capital Balance Calculation							
2016 V2PM Hard Cost Estimate							\$5,704,003
Soft Cost Assumption							\$1,996,401
Design/Scope Variability Contingency							<u>\$1,140,801</u>
2016 Total 5-Year Capital Requirement							\$8,841,205
2016 Total 5-Year Capital Requirement							\$8,841,205
2016-2019 Capital Spent							<u>\$875,708</u>
Remaining Balance (\$2016)							\$7,965,497
<b>Remaining Balance (\$2019)</b>							<b>\$8,831,489</b>
5-Year Capital Budget - Total Hard & Soft Costs							
	2019	2020	2021	2022	2023	2024	
Annual Estimate	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915
<b>Hamilton Convention Centre</b>							
Remaining Priority Capital Balance Calculation							
2016 V2PM Hard Cost Estimate							\$5,189,183
Soft Cost Assumption							\$1,816,214
Design/Scope Variability Contingency							<u>\$903,922</u>
2016 Total 5-Year Capital Requirement							\$7,909,319
2016 Total 5-Year Capital Requirement							\$6,102,287
2016-2019 Capital Spent							<u>\$2,299,882</u>
Remaining Balance (\$2016)							\$3,802,515
<b>Remaining Balance (\$2019)</b>							<b>\$4,035,259</b>
5-Year Capital Budget - Total Hard & Soft Costs							
	2019	2020	2021	2022	2023	2024	
Annual Estimate	\$672,543	\$672,543	\$672,543	\$672,543	\$672,543	\$672,543	\$672,543

Using the baseline capital budgets, aggregate summary costs has been provided for in Table 13.

Table 13 - Baseline Aggregate 2019 5-year Capital Budget Estimates

<b>Aggregate 5-Year 2019 5-Year Capital Budget Estimates</b>							
	2020	2021	2022	2023	2024	2025	
FOC	\$730,000	\$7,270,000	\$7,800,000	\$6,750,000	\$7,250,000	\$4,500,000	
FOCH	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	
HCC	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568	
Annual Total	<u>\$3,238,482</u>	<u>\$9,778,482</u>	<u>\$10,308,482</u>	<u>\$9,258,482</u>	<u>\$9,758,482</u>	<u>\$7,008,482</u>	
<b>Total Capital Requirement</b>	<b>\$49,350,894</b>						



While contemplating various investment and/or divestment options for the City's Entertainment Venues, the total capital investment required to sustain the current assets in their current working order is a material consideration, estimated at nearly \$50 million over the medium-term. Once these capital investments are made, additional on-going lifecycle maintenance will be required. The City is currently under-investing based on the Canadian Infrastructure Report Card requirements.

The level of investment required to continue operating venues which may not necessarily align to their intended use and/or cannot operate in a financially sound manner may be balanced against the net, additional cost of a major renovation and/or relocation.

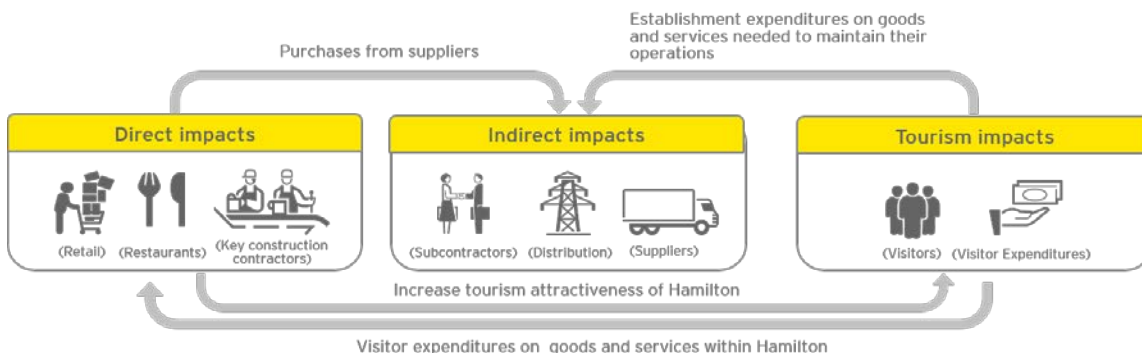
It should also be noted that these estimates exclude any additional capital investment which may be required to the Commonwealth Square and Summer's Lane parking garage

## 2.5 Baseline Economic Impact Analysis

To derive the potential economic impacts associated with the Hamilton Convention Centre, the FirstOntario Centre and the FirstOntario Concert Hall (collectively the "Entertainment Assets"), EY carried out a comprehensive economic impact assessment ("EIA") using national accounts data from Statistics Canada, operational and capital expenditure data from key stakeholders, estimated tourism expenditures and combined it with our own proprietary economic modeling tools and techniques. Specifically, these impacts are captured through two distinct channels, which includes both direct and indirect impacts. More intuitively, we define each of these impacts as follows:

- ▶ **Direct impacts** include the "incremental" economic impacts supported directly by the capital, operational, and tourism expenditures associated with the Hamilton Convention Centre, the FirstOntario Centre and the FirstOntario Concert Hall. These impacts represent "value-added" contributions to the economy and include, for example, the monies spent on renovations for the three facilities or wages paid to employees. In terms of tourism impacts, direct impacts would be measured by the output, value-added, wages and jobs created as a result of visitor expenditures on goods and services such as hotels, restaurants, bars, etc.
- ▶ **Indirect impacts** include the economic impacts from business activities supporting the operations of the Hamilton Convention Centre, FirstOntario Centre and the FirstOntario Concert Hall, as well as establishments in which visitors spend their money. The indirect impacts include, among other things, the impacts from suppliers' spending when purchasing goods and services from other suppliers in the area. For the three facilities, this could include expenditures by general contractors on goods and services such as lumber, equipment and labour. For tourism, this would include the money restaurants spend on suppliers for their goods, such as food wholesalers, etc.

Figure 5 - Illustrative Example of Direct & Indirect Economic Impact Interconnectedness





**The Model**

To calculate the economic impacts, EY employed the use of a static I-O model. This method was selected due to its flexibility in providing a reliable, cost efficient way to assess the regional impacts associated with the three entities within the City of Hamilton. For tourism related impacts, a slight adjustment to the model was made, which is discussed in further detail in Appendix B.

Specifically, the model translates direct impacts into indirect impacts, which collectively define the total economic impacts generated by the three facilities within the City of Hamilton. These impacts are measured in term of the following economic indicators:

- ▶ **Gross Output:** The total economic activity of new goods and services because of activities occurring within a particular area (i.e., City of Hamilton). This is a broader measure of the economy in comparison to GDP;
- ▶ **Gross Domestic Product ("GDP"):** GDP, or local value added, is a measure of the value of all final goods and services produced in a specific region;
- ▶ **Wages or labour income:** A component of the local value-added that measures total employee compensation and proprietor income; and
- ▶ **Full-time equivalent employment ("FTEs"):** This refers to the total number of employee jobs that are converted to full-time equivalence based on the average full-time hours worked.

Figure 6 - Example of Regional Economic Impacts



To ensure that the most reliable estimates are provided, provincial multipliers supplied by Statistics Canada have been adjusted to the regional level using a methodology first proposed by Flegg et al. (1995). For a description of this methodology, please refer to Appendix B.

**Capital and Operational Expenditure Descriptions**

A brief description of the operational expenditures ("OPEX") and capital expenditures ("CAPEX") associated with Hamilton's entertainment assets are described below. In working with key stakeholders, EY was able to obtain and derive approximate CAPEX and OPEX for years 2018 through 2024. These approximations formed the basis of our analysis in assessing the current state of the Entertainment Assets.

**Operational Expenditures**

Data on general OPEX from key stakeholders was collected. OPEX refer to the day-to-day maintenance and administrative costs associated with running a business and include line items such as professional fees, wages & salaries and travel expenses, etc.



Specifically, OPEX can be categorized into the following manner:

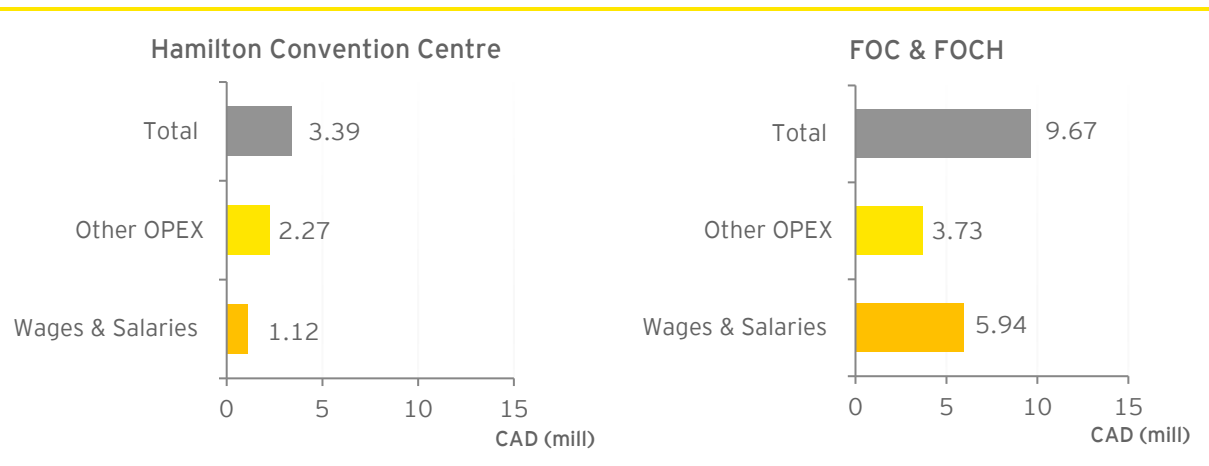
- ▶ **Fixed Costs:** costs that do not change over time and must be paid regardless of the business' activities or performance. An example of this would be rent fees for a facility. Other examples of fixed costs include overhead costs, insurance, and equipment costs.
- ▶ **Variable Costs:** costs that vary (i.e., change) over time with production. The relationship between variable costs and production is positively correlated, indicating that as production increases so too do these costs. Examples of variable costs include raw input material costs, payroll, utilities, etc.
- ▶ **Semi-Variable or Semi-Fixed Costs:** costs that have criteria which satisfy both variable and fixed costs. These costs vary in part with increases or decreases in production, but still exist when production is zero.

Since there is little change in OPEX from year-to-year, our analysis is specifically focused on OPEX which occurred within the 2018 fiscal year ("FY"). As a result, OPEX impacts can be interpreted as sustainable annual contributions to the local economy, indicating that they are to be maintained in every subsequent year from the selected base year (i.e., from 2018 onwards).

**Operational Spending of Entertainment Assets**

Total OPEX for the Entertainment Assets for 2018 was approximately CAD \$13 million. In particular, the Hamilton Convention Centre spent approximately CAD \$1.12 million (~33%) on wages and salaries, while the remaining CAD \$2.27 (~67%) in OPEX was spent on other expenses such as utilities, professional fees, travel expenses, etc. Likewise, for the FOC and FOCH, approximately 61% of all OPEX for the year were spent on salaries for both day-to-day and event staff, while the remaining 39% was on other items.

Figure 7 - Entertainment Assets Operational Expenditures



Notes: Numbers have been rounded and are in millions. Figures represented in 2015 dollars.  
Sources: Stakeholder data and EY calculations.

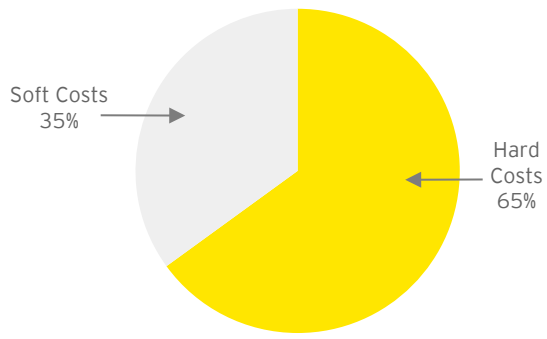




**Capital Expenditures**

CAPEX for the Hamilton Convention Centre, FirstOntario Centre and the FirstOntario Concert Hall were also collected. CAPEX refers to funds used to acquire, upgrade, and maintain physical assets such as property, buildings, technology and equipment, etc. A breakdown of CAPEX for each entertainment asset is described below and covers a period from 2018 to 2024 and can be interpreted as a one-time shock to the local economy. Moreover, based on key stakeholder documentation, for years 2018 through 2024, 35% of total CAPEX is assumed to be used towards soft related costs, while the remaining 65% is allocated towards hard related costs.

Figure 8 - Hard Versus Soft Costs for Entertainment Assets

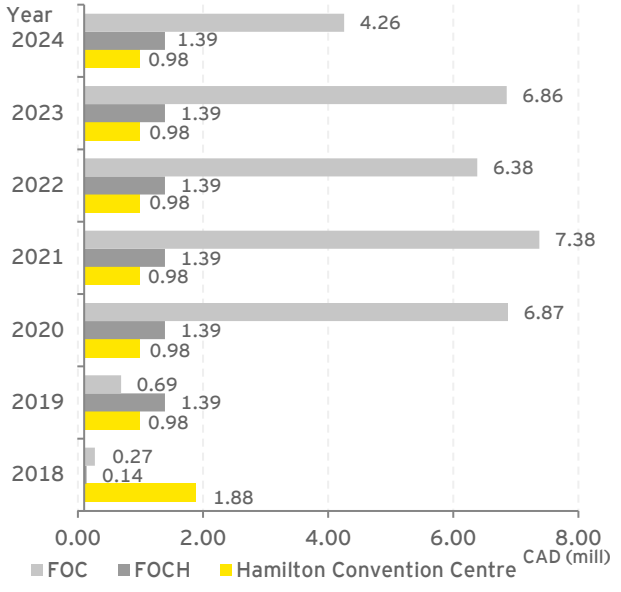


Notes: Percentages apply to all entertainment assets, which includes the Convention Centre, FirstOntario Centre and the FirstOntario Concert Hall.  
Sources: Stakeholder data and EY assumptions.

**Capital Spending of Entertainment Assets**

Total CAPEX for the Hamilton Convention Centre, FirstOntario Centre and the FirstOntario Concert Hall from 2018 to 2024 are estimated to be CAD \$7.76 million, CAD \$32.70 million and CAD \$8.48 million respectively. The life cycle and distribution of these expenditures are displayed in Figure 9. The life cycles and distribution of expenditures have been determined based on EY assumptions and key stakeholder data. For the FirstOntario Centre, the distribution and timeline of expenditures follows those outlined in the "Capital Lifecycle Renewal-FirstOntario Centre Report". Likewise, for both the FirstOntario Concert Hall and Hamilton Convention Centre, the distribution of expenditures assumes that all unused CAPEX funds allocated to priority-1 items from the facilities Capital Plan Reports would be used in equal amounts across years 2019-2024. CAPEX for 2018 was derived from historical estimates provided by key stakeholders.

Figure 9 - Entertainment Assets Capital Expenditures



Notes: Numbers have been rounded and are in millions. Figures expressed in 2015 dollars.  
Sources: Stakeholder data and EY calculations & assumptions.









**Economic Impact Results**

The total economic impacts associated with the operational and capital expenditures of the Entertainment Assets are displayed in **Table 15**.

*Table 14 - Summary of Economic Impacts*

				
Impact	FTEs	Wages (\$ mn)	GDP (\$ mn)	Output (\$ mn)
<b>OPEX</b>				
Hamilton Convention Centre	26	1.30	2.50	4.08
FOC and FOCH	96	6.63	8.71	11.61
<b>Total</b>	<b>122</b>	<b>7.93</b>	<b>11.21</b>	<b>15.69</b>
<b>CAPEX</b>				
Hamilton Convention Centre	44	3.32	4.15	8.53
FOC	185	13.98	17.48	36.00
FOCH	48	3.63	4.54	9.34
<b>Total</b>	<b>277</b>	<b>20.93</b>	<b>26.17</b>	<b>53.87</b>

Notes: Figures for wages, GDP and output are in millions and 2015 dollars. Numbers have been rounded and were derived from operational expenditures in 2018 and capital expenditures from 2018 to 2024. Impacts are the sum of direct and indirect impacts associated with each entertainment asset. CAPEX FTE impacts are measured in ("Person-Year") FTE jobs.

Sources: Stakeholder data and EY calculations.

Results suggest that the operational expenditures associated with the Hamilton Convention Centre are expected to sustain CAD \$4.08 million in gross output, CAD \$2.50 in GDP, CAD \$1.30 million in labour income and 26 FTE jobs. For the FirstOntario Centre and FirstOntario Concert Hall, these amounts equate to CAD \$11.61 million in gross output, CAD \$8.71 million in GDP contributions, CAD \$6.63 million in labour income and 96 FTE jobs within the City of Hamilton.

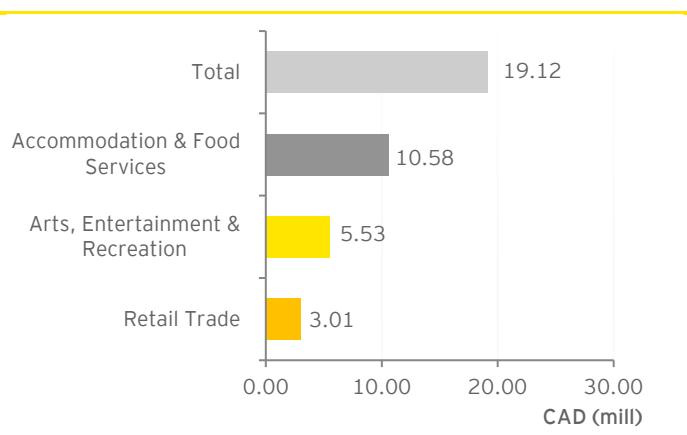
CAPEX results suggest that the Hamilton Convention Centre is expected to generate CAD \$8.53 million in gross output, CAD \$4.15 million in GDP, CAD \$3.32 million in labour income and 44 person-year FTE jobs from 2018 to 2024. For the FirstOntario Concert Hall, from 2018 to 2024, CAPEX is expected to contribute CAD \$9.34 million in gross output, CAD \$4.54 million in GDP, CAD \$3.63 million in labour income and 48 person-year FTE jobs. Finally, CAPEX associated with the FirstOntario Centre are anticipated to generate CAD \$36.00 million in gross output, CAD \$17.48 million in GDP, CAD \$13.98 million in labour income and 185 person-year FTE jobs.



**Tourism Expenditure Impacts**

Tourism impacts associated with the three entities are displayed in Table 16. Like operational impacts, barring any significant change in visitor spending, the impacts can be interpreted as sustaining in nature. To calculate these impacts, EY relied on the use of in-house proprietary economic modeling tools, EY subject matter personnel, various benchmarking techniques and credible industry and academic related reports. Specifically, EY obtained estimates related to visitor expenditures within the City of Hamilton on goods and services such as accommodations (e.g. hotels), F&B, retail (i.e., shopping), entertainment, attractions and transportation, etc. related to the Entertainment Assets.

**Figure 10 - Aggregate Estimated Tourism Spending for The Entertainment Assets**



Notes: Numbers have been rounded and are in millions. Figures represented in 2015 dollars and at basic prices.  
Sources: Stakeholder data and EY calculations.

These expenditures were then categorized into appropriate sectors relevant to the tourism industry, which in this case includes the retail trade, arts, entertainment and recreation and accommodation & food services industries. Figure 10 presents an aggregate breakdown of the estimated tourism expenditures for the Entertainment Assets by tourism sector for the City of Hamilton.

With regards to the reported expenditures in Figure 10, Table 16 displays the total spending associated with the Entertainment Assets separately for each respective tourism sectors mentioned.

**Table 15 - Tourism Sector Expenditures by Asset**

Tourism Sector	Convention Centre	FOC/FOCH
Accommodation & Food Services	2.29	8.29
Arts, Entertainment & Recreation	1.61	3.92
Retail Trade	0.52	2.49
<b>Total</b>	<b>4.42</b>	<b>14.70</b>





Notes: Figures represented in millions, 2015 dollars and basic prices.  
Sources: Stakeholder data and EY calculations

These figures formed the basis of our analysis in calculating the tourism impacts in Table 17. It should be noted that the spending estimates are based on our understanding that the Hamilton Convention Centre is primarily used for local events and typically attended by local residents and have a minimal impact on the local accommodation industry. This assertion is reaffirmed based on discussions with representatives from the local hotel industry.

Using the constructed regional multipliers, along with the tourism input-output ("I-O") model discussed in, EY was able to derive estimated tourism impacts as they relate to gross output, GDP, labour income and full-time equivalent jobs for the City of Hamilton.



Table 16 - Summary of Tourism Expenditure Impacts

				
Impact	FTEs	Wages (\$ mn)	GDP (\$ mn)	Output (\$ mn)
Hamilton Convention Centre	36	1.31	1.81	5.30
FOC and FOCH	124	4.48	6.13	17.60
<b>Total</b>	<b>160</b>	<b>5.79</b>	<b>7.94</b>	<b>22.90</b>

Notes: Figures for wages, GDP and output are in millions, 2015 dollars and at basic prices. Numbers have been rounded. Impacts reflect those from estimated visitor related expenditures associated with the Hamilton Convention Centre, FirstOntario Centre and the FirstOntario Concert Hall within the City of Hamilton.

Sources: Stakeholder data and EY calculations.

Results from **Table 17** suggest that tourism related expenditures associated with the Hamilton Convention Centre contribute approximately CAD \$5.30 million in gross output for the City of Hamilton, along with CAD \$1.81 million in GDP and CAD \$1.31 million in labour income. Moreover, these estimated tourism expenditures sustain approximately 36 full-time equivalent jobs annually.

Likewise, estimated tourism expenditures related to both the FirstOntario Centre and the FirstOntario Concert Hall generate CAD \$17.60 million in gross output, CAD \$6.13 million in GDP and CAD \$4.48 million in labour income for the City of Hamilton. Similarly, 124 FTE jobs are expected to be sustained annually as a result of these expenditures. Given the magnitude of these expenditures, they are likely to cause some level of economic benefit in areas within close proximity to the City of Hamilton.

Using a similar methodology to calculate tourism impacts within the City of Hamilton, EY was also able to determine potential impacts from tourist spending within the City of Hamilton to the greater Hamilton Metropolitan Area.<sup>8</sup> It should be noted however that these estimated tourism impacts should be interpreted with care and consideration, as the tourism I-O model used to derive these estimates is subject to numerous limitations and assumptions. For additional limitations and assumptions imposed on the tourism I-O model please see Appendix B.

<sup>8</sup> Results suggest that the impacts realized in surrounding areas may be up to CAD \$900,000 dollars on gross output, CAD \$400,000 for GDP, CAD \$200,000 for labour income and 20 full-time equivalent jobs.



### 3. Stakeholder Consultation

The facility utilization and financial operating analysis presented in Section 2 provide data-driven support to preliminary observations of the current level of need or demand for the on-going operation and subsidy of the City’s Entertainment Venues. In this section we focus on a more qualitative analysis, communicating the results of stakeholder engagement as part of this Entertainment Venues Review.

Through direct engagement with facility operators, tenants, real estate developers, investors, city staff, and prominent local business organizations, while particular challenges were identified, an overall degree of alignment in a shared vision for the potential of Entertainment Venues to further contribute to the City’s landscape was encouraging. In addition to the various City departments (e.g. Planning, Tourism, Urban Renewal, Recreation), outlined below are the select external stakeholders with whom we spoke<sup>9</sup>:

- ▶ Hamilton Philharmonic Orchestra
- ▶ Carmen’s Group
- ▶ Live Nation
- ▶ Hamilton 100
- ▶ Hamilton Honey Badgers
- ▶ Equal Parts Hospitality
- ▶ International Village BIA
- ▶ Hamilton Bulldogs management/ownership
- ▶ Spectra
- ▶ Art Gallery of Hamilton
- ▶ Downtown Hamilton BIA
- ▶ District Energy
- ▶ The Other Bird Hospitality
- ▶ Art Gallery of Hamilton

In addition to direct engagement with key stakeholders, a public engagement survey was conducted to better identify broader themes of the value the City’s Entertainment Venues bring to Hamilton.

#### 3.1 Stakeholder Engagement Observations

Over the course of our engagement with City, direct discussions with key stakeholders were held through informal in-person meetings and via teleconference. The general intent of these discussions was to enable an open dialogue where views on the current state of each Entertainment Venue could be shared, and discussions around the role of these facilities might play in the future development of Hamilton. For reporting purposes, the feedback received has been summarized outlined below<sup>10</sup>:

**Entertainment Venue Review: Summary of Key Stakeholder Engagement Observations**

**FirstOntario Centre**

- ▶ The facility’s capacity, flexibility and cost-effective production are competitive differentiators for promoting non-sporting events.
- ▶ The hanging and rigging capacity of the current roof are a significant limitation to host modern show productions, creating misalignment with the facility’s capacity.
- ▶ Overall fan experience would be considered “ok”, particularly for the hockey crowd.
- ▶ Due to several building deficiencies, the City’s 2018 Memorial Cup bid was lost, citing a lack of premium boxes, low-definition scoreboard, and mechanical issues with street/ice connection.
- ▶ Significant challenges exist with the current location include orientation to adjacent land uses (e.g. Salvation Army), proximity to parking, and lack street-level animation.

<sup>9</sup> In addition to parties named, discussions were held with other prominent local real estate developers and owners.  
<sup>10</sup> These observations represent informal, unverified summary notes from discussions and may not reflect the views of EY.





**Entertainment Venue Review: Summary of Key Stakeholder Engagement Observations**

**FirstOntario Centre**

- ▶ The current facility is limited by its footprint and site design to dramatically improve the guest experience, again in part due to the orientation and connections to other key downtown areas.
- ▶ The size of the arena does not lend itself to "market sized" sporting events creating an undesirable fan and play experience that lacks the energy and excitement of other OHL arenas.
- ▶ Best-in-class arenas typically have a gathering space adjacent to the arena.

**FirstOntario Concert Hall**

- ▶ While the facility's notably strong acoustic qualities differentiate it from competitive facilities, the technology package available is a challenge for certain productions.
- ▶ Activation of the outside patio on the mezzanine level and a revitalized F&B offering are key priorities to improve facility marketability and improve guest experience.
- ▶ AODA is a major challenge, particularly with challenges to the only accessible vertical transportation from ground to mezzanine level.
- ▶ While 10 years ago the Great Hall would be considered oversized for performing arts, today shows selling out and demand is growing through

**Hamilton Convention Centre**

- ▶ Characterized by outdated aesthetics, challenging split-level layout with limited contiguous floor area, and loading dock capacity issues, significant functional issues exist in facility marketability.
- ▶ The shared loading dock with the FirstOntario Concert Hall creates challenges in managing the servicing of the building, particularly when large events are taking place.
- ▶ While the pedestrian bridge provides a valuable direct connection to the Sheraton Hotel, it is often inaccessible due to security concerns.
- ▶ The brick façade along King Street creates a "dark zone" on a key block in the downtown core.

**Promoting Hamilton for Larger Cultural Programming**

- ▶ A hypothetical "ideal state" would include a capacity of 15,000 in an arena-style facility with the appropriate hanging and rigging capacity to differentiate the facility from others in SW Ontario. Average size for comparable sports and entertainment venue is 10,000 but there is an emotional attachment to larger capacity. Budweiser Gardens, Place Bell, and Scotiabank Place are all comparable.
- ▶ Any segregation of sporting and non-sporting events into two (2) facilities would not support healthy commercial operations due to lost opportunities for ancillary revenue, naming rights, and other promotional sponsorships resulting from the aggregate attendance level at the facility.
- ▶ Opportunity to upgrade and animate Jackson Square may yield sponsorship opportunities.
- ▶ Ice is an important factor for both sporting and non-sporting events.
- ▶ With an unlikely displacement of two (2) professional franchise at Scotiabank Place (Toronto), scheduling will remain challenging. Hamilton benefits from shared media market as Toronto.
- ▶ Momentum in a proposed redevelopment if the FirstOntario Centre is closed for redevelopment may result in a material loss of business development momentum.
- ▶ Promoting Hamilton requires a "story" to draw artists, which promoters can offer with Hamilton's downtown renewal, local cultural scene, and young audience. Strategies to promote Hamilton include backfilling major tour dates and working with emerging artists with large audiences.
- ▶ Successful venues driven by fan experience with different zones for customers in different markets, all connected by technology.



**Entertainment Venue Review: Summary of Key Stakeholder Engagement Observations**

**Hamilton as a Conference Destination**

- ▶ Hamilton would likely not be considered as a city in the “conference business” as the constraints in the current facility do not lend themselves to conducting business in today’s conference market.
- ▶ While the tourism draw in Hamilton is strong with a great “story” to sell business, due to facility limitations it is often overlooked.
- ▶ Competitive centres situated in London, Winnipeg, Niagara Falls and to a lesser extent Halifax.
- ▶ Marketing challenges exist and business has been turned down due to scheduling challenges with non-conference events.
- ▶ A renewed conference facility would likely bolster capacity of tourism sector, particularly given the pipeline of new hotel supply.
- ▶ Good success through cross-selling FOCH as a multi-use venue, while FOC remains underutilized as a tradeshow facility.
- ▶ Success for a conference facility is directly tied to the immediate proximity (e.g. 800M radius) of hotels and local amenities.

**Local Economic Impact**

- ▶ While challenging to measure the local economic impact of programming at the three (3) venues, non-sporting events at FOC was consistently identified as the leading source of direct impact on the local businesses downtown.
- ▶ There is not notably strong economic impact benefit achieved from the City’s conference facility, even with respect to the local hotel community.
- ▶ Greater collaboration between the city and local hospitality groups was consistently identified as a challenge to fully capitalizing on local economic impact generation.

**Deal Structure Component for Private-Sector Deal Partnership**

- ▶ Unlikely to see private-sector led sports and entertainment venue development, but a potential financial contribution to a newly-built facility may be achieved
- ▶ Land contributions for revenue-generating uses (e.g. Hotels, Residential) would support private-sector participation.
- ▶ Land contribution value must be balanced with market development reality and site-level considerations (e.g. adjacent land uses).
- ▶ Ground leases limit development potential of residential condominiums, possibly impacting value.
- ▶ Parking revenue streams for both arena and conference facilities are critical to the commercial viability of operators.
- ▶ The City must consider potential redevelopment partner’s ability to finance development projects, and carefully consider opportunities available (e.g. density) that encourage responsible development.

**Art Gallery of Hamilton**

- ▶ The current 88,000 sf facility only provided the AGH with enough capacity to display approximately 60% of their nationally-significant collection.
- ▶ While the building envelope has been improved and the downtown location is a major asset, there is limited street front presence and significant interior mechanical and design limitations.
- ▶ Subject to terms, potential for the AGH to relocate into a provided-for newly-built, right-sized facility as part of a longer-term redevelopment of the City’s downtown lands.





### 3.2 Public Engagement Surveying

In addition to direct engagement with key stakeholders, the general public's input has been incorporated into this Entertainment Venues Review through an electronic public surveying tool. Actively marketing through the City's social media channels, the survey provided an opportunity to gain market-wide intelligence on the overall customer satisfaction for each of the venues, contribution to the quality of life in Hamilton, and the value of public subsidy.

Following a three-week engagement period, a total of 421 responded were recorded. A geographic representation and demographic summary of respondents has been provided in Figure 12 with key takeaways presented in Figure 11.

Figure 11 - Key Takeaways from Public Engagement Survey



Over 70% of respondents agree that the FirstOntario Centre, Art Gallery of Hamilton and FirstOntario Concert Hall are highly or extremely important to the quality of life in downtown Hamilton.



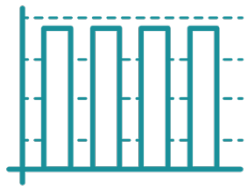
The FirstOntario Centre was the most utilized venue of all, with 40% of respondents visiting 5+ times per year, and 37% of respondents visiting between 1 - 5 times per year.



Key drivers of local economic impact, 56% and 47% of respondents responded "very likely" to supporting the City's local businesses while they attend events at the FirstOntario Centre and FirstOntario Concert Hall, respectively.



Respondents opinions of which venues should receive City financial support ranked the Art Gallery of Hamilton highest (61%), following by the FirstOntario Centre (58%), FirstOntario Concert Hall (57%), and Hamilton Convention Centre (38%).



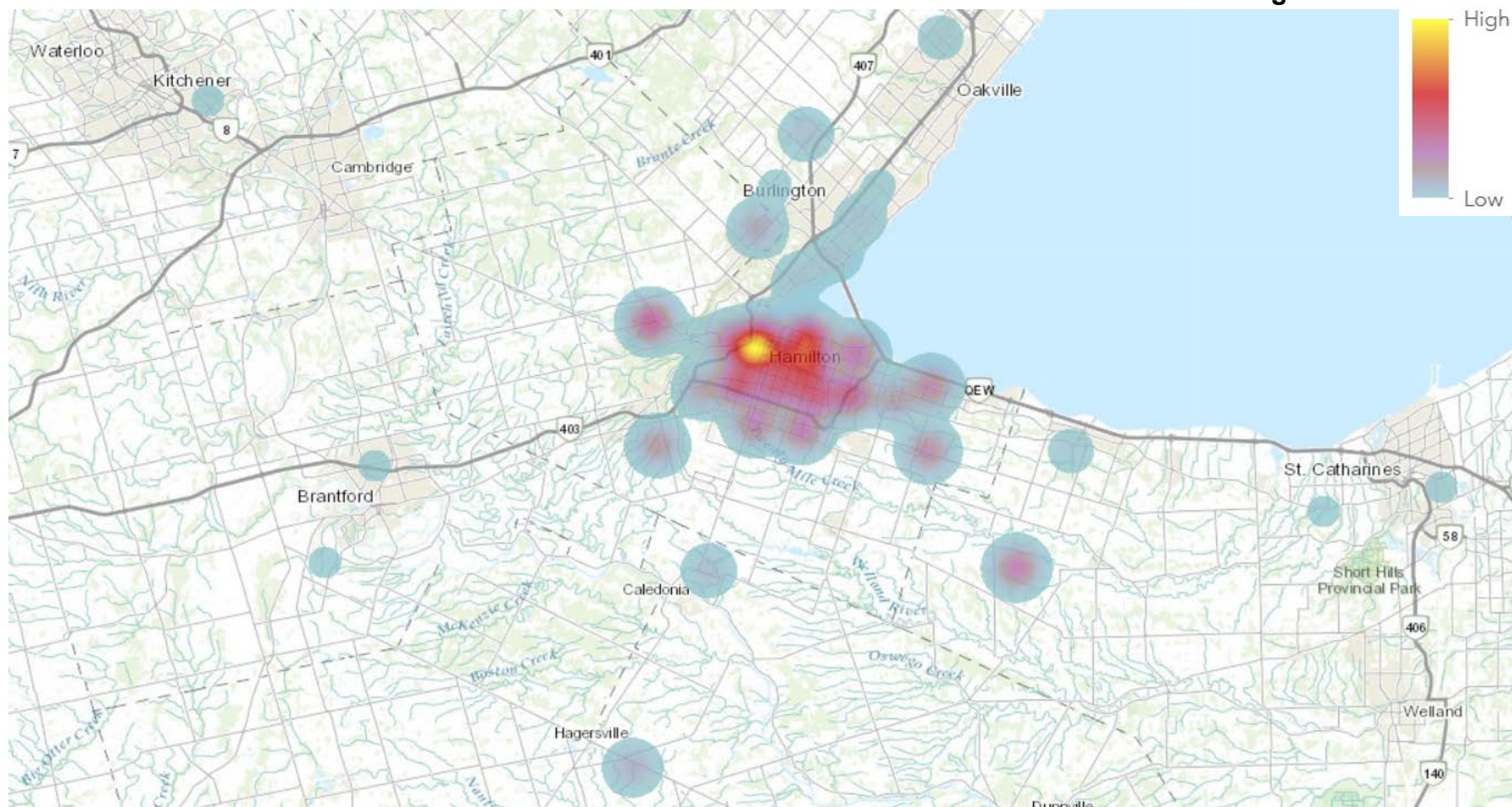
Ranking most highly sought-after, broadly even distributions of demand was recorded by respondents for cultural programming (art displays, concerts), non-local conventions, local community events, and trade shows.



With generally moderate views from respondents on the quality of guest experience across all venues, the food/beverage on-site and physical environment scored lowest when asked about specific limitations.



Figure 12 - Geographical Summary of Survey Respondents



For a complete summary of survey results, please consult Appendix C.



## 4. Market Overview

### 4.1 Hamilton Economic Outlook<sup>11</sup>

Hamilton is the economic center of the Hamilton-Niagara Peninsula Region. The Hamilton CMA has a population of 786,000 as of 2018, which comprises approximately 52% of the region's total population of 1.5 million people. The City continues to experience annual population gains, due in part to an increasing trend of younger generations settling in Hamilton due to its desirable and affordable quality of life, cultural offerings, and growing creative and technology industries.

Table 17 - Key Hamilton Market Economic Indicators<sup>1</sup>

Hamilton- Niagara Peninsula Economic Region						
	2015	2016	2017	2018	2019	2020
Total Employment (000s)	719.1	721.4	750.1	751.5	755.2	762.8
% change	1.8	0.3	4.0	0.2	0.5	1.0
Unemployment Rate	6.0	6.4	5.3	5.5	5.8	5.8
Residential Sales,	33,581	35,166	33,962	29,635	28,153	28,716
% change	9.1	4.7	-3.4	-12.7	-5.0	2.0
Residential Median Price, \$	297,717	327,030	388,539	414,609	433,266	454,930
% change	7.0	9.8	18.8	6.7	4.5	5.0
Population (000s)	1,442.5	1,458.7	1,478.1	1,500.1	1,525.6	1,547.0
% change	0.8	1.1	1.3	1.5	1.7	1.4
Hamilton CMA						
	2015	2016	2017	2018	2019	2020
Total Employment (000s)	385.4	385.8	417.9	413.8	417.9	423.8
% change	0.4	0.1	8.3	-1.0	1.0	1.4
Unemployment Rate	5.5	6.2	5.0	4.9	5.1	5.0
Residential Sales, Units	17,367	17,134	16,265	14,834	13,499	13,769
% change	6.6	-1.3	-5.1	-8.8	-9	2
Residential Average Price, \$	350,759	393,569	467,118	469,068	478,449	492,803
% change	8.1	12.2	18.7	0.4	2	3
Residential Permits (\$M)	1,006.7	1,086.1	1,212.6	1,146.8	1,089	1,122
% change	18.3	7.9	11.6	-5.4	-5	3
Non-Residential Permits (\$M)	650.5	480.6	785.1	581.4	494	524
% change	14.0	-26.1	63.4	-25.9	-15	6
Population (000s)	761.4	769.0	777.8	786.6	800	811
% change	0.6	1.0	1.2	1.1	2.0	1.0

While the City has historically been heavily reliant on the manufacturing sector, over the last 5 - 10 years, a recent resurgence in services, education, retail, transportation, and tourism have created an economy often considered one of Canada's most diverse.

According to the 2016 StatsCan census, Hamilton had a median household income of \$75,464. This placed it just behind Toronto and Kitchener-Waterloo, but ahead of St. Catherine's-Niagara which had one of the lowest median incomes at \$63,001. After posting strong economic growth in 2017 which saw an employment increase of 8.3%, the city experienced partial regression as several thousand jobs were given back for a 1% decrease in total employment. This led to a final unemployment rate of 4.9%, which is projected to remain relatively stable over the next couple of years.

<sup>11</sup> Sourced from Conference Board of Canada, Central 1 Credit Unit, Statistics Canada, Municipal Reports and other EY Research.





The strong growth of 2017 was driven in large part by increased construction and resale activity as new immigrants and GTA transplants flocked to Hamilton for job opportunities and lower house prices. Cooling measures implemented by the Ontario government including stricter lending requirements and the foreign buyer tax severely impacted the resale market in 2018. This trend is expected to continue for the near future and should slow median price growth in the residential market, as well as have a negative impact on finance, insurance, and real estate employment.

Residential permit volume increased in 2018 across the entire Hamilton-Niagara Region, but declined within Hamilton itself. Increased prices and new requirements led to significant declines in construction of single-detached homes. Demand is expected to shift to townhouses and high-density housing as people look for more affordable options that are centrally located. As the number of Toronto workers moving to Hamilton for price relief increases, proximity to GO Stations and transit connections will be important factors for residential demand and where development is focused. Non-residential Construction is also forecasted to slow as several large institutional projects are completed. Over \$250 million in construction projects at McMaster helped boost economic activity in 2017, but the pipeline is significantly thinner going into 2019 and beyond. Lowering business confidence and questions surrounding manufacturing may have a negative impact on commercial construction permits as potential expansion plans are cancelled or delayed until there is more certainty.

Hamilton's manufacturing sector experienced sluggish growth over the past several years despite positive external factors like the weak loonie promoting Canadian exports. Rising interest rates and a backlog of domestic demand may be causes for slow export growth, but total aggregate output grew by only 1.5% in 2017 and is forecasted at 1.7% for 2018-2021. Fears about protectionist policies in the U.S. limiting steel imports is likely to continue hindering growth in this sector. Transportation and Warehousing has grown to represent a larger portion of employment as companies take advantage of cheaper land and proximity to the 403 to build warehousing facilities in the area. In addition, the Hamilton Airport has seen increased utilization as a shipping hub.

Several positive recent business headlines and investments in the Hamilton market include:

- ▶ The 2019 CBRE Tech Talent Report ranked Hamilton top 2 in North America for tech cities of "opportunity" based on metrics including tech talent supply, growth, cost, tech degrees completed, and tech job growth outlook.
- ▶ The last two years saw significant investments from companies like L3 Wescam, Stryker, Pipeline Studios, and IBM Canada who have relocated or added to their operations in Hamilton.
- ▶ Aeon Studio Group recently announced a plan in conjunction with the City to create the Hamilton Studio District, a large film & television production campus that is intended to further the city's already growing attraction as a media production destination
- ▶ Mohawk College recently opened its EON AVR Development lab, a facility specializing in the development and education of virtual reality and augmented reality technologies. The facility should help position Hamilton as a front-runner in the growing industry of AVR development.

The diversification of Hamilton's local economy coupled with the recent positive business announcements provide sufficient evidence to support our assumption that the upward growth trajectory for the Hamilton economic environment will continue for the foreseeable future, creating additional demand for sports, entertainment and convention centre options in the City.



**4.2 Entertainment Venue Competitive Landscape**

To better understand how each of the City's Entertainment Venues fits into its respective marketplace, a survey of facilities was undertaken. Using this analysis, we can further our understanding of the expected "right-sized" facility to meet the needs of the Hamilton market.

**Sports and Entertainment Venues**

The competitive landscape is presented Figure 13 in order of their market size with further details on each presented in Appendix D.

Figure 13 - Sports and Entertainment Venue Landscape<sup>12</sup>

**FirstOntario Centre Comparable Markets**



Market	Kingston	Guelph	St. Catharines	Halifax	Laval	London	Quebec City	Hamilton	Mississauga	Toronto
Market Size	118,000	130,000	135,000	430,000	440,000	500,000	530,000	540,000	720,000	2,730,000
Differentiator	University	GTA	-	-	GMA	-	-	-	GTA	-
Capacity	6,700	5,000	5,300	11,000	10,000	9,500	18,250	17,400	5,000	19,800
Locality	Downtown	Downtown	Downtown	Downtown	Suburban	Downtown	Suburban	Downtown	Suburban	Downtown
Year Built	2008	2000	2014	1978	2002	2017	2015	1985	1998	1999
Ownership	Municipality	Municipality	Municipality	Municipality	Municipality	Municipality	Municipality	Municipality	Municipality	MLSE
2018 Events	83	60	128	111	N/A	153	N/A	98	N/A	192
Programming Ratio <sup>13</sup>	52%	9%	36%	25%	89% <sup>14</sup>	54%	N/A	60%	Mostly Sport	48%
Anchor Tenant	OHL	OHL/CEBL	OHL/CEBL	GMJHL/NBL	AHL/CWHL	OHL/NBL	GMJHL	OHL/CEBL	OHL/NBAG/MASL	NHL/NBA
Anchor Utilization <sup>15</sup>	52%	81%	92%	67%	61%	95%	50%	24%	54%	98%
Venue Utilization <sup>16</sup>	23%	16%	35%	30%	N/A	42%	N/A	27%	N/A	53%

<sup>12</sup> Compiled from various sources including municipal financial reporting, facility annual reports, and other industry data sourced by EY.

<sup>13</sup> Based on EY research, the Programming Ratio presents the proportion of cultural programming held at the venue based upon number of events.

<sup>14</sup> Based on 2019 YTD event programming,

<sup>15</sup> Based on EY research, the Anchor Utilization Ratio presents the annual anchor-tenant attendance for the facility against total capacity.

<sup>16</sup> Based on EY research, the Venue Utilization value presents the ratio of total number of events per calendar days per year.

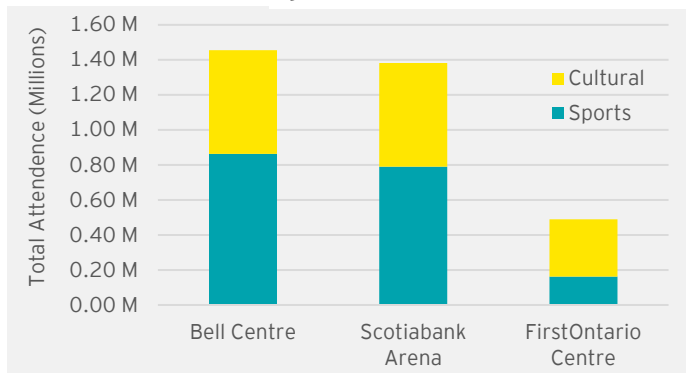


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Based on the data presented in Figure 7, the competitive landscape for FirstOntario Centre is identified as Scotiabank Centre, Place Bell, Budweiser Gardens, and Videotron Centre. These venues all share similar demand characteristics as FirstOntario Centre in terms of market size and tenancy profile.

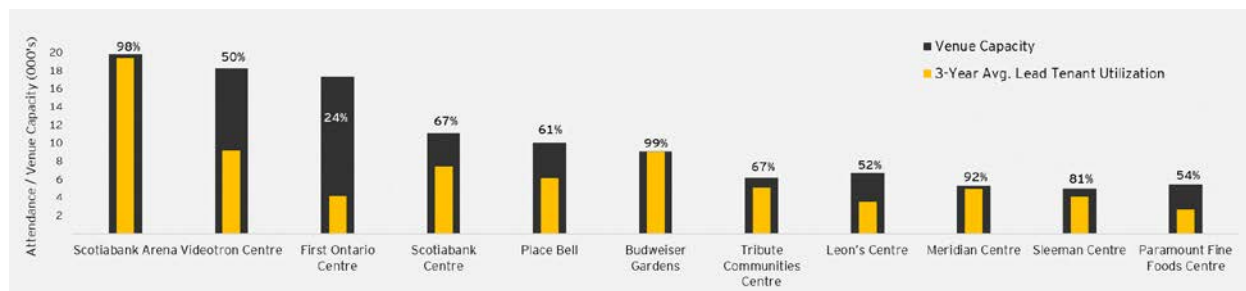
- ▶ The only arenas sampled of a similar capacity to FirstOntario Centre are Scotiabank Arena and Videotron Centre. Scotiabank Arena is home to both an NHL and NBA franchise, and is situated in Canada's largest urban area and adjacent to the country's busiest transit hub. Videotron Centre is situated in a mid-sized market's inner-city suburb and is without any professional team.
- ▶ Built in 2015, Videotron Centre offers state-of-the-art facility design and amenities creating an ideal environment for hosting a range of modern performances. EY understands in its early years of operation, the Quebec City municipal government is subsidizing operational. It has been widely reported that the facility was built to this capacity to attract an NHL franchise, which have been subsequently awarded to Las Vegas and Seattle. Without an NHL franchise, the Videotron Centre is overcapacity for the size of the market.
- ▶ With the exception of Videotron Centre in Quebec City, in eastern Canada the Bell Centre and Scotiabank Arena are the only comparably-sized arena facilities to FirstOntario Centre with capacities of 21,300 and 19,800. With both commercially viable, the required relative attendance data for profitability is presented in Figure 14 as a comparison.<sup>17</sup>

Figure 14 - Relative Arena Attendance



- ▶ Relative to the four (4) other arenas with a similar tenant base (OHL/CEBL) as FirstOntario Centre, the Anchor Utilization of 24% is significantly lower than the competition, which range from 52% - 95% as outlined in Figure 15. With a per-event average attendance in 2018 of 3,400, the Hamilton Bulldog's actual attendance numbers are in line with many of their OHL competitors, with the exception of the London Knights who brought an average attendance of 9,000 per game.

Figure 15 - Venue Utilization<sup>18</sup>



<sup>17</sup> Sourced from NHL, Billboard Music and other EY research.

<sup>18</sup> Compiled from various sources including OHL, facility annual reports, and other industry data sourced by EY.





The FirstOntario Concert Hall’s Great Hall is noted for its exceptionally strong acoustic qualities and ability to serve the needs for a wide variety of programming. The competitive market for performing arts venues to the FirstOntario Centre in Hamilton has focused on those facilities of a comparable publicly-owned facilities to the Great Hall in similar markets, with findings summarized in Figure 16 below.

Figure 16 - Performing Arts Venue Landscape<sup>19</sup>



Market	Burlington	Kitchener	Buffalo	Hamilton	Mississauga
Market Size	205,000	240,000	260,000	540,000	720,000
Year Built	2011	1980	1940		1997
Capacity	718	2,047	2,400	2,193	1,200
Annual Attendance	120,250	150,000	N/A	156,194	175,301
Total Events	188	150	N/A	111	167
Per=Event Utilization	89%	46%	N/A	66%	51%
Annual Utilization <sup>20</sup>	45%	20%	N/A	20%	23%
Operating Subsidy	\$990,628	\$2.00 million	\$1.06 million	\$564,004 <sup>21</sup>	\$1,803,156 <sup>22</sup>
% of Operating Expenses	26%	20%	17%	29%	25%
Operating Structure	Not-For-Profit	Not-For-Profit	Not-For-Profit	Private Operator	Not-For-Profit

While Hamilton’s annual utilization is lower than many of the competitive set, given the number of events is less, the actual per-event utilization at the facility is at the upper-end of the comparable set. It should be noted that while FirstOntario Centre’s subsidy-to-expense ratio may be considered relatively high, given that the facility is operated by a private operator rather than a not-for-profit, overall operations may be run somewhat more efficiently, potentially causing a slightly higher-skewed ratio.

<sup>19</sup> Compiled from various sources including municipal financial reporting, facility annual reports, and other industry data sourced by EY.

<sup>20</sup> Considers proportion of total attendance to total annual seat capacity.

<sup>21</sup> Estimated proportionate share of all total subsidy provided by City to Spectra.

<sup>22</sup> The operating structure is based around a nominal lease fee to the not-for-profit whereby the City of Mississauga estimates annual operating costs for this facility.








### Conference Facilities

The Canadian convention centre business is often discussed in terms of "Tiers", whereby host cities and/or convention centres may be classified based upon a range of factors, including attractiveness as a convention destination (e.g. air access, range of hotels), supply of meeting and exhibition space, and the locality and destination awareness of the host market. Tier 4 host cities would include Toronto and Montreal, while cities such as Ottawa or Niagara Falls would be considered Tier 3 destination, and London being considered a Tier 2 destination.

While Hamilton's "destination" differentiators - local culture and air access - would potentially place it in the Tier 2/3 category, historical factors such as the current lack of and diversity of hotel supply have caused it to be considered a Tier 1 destination. While the local supply of hotels has improved to a Tier 2 level, based on discussions with Tourism Hamilton, challenges of the hotel market's healthy occupancy driving up room rates, the Hamilton Convention Centre's challenging space offering, and its immediate proximity to Toronto have all limited its marketability relative to other Tier 2 cities.

Figure 17 - Tier 2 and Tier 3 Conference Venue Landscape<sup>23</sup>

					
Market	Hamilton	London	Niagara Falls	Halifax	Ottawa
Tier	2	2	3	3	3
Year Built/Renovation	1981	1993/2015	2011	2017	2011
Total Exhibit Space (sf)	19,662	33,033	125,065	50,000	56,000
Largest Contiguous (sf)	19,662	33,033	81,140	37,400	56,000
Total Meeting Space (sf)	12,961	19,402	25,864	37,876	45,000
Ballroom Space (sf)	19,662	40,728	21,453	45,500	19,000
Total Rentable Space (sf)	52,292	61,130	128,457	120,776	120,000
Exhibit Space Ratio <sup>24</sup>	0.6	0.5	2.0	0.5	0.9
Air Access	Average	Average	Average	Good	Good
Hotel Rooms in 1km Radius	829	1,104	4,619	2,196	3,500 <sup>14</sup>
% Branded/Premium	59%	89%	73%	80%	75% <sup>25</sup>
2018 Average Daily Rate	\$120	\$120	\$148	\$128	\$160
Ownership	Municipality	Municipality	Municipality	Municipality	Municipality/Province

<sup>23</sup> Compiled from various sources including municipal financial reporting, facility annual reports, and other industry data sourced by EY.

<sup>24</sup> Ratio of the largest, contiguous exhibit space to the total amount of ballroom and meeting space at the facility.

<sup>25</sup> Based on average values for the downtown Ottawa hotel market.



- ▶ Of all the competitive facilities, the offering of total contiguous space at the Hamilton Convention Centre is limited in size at approximately 20,000 sf relative to the competitive set. In terms of direct competition, London's RBC Centre offers 33,000 sf of contiguous space, while Scotiabank Convention Centre has over 80,000 sf.
  - In terms of utilization, RBC Place is reported as operating with a facility utilization rate of 70%, over 110,000 delegate days across over 300 events, and competed in provincial and regional convention business. The 2015 renovation significantly improved layout and quality of meeting spaces, with recent reports suggesting the need for expansion.
  - While the Scotiabank Convention Centre does not publish annual reporting on utilization, we understand that event scheduling at the facility is somewhat broad, with a range of entertainment programming in addition to traditional convention business. The facility's proximity to Toronto is often considered both a challenge and opportunity. With no direct air connection, the destination is limited in marketability to national and international associations who would typically connect through Toronto's Pearson International Airport. The marketing of regional and/or provincial events may augmented given the overall appeal of the destination as a leisure centre and level of proximity to Canada's largest urban centre.
  - In terms of market differentiators for Hamilton relative to Niagara Falls and other conference destinations, the relative cost of overnight stays would be the most significant differentiator, and to a lesser extent the year-round scheduled air service provided by Swoop Airlines and WestJet from Hamilton International Airport to select destinations such as Abbotsford, Calgary, Edmonton, Winnipeg and Halifax.
  - Similar to Scotiabank Convention Centre, the proximity to the GTA both can be considered a challenge and opportunity for the Hamilton Convention Centre. While the opportunity to attract more regional business from the Toronto market is an opportunity, given its even closer proximity and relatively inferior overall destination draw compared to Niagara Falls, we would view this situation as likely resulting in fewer overnight stays and local generation of local economic impact for regional conference business in Hamilton.
- ▶ A larger footprint of at least 35,000 sf of contiguous space would be required in order to compete more directly with the RBC Centre in London. It is unlikely that the Hamilton market would support a comparably-sized exhibit hall as Niagara Falls with insufficient market demand to support two (2) venues of this size in such close proximity. With both Halifax and Ottawa's conference facilities offering contiguous exhibit halls space in this range, there would appear to be currently an adequate market supply of traditional exhibit space within this size range:
  - Recent media reports from 2019 have suggested that the current utilization of the recently-opened Halifax Convention Centre as being low with local businesses questioning the longer-term local economic impact.
  - In March 2018, a revised 10-year Halifax municipal budget shortfall estimated a Year 1 capital and operating shortfall of \$3.5 million, which decline to \$1.1 million in Year 10 due to a decrease in the mixed-use project's adjoining office tower's occupancy.<sup>26</sup>

<sup>26</sup> Compiled from various sources including municipal reporting, and other research compiled by EY.



- The Ottawa Convention Centre's identified a facility utilization rate of 50% for 2017/2018, suggesting that it had not yet met the industry benchmarks of 60% utilization for being at or near full capacity.
- In addition to competitive conference facilities, several hotels in the immediate vicinity offer meeting space which could adequately serve similar meetings demand while offering an "all-in-one" solution for smaller events including the Sheraton Centre (17,367 sf), Hamilton Plaza Hotel & Conference Centre (10,162 sf) and the Hilton Homewood Suites. (10,000 sf).
- ▶ In addition to these direct comparable venues, we also understand the regionally-dominant Metro Toronto Convention Centre is currently contemplating a longer-term facility expansion, and recent renovation and/or expansions have also taken place in London, Winnipeg and Halifax.
- ▶ Despite the growth in local hotel supply, the composition of premium and/or branded hotel offerings within a 1-KM radius of the facility remains limited, but we understand several downtown hotel sites exist with initial project plans from discussions with local developers.
- ▶ Based upon these facts from the secondary competition to the Hamilton Convention Centre, the longer-term demand outlook for an expanded facility remains uncertain.

#### 4.3 Entertainment Precinct Examples of Leading Practice

In addition to asset-specific market assessments of comparable facilities, EY also has considered examples of leading precinct-level development of entertainment assets. Across North America, the public investment in entertainment venues has begun to shift towards mixed-use, downtown locations where public-sector facility investment may act as a catalyst towards larger private-sector investment in mixed-use destinations. New public realm, community spaces incorporated into these master-planned developments are re-defining historical design attributes which often limited connectivity and access.

New sports and entertainment venues projects, specifically, are altering the financial formula by co-developing facilities with revenue-producing segments such as residential, commercial, and hospitality. Growth in the follow-on private investment has often resulted in an expanded municipal property tax base, helping to offset debt servicing costs required to fund initial construction.<sup>27</sup>

##### ***Bell MTS Place, Winnipeg***

- ▶ Throughout the 1990s, as in many other North American cities, the decline of the downtown precinct in Winnipeg was significant. The closure of the downtown Winnipeg Eaton's store in 1999 demonstrated the link between changing economic conditions and the urban environment, creating "dead block" in the downtown core. In 2002, the construction of the Bell MTS Place was undertaken as a replacement for the Eaton's site.
- ▶ Since the construction of Bell MTS Place, over \$1.12 billion of downtown, private-sector investment has occurred downtown including a mix of residential, commercial, and retail development, including the recently-completed \$400 million True North Centre situated adjacent to the Bell MTS Place. An additional \$1.26 billion of additional, proposed development has been proposed downtown.<sup>28</sup>

<sup>27</sup> New York Times, *Welcome to the Neighbourhood: America's Sports Stadiums Are Moving Downtown*. (19 January 2018)

<sup>28</sup> Downtown Biz Winnipeg, *2015-2016 Annual Report & 2017-2019 Strategic Plan*.

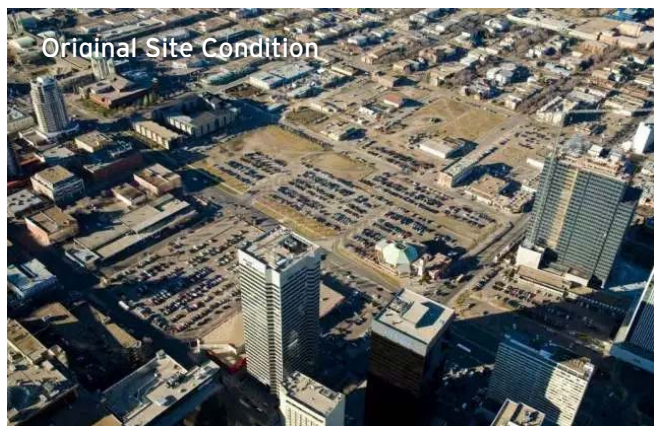


- ▶ With residential growth of over 1,200 units downtown, and a 45% increase in the downtown population since the 1990s, a decrease of nearly 20% in the number of total crimes taken place.<sup>29</sup> The adjacent, historic Exchange District to the Bell MTS Place’s downtown location has seen a large share of this residential growth, creating safer streets with additional currently planned mixed-use residential developments adjacent to the Bell MTS Place.
- ▶ Following this period of downtown renewal in Winnipeg, the RBC Convention Centre was also renovated and expanded.



**ICE District, Edmonton**

- ▶ The ICE District is a co-ordinated municipal redevelopment plan that was spurred by the publicly-funded construction of a new sports and entertainment venue. Built to house the Edmonton Oilers under a 35-year arrangement, a mix of follow-on private-sector will include residential, office, and hotel investments on former municipal lands.
- ▶ Following the construction of the Rogers Place in 2016, the Stantec Tower, JW Marriot Hotel, and the two (2) high-rise residential towers were recently completed as part of the ICE District’s Phase I sports entertainment complex.



<sup>29</sup> Downtown Biz Winnipeg, *2015-2016 Annual Report & 2017-2019 Strategic Plan.*



- ▶ With Phase I largely complete, private-sector follow-on investment has been proposed on the privately-assembled Phase II lands adjacent to the Phase I ICE District complex.
- ▶ Phase II of the project has commenced with the submission of development proposals for this site adjacent to the Phase I development.
- ▶ As of 2018, following the \$604 million capital investment, over \$2 billion of private-sector development followed.<sup>30</sup>



**Budweiser Gardens, London**

- ▶ Following a decline in assessed value in downtown London from 1992 - 2006, the 1998 *Downtown Millennium Plan* identified a proposed sports and entertainment venue as the centrepiece and major catalyst to revitalization and follow-on investment in downtown London.
- ▶ Since the construction of Budweiser Gardens and the Covent Garden Market, the total value of assessed properties in the downtown core has increased by more than 61% over the 20-year historical period from 1997.<sup>31</sup>
- ▶ Initial private-sector investment immediately following the announcement of Budweiser Gardens was approximately \$45 million from 1998 - 2004. Since then, the over \$255 million of additional private-sector investment has taken place, including over 2,200 residential units.<sup>32</sup>



Contrasting these are (3) Canadian examples of publicly-funded arena developments which are not situated in downtown locations which likely won't see the same near-term follow-on investment

<sup>30</sup> Compiled from various sources including municipal reporting, news media and other research compiled by EY.  
<sup>31</sup> City of London, *2017 State of the Downtown*. (2019)  
<sup>32</sup> City of London, *2017 State of the Downtown*. (2019)





opportunity for a variety of reasons, including the lack of market demand, site constraints and surrounding land use patterns.

**Canadian Tire Centre, Ottawa**



- ▶ Constructed in 1999 for \$170 million, the Canadian Tire Centre is situated in the Ottawa suburb of Kanata.
- ▶ Following the construction of the arena, there has been no investment leveraged from the private-sector on the adjacent lands of the site.
- ▶ Due to on-going attendance issues with the suburban location, the arena was reduced in capacity to 17,000 in 2017 despite being home to a successful NHL franchise.

**Videotron Centre, Quebec**



- ▶ Breaking ground in 2012 at a total cost of \$370 million, the Videotron Centre is situated in a largely built-out inner-city suburb adjacent to the former Pepsi Coliseum.
- ▶ While built to NHL standards with a capacity of 18,259, Las Vegas and Seattle have recently been selected for an NHL expansion.
- ▶ The newly-built facility is reportedly operating at a \$3.5M municipal deficit and limited follow-up investment has occurred, in part due to adjacent site constraints as well as being situated in a less desirable development node.

**Place Bell, Laval**



- ▶ Completed in 2017 at a cost of \$200 million, the Place Bell arena is situated in the largely suburban municipality of Laval.
- ▶ Given adjacent site constraints and existing land uses, we would expect that follow-on investment will occur over the longer-term.
- ▶ With the exception of select sites along Rue Lucien-Paiement, there would appear to be limited opportunities for precinct-level, pedestrian-friendly development adjacent to this site.

Based on the evidence from London, Edmonton and Winnipeg, it is our belief that a renewed arena facility may act as a catalyst to support other private-sector investment both adjacent to and in other areas within an immediate, walkable proximity. Downtown locations were surrounded by vacant land sites where the economics of a redevelopment were supported with viable market demand due to transit proximity, employment, and other area amenities.

In all of these cases, the arena's downtown location was critical where the revitalization of central, downtown districts improved the quality of life for all residents through spin-off retail and hospitality impacts.



## 5. Needs Assessment

EY acknowledges the measurable success which the City has achieved in promoting its visions for Downtown Hamilton. Through various grant programs, Development Charge (“DC”) rebates and planning policies, the goals of “downtown renewal” and “neighbourhood revitalization” as set out in the City’s 2013 *Cultural Plan* have begun to emerge across downtown Hamilton. Increasing levels of private-sector investment and new development have also taken, particularly in the vicinity of James Street, a primary distinctive tourism attribute identified in the City’s 2015 *Hamilton Tourism Strategy*.

Through this Entertainment Venues Review, we feel that additional, unique opportunities may emerge for the City to address 2016 *Economic Development Action Plan* areas of focus, including “workforce development”, “promote and sell Hamilton” and “leverage city real estate holdings” through developing a longer-term outlook on the role of the current Entertainment Venues in not only meeting Hamilton’s Sports, Entertainment, and Convention needs moving forward, but also visions for Downtown Hamilton.

Significant evidence suggests that downtown-oriented entertainment precincts that are well-designed and integrated into the surrounding urban fabric will not only act as a catalyst to promote further private-sector investment, but also may significantly contribute to the vibrancy and quality of life for current residents, downtown employees, and tourists.

Based on the analysis presented throughout earlier sections of this report, current market trends and facility utilization across programming segments would support the general rationale of broad, moderate growth in the demand for the use of the City’s Entertainment Venues. Coupled with the current development trajectory in downtown Hamilton and the positive cultural spin-off effects and follow-on investment achieved in other Canadian municipalities, it is our view that the added benefit of co-locating entertainment assets in a clustered, downtown precinct should be considered a top priority for the City.

A series of observations pertaining to size, programming, project attributes and Order-Of-Magnitude costs for the new construction of “hypothetical” venues comprise our Needs Assessment in Figure 18.

Figure 18 - Hamilton Sports and Entertainment, Performing Arts, and Conference Convention Centre Needs

Sports and Entertainment Complex	
<b>Facility Capacity</b>	<ul style="list-style-type: none"> <li>Based on our review of the current level of demand at the FirstOntario Centre, and comparable attendance levels for other facilities with an OHL lead tenant, a capacity of ~10,000 seats would support Hamilton’s needs.</li> </ul>
<b>Programming Impact</b>	<ul style="list-style-type: none"> <li>Evidence across the OHL suggests that attendance levels following the construction of a new sports and entertainment venue may increase anywhere from 20% - 50%.</li> <li>Based upon the programming of comparable sized facilities of with a ~10,000 seat capacity, and through consultation with event promotion experts, we understand this capacity would not greatly limit future potential for major events such as concerts or award shows.</li> </ul>



	<ul style="list-style-type: none"> <li>Capacity issues at Scotiabank Arena and the market size of the GTA/GGH<sup>33</sup> will continue to require a second major sports and entertainment venue in the region, particularly as transit service improves.</li> </ul>
<b>Building/Location Attributes</b>	<ul style="list-style-type: none"> <li>Competitively designed facility which offers ability the host increasingly technical, modern events and provide a premium guest experience, both of which are key top-line revenue drivers.</li> <li>Multiple F&amp;B offerings spread throughout the facility to adequately serve capacity, with one (1) publicly-accessible premium lounge/restaurant.</li> <li>Premium mid-level box seating (with separate entryway) and potential for lower-bowl premium box rentals with dedicated lower-level seating.</li> <li>Roof structure with ample rigging support and load-bearing capacity to accommodate modern concert events and a professional LED scoreboard.</li> <li>Direct connection to parkade with revenue-sharing potential.</li> <li>As downtown businesses depend on the major events held at FirstOntario Centre, ease of access to and from key commercial nodes to the facility.</li> <li>Adjacent public gathering space with pedestrian-level connections to other major tourist destinations in downtown core.</li> <li>While few examples of sports and entertainment venue renovations at this scale exist in Canada, the success of cities (e.g. Winnipeg, London) investing in downtown areas not only served market needs but also helped achieve urban renewal goals.</li> </ul>
<b>Est. Cost (as new)</b>	<ul style="list-style-type: none"> <li>Based on an average per-seat cost of recently-built facilities, and a review of other market research, approximate Order-Of-Magnitude cost estimates of \$125 - \$130 million for a new sports and entertainment venue.</li> <li>Misalignment with FirstOntario Centre's capacity and City needs are creating uneconomical operating conditions despite a demand level which would likely support the commercial viability of a "right-sized" facility.</li> <li>Capital investment of \$34.4 million is required to maintain a "status quo" condition with on-going municipal subsidy requirement that is not required in other comparably-sized markets' commercially viable facilities.</li> </ul>
<b>Performing Arts Centre Needs</b>	
<b>Facility Capacity</b>	<ul style="list-style-type: none"> <li>Based on our review of the current level of demand for the FirstOntario Concert Hall, and comparable attendance levels for other regional performing arts venues, a capacity of ~2,000 would likely support the growing market demand in Hamilton.</li> </ul>
<b>Programming Impact</b>	<ul style="list-style-type: none"> <li>Given the current average per-event utilization of approximately 61% and nearly 40 events achieving a utilization of 75% or greater, the on-going operation of a ~2,000 seat facility would support the Hamilton's needs.</li> </ul>
<b>Building/Location Attributes</b>	<ul style="list-style-type: none"> <li>Given the Hamilton Philharmonic Orchestra as the lead tenant and the wide range of other musical and theatrical performances taking place, superior acoustical qualities are paramount.</li> <li>Upgraded technical package for modern performing arts musical, theatre and other entertainment productions.</li> <li>F&amp;B offering should align to the programming, with an appropriate space for providing a premium guest experience when required.</li> </ul>





	<ul style="list-style-type: none"> <li>• Direct access to an outdoor space would enhance overall guest experience and facility marketability for events with pedestrian-level street animation.</li> <li>• Direct access to parking, a guest pick-up/drop-off area and AODA compliance is particularly significant given the demographic of guests.</li> </ul>
<b>Est. Cost (as new)</b>	<ul style="list-style-type: none"> <li>• Based on an average per-seat cost of recently-built facilities, approximate Order-Of-Magnitude cost estimate of \$55.0 - \$65.0 million for a newly-built performing arts venue of this capacity.</li> <li>• As most competitive facilities were built in the 1970s/1980s, the age of the facility would not appear to be a critical factor in facility marketability.</li> <li>• Capital investment of \$8.8 million is required to maintain this “status quo” condition with moderate on-going municipal subsidy required.</li> </ul>

**Convention Centre Needs**

<b>Facility Capacity</b>	<ul style="list-style-type: none"> <li>• In order to compete more directly for non-local regional, provincial and national, a minimum contiguous floorplate of 35,000 sf of exhibit space has been identified through stakeholder consultation and to compete for business with comparable facilities.</li> <li>• Given the unlikely ability to compete in the trade show market with several competing facilities in the GGH, an exhibit space to meeting/ballroom space ratio of 0.5 is deemed reasonable. Based on this, using an average exhibit space to meeting/ballroom space ratio of 0.5, a total requirement of 70,000 sf has been identified.</li> <li>• Given that that Hamilton’s destination draw would currently be considered inferior to Niagara Falls, Halifax or Ottawa, a comparable capacity to other Tier III destinations would likely not be supported by market needs.</li> </ul>
<b>Programming Impact</b>	<ul style="list-style-type: none"> <li>• With the current facility benefitting from stable, recurring revenue growth, it is our view that the existing events business may be impacted by a potential renovation and/or relocation of the existing site.</li> <li>• As the general intent of any proposed renovation/relocation of the existing site is would adjust marketability towards more traditional convention and/or non-local meetings business, the impact to programming of the existing, profitable business may be considered.</li> <li>• This facility requirements to support this recurring, growing existing business segments must be balanced against the potential financial impact of investment in a new facility designed for a different target market.</li> <li>• Newly-built convention centres can often operate at a net loss to the municipality as a means to further tourism goals and the generation of non-local tourism spending.</li> <li>• Currently while the programming mix does not align to the traditional composition of convention centre business, the facility is profitable.</li> </ul>
<b>Building/Location Attributes</b>	<ul style="list-style-type: none"> <li>• Based on the acknowledgement that the existing facility is limited in terms of its contiguous floorplan, kitchen, loading capabilities, lighting, and other technical considerations, a new facility requirement is assumed.</li> <li>• In our view, the success of a revitalized and renewed convention centre in Hamilton is highly dependent on the stature of the City’s tourism draw.</li> <li>• While Hamilton has made significant strides forward in terms of its civic identity and overall tourist appeal, it would not at this time compete</li> </ul>



	<p>against Tier III destinations such as Niagara Falls, Ottawa, or Halifax. Hamilton will also always be in the "shadow" of Toronto and its venues.</p> <ul style="list-style-type: none"> <li>• The continued development of the downtown core, the City's cultural offerings, F&amp;B scene, and the transit improvements and waterfront development in the next 5+ years may all provide the direction upon which this could be over the medium-term.</li> </ul>
<p><b>Est. Cost (as new)</b></p>	<ul style="list-style-type: none"> <li>• Based on an average psf costs of recently-built facilities and Marshall and Swift cost estimates, an approximate Order-Of-Magnitude construction budget of \$28 - \$38 million for a newly-built convention facility of an appropriate quality has been estimated to meet Hamilton's market needs.</li> <li>• One of the market differentiators today for Hamilton is its relative cost-effectiveness to other Tier 2 and Tier 3 conference destinations. With the construction of a new facility, the impact to this should be considered.</li> <li>• While misalignment with the Hamilton Convention supporting the needs of more traditional definitions convention centre demand segments, based on market conditions today and the recent upgrades or relatively newer construction of directly competitive and regionally dominant centres, the expected commercial viability of a renewed facility is uncertain.</li> <li>• Capital investment of \$4.0 million is required to maintain this "status quo" condition where on-going municipal subsidy is not expected for the foreseeable future.</li> </ul>

Based upon this Needs Assessment, the FirstOntario Centre would appear to be most misaligned facility to current market demand in Hamilton. This misalignment would appear to create added operational costs that will continue to require on-going municipal subsidy while delivering a sub-optimal guest experience.

The FirstOntario Concert Hall would appear to respond reasonably well to this Needs Assessment for Hamilton, with no key significant indicators of misalignment to market demand with the exception of potential accessibility, outdoor space, and F&B upgrades.

While the Hamilton Convention Centre does not appear to align to the specific size, layout and aesthetic of convention centres in today's market, given that it operates on a net profit basis to the City, it would not be considered an immediate priority for major investment. Based on the level of current investment in competing centres such in London, Halifax and Winnipeg, we also feel that the market viability for a renewed facility today is somewhat uncertain.



## 6. Entertainment Venue Options Analysis

Based on the Needs Assessment identified for the Hamilton market, an options analysis has been developed that contemplates three (3) possible go-forward scenarios as part of this Entertainment Venue Review. These include a "Status Quo", "Arena Renovation", and "Entertainment Venue Renewal" option, which may be evaluated based upon a series of quantitative and qualitative factors.

Each option's financial impact had been assessed over a 35-year period to 2052 which aligns to a proposed 30-year future lease as part of the Entertainment Venue Renewal Option. Future attendance and revenue projections, as well as capital investment considerations such as lifecycle maintenance, facility renovation or new construction have also been incorporated into each forecast.

Additional project goals such as the added benefit of co-locating Entertainment Venues in clustered, downtown precinct and the ability the three (3) options to act as a catalyst for further private-sector investment will be considered in developing final recommendations.

With summary statistics presented herein, please consult Appendix E for further detail on input assumptions and to review operating cashflow projections.

### 6.1 Status Quo Option

Through consultation with City staff, external stakeholders, and a review of available building condition reports, each of the Entertainment Venue's physical condition is characterized by significant deferred maintenance. Capital investment, we understand, is imminently required to ensure the on-going useful life for the next 25 to 30 years. Under the Status Quo option, capital investment in near-term required lifecycle maintenance has been considered for each of the facilities.

Our financial forecast for the Status Quo option employs the following major assumptions:

- ▶ It has been assumed that each facility will continue to drive similar levels of utilization with a similar cost base over the forecast period. Using 2018 operating results, inflationary growth factors have been applied at 2.00%, indicative of the moderate, stable growth exhibited in each facility's historical performance.
- ▶ With no change in revenue-generating capacity, no incremental income gains.
- ▶ In order to achieve the on-going operation of these facilities for the next 30 years, capital investment requirements previously discussed in Section 2.4 of this report have been incorporated from 2019 - 2024.
- ▶ As lifecycle maintenance is not expected to greatly improve energy efficiency, the on-going municipal utility subsidy of \$1.2 million has been assumed to remain over the forecast period.
- ▶ For each scenario, the absolute financial impact to the City of any on-going subsidy and capital investment have been identified, with a Net Present Value ("NPV") calculation, based upon a 4.50% discount rate, indicative of City's cost of capital.
- ▶ The existing management agreement particulars, including the Net Loss Guarantee with Spectra, have been assumed to remain over the forecast period.





- ▶ While the Hamilton Convention Centre’s operations have been forecasted over a 30-year period, given the expectation of on-going profitable operations, there has been no financial impact associated with the Hamilton Convention Centre under this option. We have excluded the utility subsidy which Carmen’s provides the City as this transfer covers costs incurred by the City.
- ▶ A “Structural Reserve” has been incorporated into the capital investment forecast following the 10-year period after capital investments previously identified.
  - Referenced from the Canadian Infrastructure Report Card’s (“CIRC”) investment survey, a range of 1.70% - 2.25% of construction cost is considered industry standard.
  - Using Statistics Canada’s construction cost index, an inflated construction cost of \$108 million would require approximately \$1.8 million in annual capital costs from 2030 onward for capital maintenance of FirstOntario Centre.
  - The current capital budget has been assumed to be re-directed towards FirstOntario Concert Hall and would fall within the CIRC range for inflated construction costs.

**Financial Impact & Subsidy Reduction**

The following financial impact results have been projected over the 30-year study period under the Status Quo option based upon assumptions identified:

Projected Financial Impact Evaluation: Status Quo Option	
Total Municipal Subsidy	(\$64,298,193)
Total Capital Investment	(\$91,680,316)
Total Financial Impact	(\$155,978,510)
<b>Total Financial Impact NPV</b>	<b>(\$90,783,849)</b>

**6.2 Arena Renovation Option**

Through consultation with City staff, external stakeholders, and a review of available building condition reports and other master plans, we understand that a 2016 Arena Renovation Study was prepared by BBB Architects (“BBB Report”).

This scope of this report included a comprehensive assessment of the FirstOntario Centre’s physical condition, outlining two (2) potential renovation options; a partial upgrade of the existing facility with an estimated cost of \$68 million and a complete transformation into an NHL-quality sports and entertainment facility with an estimated cost of \$252 million.<sup>34</sup> While EY acknowledges that City Council did not endorse either recommendation presented in this report, we do believe that it offers a valuable comparison to the Status Quo and Entertainment Venue Renewal options.

The Arena Renovation Option considers a proposed partial renovation which consists of end-of-life building upgrades and the remodelling of key interior areas. We understand that in addition to greatly extend the life of the facility, this option would greatly augment the revenue-generating capacity of the FirstOntario Centre with the upgrading of premium boxes, addition of F&B concessions in the Lower Bowl and a renewed premium restaurant/lounge.

<sup>34</sup> City of Hamilton Staff Report (5 April 2017) / BBB Architects, *FirstOntario Centre Renovation Study*. (31 August 2016)



Our financial forecast for the Arena Renovation option employs the following major assumptions:

- ▶ The FirstOntario Concert Hall and Hamilton Convention Centre are subject to the same assumptions employed in the Status Quo option.
- ▶ The 2016 partial renovation cost estimate of \$68 million identified by City staff from the BBB Report has been inflated to 2019 dollars using the Statistics Canada Construction Cost Price Index, assumed to now cost over \$73 million.
- ▶ The project timelines provided in the BBB Report are assumed to commence in January 2020 with a total project duration of 20 months. Throughout 2020 and 2021, the BBB Report indicates the facility will be operational for the fall and winter seasons, but will require a full closure for three (3) months during the summer season.
- ▶ Through discussion with the Hamilton Bulldogs, City staff and others familiar with the FirstOntario Centre, we understand the critical nature of the end-of brine piping system and natural gas generator, we have modelled these costs into the capital investment forecast for the current FirstOntario Centre. To sustain business operations and commercial confidence in the City, we feel these repairs are necessary despite the construction of a new facility in the interim.
  - Further discussion and segmenting of these cost estimates provided to EY may allow for select items to be removed from the \$7.3 million estimated costs.
  - Potential cost-sharing may be packaged into an overall deal negotiated with the future operator and/or partner on City's new sports and entertainment venue.
- ▶ For the purposes of forecasting an operating cashflow at FirstOntario Centre, EY developed a forecast of attendance and associated event income for the 2-Year period renovation from 2020 using 2018 attendance figures and the following set of assumptions:
  - During the renovation period with summer closures, EY assumes that two (2) Major Concerts, two (2) Minor Concerts and two (2) Family/Entertainment events would not be accommodated due to the renovations. This has been based on a review of the 2018 and 2019 summer event schedules and discussions with event industry experts.
  - Event income would otherwise continue to grow with inflation over the two-year renovation period.
  - Indirect expenses include fixed cost items such as salaries, employee benefits, and worker's compensation are not assumed to be variable, so no adjustment has been applied to reflect the decreased attendance during the renovation period.
- ▶ Following the renovation period, we have employed the following additional assumptions based on upgrades to the facility:
  - For 2022, we have assumed the return of the six (6) events which were not accommodated during the renovation period, with no further incremental gains in net number of events as a result of "lost momentum" in marketing Hamilton during this renovation period.
  - We do note, however, that the completion of an arena renovation would likely induce some degree of additional interest in the current programming following the renovation period. It is assumed that overall Event Income will increase by 15% across all segments.



- Given the enhanced premium box offering, additional F&B outlets in the Lower Bowl, and renewed premium restaurant/lounge, we would anticipate that Ancillary Income would increase by an additional 35%. Factoring in the augmented F&B offering as a result of the building’s renovations, a total adjustment of 50% for Ancillary Income is assumed.
- ▶ Based on the overall augmentation of Downtown Hamilton’s urban landscape and tourism identity future transit improvements and growing downtown resident base, we have applied an annual 2.0% growth in Total Event Income for the FirstOntario Concert Hall for a 10-year period from 2024, for a total adjustment of 20% over the 10-year period.

**Financial Impact & Subsidy Reduction**

The following financial impact results have been projected over the study period under the Arena Renovation option based upon assumptions identified:

Projected Financial Impact Evaluation: Arena Renewal	
Total Municipal Subsidy	(\$34,155,832)
Total Capital Investment	(\$146,365,604)
Total Financial Impact	(\$182,426,184)
<b>Total Financial Impact (NPV)</b>	<b>(\$146,813,588)</b>

- ▶ Under the Arena Renovation option, the on-going municipal operating subsidy is projected to decrease by over \$30 million over the study period, largely due to an expanded F&B offering driving enhanced ancillary revenues, in addition to a moderate uptick in attendance.
- ▶ Based upon our review of the BBB Report, the arena renovation is largely internal, and includes a significant (~\$54 million in 2016 dollars) level of base building investment required to return the building to its originally intended condition.
- ▶ While the arena’s renovation does greatly expand revenue-generating potential, improving operating performance to a forecasted Net Loss Subsidy gain in Year 25, it does not sufficiently improve operating performance to eliminate on-going municipal subsidy.
  - Based on our understanding the BBB Report, the annual utility subsidy of \$1.2 million would be not eliminated as a result of this renovation work’s impact on energy efficiency, creating an on-going liability for the City. While some moderate (e.g. LED lighting) efficiency modifications are identified in the BBB Report, they are balance against the likely increase in utility needs due to other facility enhancements, with a net increase in utility costs of \$625,000 annually.<sup>35</sup>
- ▶ Additionally, based upon our review of the BBB Report, it does not appear that the renovation addresses the site-orientation challenges such as connectivity to adjacent developments, integration with the public realm and other street-level animation challenges in Downtown Hamilton that are noted within the City’s 2010 Downtown Secondary Plan.
  - As these external urban design factors are critical drivers of the overall urban landscape and the added benefit of a co-locating the City’s Entertainment Venues in a downtown precinct, we would expect the Arena Renovation option to dramatically impact private-sector investment and development in the downtown precinct.

<sup>35</sup> BBB Architects, FirstOntario Centre Renovation Study. (31 August 2016)



### 6.3 Entertainment Venue Renewal Option

The final option Entertainment Venue Renewal option contemplates a phased approach to the renewal of the FirstOntario Centre and Hamilton Convention Centre. Based on the results of our Needs Assessment, it would appear the FirstOntario Concert Hall largely meets Hamilton's needs, with the exception of aesthetic, accessibility, and F&B upgrades.

Based on this, the Entertainment Venue Renewal option considers a 3-phased approach, outlined below:

- 1) Construction and relocation of the existing FirstOntario Centre on a site of ~3.5 acres to allow for construction staging of sports and entertainment venue footprint of approximately 2.75 acres, subject to parking requirements.
- 2) Following the opening of a newly-constructed sports and entertainment venue, we believe the market rationale and tourist draw in Hamilton will have improved creating greater certainty around the viability of a renewed convention centre. The former arena site, subject to demolition, has been considered as an ideal site for this use, with excess capacity for other revenue-generating uses to be co-located on the site with the Hamilton Convention Centre.
- 3) Based upon a projected renewal of the Hamilton Convention Centre on the former arena site, the existing lands may be sold or redeveloped, subject to demolition.

An initial phase includes the renewal of FirstOntario Centre, which is assumed to be built on another site in the immediate vicinity within downtown Hamilton. The evidence in other similar Canadian markets, demonstrates the potential for a well-designed, renewed sports and entertainment facility with appropriate site-orientation to act as a catalyst for net, additional private-sector investment. The overall vibrancy created by this augmentation to the urban landscape will likely strengthen Hamilton's identity and tourist appeal.

As we have discussed throughout this report, the market rationale for a renewed convention facility in Hamilton today is uncertain given the age of competitive facilities, the relative tourist draws of Hamilton to other host destinations, and the relative depth in local hotel supply. The Hamilton Convention Centre today is also operating at a net profit to the City, somewhat unique among other Canadian facilities.

EY has developed a 30-Year financial projection of operational viability, potential costs and impact on municipal subsidy, additional funding model considerations are further described in the following section of this report.

#### *Entertainment Venue Renewal - Phase I*

Phase I of the Entertainment Venue Renewal option employs the following modelling assumptions:

- ▶ The land acquisition costs for relocating the FirstOntario Centre to a site of approximately 3.5 acres in downtown Hamilton has been estimated at \$35 million, or \$10 million/acre for modelling purposes. Treated as confidential, site-specific analysis and valuation(s) of potential sites to acquire have been separately provided to the City.





- ▶ Construction costs for a new sports and entertainment facility are estimated at \$115 - \$130 million, based on Order-Of-Magnitude per-seat comparable costs for other newly-built facilities, Marshall & Swift cost estimates, and the consideration of historical construction costs, indexed to 2019 dollars, of comparable facilities. For further detail, please consult Appendix F.
- ▶ An indicative five-year project timeline has been considered, with an initial year of pre-construction and design work in 2019, followed by three (3) years of approvals/construction and, with a projected opening of the new facility in 2023.<sup>36</sup>
- ▶ From 2019-2023, operations at the current FirstOntario Centre are assumed to continue to grow with the market, with no change in the structure of the existing management agreement.
- ▶ In 2023, a new management structure has been assumed with major assumptions driven by discussions with industry stakeholders and a review of arrangements at other comparable facilities, including Budweiser Gardens, Place Bell, and Rogers Place.
  - The City would additionally collect a facility fee on tickets. Based upon our review of in other facilities, for modelling purposes this has been assumed as \$0.50 per ticket, increasing to \$1.00 in Years 25-30, assuming a 50-year lease.
  - The operating income of the facility would also account for a guaranteed management fee, assumed to be \$450,000 over the course of the agreement.
  - A new management agreement would likely be structured with lease payments equal some combination of an upfront capital contribution and a portion of the new facility's Net Operating Income ("NOI"), to be further negotiated by the City. For modelling purposes, we have assumed an on-going lease structure equal to 25% in Years 1-5, 50% in Years 6-10, and 75% thereafter. This assumption is subject to change upon the negotiation of a management agreement with potential future lessors/operators.
- ▶ Forecasted attendance levels upon the completion of the new sports and entertainment venue have been based upon a projected increase of 50% for sporting events, namely the Hamilton Bulldogs and a 15% increase for cultural events such as concerts and family shows.
  - Through our discussions with the Hamilton Bulldogs, we understand that the current facility is a major limitation for attendance. As such, a renewed sports and entertainment venue we feel would draw a notable increase in attendance, assumed to be 268,576 in 2023, With average attendance of 5,481 projected in 2023, this assumption is in line with the current OHL average of 5,210.
  - While we expect a renewed sports and entertainment venue to materially augment the promotion and marketing of Hamilton for cultural events (e.g. concerts, family shows), we have also considered the impact of a reduction in overall capacity. Balancing these, a 15% increase in attendance would see 402,931 cultural attendees in 2023 to the facility.
- ▶ Income per ticket forecasts for cultural programming are based on an inflated current value, which is comparable to other facilities reviewed. Inflated to 2023, an assumption of \$10.79 per ticket has been used for revenue build-up purposes.

<sup>36</sup> Given the preliminary nature of this analysis, this 5-year timeline is intended to be indicative as a means to compare the financial impact from one option to another.





- ▶ Acknowledging that a new agreement with the Hamilton Bulldogs would likely be negotiated in a new sports and entertainment venue lease, EY has considered the 2018 sports Event Income on a per-ticket basis for the London Knights of \$2.54<sup>37</sup>. In Hamilton’s case, an assumption of per-ticket income of \$1.75 has been assumed upon project stabilization in 2023 due to attendance levels and demographics, as well as the ownership of either facility’s lead tenant.
- ▶ Indirect costs have been estimated on a per-seat basis using comparable data from both Budweiser Gardens and Scotiabank Centre (Halifax), with a per-seat 2018 assumption of \$651.
- ▶ We have assumed that the management of FirstOntario Concert Hall may be incorporated into a new management agreement, with likely future negotiations to occur with respect to the subsidy of that facility’s initially forecasted operating losses. As discussed in Section 4 of this report, the majority of performing arts venues in Ontario receive some form of public subsidy.
- ▶ As in other options, we have assumed the profitable operations of the Hamilton Convention Centre will continue for the foreseeable future, with no financial impact to the City. Further discussion of Phases II and III of this option are provided herein.
- ▶ While it is assumed facility ticketing fees will be re-directed in part to a capital reserve, in Year 25 following the completion of the new sports and entertainment venue, an annual structural reserve of \$2.3 million has been assumed.

The following financial impact results have been projected over the 30-year study period under the Entertainment Venue Renewal option based upon major assumptions identified:

Projected Financial Impact Evaluation: Entertainment Venue Renewal	
Total Facility Ticket Fee Proceeds	\$15,430,432
Total Operating Profit Proceeds <sup>38</sup>	\$4,068,995
Total Performing Arts Subsidy	(\$7,469,138)
Total Financial Impact	(\$184,861,382)
<b>30-Year Financial Impact NPV</b>	<b>(\$166,372,238)</b>

- ▶ Based upon these results, estimated direct City proceeds of nearly \$20 million are projected for the Entertainment Venue Renewal option over the Study Period.
- ▶ Our analysis indicates on-going municipal subsidy requirement will be eliminated for the operation of the sports and entertainment venue following new construction based upon the projected commercial operations and assumptions derived from other comparable facility operations.
- ▶ Direct proceeds of \$20 million over the study period does not consider several areas for potential direct cost offsetting, such as the residual development land(s) which the City would retain from Phase I and further Phases II and II identified below and other considerations identified in Section 7.3 of this report.

<sup>37</sup> F&B concessions and ticket sales (e.g. Direct Event Income) aggregated into reported Sports Event Income.  
<sup>38</sup> May be applied against a potential private-sector capital contribution, subject to further negotiation by City.



EY has additionally considered the economics of a new convention centre being built on the former FirstOntario site and how a municipal land contribution may impact potential City contributions towards construction costs of a new facility. Based upon land requirements for the following two (2) comparable convention venues as the requirements set out in our Needs Assessment, we identified an estimated site requirement of 2.0 acres.

Convention Centre Site Requirements <sup>39</sup>			
Conference Centre	Total Size (sf)	Largest Contiguous (sf)	Site Area (Ac)
RBC Place (London)	70,000	33,033	1.90
Victoria Convention Centre	73,000	25,000	2.02

With an estimated size of 3.69 acres for the entire former FirstOntario Centre lands, we have considered the balance of the site's 1.69 acres as a candidate for development, subject to a \$10.5 million demolition cost for the existing FirstOntario Centre.<sup>40</sup>

To determine the degree to which the underlying land value may be applied towards the future development of a future convention centre, we have also estimated the future value of the excess lands which would not be required for the convention centre construction against the inflated construction cost for a newly-built convention centre.

With an estimated 1.69 acres on the balance of the former FirstOntario Centre site, using an estimated Floor-Area-Ratio ("FAR") we can assess the total expected magnitude of future development. Based upon a review of comparable properties in downtown Hamilton and the property's specific planning considerations, we have assumed a FAR of 8.50 yielding a build-out of approximately 630,000 sf on the adjacent lands to a proposed convention centre.

Currently in Hamilton, based upon the sales of comparable development sites identified below, the price per buildable-square-foot is in the \$40 - \$42 psf range.

High-Density Mixed-Use Sales Comparison <sup>41</sup>					
Development Site Sale	Date	Size (ac)	Purchase Price	Est. Size (sf) <sup>42</sup>	Price PSF
98 James Street South	Sep-19	0.33	\$8,500,000	199,238	\$42.66
190 Main Street South	Dec-18	1.88	\$20,500,000	493,420	\$41.55

Upon the time of this contemplated next phase of development were to occur, it should be acknowledged that the these lands would be sitting adjacent to a newly-built sports and entertainment facility, as well as the Hamilton Central Library and Farmer's Market, three (3) highly sought-after local area amenities. It is also expected that the Hamilton LRT system will be operational at this time.

Given these factors and on-going Downtown Hamilton market appreciation, a premium of 25% has been applied to the per buildable sf unit value from today's market value. It should be noted that these future value estimated are predicated upon the successful completion of Phases I and II, the completion of the LRT system, all else being equal from today's market conditions.

<sup>39</sup> Compiled by EY from a variety of sources including facility websites, industry publications and GIS software.  
<sup>40</sup> Assumed using demolition costs quoted by City of Calgary for the demolition of the Scotiabank Saddledome.  
<sup>41</sup> Sourced from RealNet with additional assumptions developed by EY for project densities.  
<sup>42</sup> Assumed based on Downtown Hamilton Secondary Plan, proposals received and other comparable site densities.



Summarized in the table below is the inflated 2023 construction cost estimate for the convention centre, the 2023 land value estimate, and expected 2023 arena demolition costs.

Land Value Contribution to Convention Centre Construction	
	Est. Value
Est. 2023 Residual Land Value - Former Arena Site	\$33,001,272
Est. 2023 Convention Centre Construction Cost	\$30,471,856
<b>Excess Land Value</b>	<b>\$2,529,416</b>
Less: Arena Demolition	(\$11,442,390)
<b>Total Project Costs</b>	<b>(\$8,912,974)</b>

This data would suggest that while residual land values of \$2.5 million over and above estimated future construction costs may be retained, the assumed cost for demolition of the existing site must be factored into the analysis. A total project cost of \$8.9 million has been assumed for the convention centre after adjusting for demolition of the existing FirstOntario Centre improvements. Further discussion of typical cost-splitting with other levels of government is provided for in the following section.

Once this hypothetical Phase II has been completed, the underlying value of the existing Hamilton Convention Centre's approximate 1.3-acre site may be further considered. Using the same premium applied to the forward-looking price per buildable sf that was employed in the valuation of the former arena site, in our view, is justified given that this site is adjacent to cultural amenities such as the Art Gallery of Hamilton and FirstOntario Concert Hall, in addition to its adjacency to the proposed James Street LRT station.

As such, with a FAR assumption of 8.5, the following value has been estimated, subject to a demolition cost estimate of \$670,981.<sup>43</sup>

Current Convention Centre Residual Land Value	
	Size (sf) / Value
Est. Total Site Size	56,745
Est. Project Buildout	482,222
<b>Est. 2023 Land Value</b>	<b>\$25,721,979</b>
Less: Demolition	(\$670,981)
<b>Est. 2023 Residual Land Value</b>	<b>\$25,050,998</b>

**Residual Sports and entertainment Venue Land Value**

It should also be noted that based upon our analysis of comparably-sized sports and entertainment venue facilities, our initial land acquisition requirement of 3.5 acres was identified for the staging and construction of a future 10,000-seat sports and entertainment venue.

Should parking not be required as part of the overall sports and entertainment venue development, however, we believe that following construction the City would likely retain a residual development land parcel of approximately 0.75 acres.

<sup>43</sup> Sourced from Marshall & Swift, and subject to additional site-specific adjustments made by EY, inflated to 2023.



We have assumed the actual size requirement for the sports and entertainment venue development as 2.75 acres based on the research presented below:

Sports and Entertainment Venue Site Requirements (Excluding Parking) <sup>44</sup>			
Venue	Capacity	Site Area (Ac)	Comments
Budweiser Gardens	11,000	2.91	Excludes gathering space, parking.
Scotiabank Centre	9,100	2.58	No adjacent parking.

Under this scenario, the residual value of this excess land has been assumed to have a future value of nearly \$17.5 million, based upon a FAR of 10 on this strategically-located 0.75-acre site which would be adjacent, if not connected to a proposed newly-built sports and entertainment facility.

Future Sports and Entertainment Venue Site Residual Land Value	
	Size (sf) / Value
Est. Total Site Size	32,738
Est. Project Buildout	327,372
<b>Est. 2023 Land Value</b>	<b>\$17,458,357</b>

<sup>44</sup> Sourced from arena websites and GIS software.



# 7. Funding Model Assessment

In order to assess the potential municipal contribution requirement for recommendations arising from this Entertainment Venues Review, an assessment of deal structures and operating models for recently-constructed sports and entertainment venues and convention centre facilities has been completed. In addition, further analysis on potential municipal cost offsets and other indirect local economic impact benefits have been considered.

## 7.1 Sports and Entertainment Venue Case Studies: New Construction

The following details pertaining to the funding formulas demonstrate the relationship between the operator of new sports and entertainment venue facilities and its private contribution partner.

Figure 19 - New Sports and entertainment venue Construction Funding Details<sup>45</sup>

Sports & Entertainment Venue	Year Built	Cost <sup>46</sup> (\$M)	Public Funding	Private Funding
<b>Proposed Renewal, Calgary</b>	TBD	\$550.0M	50%	50%
<ul style="list-style-type: none"> <li>• \$227M upfront city contribution.</li> <li>• \$155M recovered by city with facility fee over 35-year period.</li> <li>• \$2.5M recovered by city with 10-year naming rights.</li> <li>• \$227M upfront contribution from Flames ownership, who were also guaranteed ROFR<sup>47</sup> on adjacent lands.</li> <li>• Ownership to be retained by the city, with Flames ownership responsible for 35-year maintenance.</li> </ul>				
<b>Place Bell, Laval</b>	2017	\$200.0M	84%	16%
<ul style="list-style-type: none"> <li>• \$122M upfront city contribution and \$46.3M upfront provincial contribution</li> <li>• \$32M Evenko contribution which the facility manager &amp; Montreal Canadiens/lead tenant partner who is responsible for all operating costs of facility over the course of the 20-year leasing deal.</li> <li>• Private-sector upfront contribution of \$12M, in addition to \$20M over a 20-year leasing term, or \$1M/year.</li> <li>• Original private contribution equal to 30% of total project costs, decreasing to 16% due to cost overruns.</li> </ul>				
<b>Mosaic Stadium, Regina</b>	2016	\$278.0M	91%	6%
<ul style="list-style-type: none"> <li>• \$80M upfront provincial contribution and \$73M upfront city contribution.</li> <li>• \$75M recovered by city 35-year lease with Sask. Sport Inc. with city responsible for 30-year maintenance which has been estimated at \$118.8M over the term of the lease.</li> <li>• Private, upfront contribution from football club of \$20M towards public funding costs, with an additional \$20M investment towards the Roughrider's internal areas of new stadium.</li> <li>• \$100M recovered by city through a ticket surcharge projected over 30-year period.</li> </ul>				
<b>Rogers Place, Edmonton</b>	2015	\$483.5	73%	27%
<ul style="list-style-type: none"> <li>• \$226M upfront city contribution funded through community revitalization levy, new parking revenues, and redirection of current Rexall Place subsidy.</li> <li>• The ICE District partnership<sup>48</sup> contributed of \$130M includes an upfront \$19.7M capital contribution, and \$112.8M paid to the city as rent over 35 years which covers principal and interest costs for principal amount.</li> <li>• \$125M financed by the City will be recovered through ticket surcharges over 35-year lease period.</li> <li>• Additional private investment from the ICE District Partnership<sup>31</sup> in adjoining community amenities was provided, including a \$6.7M upfront contribution and \$25M over 35 years covering city's financing costs.</li> <li>• Subsequent municipal land transfers between the city and the ICE District Partnership would appear to reflect earlier investments in other community amenities and future programming.</li> </ul>				

<sup>45</sup> Compiled by EY from a variety of sources, including media reports, municipal budget documents, and other public information.

<sup>46</sup> Total project costs, which may include land acquisition or other components not considered in analysis of construction costs.

<sup>47</sup> Right of First Refusal to acquire municipal development lands adjacent new arena facility.

<sup>48</sup> A joint-venture between Katz Group, who also own the Edmonton Oilers, and ONE Properties, a development partner.





- ▶ For most private-sector contributions, funding has been comprised of an upfront capital contribution, in addition to longer-term lease payments, which represent a portion of operating gains. Operational risk has been assumed following a municipal-led construction project.
  - Due to cost overruns in the construction of Place Bell, the actual composition of private funding decreased from 30% to 16% of the originally-committed municipal cost estimate.
- ▶ In most cases (e.g. Calgary Proposal, Place Bell, Rogers Place), facility management groups are provided with full control of the facility’s revenue-generating potential, including event promotion, ticket sales, F&B, and advertising/naming/promotional rights.
  - In most cases, a “Facility Fee” revenue stream, based upon a pre-negotiated percentage of ticket sales and/or a fixed fee applied to ticket face values is collected. As sports and entertainment venues remain owned by the municipality, a split of this funding may be applied to a capital reserve, and debt repayment for any municipal contribution.
- ▶ In the ICE District and Calgary Proposal, adjacent real estate development opportunities which emerged from these deals have been noted as major deal considerations which can provide upfront certainty over the total project returns for private-sector partners.
  - In Edmonton’s ICE District, private-sector investments in other public, community amenities (e.g. Winter Garden) were adjoining the real estate development opportunities on other, adjacent municipal lands conveyed to the ICE District partnership.
- ▶ Examples of sports and entertainment venue investments situated in a clustered precinct within the downtown core with transit connections and other adjacent entertainment and cultural amenities augment the opportunity for real estate development and community partnerships.
  - In Calgary, there is an estimated incremental \$138.7 million increase in the property taxes collected over the course of the 35-year deal, \$75 million in support to local community sports organizations and \$9.5 million through community programming.<sup>49</sup>
  - In Winnipeg, evidence exists in the relationship between the sports and entertainment venue’s impact on increasing downtown populations and lower commercial retail vacancy that have caused a measurable increase in the safety of its downtown precinct.
- ▶ In Edmonton, some municipal ICE District funds were financed through a community infrastructure levy structured around expected rise in future municipal property tax proceeds.
  - After five (5) years of a net loss in the scheme between 2014 - 2019, recent city estimates predict that by 2034, the project will ultimately net out \$238.5 million over and above the debt servicing and other project costs incurred.<sup>50</sup>

Based upon this review, EY believes that Hamilton may attract private-sector investment in a renewed arena equal to 20% - 30% of the construction costs, provided the development partner has a vested interest in the success of the new facility either as the facility’s lead tenant, through facility revenue control or with associated real estate development opportunities.

Several considerations for cost offsetting include unlocking vacant the value of vacant lands, the likely follow-on investment and resultant increases in the municipal property tax base, and local economic impact analysis.

<sup>49</sup> City of Calgary, *Projected Returns to Calgarians*. (22 July 2019)  
<sup>50</sup> University of Calgary, *Community Revitalization Levy as Municipal Financing Mechanism*. (February 2019)



**7.2 Convention Centre Case Studies: New Construction**

The following case studies have been presented for the consideration of convention centre funding models, based upon a review of recently-completed facilities, and major renovations or expansions.

Figure 20 - New Convention Centre Construction Funding Details<sup>51</sup>

Convention Centre	Year Built	Cost <sup>52</sup> (\$M)	Public Funding	Private Funding
<b>BMO Place, Calgary</b>	TBD	\$500.0M	100%	-
<ul style="list-style-type: none"> <li>Proposed expansion and redevelopment of Tier 3 convention centre into a Tier 4 facility as a municipal-led construction project.</li> <li>Equal 1/3 parts funding were provided by the federal, provincial, and municipal governments.</li> </ul>				
<b>Nova Centre, Halifax</b>	2018	\$169.2M	100%	-
<ul style="list-style-type: none"> <li>Redevelopment of the Halifax Convention Centre to be incorporated as part of a mixed-use, private-sector led development which includes an office and hotel component.</li> <li>Private-sector led construction of the integrated facility, with long-term operations managed by a provincial-municipal partnership who also manage the adjacent Scotiabank Centre and Ticket Atlantic.</li> <li>Federal contribution of \$51.4M provided at point of substantial completion, with longer-term lease payments equal to the balance of \$112.8M financed through fixed, 25-year annual lease payments equally shared by province and municipality at a rate of 4.10%.</li> <li>While the municipal funding strategy was reliant on the commercial property taxes estimated to be collected on the mixed-use development, this growth in assessment values was not achieved and revised forecasts estimate a shortfall of \$5.0 - \$8.0M in capital reserve funding for the facility for 5 years from opening.<sup>53</sup></li> </ul>				
<b>RBC Centre Expansion, Winnipeg</b>	2012	\$181.6M	100%	-
<ul style="list-style-type: none"> <li>Federal (\$46.6M), and equal parts provincial and municipal funding (\$51.0M) were provided as upfront capital contributions to the expansion of this municipally-owned facility.</li> <li>An additional \$33.0M in public financing was secured based upon \$17.0M in new convention centre revenues and \$16.0M in new taxes from the expansion of an adjacent hotel.</li> <li>Due to a delay in securing an adjacent hotel development to 2022 originally been planned for 2016, the convention centre could have not been able to make payments on its portion of the loan, and the incremental gains in property tax have not been achieved. Due to this, the city has been covering loan payments of \$2.2M in addition to other capital costs in the new facility.</li> </ul>				
<b>Scotiabank Centre, Niagara Falls</b>	2011	\$105.0M	66%	33% (local) <sup>54</sup>
<ul style="list-style-type: none"> <li>In Niagara Falls, a partnership with local partners such as the Falls Management Company, Fallsview BIA, Victoria Centre BIA, and Niagara Parks Commission.</li> <li>It is unclear what portion of the 1/3 parts funding coming from local partners is in fact "private" funding, as the Falls Management Company is an operator for a Crown-owned agency. The Niagara Parks Commission is also a Crown agency.</li> <li>The federal and provincial governments respectively supported 1/3 parts funding for the balance of costs.</li> </ul>				
<b>Shaw Centre, Ottawa</b>	2011	\$180.0M	100%	-
<ul style="list-style-type: none"> <li>With the exception of a \$40.0M loan provided by the province's Ontario Financing Authority ("OFA"), the facility's upfront funding was provided by the federal, provincial, and municipal government.</li> <li>In 2018, due to on-going challenges in meeting its \$4.0M long-term debt obligations to the OFA, a renewed agreement was established based upon annual payments of \$1.0M, subject to the facility's ability to make such payments.</li> </ul>				

<sup>51</sup> Compiled by EY from a variety of sources, including media reports, municipal budget documents, and other public information.

<sup>52</sup> Total project costs, which may include land acquisition or other components not considered in analysis of construction costs.

<sup>53</sup> City of Halifax, *Payments for Halifax Convention Centre and Reserve Update*. (21 March 2018)

<sup>54</sup> Based on EY research, it is unclear what the portion of exact private-sector funding was as part of this portion.



- ▶ In each of these recent examples of convention centre construction, public funding from each of the three (3) levels of government typically provided for the total project costs. The municipality and province typically shared the balance of costs from pre-defined caps set by federal government programs over the years, such as Building in Canada and Investing in Canada.
- ▶ In the three (3) examples where some form of financing and/or guarantee was provided, the evidence would not suggest that immediate returns in the initial years of operation from the facility due to events revenue and/or local increases in the tax assessment may be relied upon.

In each of the examples considered by EY, the cost-sharing split was relatively consistent. Total project costs for a renewed convention centre facility were generally split between the federal, provincial and municipal governments. Where any public financing was borne by the Crown operator, it should be noted that these funds were typically guaranteed by the provincial and/or municipal government owning the facility.

Given this, we would reasonably expect some degree of similar cost-sharing in a proposed future convention centre renewal, subject to political directions at that time. In terms of the contribution for Hamilton, cost offsets such as excess land contributions for development may also be considered.

### 7.3 Municipal Contribution Offsets

To develop a final go-forward approach for the City, EY believes that the Status Quo, Arena Renovation and Entertainment Venue Renewal respective total financial impact and NPV cost projections may be balanced by a series of additional offsets. These include an identification of potential direct residual land and public grant cost offsets, as well as impacts to expected private-sector follow-on investment, and net, incremental gains in estimated local economic impact from one option to another.

Given both the Status Quo and Arena Renovation options do not contemplate any future relocation of the existing Entertainment Venues, we do not foresee any residual land contributions offsets. The Entertainment Venue Renewal option does, however, contemplate the following 3-phased approach to the relocation and new construction of the FirstOntario Centre and Hamilton Convention Centre sites:

- 1) Construction and relocation of the existing FirstOntario Centre over a 5-year period from 2019 on a site of approximately ~3.5 acres in downtown Hamilton to adequately stage for the construction of a 10,000-seat sports and entertainment venue.<sup>55</sup>
- 2) Following the opening of the newly-constructed FirstOntario Centre in 2023, we believe the market rationale and overall tourist draw in Hamilton will have improved, creating greater certainty around the viability of a renewed convention centre. Subject to demolition, the former FirstOntario lands have been considered as an ideal site, limiting land acquisition requirement with excess capacity for other revenue-generating uses to also be co-located on the site.
- 3) Based upon a projected renewal of the Hamilton Convention Centre on the former arena site, the convention lands may be sold or redeveloped, subject to demolition.

<sup>55</sup> Commercially confidential, site-specific analysis and valuation(s) have been separately provided to the City.



Under this option, and considering the broad indications of value presented in the previous section of this report, we feel the following assumptions may generate potential direct cost offsets under the Entertainment Venue Renewal option for Hamilton to consider, as summarized in Table 18 below:

- ▶ As the outlook for funding from other levels of government for the construction of the new sports and entertainment venue is uncertain, we have not considered other public-sector contribution(s) at this time. We have, however, assumed a 20% - 30% private-sector contribution of sports and entertainment venue construction costs.
  - While the particular details pertaining to the allocation between upfront cost contribution and remaining lease obligations over a 30-year term would require further discussion with the City and negotiations with potential partners.
  - As such, the private-sector contribution has not been adjusted to a Present Value, and for the purposes of this analysis we have removed the future lease payments to a separate line in Table 18 below.
  - We would also anticipate that future lease payments which reflect financing borne by Hamilton to fund the required long-term payment for upfront private-sector capital costs would additionally include debt servicing costs at the City's Cost of Capital over and above the principal amount of 20% - 30% of total construction costs.
- ▶ Based upon a projected 2023 future cost of \$41.9 million<sup>56</sup> to construct the convention centre, it is assumed that the provincial and federal government would equally provide for \$10.4 million, respectively, representing 50% of the total incurred costs for the new facility. As these contributions would be negotiated in 2021, the future land residual values have been discounted to a 2019 Present Value for the NPV calculation.
- ▶ The two (2) residual land sites which have been identified based upon their future land values include the site of the existing convention centre, as well as the potential excess land which was required for construction staging on the future sports and entertainment venue site. Both of these offsets have been assumed at 2023 land values as discussed, which have been discounted to a 2019 Present Value for the NPV calculation.

Table 18 - Estimated Direct Entertainment Renewal Option Cost Offsets

Entertainment Venue Renewal Option: Direct Residual Land & Public Subsidy Cost Offsets		
	Total Financial Impact	Total Financial Impact NPV
Total Project Costs <sup>57</sup>	(\$186.9M)	(\$166.4M)
Less: Private-Sector Contribution	\$26.7M - \$40.0M	\$26.1M - \$39.1M
Less: New Convention Centre Cost Sharing <sup>56</sup>	\$21.0M	\$18.4M
Less: Current Convention Centre Residual Land	\$33.0M	\$28.9M
Less: New Site Residual Land	\$17.5M	\$15.2M
<b>Total Est. Direct City Cost Offsets</b>	<b>\$97.5M - \$110.6M</b>	<b>\$88.7M - \$101.8M</b>
<b>Balance of Total Project Costs</b>	<b>(\$78.4M - \$87.3M)</b>	<b>(\$64.3M - \$77.7M)</b>

<sup>56</sup> Estimate includes projected future convention centre construction costs, as well as demolition costs for FirstOntario Centre.

<sup>57</sup> Excludes the arena operating profit sharing as part of the private-sector contribution lease package.





**7.4 Local Economic Impact Analysis**

As part of its economic impact analysis, EY assessed the potential CAPEX, OPEX, tourism and other impacts to the City of Hamilton under the Arena Renovation and Entertainment Venue Renewal options, in addition to the previous Status Quo option presented in Section 2.5 of this report.

- ▶ **Arena Renovation:** The Hamilton Convention Centre and the FirstOntario Concert Hall are left in their current state, however, renovations to the FirstOntario Centre are undertaken.
- ▶ **Entertainment Venue Renewal:** Involves the construction of a new sports and entertainment venue and conference facility, while the FirstOntario Concert Hall would remain "as-is."

Each of the above scenarios was selected to provide the City of Hamilton with options that (i) incentivize the private sector to undertake the redevelopment and operation of any or all of the City's Entertainment Assets and (ii) strategically divest any or all of the City's Entertainment Assets. When assessing the viability and feasibility of these options, particular attention was given to maximizing private sector follow-on investment within Hamilton's downtown core and whether it meets the objectives outlined in the City's Economic Development Action Plan and its Cultural Plan and Tourism Strategy. Table 19 provides an overview of the projected CAPEX and OPEX for each Entertainment Asset under both the Status Quo, Arena Renovation and Entertainment Venue Renewal options.

Table 19 - CAPEX and OPEX for Status Quo, Arena Renovation, and Entertainment Venue Renewal Options

CAPEX and OPEX Options Analysis			
Impact	Status Quo	Arena Renovation	Entertainment Venue Renewal
<b>OPEX</b>			
Hamilton Convention Centre	3.39	3.39	5.90
FOC/FOCH	9.67	10.27	14.45
<b>Total</b>	<b>13.06</b>	<b>13.66</b>	<b>20.35</b>
<b>CAPEX</b>			
Hamilton Convention Centre	7.76	7.76	25.21
FOC	32.70	67.45	123.42
FOCH	8.48	8.48	8.48
<b>Total</b>	<b>48.94</b>	<b>83.69</b>	<b>157.11</b>

Notes: Total OPEX and CAPEX estimates are in 2015 dollars and have been rounded. Estimated life cycle of CAPEX under Arena Renovation and Entertainment Venue Renewal are from 2018 to 2024.  
 Sources: Stakeholder data and EY calculations.

Under the Arena Renovation option, total OPEX are expected to be CAD \$13.66 million while total CAPEX is expected to be approximately CAD \$83.69 million. For the Entertainment Venue Renewal option, total OPEX and CAPEX are CAD \$20.35 million and CAD \$157.11 million, respectively. OPEX for the Hamilton Convention Centre under the Entertainment Venue Renewal option has been benchmarked against OPEX from the London Convention Centre. Assuming once the Hamilton Convention Centre is fully complete and operational, the two structures are expected to be relatively similar in size and event hosting, representing a reasonable proxy of what could be expected for the City of Hamilton.









**Operational and Capital Expenditure Impacts**

Impacts associated for each scenario and the current state for Hamilton's Entertainment Venues are displayed below in Table 20.

Table 20 - Economic Impact for Status Quo, Arena Renovation, and Entertainment Venue Renewal Options

Economic Impacts for Status Quo, Arena Renovation (Scenario 2), Entertainment Venue Renewal				
Impact	 FTEs	 Wages (\$ mn)	 GDP (\$ mn)	 Output (\$ mn)
<b>OPEX</b>				
Status Quo	122	7.93	11.21	15.69
Arena Renovation	128	8.34	11.56	15.97
Entertainment Venue Renewal	194	12.75	17.57	23.81
<b>CAPEX</b>				
Status Quo	277	20.93	26.17	53.87
Arena Renovation	475	35.78	44.73	92.07
Entertainment Venue Renewal	892	67.28	84.10	172.82

Notes: Figures for wages, GDP and output are in millions and 2015 dollars. Numbers have been rounded and are the sum of direct and indirect impacts associated with each Entertainment Asset under each of the three (3) options.

. CAPEX FTE impacts are measured in ("Person-Year") FTE jobs.

Sources: Stakeholder data and EY calculations.

Results suggest that the operational expenditures associated with the Arena Renovation option are expected to sustain CAD \$15.97 million in gross output, CAD \$11.56 million in GDP, CAD \$8.34 million in labour income and 128 FTE jobs. These impacts are to be sustained from the year 2022 onwards, when renovations to the FirstOntario Centre are complete and the facility is to reach its full operational capacity. The Entertainment Venue Renewal option is expected to sustain CAD \$23.81 million in gross output, CAD \$17.57 million in GDP, CAD \$12.75 million in labour income and 194 FTE jobs annually. These impacts are to be sustained from 2025 onwards, as this is the year in which both the new sports and entertainment venue and convention centre are assumed to be fully operational.

OPEX impacts under the Arena Renovation are to increase under the assumption that more guests are anticipated to attend events held at the FirstOntario Centre on an annual basis. As an example, in its first year after renovations are complete, annual attendance is projected to increase by approximately 20%. As a result, it is assumed that the increase in visitors would drive up operational costs primarily through increases in wage and salaries for event employees (via overtime and extra personnel), day-to-day repairs and maintenance and utility costs, etc. Similar analysis was performed for the Entertainment Venue Renewal Option where increases in operational expenditures associated with a new convention centre is associated with a projected increase in attendees once the new convention centre is fully operational. It should be noted however that impacts associated with Entertainment Venue Renewal option are contingent upon demolition of the current FirstOntario Centre, as plans call for the new convention centre to be built on this site.

CAPEX impacts suggest that the Arena Renovation option is expected to generate CAD \$92.07 million in gross output, CAD \$44.73 million in GDP, CAD \$35.78 million in labour income and 475 person-year







FTE jobs from 2018-2024. Likewise, the Entertainment Venue Renewal option is expected to generate CAD \$172.82 million in gross output, CAD \$84.10 million in GDP, CAD \$67.28 million in labour income and 892 person-year FTE jobs from 2018 to 2024. CAPEX for renovations under Arena Renovation are projected to cost CAD \$67.45 million, which primarily involves remodelling the facility's key areas. These renovations include items such as upgrades to the facility's exterior structure (i.e., roof), interior finishing's, plumbing, refrigeration and HVAC systems, etc. Under the Entertainment Venue Renewal option, the new sports and entertainment venue is projected to cost CAD \$123.42 million, while the new Convention Centre has an estimated price-tag of CAD \$25.21 million. These CAPEX are substantially higher than the current state CAPEX estimates of CAD \$7.76 and CAD \$32.70 million, which explains the increase in impacts associated with gross output, GDP contributions, labour income and person-year FTE jobs.

**Tourism Impacts**

Tourism impacts associated with each scenario and the current state are presented in Table 21.

Table 21 - Tourism Expenditure for Status Quo, Arena Renovation, and Entertainment Venue Renewal Options

**Summary of Tourism Expenditure Impacts for Options Analysis**

				
Impact	FTEs	Wages (\$ mn)	GDP (\$ mn)	Output (\$ mn)
Status Quo	160	5.79	7.94	22.90
Arena Renovation	183	6.60	9.05	26.11
Entertainment Venue Renewal	211	7.61	10.44	30.04

Notes: Figures for wages, GDP and output are in millions, 2015 dollars and at basic prices. Numbers have been rounded. Figures reflect those from estimated visitor related expenditures associated with the Hamilton Convention Centre, FirstOntario Centre and the FirstOntario Concert under the current state, scenario 1 and scenario 2 and are the sum of both direct and indirect impacts.

Sources: Stakeholder data and EY calculations

Tourism related expenditures for the Arena Renovation option are anticipated to generate CAD \$26.11 million in gross output, CAD \$9.05 million in GDP and CAD \$6.60 million in labour income. Also, 183 FTE jobs are to be sustained annually. As with OPEX related impacts, the tourism impacts associated with scenario 1 are to occur from the year 2022 onwards. For the Arena Renovation option, tourism related impacts are anticipated to increase as a result of the FirstOntario Centre becoming a more attractive destination for events and its patrons. Through stakeholder consultations, among the main identifiers for the facility's relatively low attendance figures is likely a result of, among other things, the current architectural state of the facility and its features. As such, under the proposed renovations it is projected that visitor attendance may likely increase, resulting in higher tourism impacts.

For the Entertainment Venue Renewal option, tourism related expenditures are expected to contribute approximately CAD \$30.04 million in gross output, CAD \$10.44 million in GDP, CAD \$7.61 million in labour income and 211 full-time equivalent jobs on a sustaining basis and are to occur from the year 2025 onwards.

Under this scenario, it is assumed that as a result of the new Hamilton Convention Centre and the FirstOntario Centre, the City of Hamilton may now have the ability to host more events that they would not have otherwise under the current state. This includes for example tourism related expenditures associated with hosting more conventions, trade shows and events, etc.



**7.5 Follow-On Investment & Other Considerations**

Through the examination of case studies presented in earlier sections of this report, headline statistics provide clear indications of the growth and development of downtown precincts following the investment in a new sports and entertainment venue and the establishment of a clustered entertainment precinct.

In London, a 61% rise in the total value of assessed properties in the City's downtown precinct occurred during the 20-year period following the construction of Budweiser Gardens and nearly \$300 million in private-sector follow-on investment. A reported \$2.5 billion dollars of expected future private-sector investment is planned for subsequent phases of Edmonton's ICE District project following the completion of Rogers Place and in Winnipeg, it is reported that \$1.12 billion of investment in mixed-use development downtown occurred following the construction of the Bell MTS Place.

Additional evidence suggests that in Winnipeg, a 20% reduction in street crimes has occurred as a result of the increasing resident base and activity downtown, resulting in safer streets as new, mixed-use developments continue to be built. In London, the downtown core's street front retail vacancy rate has also declined from 12.5% in 2002 to 7.00% in 2017, driven by the increasing demand for retail services from both new downtown residents and increased draw of the downtown core to other city residents.<sup>58</sup>

Given the current development trajectory in downtown Hamilton, isolating the impact of investments in the three (3) options presented is challenging, giving the unknown(s) surrounding identifying the incremental level of private-sector investment over what would presumably otherwise have occurred.

We do believe, however, that it is appropriate is to consider the total level of planned investment known at the time of this report, and consider how each of the three (3) investment options may impact these project's, if at all. Specific private-sector investments have been identified as being incorporated into the 3-phased Entertainment Venue Renewal option would also warrant expected future investments.

On the following page, in Figure 21 a survey of "Proposed" development project proposals is presented in Hamilton's downtown core. These are future, longer-term developments, considered to be at different stages of the planning process with potentially unknown launch dates. Based on the EY's analysis of the investment options in conjunction the local pattern(s) of potential future development, we assume:

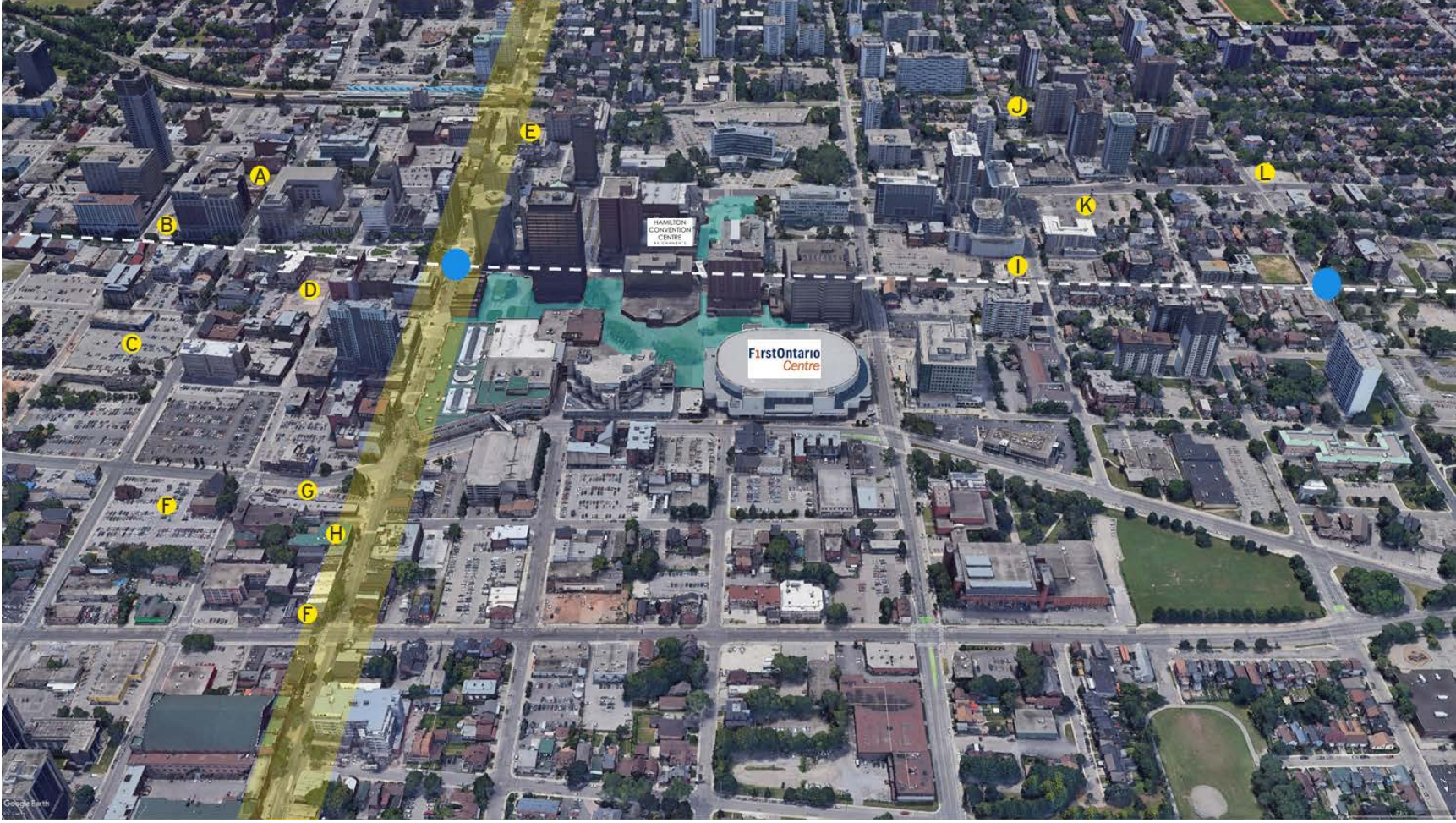
- ▶ The Status Quo investments are not expected to support any re-animation of street-level "grey zones" or provide any augmented pedestrian-level connection(s) to key public realm areas such as Jackson Square or Commonwealth Square from any of the Entertainment Venues.
- ▶ Due to the orientation of the FirstOntario Centre's sole, concourse-level entrance facing NW in the opposite direction away from key downtown destination(s) such as James Street and other Entertainment Venues, the ability to achieve the added benefits of a "clustered, co-located downtown precinct" is limited even under the Arena Renovation option.
  - Adjacent land uses are likely to continue limiting the potential for immediately adjacent development to this site.
  - Future downtown development in Hamilton would appear to be clustered around planned LRT stations, which the current FirstOntario Centre is oriented away from.

<sup>58</sup> City of London, *2017 State of the Downtown Report*. (2019)





Figure 21 - Long-Term, Proposed Private-Sector Investments in Downtown Hamilton<sup>59</sup>



- James Street Corridor
- Future Planned LRT Station (James Street / Queen Street)
- Jackson Square / Commonwealth Square
- A Long-Term Proposed Private-Sector Development

<sup>59</sup> EY research compiled from a variety of sources including RealNet, Urbanation, and other industry publications.





While the Status Quo and Arena Renovation option would likely not directly impact the pace of private-sector investment in the downtown core, the level of excitement derived from the announcement of a new sports and entertainment venue (and subsequent phases of development) and other related projects such as the LRT construction and future GO service enhancements, we do feel that the Entertainment Venue Renewal option warrants consideration of the impact to the pace of development in Downtown Hamilton.

Based on the project-level information which is available for some of the projects identified in Figure 21, EY estimates that a future, longer-term supply of nearly 4,775 units in the downtown core. Based on those projected project launch dates available, we understand that 1,025 will launch in the 2019-2020 period, leaving a balance of 3,750 units thereafter.

Given that these projects are all currently at some stage in the planning process, we understand that developers are actively engaged and incentivized to undertake investments in the preparation of these sites for planning approvals, and eventual project launch as part of the pre-construction process.

We could therefore further assume that should an announcement of a proposed multi-phased plan, beginning with a firm announcement to invest in a renewed sports and entertainment venue, the majority of these developers would likely be further incentivized to expedite investments to launch projects and ensure alignment to the construction of the new sports and entertainment venue. Marketing efforts would likely be bolstered as well with the timing to coincide with the scheduled opening of the LRT system in 2024, and other potential community, public realm improvements such as a renewed Jackson Square terrace.

According to Urbanation, over the past year in Hamilton, previous 4-quarter total unit sales for new condominiums averaged 720 unit-sales per annum. (Q118-Q119) At this pace of absorption, it would take 5.2 years for the entire balance of units from 2020 to be built. Based on projected 3-year construction period, we may estimate based on historical absorption patterns, 2,160 units would be constructed under current market conditions, yielding a balance of 1,590 units.

If we then assume that developers may be enticed to capitalize on the marketing of units to be delivered with a newly-constructed sports and entertainment venue, scheduled LRT system and the likely area amenities from growth in the downtown core, an assumption of the impact of investment on development may be induced. Based on EY assumptions<sup>60</sup>, the total build-out of 1,590 units would comprise just over 1 million sf. When we combine this construction with total expected build-out at the three (3) residual land parcels that the Entertainment Venue Renewal option would yield (e.g. arena, convention centre, and former convention centre sites), we may estimate a further potential built-out of all projects directly impacted by these investments at over 1.4 million sf.

**If we consider 40% - 60% of the currently planned, medium to longer-term potential development sites in Downtown Hamilton as directly or indirectly impacted by investments made within the Entertainment Renewal Option, based on EY assumptions<sup>53</sup>, between \$293 - \$326 million of private-sector investment may be induced to proceed to better align with the timelines associated with the sports and entertainment venue renewal and convention centre investments.**

<sup>60</sup> Assumes an average unit size of 550 sf, with a 15% gross-up factor for common building amenities.

<sup>61</sup> Based upon Altus Cost Guide estimates and other EY soft cost and parking assumptions.





**Increased Perception as a premier arts, entertainment, and cultural destination**

For both scenarios, there is the potential to increase the overall perception, reputation and attractiveness of the City of Hamilton. Specifically, the Entertainment Venue Renewal scenario has the ability to showcase Hamilton as a premier arts, cultural and entertainment destination within Southern Ontario, the province and Canada as a whole.

As a result, the City will likely have a better chance of attracting events which it might not have been able to do otherwise. These events include conferences, trade shows, business events, concerts and sports. In turn, developments under either scenario will act as a significant "pull-factor" in attracting a more diverse audience base, which will be beneficial for numerous sectors critical to the City's long-run economic prosperity. This includes for example the accommodation, hospitality and services industries, etc.<sup>62</sup> These outcomes also align with the strategic goals set forth in the City's 2015-2022 Tourism Strategy, which aims to establish the City of Hamilton as a positive destination for visitors and increase the City's market share within the tourism sector space.

**Community Engagement and Resident Well-Being**

Under the Arena Renovation and Entertainment Venue Renewal options, there is also the potential to generate positive outcomes in the form of increased community engagement and resident well-being. By deciding to either renovate the FirstOntario Centre or construct both a new sports and entertainment venue and convention centre, the City has the ability to increase the availability of space in which local and non-local residents can come together to engage in common interests.

Academic and industry research reports have shown that such spaces increase the overall physical and mental well-being of its local residents, which in turn leads to additional positive spill-over effects throughout their communities. Specifically focusing on sports and entertainment venues, these types of structures have been shown to generate what economists refer to as positive "social capital", which refers to the connections, trust and reciprocity between individuals and their communities.

These types of facilities have also been shown to promote relationships amongst community members by establishing a common sense of identity. Additionally, these types of facilities have also been shown to increase levels of human capital through what is referred to as the "experience economy", where individuals are attracted to areas in which their places of work and entertainment are within close proximity.<sup>63</sup>

**7.6 Commonwealth Games Opportunity**

While uncertain at this time, should the City decide to pursue a future Commonwealth Games bid, investment in these facilities would likely support a bid package, in particular with respect to a renewed FirstOntario Centre. Additional funding sources may also be identified from future federal and/or provincial investment programs. Due to various uncertainties surrounding a potential Hamilton Commonwealth Games bid, however, EY did not consider this as part of our options analysis.

<sup>62</sup> As an example, analysis revealed that for every one-unit increase in demand for accommodations within the City, there is an increase of \$179 dollars in hotel revenues.  
<sup>63</sup> Rosentraub, M.S "Sports Facilities, A New Arena in Edmonton and the Opportunities for Development and a City's Image: Lessons from Successful Experiences." [https://www.edmonton.ca/attractions\\_events/documents/PDF/RosentraubReport.pdf](https://www.edmonton.ca/attractions_events/documents/PDF/RosentraubReport.pdf)



## 8. Final Recommendation(s)

In developing our final recommendation for Hamilton, EY has considered the broad range of quantitative and qualitative analysis presented throughout this report. Based on our Needs Assessment, we have concluded on the following requirements with respect to each of the three (3) Entertainment Venues:

- ▶ **Sports and entertainment venue:** a “right-sized” facility with a 10,000 capacity would best serve the Hamilton market’s demand from a capacity and programming perspective.
  - As financial modelling which did not project that the enhanced revenue-generating capabilities of a renovated sports and entertainment venue would greatly eliminate ongoing municipal subsidy requirements, we would not recommend that the City move forward with an Arena Renovation option at this time.
  - EY also considered the possibility of a land exchange for the FirstOntario Site at no cost to the acquirer who would assume all capital and operating risk. In addition to the lack of market evidence to support this, discussions with industry expertise also indicated the unlikely success in this arrangement due to risk exposure in the current operations which are not aligned to the current market demand. While the opportunity for redevelopment does exist, demolition complexities and costs would be likely to be too inhibiting for this to make economic sense to most responsible developers.
- ▶ **Performing Arts Centre:** while the current FirstOntario Concert Hall does appear to require aesthetic, accessibility, and other guest experience improvements (e.g. outdoor space), the current facility would appear to be “right-sized” for the Hamilton market, and as the number of events continues to grow with the market, municipal subsidy requirements will be minimized.
- ▶ **Convention Centre:** based on our analysis, while the current business model would not appear to support the potential tourism and local economic impact gains, market demand for a new facility is uncertain at this time. With further development of Hamilton’s overall destination appeal, we feel that a renewed facility of ~70,000 sf with a larger contiguous floorspace would be market supported in the near to medium-term.

Based on these needs, the Status Quo and Entertainment Venue Renewal options are considered as final go-forward approaches, with the estimated municipal contribution costs under either option considered as a primary financial comparison. Based on the NPV total financial impacts of \$90.8 and \$166.4 million, respectively, for the Status Quo and Entertainment Venue Renewal options, we can compare costs from one option to another.

Based on these figures, we identify the net, incremental cost for the City to deliver the Entertainment Venue Renewal option as \$75.6 million.

If Hamilton were to advance the Status Quo option, it would cost an additional \$75.6 million to deliver the Entertainment Venue Renewal option.



**Appendix "A" to Report PED18168(b)**

Acknowledging this net, incremental cost, further analysis of the estimated direct municipal cost offsets under the Entertainment Venue Renewal option outlined in Sections 7.3 have been outlined below<sup>64</sup>:

<b>Long-Term Financial Impact Analysis for City: Entertainment Venue Renewal Option</b>	
	<b>\$2019 Value</b>
Incremental Cost for Entertainment Venue Renewal Option	(\$75.6 million)
<i>Plus: Private-Sector Contribution</i>	\$26.1 - \$39.2 million
<i>Plus: New Convention Centre Cost Sharing<sup>53</sup></i>	\$18.4 million
<i>Plus: Current Convention Centre Residual Land</i>	\$28,9 million
<i>Plus: New Sports &amp; Entertainment Venue Residual Land</i>	\$15.3 million
<b>Net Relative Financial Impact for City</b>	<b>\$13.1 - \$26.2 million</b>

Based upon our analysis and assumptions identified in this report, the Entertainment Venue Renewal option is estimated to yield a net gain of \$13.1 - \$26.2 million over the cost difference for the City to deliver the Status Quo option, assuming completion of Phase II/II land sales.

**Recommendation 1: Proceed with phased Entertainment Venue Renewal option.**

- Based upon the positive net financial impact projected over and above the difference between the Status Quo and Entertainment Venue Renewal options over the Study Period, the projected long-term financial cost has been projected as a net-positive for Hamilton. As previously stated, we do not feel that the Arena Renovation option’s investment would yield sufficient gains to greatly minimize projected future on-going subsidy reduction.
- Given the assumptions employed throughout this report, it is our view that following the completion of all facility capital requirements, the net subsidy to the City would become positive in near-term following the opening of a renewed sports and entertainment venue.
- In terms of the impact to the local economy, the Entertainment Venue Renewal option is estimated to provide a \$57.9 million incrementally greater local market GDP impact through capital investments relative to the Status Quo option, in addition to an estimated incremental gain of 51 Tourism FTEs.
- The Entertainment Venue Option has been identified as a potential catalyst to maximizing private-sector follow-on investment in the Downtown Core through a potentially re-imagined Jackson Square, Commonwealth Square and James Street Corridor which may be induced through a renewed FirstOntario Centre, and in alignment with the City’s 2010 *Downtown Hamilton Secondary Plan* vision.

A series of additional recommendations have also been identified by EY that may be considered as key tactics of an Implementation Plan for the 3-phased Entertainment Venue Renewal option.

Paramount to the successful implementation of this option, we feel, is the City’s ability to respond to inquires and act in a commercial manner, wherever possible. The successful negotiation of initial Phase I Memorandum of Understanding(s) (“MoU”) will require a degree of authority to select City staff that will enable time-sensitive and commercially confidential discussions to take place.

**Recommendation 2: Establish a “Steering Committee” and “Project Manager” for Phase I.**

- During Phase I, a steering committee comprised of representatives from the Economic Development, Tourism, Planning, Urban Renewal, Capital Works and City Manager’s office should be established with the appropriate resources to provide input and monitor the progression of Phase I.
- A Project Manager, or Project Management Team of select City staff should be provided with authorization from Council to proceed with discussions with key stakeholders and undertake commercial conversations as they relate to the initiative and report back to Council after an agreed upon period of time key terms of a future MoU between parties of any key agreements arising out of Phase I negotiations.

<sup>64</sup> Discounted \$2019 values have been presented for projected future cash contributions.



**Recommendation 3: Determine the City's preferred site for a new sports and entertainment venue.**

- As part of this Entertainment Venue Review, EY has additionally provided a view to the City of the likely sites in Downtown Hamilton which may support a new sports and entertainment venue. Key considerations for the evaluation of preferred site(s) include land acquisition costs, deal and construction complexity, and other more qualitative assessments of how each site contributes to the achievement of the City's Planning, Tourism and Urban Renewal goals.
- The ownership groups of these lands represent one key stakeholder group with whom the designated Project Manager or Project Management Team should be authorized to have confidential, time-sensitive and commercial discussions with on behalf of the City, through Council endorsement.

**Recommendation 4: Establish parameters for Project Manager / Project Management Team.**

- Time-sensitivity is paramount in the successful implementation of Phase I, the efficient use of Staff resources in holding commercial discussions with key stakeholder(s) to develop key terms for the eventual Council approval of an MoU for Phase I of the Entertainment Venue Renewal option.
- Based on our knowledge of similar undertakings, EY has developed a set of criteria to inform the Project Manager or Project Management Team's pre-qualification of stakeholders with whom they may entertain holding commercial discussions with. These criteria may also be communicated to the general public or unsolicited third-party inquires.

*Figure 22 - Pre-Qualification Parameters for Project Manager / Project Management Team*

Vested Commercial Interest(s)	Financial Capacity
<ul style="list-style-type: none"> <li>▶ Stakeholders who have a vested, commercial interest in the project may include land owners, anchor tenants, investor(s), future operators, or any direct partner(s) to these four (4) groups.</li> <li>▶ While priority should be given to parties with a vested interest in Phase I of the project, where required for future planning, stakeholders in Phases II and III should also be considered.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Pre-qualification of stakeholder(s) based on expected financial capacity to participate is encouraged.</li> <li>▶ Where required, parties may document their capacity through their role in recently completed projects, financial statements and/or sufficient documentation of guarantee or partnership from a large, financially capable credit partner.</li> </ul>
Demonstrated Project Experience	Alignment to City Goals/Proposed Partnership
<ul style="list-style-type: none"> <li>▶ Evidence of experience from stakeholders in undertaking similar commercial partnerships, whether from a construction, operational, or investment perspective in defined timeframe (e.g. 5 - 10 years) should be required.</li> <li>▶ Where required, parties may document their project evidence to the City with a design and construction approach, past project experience and lessons learned, as well as key team resumes.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Based on the proposed "end-to-end" project components for Phase I of the project and the ultimate goal of maximizing private-sector contributions to project delivery should be a communicated priority for the City.</li> <li>▶ For example, the following project components may be identified: facility construction, facility operations, and adjacent real estate development.</li> </ul>

It should be noted that not all stakeholders necessarily will require consideration of all four (4) of these general parameters, as certain parties may not be a long-term vested interest in the project. (e.g. design consultants or financial advisors) These four (4) general areas of consideration are meant to inform the pre-qualification process for City staff given the commercial nature of discussions.

**Recommendation 5: Prepare for updating the Hamilton Tourism Strategy.**

- Acknowledging the City's current 2015-2020 Tourism Strategy will require an update in the near-term, consideration of Tourism Hamilton's role in future planning for Phases II and III should be undertaken by the City, where resourcing investments in line with other comparable municipalities may ensure the successful return from major capital investments undertaken.
- Based on our external stakeholder discussions, an enhanced role in promoting collaboration with the City's neighbourhood BIAs, and privately-managed tourism investment development groups.



**Recommendation 6: Determine additional public realm priorities in Downtown Hamilton.**

- Through the course of work, while we acknowledge the success in the growth and development of the James Street Corridor in attracting private-sector investment, additional public realm priorities may be identified to potentially dedicate a stream parkland dedication towards said priorities given parkland deficiencies downtown.
- Through our work a proposed revitalization of Jackson Square Terrace and/or Commonwealth Square in alignment with other cultural assets (e.g. Hamilton Farmer's Market, Art Gallery of Hamilton, Hamilton Central Library) was identified as a potential additional catalyst to further the urban landscape in Downtown Hamilton. In alignment with the City's current Planning and Tourism goals, in our view, this public realm enhancement would only bolster the ability to attract private-sector investment.

**Recommendation 7: Refine timeline and planning requirements for Phases II and III.**

- In addition to Phase I requirements, the Project Manager / Management Team should be responsible for co-ordinating and planning Phase II/III with external stakeholders, as well as the Hamilton Convention Centre and Art Gallery of Hamilton.

**Recommendation 8: Establish the City's public consultation process.**

- Subject to the direction of Council, a further public consultation should be undertaken on the proposed funding model for the new sports and entertainment venue, the 3-phased approach, and ideal locational attributes.





# Appendix A

## FirstOntario Centre

- Using the City staff recommended 2019 5-year capital budget per the report dated 12/7/2018, the following capex budget estimate has been produced.
- As the cost estimates contained within the City staff report are assumed to be "all-in" budget costs which would include both hard and soft costs.
- To allocate between hard and soft costs, a 35% soft cost assumption may be employed, which is assumed to remain consistent throughout the 5-year budget period.
- Costs are assumed to be estimated in 2019 dollars

### FirstOntario Centre 5-Year Capital Budget - Total Hard & Soft Costs

	2019	2020	2021	2022	2023	2024
Brine Lines	\$730,000	\$6,570,000				
Roof Structure Replacement		\$700,000	\$6,300,000			
Mechanical, Life Safety, Security			\$1,500,000	\$6,750,000	\$6,750,000	
AODA Compliance					\$500,000	\$4,500,000
Annual Total	\$730,000	\$7,270,000	\$7,800,000	\$6,750,000	\$7,250,000	\$4,500,000



**FirstOntario Concert Hall**

- The basis for developing a 2019 5-year capital budget includes the 2016 V2PM Facility Condition Study's 5-year capital budget for Priority 1 items has been considered.
- To reflect the capital investments made to the facility since the preparation of this report, the aggregate capital spend since 2016 has been subtracted from the budget produced in 2016.
- It is assumed that all capital spent since 2016 would have been identified in the 2016 V2PM studies.
- The remaining balance of the 2016 V2PM 5-year capital budget shall be used to estimate the capital investment required over the 5-year period from 2019.
- Considered a proxy for the level of capital investment required, the remaining balance from the 2016 V2PM study shall be allocated equally over the 5-year period from 2019.
- To develop 2019 cost estimates, the 2016 hard cost estimates have been inflated by 3.50% per year and a 35% soft cost assumption has been incorporated, in addition to a 20% design/scope variability conting

**Remaining Priority Capital Balance Calculation**

2016 V2PM Hard Cost Estimate	\$5,704,003
Soft Cost Assumption	\$1,996,401
Design/Scope Variability Contingency	<u>\$1,140,801</u>
2016 Total 5-Year Capital Requirement	\$8,841,205
2016 Total 5-Year Capital Requirement	\$8,841,205
2016-2019 Capital Spent	<u>\$875,708</u>
Remaining Balance (\$2016)	\$7,965,497
Remaining Balance (\$2019)	\$8,831,489

**FirstOntario Concert Hall 5-Year Capital Budget - Total Hard & Soft Costs**

	2019	2020	2021	2022	2023	2024
Avg. Annual Spend	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915



**Hamilton Convention Centre & Pedestrian Overpass**

- Similar to the methodology for developing a 2019 5-year capital budget for FirstOntario Concert Hall, the 2016 V2PM Facility Condition Study's 5-year budget for Priority 1A items has been used.
- Adjustments have been made for 2016-2019 capital spend, and the remaining balance has been inflated to 2019 dollars.
- As the 2016 V2PM study quoted "all-in" cost estimates, a 35% soft cost assumption has been assumed to be incorporated. An additional 20% design/scope variability contingency has been assumed.

**Remaining Balance Calculation**

2016 V2PM Hard Cost Estimate	\$5,189,183
Soft Cost Assumption	\$1,816,214
Design/Scope Variability Contingency	<u>\$903,922</u>
2016 Total 5-Year Capital Requirement	\$7,909,319
2016 Total 5-Year Capital Requirement	\$7,909,319
2016-2019 Capital Spent	<u>\$2,299,772</u>
Remaining Balance (\$2016)	\$5,609,547
Remaining Balance (\$2019)	\$6,219,405

**Hamilton Convention Centre 5-Year Capital Budget - Total Hard & Soft Costs**

	2019	2020	2021	2022	2023	2024
Avg. Annual Spend	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568



# Appendix B

## Regional Economic Multiplier Adjustments

In order to derive the regional multipliers used to calculate the impacts for the City of Hamilton and Hamilton Census Metropolitan Area, EY employed a methodology first proposed by Flegg et al. (1995). Specifically, to adjust Statistics Canada’s provincial multipliers, our analysis considered the following information regarding both areas:

- ▶ The relative size of the Region as a whole;
- ▶ The relative size of supplying sectors within the Region; and
- ▶ The relative size of purchasing sectors within the Region.

To account for the first two, the Flegg Location Quotient (“FLQ”) compares the proportion of provincial employment of the supplying industry in the Region to that of the purchasing industry. If the regional supplying sectors concentration is higher than that of the regional purchasing sector, no adjustment is made to the I-O table. This implies that regional production will be able to satisfy regional demand and no imports from other regions within the province are required. If the regional supplying sector’s concentration is lower than that of the regional purchasing sector, the I-O table is adjusted downwards. In this case, it is assumed that regional production is insufficient to meet regional demand and imports are required. Additionally, adjustments are made to account for the economic size of both the City of Hamilton and the Hamilton Census Metropolitan Area. Generally, the smaller the region the greater the need for these imports. This adjustment is based on the relative size of a Region in terms of employment and the employment of the same industry at the provincial level.

Using all three criteria outlined above, the FLQ is calculated according to the following formula:

$$FLQ_{ij} = \frac{\frac{E_i^R}{E_j^R}}{\frac{E_i^P}{E_j^P}} \times \lambda$$

Where  $E_i^R$  and  $E_j^R$  represents employment shares in selling sector  $i$  and purchasing sector  $j$  within the City of Hamilton and Hamilton Census Metropolitan Area, while  $E_i^P$  and  $E_j^P$  represent the same shares at the provincial level. Moreover,  $\lambda$  represents a weighting parameter which considers the relative size of either area. Since regional impacts cannot exceed provincial impacts, the FLQ is restricted to a maximum of one.

The multipliers used to derive the impacts presented in this report are based on Statistics Canada’s 2015 I-O Tables for the province of Ontario. First, the I-O tables were adjusted by the FLQs described above. Next, type I and type II multipliers have been derived from the respective Leontief type I and type II production functions that represent the amount of inputs needed from each selling industry to produce the outputs of each purchasing industry. The difference between the type I and type II multipliers is the



induced effect that results from treating households as an additional industry within the model. In terms of the latter however, this is outside the scope of our analysis.

**Output multipliers** are calculated as the column sums of the type I and type II Leontief inverse matrices denoted as  $L_{ij}$ , where  $i$  is the selling industry and  $j$  is the purchasing industry. The formula is:

$$O_{mult} = \sum_i L_{ij}$$

**GDP multipliers** are calculated according to the following formula:

$$G_{mult} = \sum_i \frac{g_i L_{ij}}{g_j}$$

Where  $g_i$  represents the ratio of gross-value added relative to the total output in each industry. In deriving the regional estimates, it is assumed that gross-value added in each industry represents a constant share of output.

**Labour income multipliers** are calculated according to the following formula:

$$I_{mult} = \sum_i \frac{v_i L_{ij}}{v_j}$$

Where  $v_i$  represents the ratio of income from employment to total output in each industry. In deriving of the regional estimates, it is assumed that wages and salaries in each industry represent a constant share of output.

**Employment multipliers** are calculated according to the following formula:

$$E_{mult} = \sum_i \frac{w_i L_{ij}}{w_j}$$

Where  $w_i$  is equal to the number of FTEs per \$1 of output in each industry. In deriving of the regional estimates, the FTE number is adjusted by the employment shares of each industry in the City of Hamilton and Hamilton CMA relative to the provincial economy.

**Tourism Input-Output Model**

Fundamentally, the tourism I-O model used to calculate both the direct and indirect impacts associated with visitor expenditures within the City of Hamilton and Hamilton Census Metropolitan Area ("CMA") is based on the following equation:

$$X = (I - A)^{-1} * F * X_i$$

Where:

- ▶  $(I - A)^{-1}$ : is the standard Leontief inverse matrix derived from Statistics Canada Input-Output tables;



- ▶  $F_i$  is a column vector of tourism final demand (i.e., a vector which outlines both the total value of tourism expenditures and their distributions); and
- ▶  $X_i$ ; refers to the ratio of either output to GDP (i.e., value added), income or employment for industry  $i$ . This can be found with a simple calculation using Statistics Canada initial Input-Output table and through obtaining information on FTE counts for each respective industry incorporated within the model.

After performing this calculation for each sector  $i$  and then aggregating across all sectors, direct and indirect impacts can then be calculated accordingly.

#### ***Limitations and Assumptions of the Tourism Input-Output Model***

The following appendix outlines some of the major assumptions and limitations imposed on the static I-O model. While the model provides a consistent and innovative way of measuring the economic impacts associated with a specific economic activities, readers should be aware of the assumptions and limitations imposed on its underlying approach. These assumptions and limitations include:

- ▶ **Sectors specific to the model were chosen based on EY's professional assumption.** That is, the multipliers used to assess the potential impacts from the operational activities of Hamilton's entertainment assets were chosen from sectors that best reflect the facilities primary business function and industry descriptions provided by Statistics Canada. As a result, due to uncertainties surrounding such selections, the multipliers used in our analysis may bias the impact estimates either upwards or downwards;
- ▶ **I-O models assume that there is an unlimited supply of workers available for production.** It does not consider that expanding production in one industry could result in a redistribution of labour as opposed to an increase in employment in another. More specifically, the numbers provided by the I-O model in terms of FTEs may not necessarily imply an incremental change in total workers, but rather an upper limit as to what could be expected;
- ▶ **The model assumes that all spending will generate positive impacts.** In this case, all multipliers in the model are greater than zero, suggesting that any level of spending will generate positive economic impacts, which is not the case in all circumstances. Some studies have found that when accounting for macroeconomic shocks, the indirect impacts from government spending may be negative in the long run;
- ▶ **The I-O model assumes constant returns to scale.** This means that an increase of  $X$  in inputs should lead to the same  $X$  increase in outputs. More formally, an increase in inputs causes the same proportional increase in outputs. The ratio of new inputs and outputs is always equal to 1;
- ▶ **I-O models do not take into consideration the alternative uses or opportunity costs associated with allocating funds towards one project vs. another.** For example, if Carmen decides to spend money renovating the Convention Centre, the model will not be able to capture the alternative benefits that could be produced allocating that money elsewhere. In this case, these alternative benefits could be even greater than those associated with these renovations, however, the model will not be able to account for this discrepancy;
- ▶ **Results from the model should not be interpreted as causal.** This means that the numbers produced by the model may not be solely attributable to the economic activity generated by the operation and capital expenditures of Hamilton's entertainment assets. Assume for instance that the model revealed that because of the entertainment assets capital and operational expenditures,  $X$  amount



of FTE jobs would be created. In this case, we cannot say with certainty that all of these FTW jobs would be a result of these expenditures directly;

- ▶ **The model does not account for substitution amongst inputs.** Each industry in the model is regarded as having a single static production process. Further, the model does not account for any technology shocks that may occur, or consider that businesses become more efficient over time (i.e., learning by doing, etc.);
- ▶ **The relationship between industry inputs and outputs is linear and fixed.** This means that a change in demand for the outputs of any industry will result in a proportional change in production;
- ▶ **Prices are fixed in the model.** Thus, the model is unable to account for elasticities, or more formally, how one economic variable change in response to another;
- ▶ **I-O models are static.** That is, the model does not consider the amount of time required for changes to happen;
- ▶ **There are no capacity constraint and all industries are operating at full capacity.** This implies that an increase in output results in an increase in demand for labour (rather than simply re-deploying existing labour). It also implies that there is no displacement that may occur in existing industries as new projects are completed; and
- ▶ **The model assumes that the structure of the economy remains unchanged.** Since we use Statistic Canada's 2015 economic multipliers, any structural changes in Canada's economy will not be captured. As a result, the more removed the year of analysis is from the year of the used multipliers, the larger the uncertainties.

Additional assumptions imposed on the tourism model include:

- ▶ **It is assumed that all inputs in the final demand vector  $F$  (i.e., tourism expenditures) are realized within the City of Hamilton.** That is, we have not made any adjustments for leakages in visitor expenditures which may occur outside the City's geographical boundaries;
- ▶ **The selected final demand sectors (i.e., retail trade, accommodation and food services, arts, entertainment and recreation) were based on expenditure category description and EY personnel discretion.** Also, due to the ambiguity in some of the estimated expenditure categories, allocating final demand to certain tourism sectors was also based on EY discretion;
- ▶ **To keep consistent with impacts associated with operational and capital expenditure activities, final demand has been valued a basic prices.** This means that tourism expenditures are net of any product related taxes. This is also consistent with the fact that the Leontief matrix is expressed in basic prices as well;
- ▶ **All final demand is assumed to be from visitors outside Hamilton and not from local residents.** This is because the expenditures associated from these individuals would likely be spent within the City regardless of Hamilton's entertainment assets;
- ▶ **All final demand is assumed to be "relevant", indicating that these expenditures would not be made if the entertainment assets were not present.** That is, we assume that the only reason for a visit to Hamilton is directly attributable to Hamilton's entertainment assets.; and
- ▶ **To avoid issues of double counting, these expenditures are net of any tourism expenditures spent within the entertainment assets themselves.** This includes for example expenditures on tickets, concession and merchandise etc. within the three facilities.

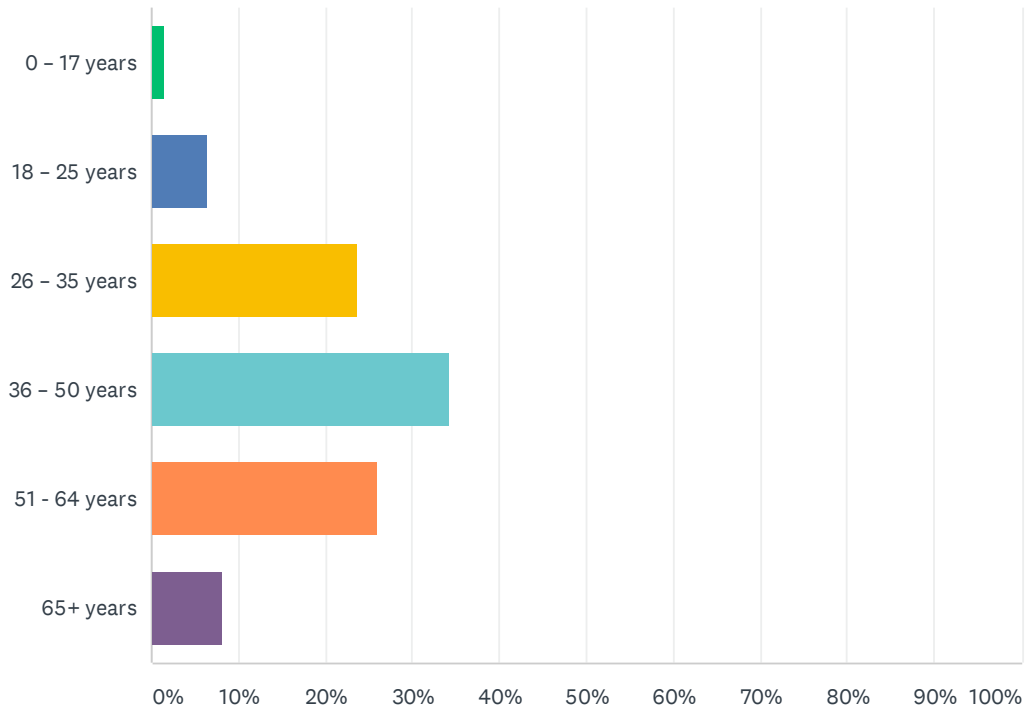
End of Appendix B



Appendix C

### Q1 How old are you?

Answered: 419 Skipped: 1



ANSWER CHOICES	RESPONSES
0 – 17 years	1.43% 6
18 – 25 years	6.44% 27
26 – 35 years	23.63% 99
36 – 50 years	34.37% 144
51 - 64 years	26.01% 109
65+ years	8.11% 34
<b>TOTAL</b>	<b>419</b>

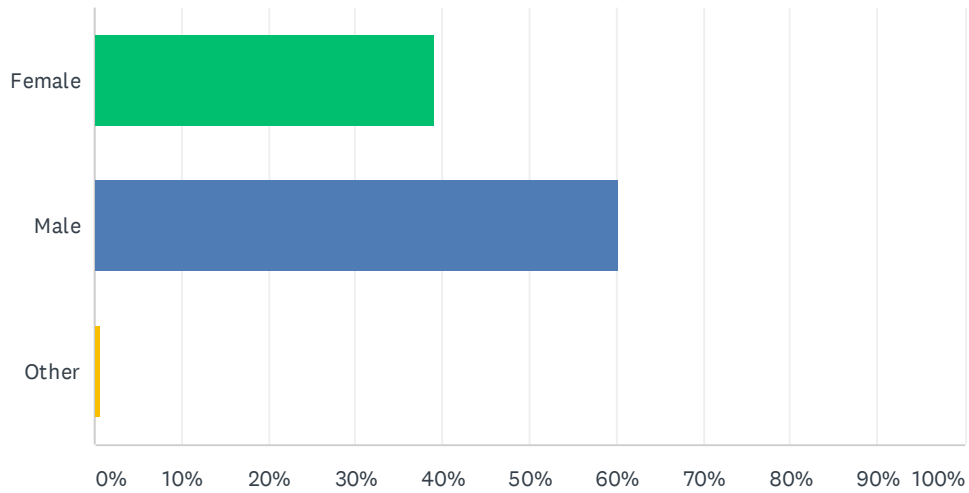
**Q2 Could you please provide the first three (3) letters of your postal code?**

Answered: 416 Skipped: 4



### Q3 To which gender do you most identify?

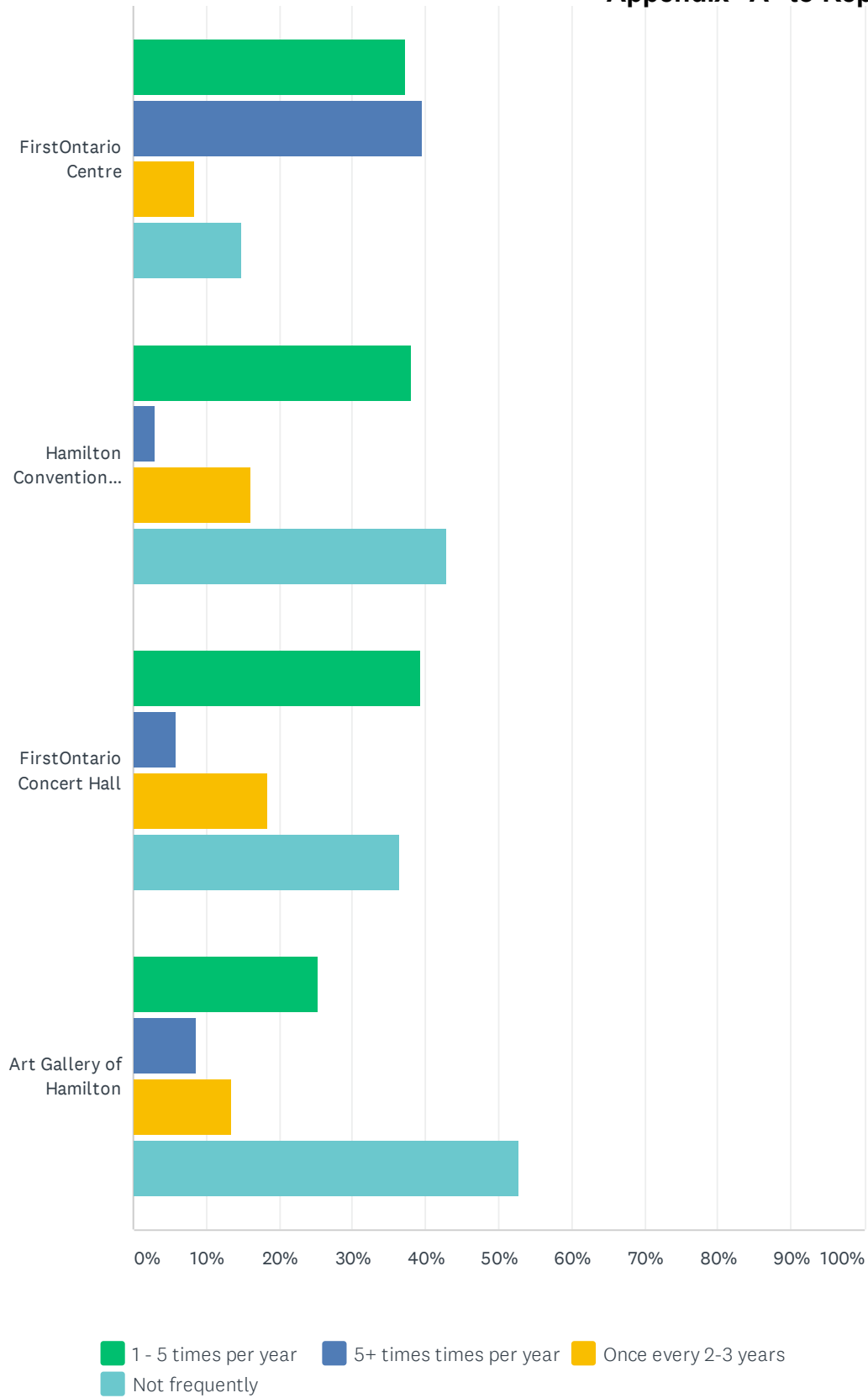
Answered: 420 Skipped: 0



ANSWER CHOICES	RESPONSES	
Female	39.05%	164
Male	60.24%	253
Other	0.71%	3
<b>TOTAL</b>		<b>420</b>

## Q4 How frequently do you visit each of the following entertainment venues?

Answered: 420 Skipped: 0

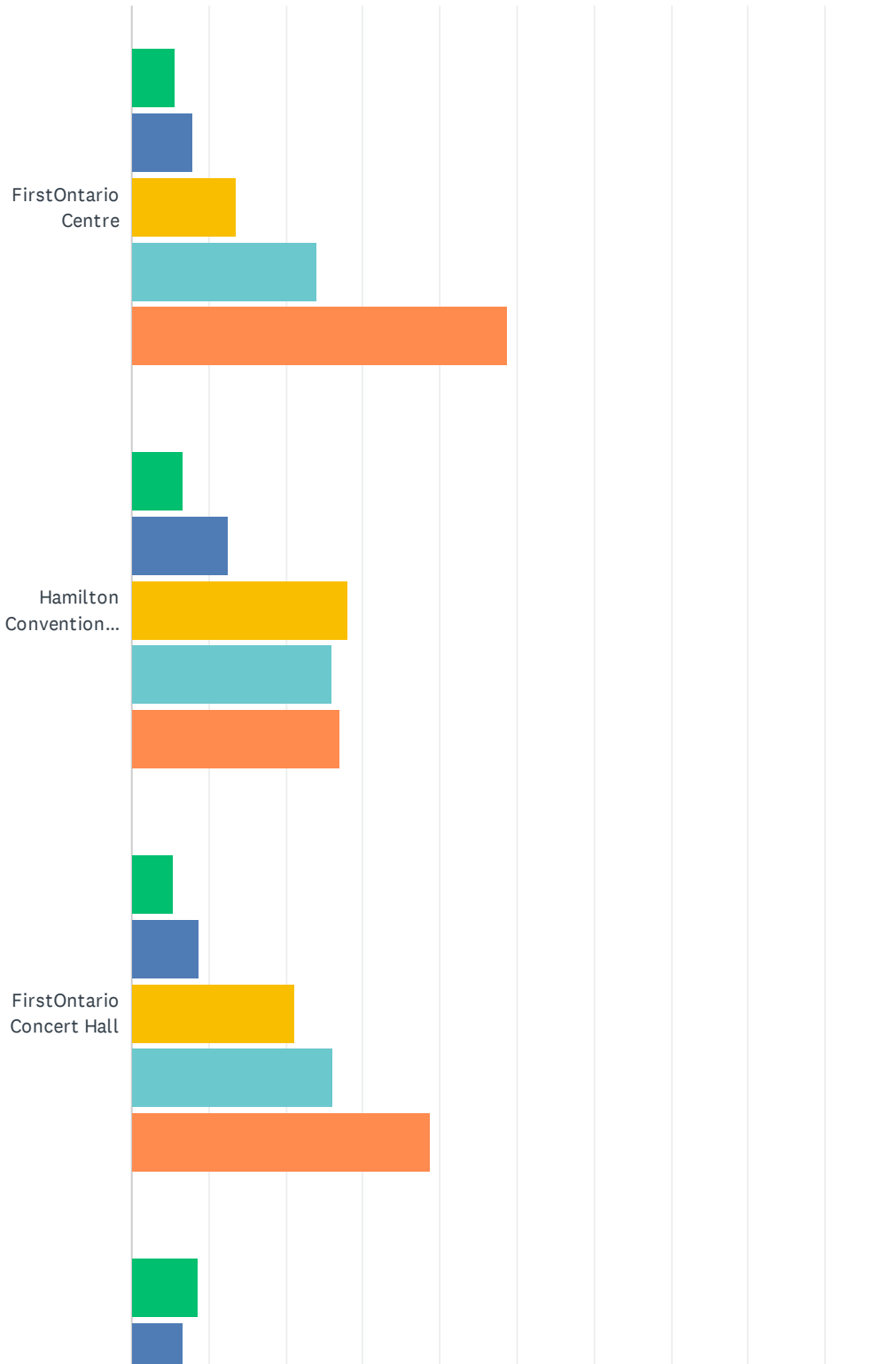


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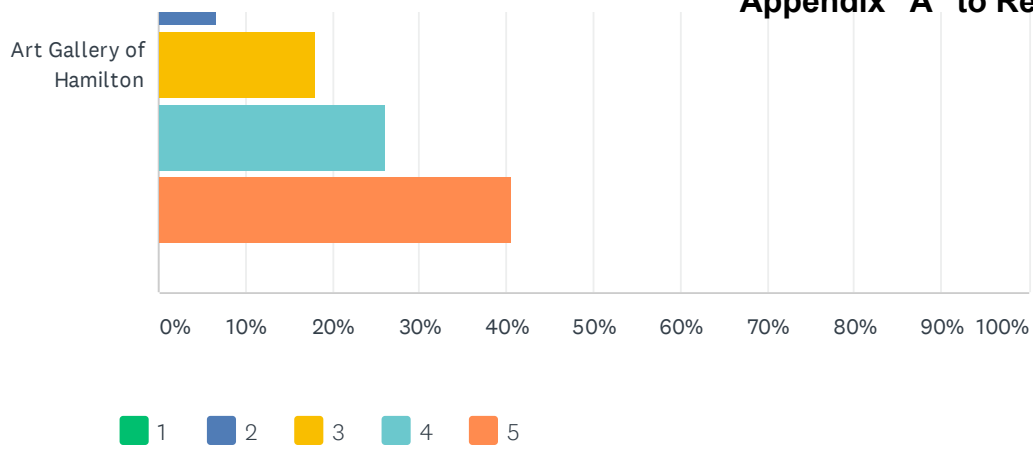
	1 - 5 TIMES PER YEAR	5+ TIMES TIMES PER YEAR	ONCE EVERY 2-3 YEARS	NOT FREQUENTLY	TOTAL
FirstOntario Centre	37.23% 156	39.62% 166	8.35% 35	14.80% 62	419
Hamilton Convention Centre	38.14% 156	2.93% 12	16.14% 66	42.79% 175	409
FirstOntario Concert Hall	39.36% 161	5.87% 24	18.34% 75	36.43% 149	409
Art Gallery of Hamilton	25.30% 104	8.52% 35	13.38% 55	52.80% 217	411

Q5 To what extent do you feel each of the following entertainment venues contributes to the vibrancy and quality of life in downtown Hamilton? Please score each 1-5, with 1 being not important and 5 being extremely important.

Answered: 420 Skipped: 0



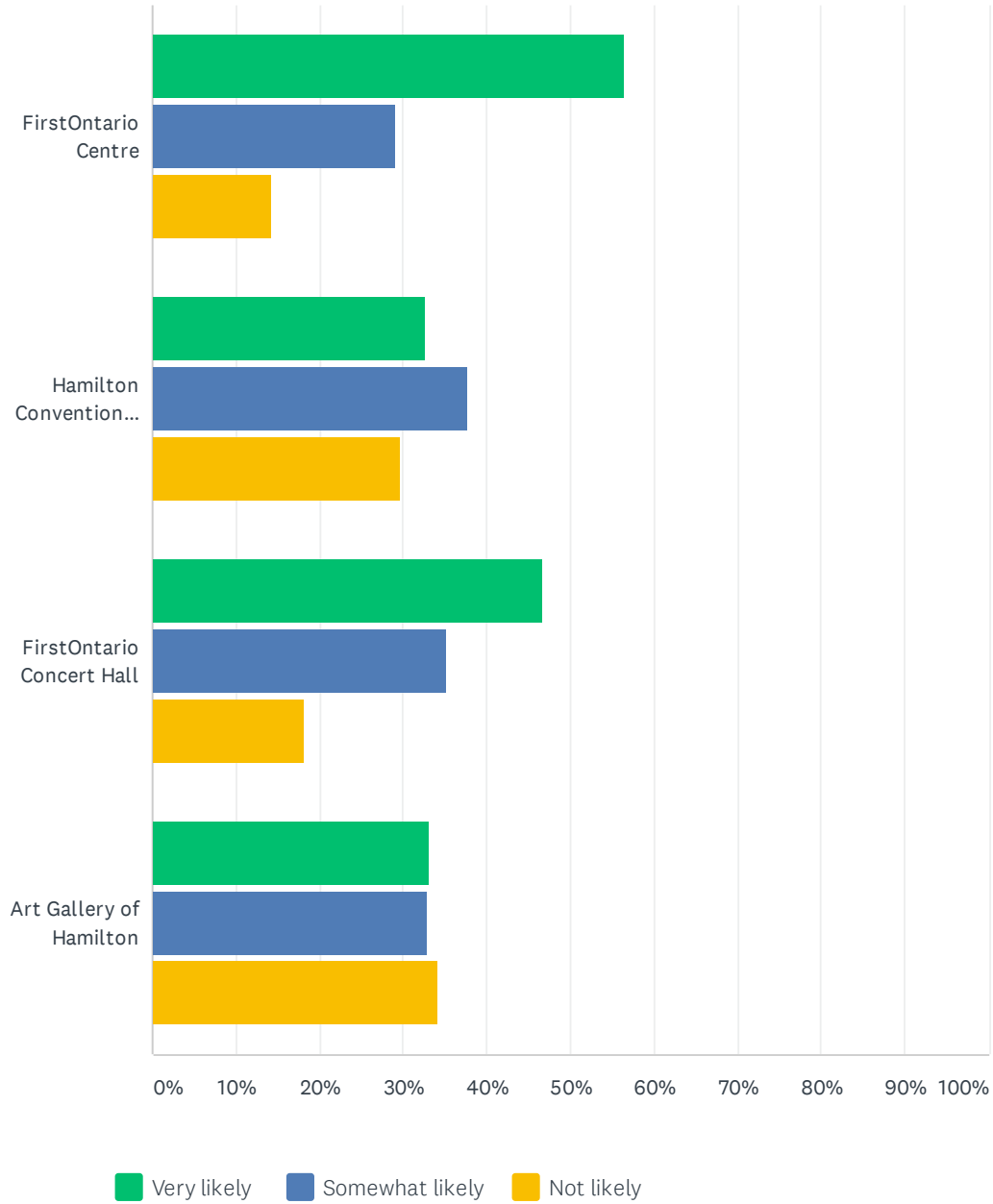




	1	2	3	4	5	TOTAL	WEIGHTED AVERAGE
FirstOntario Centre	5.73% 24	7.88% 33	13.60% 57	24.11% 101	48.69% 204	419	4.02
Hamilton Convention Centre	6.62% 27	12.50% 51	27.94% 114	25.98% 106	26.96% 110	408	3.54
FirstOntario Concert Hall	5.38% 22	8.80% 36	21.03% 86	26.16% 107	38.63% 158	409	3.84
Art Gallery of Hamilton	8.58% 35	6.62% 27	17.89% 73	26.23% 107	40.69% 166	408	3.84

### Q6 When attending an event at one of the following venues, how likely is it that you would additionally visit local businesses, such as a restaurant, bar or shop?

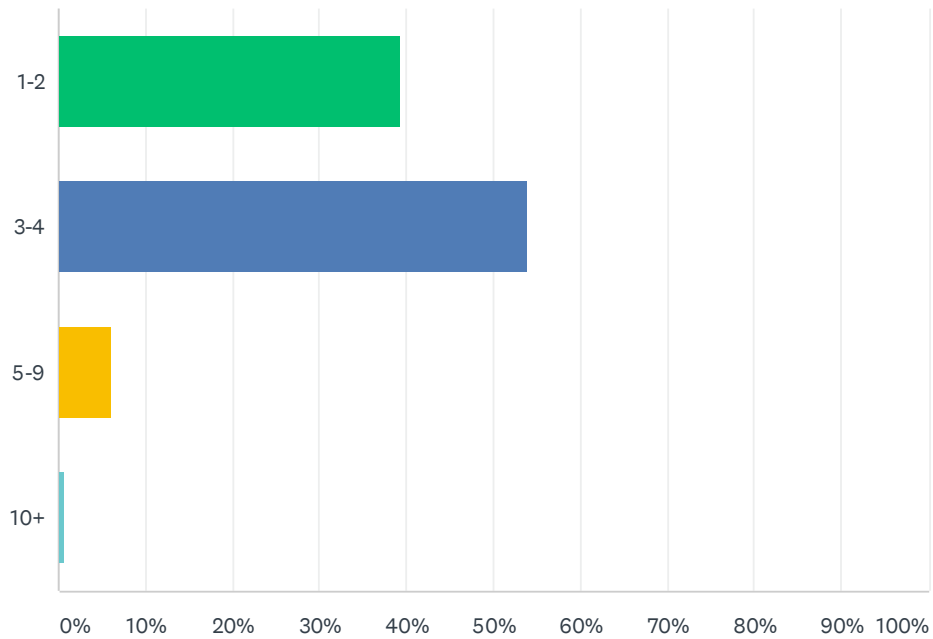
Answered: 420 Skipped: 0



	VERY LIKELY	SOMEWHAT LIKELY	NOT LIKELY	TOTAL
FirstOntario Centre	56.56% 237	29.12% 122	14.32% 60	419
Hamilton Convention Centre	32.68% 133	37.59% 153	29.73% 121	407
FirstOntario Concert Hall	46.55% 189	35.22% 143	18.23% 74	406
Art Gallery of Hamilton	33.09% 135	32.84% 134	34.07% 139	408

### Q7 What is the typical size of your group when attending events at these venues?

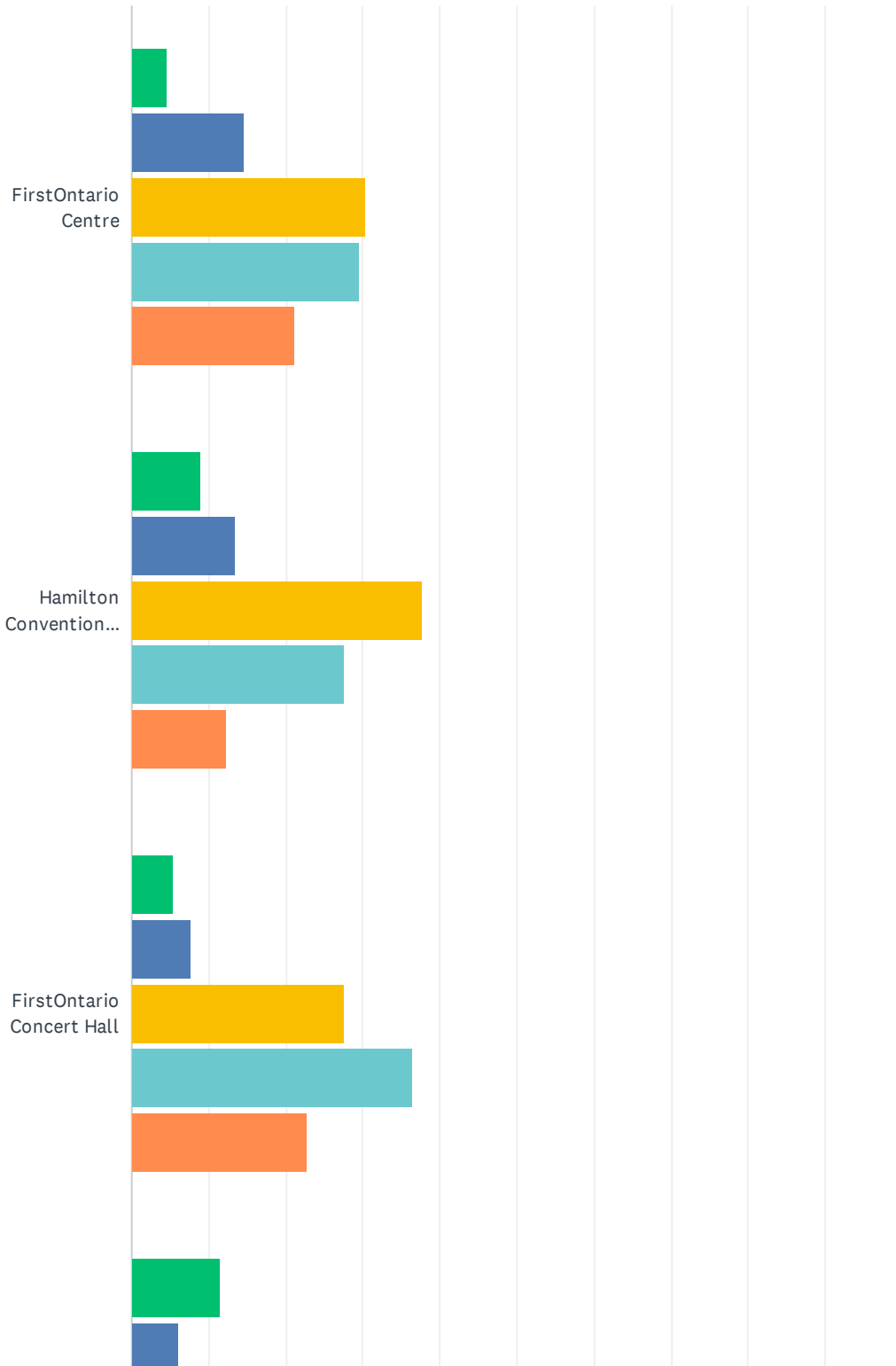
Answered: 418 Skipped: 2



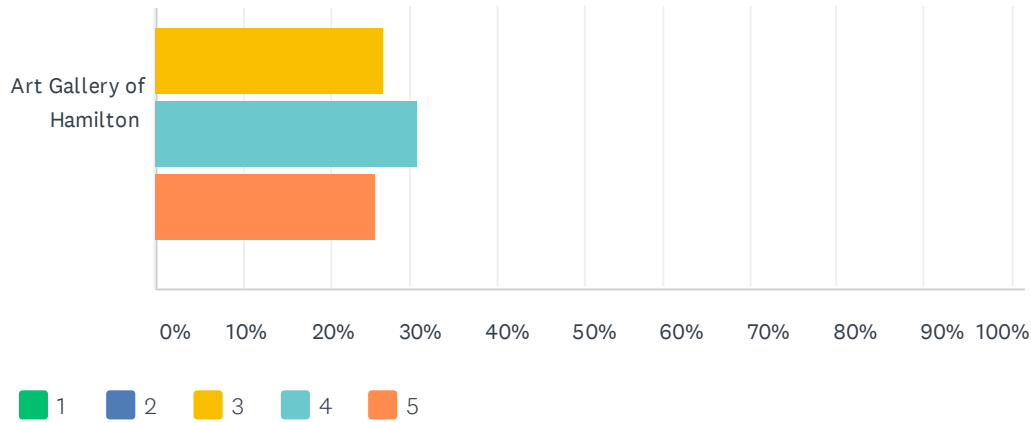
ANSWER CHOICES	RESPONSES
1-2	39.23% 164
3-4	54.07% 226
5-9	5.98% 25
10+	0.72% 3
TOTAL	418

Q8 From a customer experience and enjoyment perspective, how would you describe your experiences at each of the following venues? Please score each venue from 1-5, with 1 being not enjoyable and 5 being extremely enjoyable.

Answered: 420 Skipped: 0



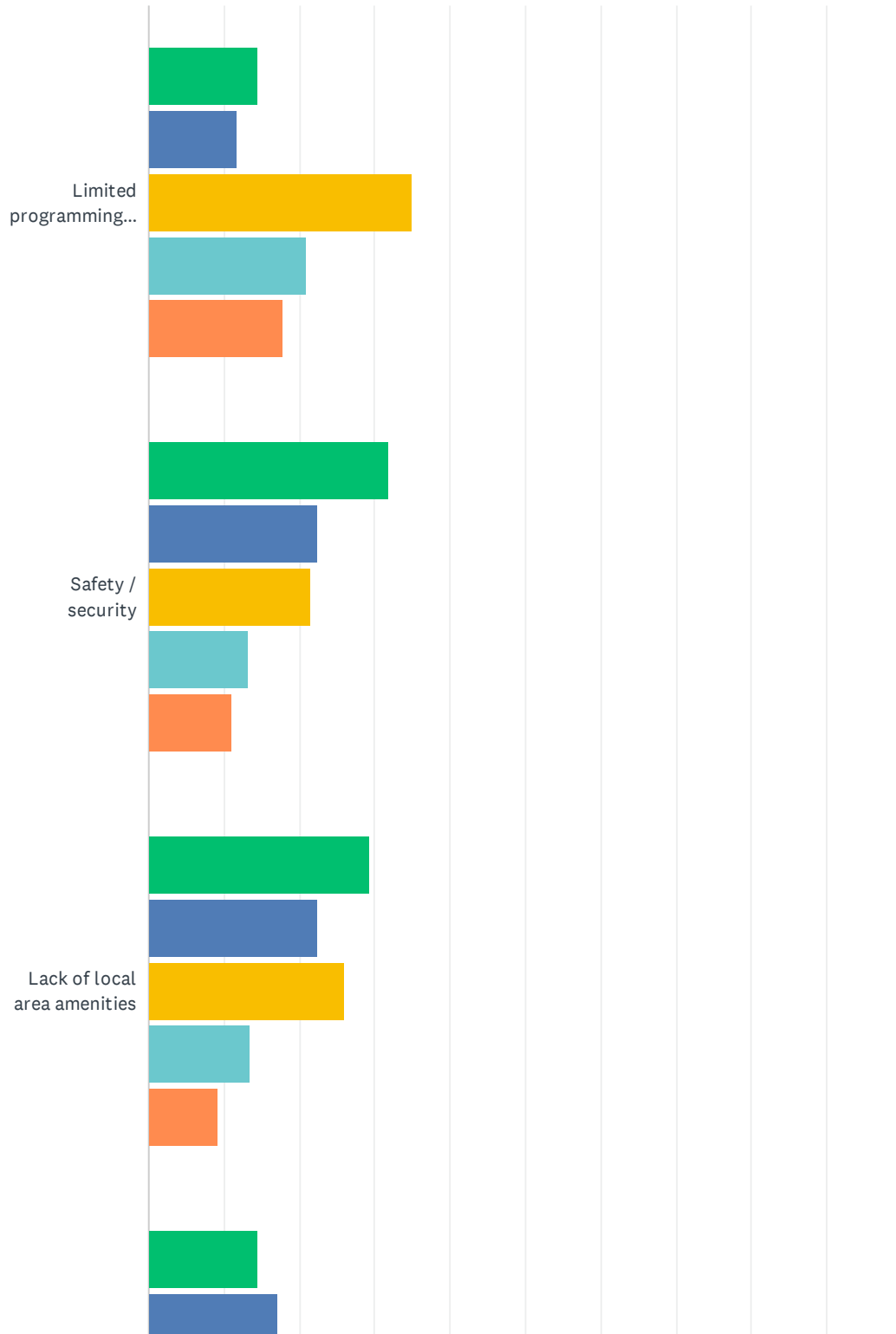


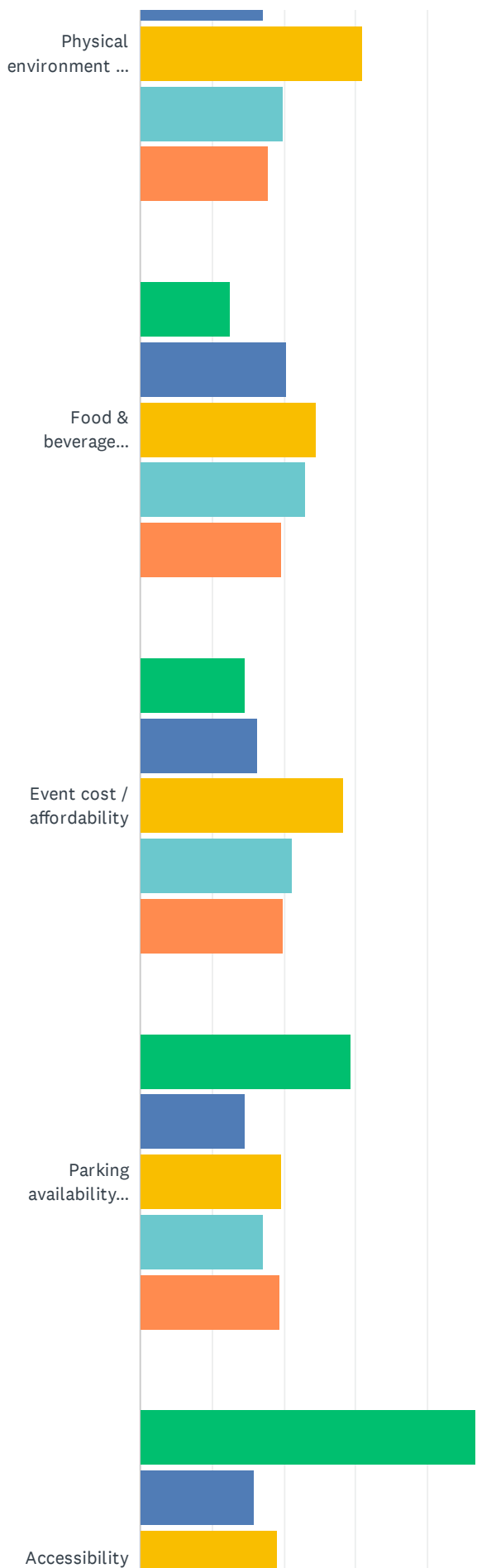


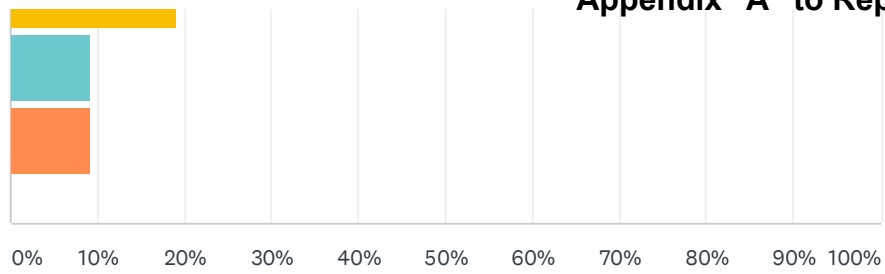
	1	2	3	4	5	TOTAL	WEIGHTED AVERAGE
FirstOntario Centre	4.55% 19	14.59% 61	30.38% 127	29.43% 123	21.05% 88	418	3.48
Hamilton Convention Centre	9.09% 36	13.38% 53	37.63% 149	27.53% 109	12.37% 49	396	3.21
FirstOntario Concert Hall	5.51% 22	7.77% 31	27.57% 110	36.34% 145	22.81% 91	399	3.63
Art Gallery of Hamilton	11.51% 45	6.14% 24	26.34% 103	30.43% 119	25.58% 100	391	3.52

Q9 To what extent do the following considerations limit your overall customer experience when attending an event at these entertainment venues? Please score each from 1-5, with 1 being minimally limiting and 5 being highly limiting.

Answered: 419 Skipped: 1



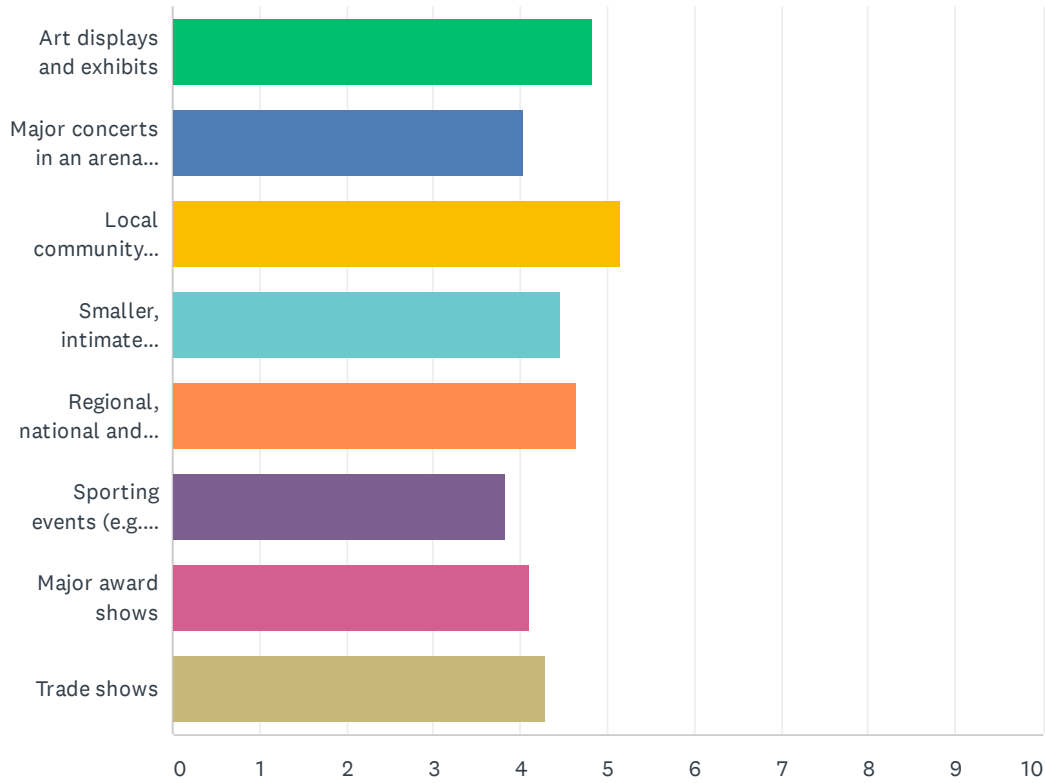




	1	2	3	4	5	TOTAL	WEIGHTED AVERAGE
Limited programming offering	14.46% 60	11.81% 49	34.94% 145	20.96% 87	17.83% 74	415	3.16
Safety / security	31.73% 132	22.36% 93	21.63% 90	13.22% 55	11.06% 46	416	2.50
Lack of local area amenities	29.26% 122	22.30% 93	25.90% 108	13.43% 56	9.11% 38	417	2.51
Physical environment of venue / customer experience	14.35% 60	17.22% 72	30.86% 129	19.86% 83	17.70% 74	418	3.09
Food & beverage on-site	12.50% 52	20.19% 84	24.52% 102	23.08% 96	19.71% 82	416	3.17
Event cost / affordability	14.59% 61	16.27% 68	28.23% 118	21.05% 88	19.86% 83	418	3.15
Parking availability / cost	29.19% 122	14.59% 61	19.62% 82	17.22% 72	19.38% 81	418	2.83
Accessibility	46.75% 194	15.90% 66	19.04% 79	9.16% 38	9.16% 38	415	2.18

Q10 Which of the following types of programming do you feel would be most successful in advancing the goal of a vibrant downtown in Hamilton? Please rank the following from 1 to 8, with 1 being least significant and 8 most significant.

Answered: 418 Skipped: 2

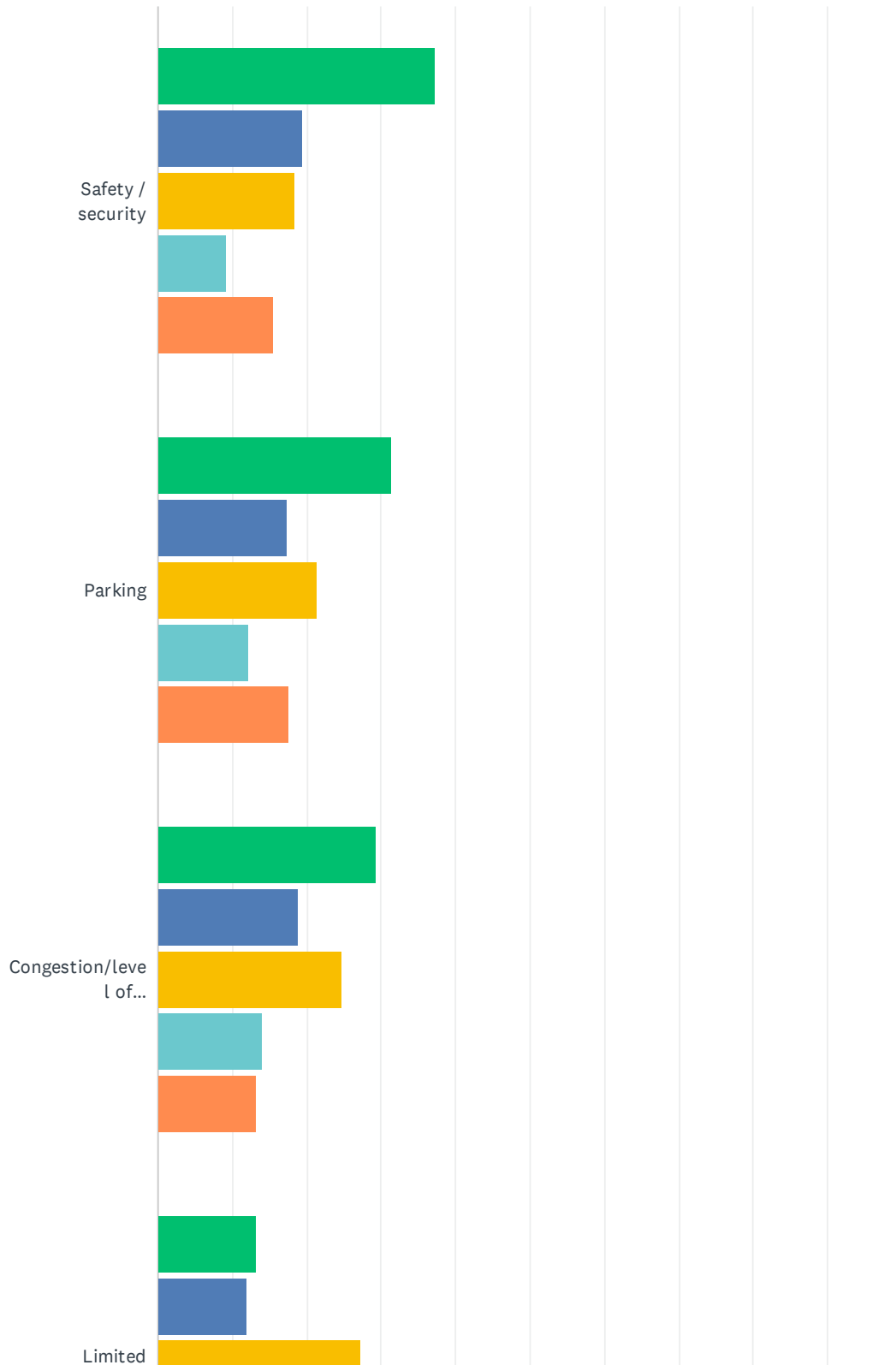


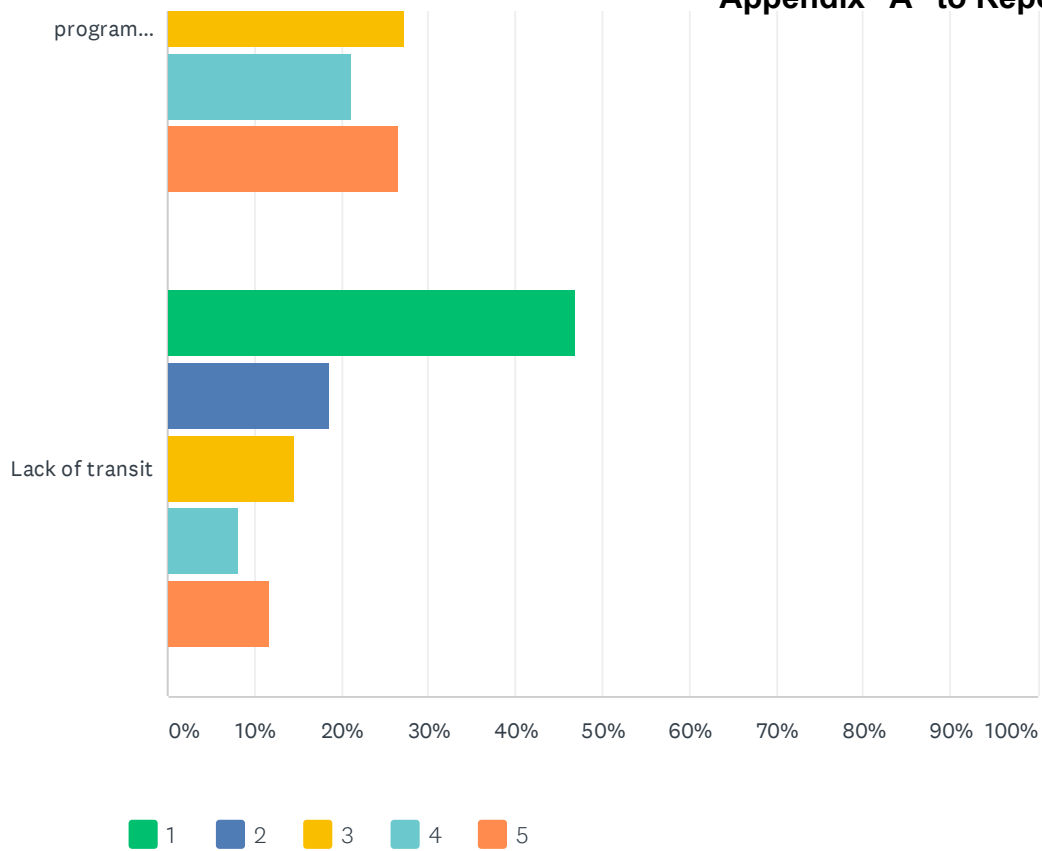


	1	2	3	4	5	6	7	8	TOTAL	SCORE
Art displays and exhibits	18.38% 66	12.26% 44	12.81% 46	14.21% 51	11.14% 40	8.08% 29	11.14% 40	11.98% 43	359	4.84
Major concerts in an arena stadium	15.80% 55	13.51% 47	7.18% 25	5.46% 19	8.05% 28	6.32% 22	17.24% 60	26.44% 92	348	4.03
Local community events (e.g. banquets, weddings, graduations)	21.88% 79	15.24% 55	16.34% 59	9.70% 35	7.20% 26	9.70% 35	8.31% 30	11.63% 42	361	5.14
Smaller, intimate concerts	7.93% 28	10.20% 36	13.03% 46	14.16% 50	18.13% 64	20.68% 73	11.90% 42	3.97% 14	353	4.46
Regional, national and/or international conferences	4.97% 18	14.92% 54	15.47% 56	18.51% 67	18.23% 66	12.43% 45	8.56% 31	6.91% 25	362	4.64
Sporting events (e.g. Bulldogs and/or Honeybadgers)	11.97% 45	6.65% 25	8.78% 33	10.37% 39	10.11% 38	13.56% 51	15.16% 57	23.40% 88	376	3.82
Major award shows	5.95% 22	8.65% 32	9.46% 35	15.41% 57	15.68% 58	21.08% 78	17.30% 64	6.49% 24	370	4.09
Trade shows	9.16% 36	13.99% 55	11.96% 47	11.45% 45	13.23% 52	11.45% 45	11.70% 46	17.05% 67	393	4.28

Q11 To what extent do the following considerations limit your likelihood of attending an event at these entertainment venues? Please score each from 1-5, with 1 being minimally limiting and 5 being highly limiting.

Answered: 416 Skipped: 4

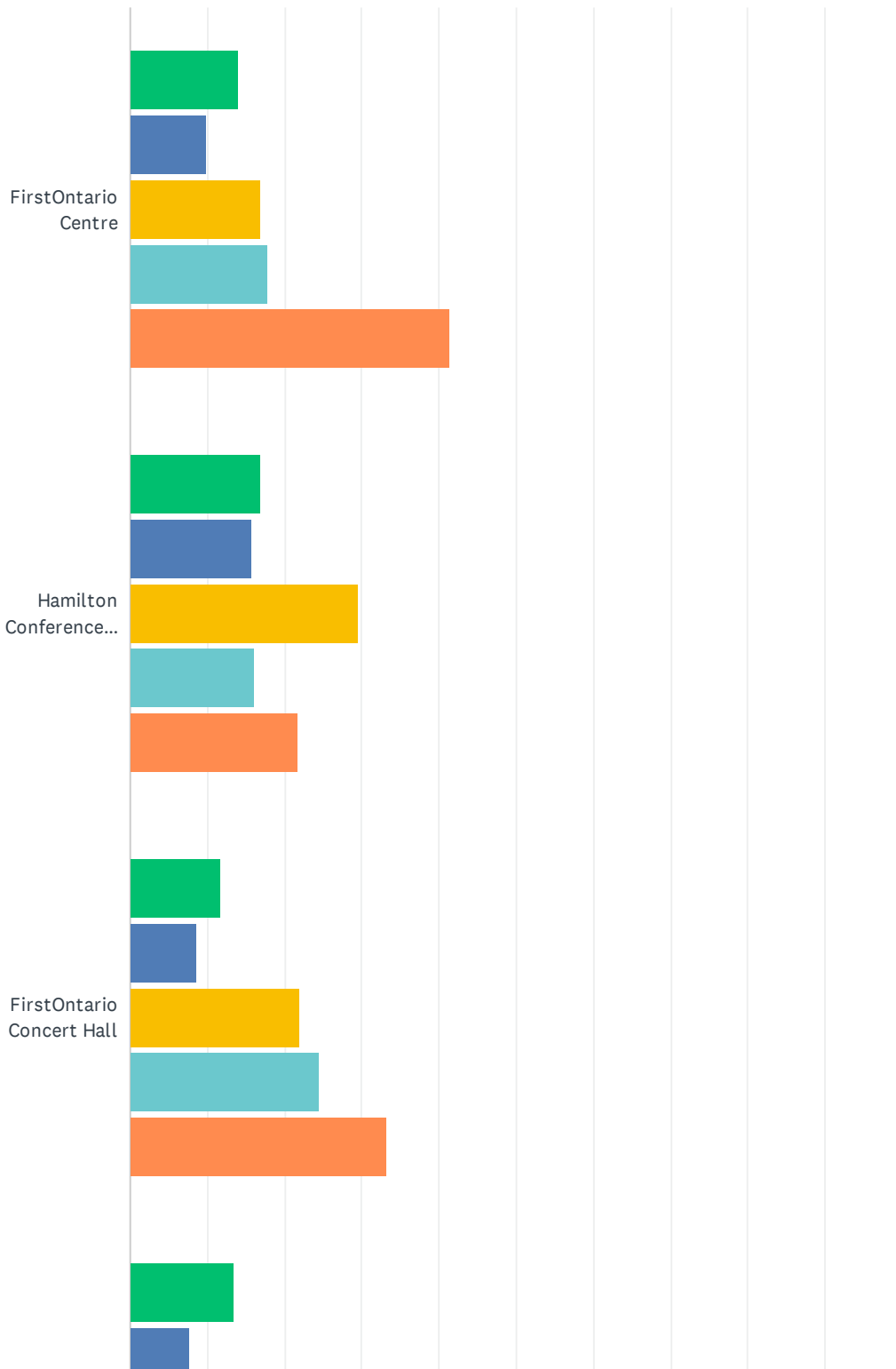


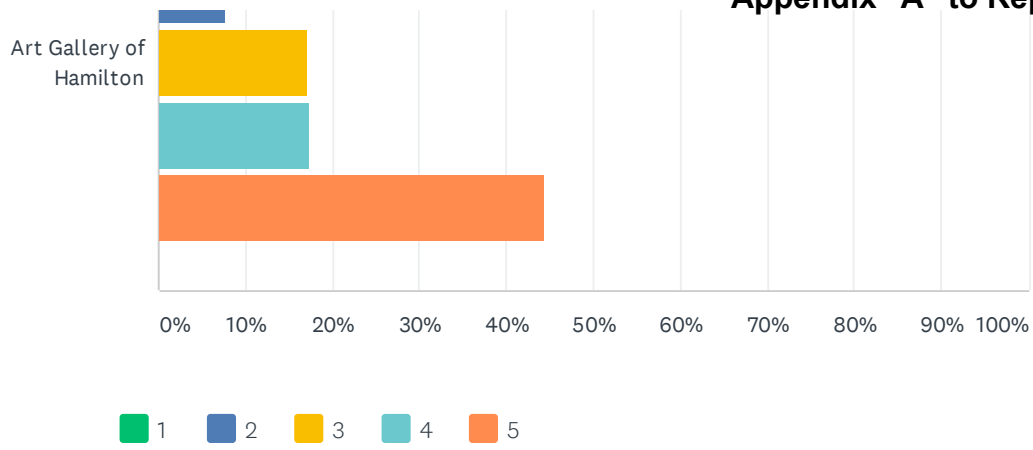


	1	2	3	4	5	TOTAL	WEIGHTED AVERAGE
Safety / security	37.23% 153	19.46% 80	18.49% 76	9.25% 38	15.57% 64	411	2.46
Parking	31.48% 130	17.43% 72	21.31% 88	12.11% 50	17.68% 73	413	2.67
Congestion/level of accessibility	29.34% 120	18.83% 77	24.69% 101	13.94% 57	13.20% 54	409	2.63
Limited program offering	13.14% 54	11.92% 49	27.25% 112	21.17% 87	26.52% 109	411	3.36
Lack of transit	46.81% 191	18.63% 76	14.71% 60	8.09% 33	11.76% 48	408	2.19

Q12 To what extent do you feel that the City of Hamilton should continue to financially support the operations of these entertainment venues with public funds? Please rank each from a scale of 1 to 5, with 1 being least supportive and 5 being most supportive.

Answered: 415 Skipped: 5

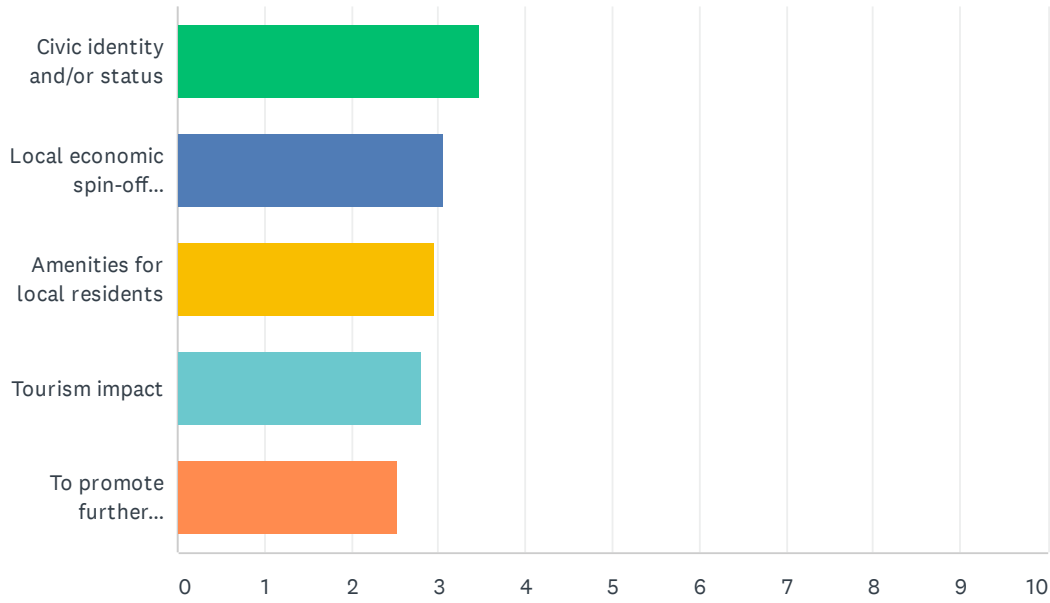




	1	2	3	4	5	TOTAL	WEIGHTED AVERAGE
FirstOntario Centre	13.98% 58	9.88% 41	16.87% 70	17.83% 74	41.45% 172	415	3.63
Hamilton Conference Centre	16.91% 69	15.69% 64	29.41% 120	16.18% 66	21.81% 89	408	3.10
FirstOntario Concert Hall	11.74% 48	8.56% 35	22.00% 90	24.45% 100	33.25% 136	409	3.59
Art Gallery of Hamilton	13.41% 55	7.80% 32	17.07% 70	17.32% 71	44.39% 182	410	3.71

**Q13** If you do believe that public funds should be used to support the operations of entertainment venues in downtown Hamilton, which of the following considerations do you feel is most important? Please rank each from 1-5, with 1 being least significant and 5 being most significant.

Answered: 411 Skipped: 9



	1	2	3	4	5	N/A	TOTAL	SCORE
Civic identity and/or status	32.42% 118	17.58% 64	13.46% 49	10.99% 40	14.56% 53	10.99% 40	364	3.48
Local economic spin-off benefits for local businesses	15.83% 57	20.56% 74	18.89% 68	23.61% 85	12.22% 44	8.89% 32	360	3.05
Amenities for local residents	14.44% 53	18.53% 68	23.98% 88	18.53% 68	16.08% 59	8.45% 31	367	2.96
Tourism impact	9.81% 36	20.98% 77	19.62% 72	26.16% 96	15.80% 58	7.63% 28	367	2.81
To promote further redevelopment of the downtown core	14.65% 58	10.86% 43	16.92% 67	16.16% 64	33.08% 131	8.33% 33	396	2.54



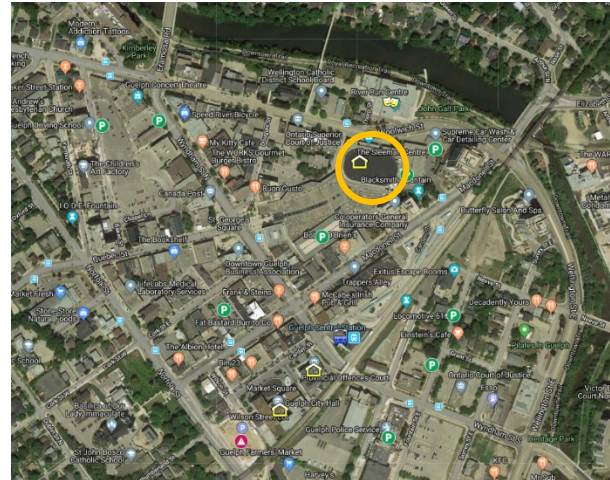
Q14 Please provide any additional comment(s) for our consideration.

Answered: 158 Skipped: 262



# Appendix D

## Sleeman Centre - Guelph, Ontario



### Venue Background & Description

- ▶ Built in 2000 at a cost of ~\$21.0M, Sleeman Centre is currently owned by the City of Guelph. Initially, the venue was formed by a public-private partnership between the City and Nustadia Developments Inc.<sup>65</sup> It is estimated that the City contributed 50% of the construction costs and guaranteed a \$9M loan.
- ▶ The venue hosts family events, trade shows, conferences, large-scale concerts, public ceremonial events, and is home to the Guelph Storm (OHL) since 2000 and Guelph Nighthawks (CEBL) since 2019. It has 5,000 seats and includes private suites and private boxes.

### Location & Attendance

- ▶ The venue is at the heart of Guelph's downtown area between major arteries; Macdonell Street and Woolwich Street. Sleeman Centre benefits from 2,000+ third-party parking spaces near the venue, 3 hotels within 3 kilometers, and an abundant number of surrounding restaurants.
- ▶ Sleeman Centre hosted 60 events in 2018. Only four (4) of the total 60 events (7%) were small non-sporting events<sup>66</sup> indicating low appeal by global artists and performers. That is reasonable given Guelph's small population of ~131,000 and its proximity to large urban areas such as Mississauga and Toronto.<sup>67</sup> Guelph Storm's games show a three-year Utilization Rate average of ~81%, which is high.<sup>68</sup>

### Conclusion

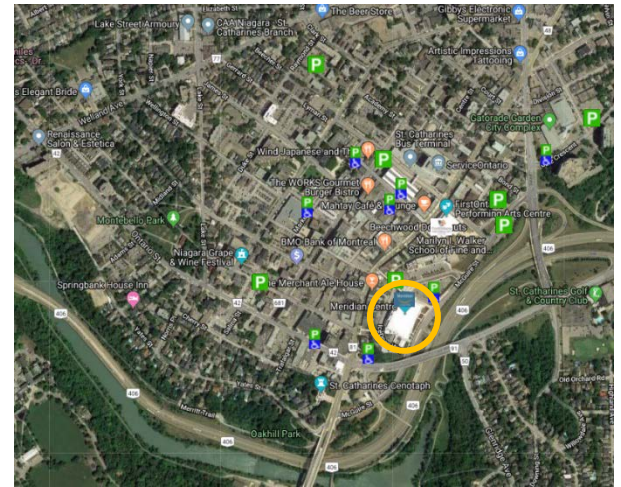
- ▶ Sleeman Centre's high Utilization Rate can be attributed to the venue's central location and the 20-year long continuous support of Guelph Storm by local residents.
- ▶ Given Sleeman Centre's low Usage Ratio of 16%, low ratio of non-sporting events, yet high Utilization Rate; EY concludes that the venue is primarily used for local sporting events and functions as a poor entertainment destination spot.

<sup>65</sup> <http://thesleemancentre.com/about-us/>

<sup>66</sup> Sleeman Centre Events Calendar, accessed on 14-07-2019

<sup>67</sup> Statistics Canada, 2016 Census

<sup>68</sup> <http://www.hockeydb.com/nhl-attendance>



**Venue Background & Description**

- ▶ Built in 2014 at a cost of ~\$50.0M, Meridian Centre is currently owned by the City of St Catharines.
- ▶ The venue hosts concerts, celebrations, meetings, corporate events, cocktail or sit-down dinners, and is home to the Niagara IceDogs (OHL) since 2014 and Niagara River Lions (CEBL) since 2015. It has 5,300 seats and includes a full-service club lounge.

**Location & Attendance**

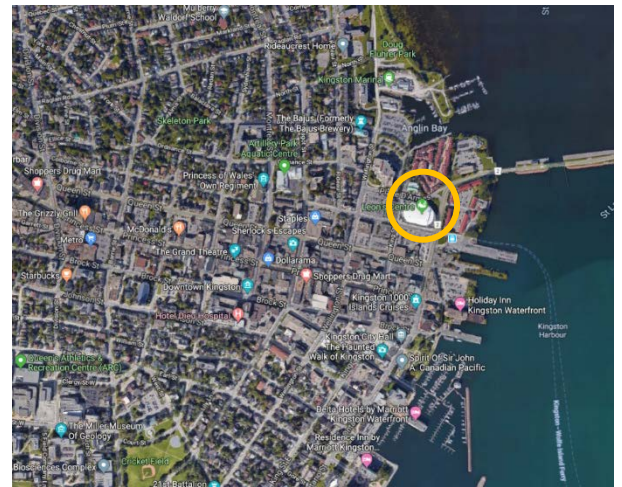
- ▶ The venue is in St Catharines' downtown area near major arteries; Ontario 406 Highway and Westchester Avenue. Meridian Centre benefits from many surrounding third-party parking spaces near the venue, 6 hotels within 3 kilometers, and an abundant number of surrounding restaurants.
- ▶ Niagara IceDogs' games show a three-year Utilization Rate average of ~92%, which is considered high.<sup>69</sup>
- ▶ Meridian Centre hosted 128 events in 2018, of which 52 (41%) were non-sporting events.<sup>70</sup> Such events include Cirque du Soleil, the CITT/ICTS Conference & Trade Show, and international artists.

**Conclusion**

- ▶ St Catharines' long-distance from large Canadian urban areas such as Mississauga and Toronto contribute to the local needs of more total and non-sporting events.
- ▶ The Meridian Centre's high Utilization Rate can be attributed to the venue's central location and the support of Niagara IceDogs by local residents.
- ▶ Given Meridian Centre's low Usage Ratio of 35%, yet high ratio of non-sporting events and sport Utilization Rate; EY concludes that the venue is a local sports and entertainment destination spot.

<sup>69</sup> <http://www.hockeydb.com/nhl-attendance>  
<sup>70</sup> Meridian Centre Events Calendar, accessed on 14-07-2019





### Venue Background & Description

- ▶ Built in 2008 at a cost of ~\$46.5M, Leon's Centre is currently owned by the City of Kingston.
- ▶ The venue hosts concerts, special events, community activities, and is home to the Kingston Frontenacs (OHL) since 2008. It has 6,700 seats and includes 29 private suites and a club lounge.

### Location & Attendance

- ▶ The venue is in Kingston's downtown core. Leon's Centre benefits from many surrounding third-party parking spaces near the venue, 15+ hotels within 3 kilometers, and an abundant number of surrounding restaurants.
- ▶ Kingston Frontenacs' games show a three-year Utilization Rate average of ~52%, which is considered moderate.<sup>71</sup>
- ▶ Leon's Centre hosted 83 events in 2018, of which 33 (40%) were non-sporting events.<sup>72</sup> Such events include Cirque du Soleil and international artists.

### Conclusion

- ▶ Given the Kingston's small population size of ~117,000, medium Utilization Rate during sporting events, high ratio of sporting events (60%), and low Usage Ratio (23%), EY notes that Leon's Centre is underutilized.<sup>73</sup>
- ▶ Based on Kingston's population size and the venue's seat capacity, 1 in 18 of Kingston residents can attend an event at Leon's Centre. Given the venue's underutilization, EY also notes that Leon's Centre is overbuilt in capacity.<sup>74</sup>

<sup>71</sup> <http://www.hockeydb.com/nhl-attendance>

<sup>72</sup> Meridian Centre Events Calendar, accessed on 14-07-2019

<sup>73</sup> Statistics Canada, 2016 Census

<sup>74</sup> Statistics Canada, 2016 Census



**Venue Background & Description**

- ▶ Built in 2002 at a cost of ~\$28.3M, Budweiser Gardens is a public-private partnership between the City of London and Comcast Corporation through its subsidiary Global Spectrum.<sup>75</sup> It is estimated that Comcast contributed \$10M (~35%) of the construction costs and that the rest (~65%) was provided from the City of London.<sup>76</sup>
- ▶ The venue hosts concerts, family shows, comedy shows, lectures, and is home to the London Knights (OHL) and London Lightning (NBL). It has close to 9,100 seats and 5 hospitality suites.

**Location & Attendance**

- ▶ The venue is strategically located in downtown London, near major arteries; Richmond Street and Queens Avenue. Benefitting from 8,000+ third-party parking spaces near the venue, 10 hotels within 3 kilometers, and an abundant number of surrounding restaurants,
- ▶ London Knights' games show a three-year Utilization Rate average of ~99%, which is considered high.<sup>77</sup>
- ▶ Budweiser Gardens hosted 152 events in 2018, of which 75 (49%) were non-sporting events;<sup>78</sup> including big events such as Shania Twain's two (2) day concert at the venue in July 2018.

**Conclusion**

- ▶ Given the venue's location, its ~100% sporting events Utilization Rate, ratio of non-sporting events in 2018, and Usage Ratio of 42%, EY notes that Budweiser Gardens is a marquee destination spot in London's sports and entertainment scene.

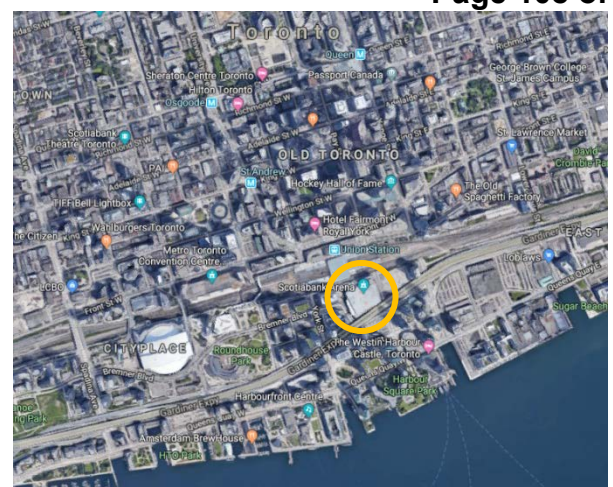
<sup>75</sup> "John Labatt Centre, London, Ontario", Sports Business Journal, November 25, 2002. Retrieved from <https://sbjprod-cd.azurewebsites.net/Journal/Issues/2002/11/25/Special-Report/John-Labatt-Centre-London-Ontario.aspx>

<sup>76</sup> Special Report, Sports Business Journal, November 2002, <https://www.sportsbusinessdaily.com/Journal/Issues/2002/11/25/Special-Report.aspx>

<sup>77</sup> <http://www.hockeydb.com/nhl-attendance>

<sup>78</sup> Budweiser Gardens Events Calendar, accessed on 14-07-2019





**Venue Background & Description**

- ▶ Built in 1999 at a cost of ~\$288M, Scotiabank Arena is owned by Maple Leaf Sports & Entertainment.
- ▶ The venue hosts big concerts, and is home to the Toronto Maple Leafs (NHL) since 1999, Toronto Raptors (NBA) since 1999, and Toronto Rock (NLL) since 2001. It has close to 19,800 seats and premium seating such as suites, the Sher Club, and the Chairman’s Suite.

**Location & Attendance**

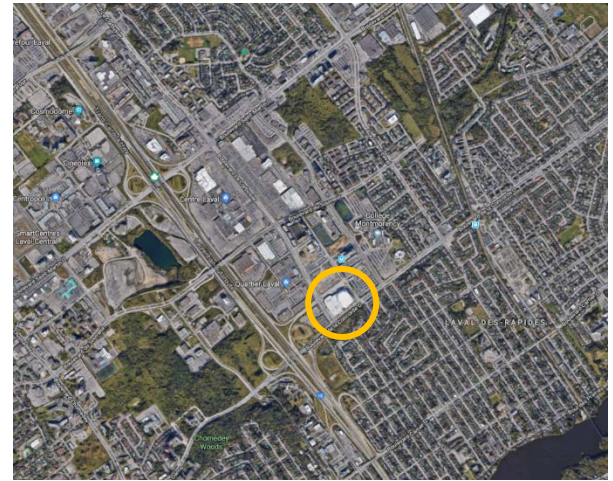
- ▶ The venue is in Toronto’s downtown core near major arteries; Gardiner Expressway and Spadina Avenue. Scotiabank Arena benefits from two (2) floors of indoor parking, 20+ hotels within 3 kilometers, and an abundant number of surrounding restaurants.
- ▶ Toronto Maple Leafs’ show a three-year Utilization Rate average of ~98%, which is considered high.<sup>79</sup>
- ▶ Scotiabank Arena hosted 192 events in 2018, of which 75 (39%) were non-sporting events.<sup>80</sup> Such events include some of the biggest international names and artists.

**Conclusion**

- ▶ Scotiabank Arena hosted events more than half of the year with given its Usage Ratio of 53%.
- ▶ Given its high number of events, Utilization Rate, Usage Ratio, and number of non-sporting events; Scotiabank Arena attracts heavy traffic from nearby cities and acts as one of the Toronto’s major sports and entertainment destination spots.

<sup>79</sup> <http://www.hockeydb.com/nhl-attendance>  
<sup>80</sup> Meridian Centre Events Calendar, accessed on 14-07-2019





### Venue Background & Description

- ▶ Built in 2017 at a cost of ~\$200.0M, Place Bell is currently owned by the City of Laval. The City of Laval, the Quebec Government, and Evenko funded the project.<sup>81</sup> The City and the Quebec Government contributed \$122M and \$46.3M, respectively, while Evenko and Bell (naming rights) funded the remaining \$31.7M.<sup>82</sup>
- ▶ The venue hosts concerts, family entertainment, theatrical performances, community and corporate events, public events, and is home to the Laval Rocket (AHL) since 2017 and Les Canadiennes de Montreal (CWLH) since 2018. It has 10,000 seats and includes two (2) floors that can accommodate retail shops. Place Bell also includes a practice rink of 500 seats and an Olympic rink of 2,500 seats.

### Location & Attendance

- ▶ The venue is in Laval's downtown area near major arteries; de la Concorde Boulevard and Le Corbusier Boulevard; as well as Montmorency metro station. Place Bell benefits from 700 interior parking spaces, 10+ hotels within 3 kilometers, and three (3) nearby retail power centres.
- ▶ Laval Rockets' games show a two-year Utilization Rate average of ~61%, which is considered high.<sup>83</sup>

### Conclusion

- ▶ Given that Place Bell recently opened its doors, the number of events was low in 2018.<sup>84</sup> In 2019, there are 19 events, of which 17 (89%) are non-sporting events.<sup>85</sup> Additionally, since the Laval Rockets moved from St. John's, Newfoundland and Labrador to Laval in 2017 and the venue's vintage, a Utilization Rate of ~61% is high.

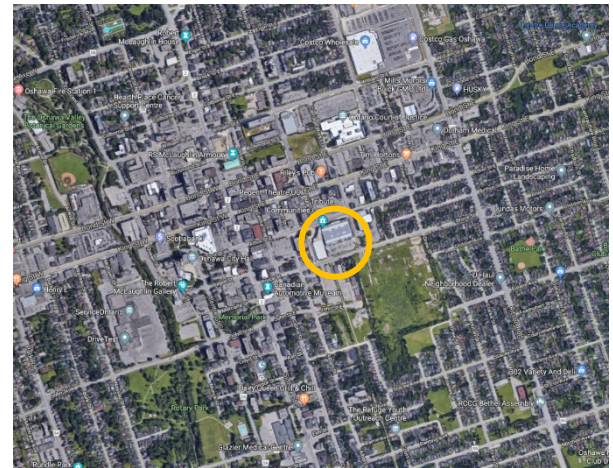
<sup>81</sup> <https://www.laval.ca/Pages/Fr/Nouvelles/amphitheatre-place-bell-pelletee-de-terre.aspx>

<sup>82</sup> <https://montrealgazette.com/news/local-news/laval-opposition-party-questions-economic-benefits-of-new-place-bell>

<sup>83</sup> <http://www.hockeydb.com/nhl-attendance>

<sup>84</sup> Place Bell Ticketing, Discussion on 17-07-2019

<sup>85</sup> Place Bell Events Calendar as of July 2019, accessed on 14-07-2019



### Venue Background & Description

- ▶ Built in 2006 at a cost of ~\$45M, Tribute Communities Centre is owned by the City of Oshawa.
- ▶ The venue hosts concerts, family shows, and is home to the Oshawa Generals (OHL) since 2007, and the Oshawa Sports Hall of Fame. The seating capacity depends on the event and ranges from 1,502 seats to 6,418. During hockey games, the venue hosts up to 6,150 attendees and includes private and group suites.

### Location & Attendance

- ▶ The venue is in downtown Oshawa near major arteries; King Street West and Bond Street West. Tribute Communities Centre benefits from third-party parking spaces near the venue, 3 hotels within 3 kilometers, and a few surrounding restaurants.
- ▶ Oshawa Generals' games show a three-year Utilization Rate average of ~83%, which is high.<sup>86</sup>
- ▶ Tribute Communities Centre hosted 89 events in 2018, of which 48 (54%) were non-sporting events.<sup>87</sup> The events were mostly local or small-scale community events and concerts,

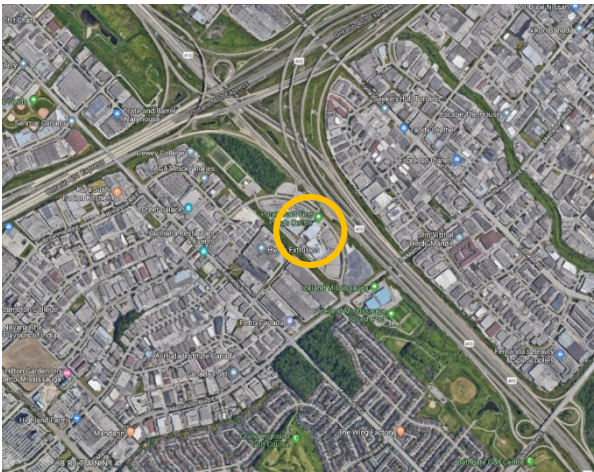
### Conclusion

- ▶ Given the Tribute Communities Centre's low Usage Ratio, high Utilization Rate, and high ratio of non-sporting events, such as university ceremonies and small concerts and conventions; EY notes that the underutilized venue serves as a local hub for sporting events and activities.

<sup>86</sup> <http://www.hockeydb.com/nhl-attendance>

<sup>87</sup> Tribute Communities Centre Calendar, accessed on 16-07-2019





**Venue Background & Description**

- ▶ Built in 1998 at a cost of ~\$22M, Scotiabank Arena is owned by the City of Mississauga.
- ▶ The venue hosts big concerts, community events, and is home to the Mississauga Steelheads (OHL) since 2012, Raptors 905 (NBA G League) since 2015, and Mississauga MetroStars (MASL) since 2018. Its hockey venue has close to 5,420 seats and suites.
- ▶ In addition, its Sportsplex expansion venue consists of an indoor soccer field, gymnasium, fitness centre, meeting space and licensed lounge with ~100,000 monthly visitors,<sup>88</sup>

**Location & Attendance**

- ▶ The venue is in suburban Mississauga near major arteries; Ontario 403 Highway and Ontario 401 Expressway. Paramount Fine Foods Centre benefits from 1,900 parking spaces, 15+ hotels within 3 kilometers, and a limited number of surrounding restaurants.
- ▶ Mississauga Steelheads' games show a three-year Utilization Rate average of ~49%, which is considered moderate.<sup>89</sup>
- ▶ The annual Carassauga Festival at the Paramount Fine Foods Centre draws ~100,000 visitors each year.

**Conclusion**

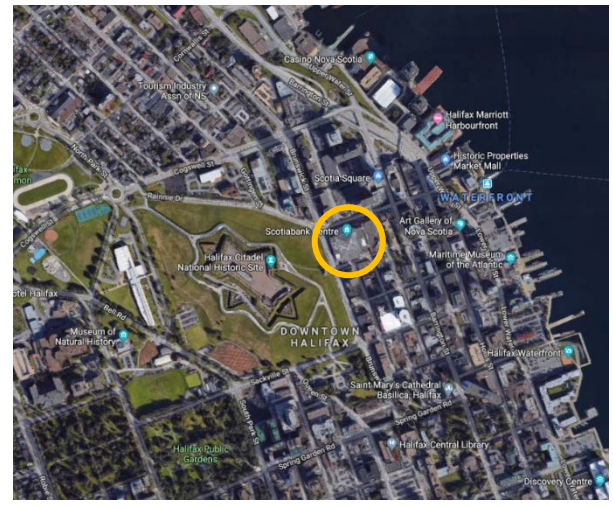
- ▶ Paramount Fine Foods Centre serves as one of the city's major destination spots for sporting events and activities.

<sup>88</sup> <http://paramountfinefoodscentre.com/about/>  
<sup>89</sup> <http://www.hockeydb.com/nhl-attendance>



### Scotiabank Centre - Halifax, Nova Scotia

### Appendix "A" to Report PED18168(b) Page 112 of 130



#### Venue Background & Description

- ▶ Built in 1978, Scotiabank Centre is owned by Halifax Regional Municipality.
- ▶ The venue hosts concerts, community events, conventions, and is home to the Halifax Mooseheads (QMJHL) since 1994, Halifax Hurricanes (NBL Canada) since 2005, and Halifax Thunderbirds (NLL) since 2009. It has close to 10,600 seats during hockey events and club seats, skybox, and executive suites. The venue can host up to 13,000 attendees during a concert.

#### Location & Attendance

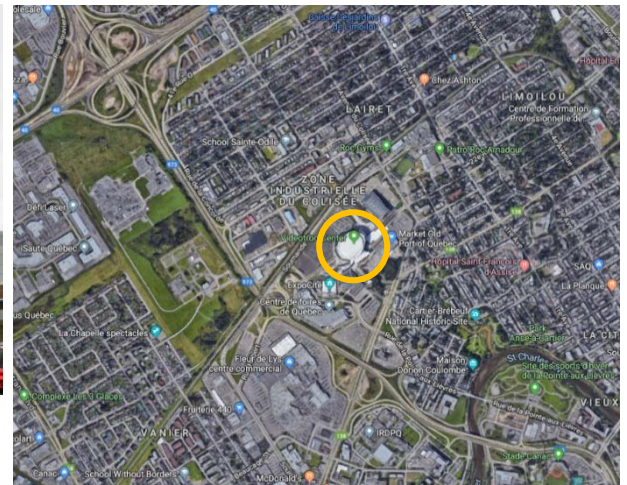
- ▶ The venue is in Halifax's downtown core near the Halifax Citadel. Scotiabank Centre benefits from third-party parking spaces near the venue, 20+ hotels within 3 kilometers, and surrounding restaurants.
- ▶ Halifax Mooseheads' games show a three-year Utilization Rate average of ~67%, which is considered moderate to high.<sup>90</sup>
- ▶ Scotiabank Centre hosted 111 events in the 2017/2018 season, of which ~28 (25%) were non-sporting events.<sup>91</sup> Such events include big international names and artists.

#### Conclusion

- ▶ Given the venue's medium to high Utilization Rate, high ratio of sporting events (75%), and low number of non-sporting events; Scotiabank Centre serves as a local destination spot for sport events and activities.
- ▶ Given the venue's very low Usage Ratio and based on the venue capacity 1 in 38 of Halifax's residents can attend an event at Scotiabank Centre; EY notes that it is overbuilt.

<sup>90</sup> Halifax Mooseheads website, Attendance Statistics  
<sup>91</sup> Scotiabank Centre 2017/2018 Annual Report





### Venue Background & Description

- ▶ Built in 2015 at a cost of ~\$370M, Videotron Centre is owned by The City of Quebec. The construction costs were split equally between the City and the Provincial Government, as part of their efforts to bring back an NHL team to the city.<sup>92</sup>
- ▶ The venue hosts big concerts from international artists, and is home to the Quebec Remparts (QMJHL) since 2015. It has a capacity of close to 18,300 seats and includes suites, bars, suites, and a business centre.

### Location & Attendance

- ▶ The venue is in suburban Quebec City near major an industrial area. Videotron Centre benefits from 4,755 parking spaces, very limited number of hotels and restaurants nearby.
- ▶ Quebec Remparts' games show a three-year Utilization Rate average of ~50%, which is considered moderate.<sup>93</sup>

### Conclusion

- ▶ Videotron Centre serves as one of the city's major destination spots for entertainment, yet still stands to prove itself as a strong sporting complex given its low Utilization Rate and unsuccessful attempts to bring back an NHL team to the city.

End of Appendix C

<sup>92</sup> <https://www.lecentrevideotron.ca/en/premiere-place/history>

<sup>93</sup> <http://www.hockeydb.com/nhl-attendance>



# Appendix E



Status Quo Option Forecasting Assumptions		
Baseline Scenario		
Growth Assumptions		
All Income Growth		2.00%
All Expense Growth		2.00%
All Expense Growth		2.00%
Investment Analysis		
Discount Rate		4.50%
Spectra Net Loss Portion		30.00%
1985 Arena Construction Cost	\$33,500,000	
1985-2017 Inflation Factor		0.332
\$2019 Value	\$108,259,392	
CIRC Inv. Guideline		1.70%
Annual Structural Reserve	\$1,840,410	

Statistics Canada

*Capital investments identified in Appendix A have been incorporated.*

Status Quo Option - Operating Forecast																		
	2018 Actual	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Operating Forecast</b>																		
<b>First Ontario Centre</b>																		
Direct Event Income	\$1,517,702	\$1,548,056	\$1,579,017	\$1,610,598	\$1,642,809	\$1,675,666	\$1,709,179	\$1,743,363	\$1,778,230	\$1,813,794	\$1,850,070	\$1,887,072	\$1,924,813	\$1,963,309	\$2,002,576	\$2,042,627	\$2,083,480	\$2,125,149
Ancillary Revenue	\$750,137	\$765,140	\$780,443	\$796,051	\$811,972	\$828,212	\$844,776	\$861,672	\$878,905	\$896,483	\$914,413	\$932,701	\$951,355	\$970,382	\$989,790	\$1,009,586	\$1,029,777	\$1,050,373
Facility Fees	\$437,790	\$446,546	\$455,477	\$464,586	\$473,878	\$483,356	\$493,023	\$502,883	\$512,941	\$523,200	\$533,664	\$544,337	\$555,224	\$566,328	\$577,655	\$589,208	\$600,992	\$613,012
Other Income	\$641,602	\$654,434	\$667,523	\$680,873	\$694,491	\$708,380	\$722,548	\$736,999	\$751,739	\$766,774	\$782,109	\$797,751	\$813,706	\$829,981	\$846,580	\$863,512	\$880,782	\$898,398
Total	\$3,347,231	\$3,414,176	\$3,482,459	\$3,552,108	\$3,623,150	\$3,695,613	\$3,769,526	\$3,844,916	\$3,921,815	\$4,000,251	\$4,080,256	\$4,161,861	\$4,245,098	\$4,330,000	\$4,416,600	\$4,504,932	\$4,595,031	\$4,686,931
Indirect Expenses	\$2,897,194	\$2,955,138	\$3,014,241	\$3,074,525	\$3,136,016	\$3,198,736	\$3,262,711	\$3,327,965	\$3,394,525	\$3,462,415	\$3,531,663	\$3,602,297	\$3,674,343	\$3,747,829	\$3,822,786	\$3,899,242	\$3,977,227	\$4,056,771
<b>FirstOntario Concert Hall</b>																		
Direct Event Income	\$928,059	\$946,620	\$965,553	\$984,864	\$1,004,561	\$1,024,652	\$1,045,145	\$1,066,048	\$1,087,369	\$1,109,116	\$1,131,299	\$1,153,925	\$1,177,003	\$1,200,543	\$1,224,554	\$1,249,045	\$1,274,026	\$1,299,507
Ancillary Revenue	\$149,354	\$152,341	\$155,388	\$158,496	\$161,666	\$164,899	\$168,197	\$171,561	\$174,992	\$178,492	\$182,062	\$185,703	\$189,417	\$193,205	\$197,069	\$201,011	\$205,031	\$209,132
Facility Fees	\$224,853	\$229,350	\$233,937	\$238,616	\$243,388	\$248,256	\$253,221	\$258,285	\$263,451	\$268,720	\$274,095	\$279,576	\$285,168	\$290,871	\$296,689	\$302,623	\$308,675	\$314,848
Other Income	\$186,068	\$189,789	\$193,585	\$197,457	\$201,406	\$205,434	\$209,543	\$213,734	\$218,008	\$222,368	\$226,816	\$231,352	\$235,979	\$240,699	\$245,513	\$250,423	\$255,431	\$260,540
Total	\$1,488,334	\$1,518,101	\$1,548,463	\$1,579,432	\$1,611,021	\$1,643,241	\$1,676,106	\$1,709,628	\$1,743,820	\$1,778,697	\$1,814,271	\$1,850,556	\$1,887,567	\$1,925,319	\$1,963,825	\$2,003,102	\$2,043,164	\$2,084,027
Indirect Expenses	\$1,914,638	\$1,952,931	\$1,991,989	\$2,031,829	\$2,072,466	\$2,113,915	\$2,156,193	\$2,199,317	\$2,243,304	\$2,288,170	\$2,333,933	\$2,380,612	\$2,428,224	\$2,476,788	\$2,526,324	\$2,576,851	\$2,628,388	\$2,680,955
Net Operating Income (Loss)	\$23,733	\$24,208	\$24,692	\$25,186	\$25,689	\$26,203	\$26,727	\$27,262	\$27,807	\$28,363	\$28,930	\$29,509	\$30,099	\$30,701	\$31,315	\$31,941	\$32,580	\$33,232
Management Fee	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000
Net Loss Subsidy	-\$278,480	-\$278,338	-\$278,192	-\$278,044	-\$277,893	-\$277,739	-\$277,582	-\$277,421	-\$277,258	-\$277,091	-\$276,921	-\$276,747	-\$276,570	-\$276,390	-\$276,205	-\$276,018	-\$275,826	-\$275,630
Utility Subsidy	-\$1,200,000	-\$1,199,999	-\$1,199,998	-\$1,199,997	-\$1,199,996	-\$1,199,995	-\$1,199,994	-\$1,199,993	-\$1,199,992	-\$1,199,991	-\$1,199,990	-\$1,199,989	-\$1,199,988	-\$1,199,987	-\$1,199,986	-\$1,199,985	-\$1,199,984	-\$1,199,983
Net City Proceeds	-\$1,904,747	-\$1,904,129	-\$1,903,499	-\$1,902,856	-\$1,902,200	-\$1,901,531	-\$1,900,849	-\$1,900,153	-\$1,899,443	-\$1,898,719	-\$1,897,980	-\$1,897,227	-\$1,896,459	-\$1,895,675	-\$1,894,876	-\$1,894,061	-\$1,893,230	-\$1,892,381
<b>Hamilton Convention Centre</b>																		
Sales	\$3,813,605	\$3,889,877	\$3,967,675	\$4,047,028	\$4,127,969	\$4,210,528	\$4,294,739	\$4,380,633	\$4,468,246	\$4,557,611	\$4,648,763	\$4,741,738	\$4,836,573	\$4,933,305	\$5,031,971	\$5,132,610	\$5,235,262	\$5,339,968
Cost of Sales	\$750,794	\$765,810	\$781,126	\$796,749	\$812,684	\$828,937	\$845,516	\$862,426	\$879,675	\$897,268	\$915,214	\$933,518	\$952,188	\$971,232	\$990,657	\$1,010,470	\$1,030,679	\$1,051,293
Materials	\$404,158	\$412,241	\$420,486	\$428,896	\$437,474	\$446,223	\$455,148	\$464,251	\$473,536	\$483,006	\$492,666	\$502,520	\$512,570	\$522,821	\$533,278	\$543,943	\$554,822	\$565,919
Event Costs	\$239,455	\$244,244	\$249,129	\$254,112	\$259,194	\$264,378	\$269,665	\$275,059	\$280,560	\$286,171	\$291,894	\$297,732	\$303,687	\$309,761	\$315,956	\$322,275	\$328,720	\$335,295
Total	\$1,394,407	\$1,422,295	\$1,450,741	\$1,479,756	\$1,509,351	\$1,539,538	\$1,570,329	\$1,601,735	\$1,633,770	\$1,666,445	\$1,699,774	\$1,733,770	\$1,768,445	\$1,803,814	\$1,839,890	\$1,876,688	\$1,914,222	\$1,952,506
Gross Profit	\$2,419,198	\$2,467,582	\$2,516,934	\$2,567,272	\$2,618,618	\$2,670,990	\$2,724,410	\$2,778,898	\$2,834,476	\$2,891,166	\$2,948,989	\$3,007,969	\$3,068,128	\$3,129,491	\$3,192,080	\$3,255,922	\$3,321,040	\$3,387,461
Corporate Expenses	\$2,272,189	\$2,317,633	\$2,363,985	\$2,411,265	\$2,459,490	\$2,508,680	\$2,558,854	\$2,610,031	\$2,662,232	\$2,715,476	\$2,769,786	\$2,825,181	\$2,881,685	\$2,939,319	\$2,998,105	\$3,058,067	\$3,119,229	\$3,181,613
Net Earnings	\$147,009	\$149,949	\$152,948	\$156,007	\$159,127	\$162,310	\$165,556	\$168,867	\$172,244	\$175,689	\$179,203	\$182,787	\$186,443	\$190,172	\$193,975	\$197,855	\$201,812	\$205,848
Does not include the Hamilton Convention Centre's \$165,000 annual utility subsidy.																		
<b>Capital Investment Forecast</b>																		
First Ontario Centre	-	\$730,000	\$7,270,000	\$7,800,000	\$6,750,000	\$7,250,000	\$4,500,000	-	-	-	-	-	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410
FirstOntario Concert Hall	-	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	-	-	-	-	-	-	-	-	-	-	-
Hamilton Convention Centre	-	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568	-	-	-	-	-	-	-	-	-	-	-
Total	-	\$3,238,482	\$9,778,482	\$10,308,482	\$9,258,482	\$9,758,482	\$7,008,482	-	-	-	-	-	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67
<b>Total Municipal Basecase Costs</b>																		
Spectra Operating Subsidy	-\$1,904,747	-\$1,904,129	-\$1,903,499	-\$1,902,856	-\$1,902,200	-\$1,901,531	-\$1,900,849	-\$1,900,153	-\$1,899,443	-\$1,898,719	-\$1,897,980	-\$1,897,227	-\$1,896,459	-\$1,895,675	-\$1,894,876	-\$1,894,061	-\$1,893,230	-\$1,892,381
Capital Investment	\$0	-\$3,238,482	-\$9,778,482	-\$10,308,482	-\$9,258,482	-\$9,758,482	-\$7,008,482	-	-	-	-	-	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)
Annual City Cost	-\$1,904,747	-\$5,142,611	-\$11,681,981	-\$12,211,338	-\$11,160,682	-\$11,660,013	-\$8,909,331	-\$1,900,153	-\$1,899,443	-\$1,898,719	-\$1,897,980	-\$1,897,227	-\$3,736,869	-\$3,736,085	-\$3,735,286	-\$3,734,471	-\$3,733,639	-\$3,732,791
Total Operating Subsidy	-\$64,298,193																	
Total Capital Investment	-\$91,680,316																	
30-Year Total Cost	-\$155,978,510																	
30-Year Total Cost NPV	-\$90,783,849																	
Does not include the Hamilton Convention Centre's \$165,000 annual utility subsidy.																		
<b>Net Loss Subsidy</b>																		
Guarantee	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000
Operating Profit (Loss)	\$23,733	\$24,208	\$24,692	\$25,186	\$25,689	\$26,203	\$26,727	\$27,262	\$27,807	\$28,363	\$28,930	\$29,509	\$30,099	\$30,701	\$31,315	\$31,941	\$32,580	\$33,232
Balance	-\$1,378,267	-\$1,377,792	-\$1,377,308	-\$1,376,814	-\$1,376,311	-\$1,375,797	-\$1,375,273	-\$1,374,738	-\$1,374,193	-\$1,373,637	-\$1,373,070	-\$1,372,491	-\$1,371,901	-\$1,371,299	-\$1,370,685	-\$1,370,059	-\$1,369,420	-\$1,368,768
Spectra Operating Subsidy	-\$278,480	-\$278,338	-\$278,192	-\$278,044	-\$277,893	-\$277,739	-\$277,582	-\$277,421	-\$277,258	-\$277,091	-\$276,921	-\$276,747	-\$276,570	-\$276,390	-\$276,205	-\$276,018	-\$275,826	-\$275,630

Status Quo Option - Operating Forecast																	
	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
<b>Operating Forecast</b>																	
<b>First Ontario Centre</b>																	
Direct Event Income	\$2,167,652	\$2,211,005	\$2,255,225	\$2,300,330	\$2,346,336	\$2,393,263	\$2,441,128	\$2,489,951	\$2,539,750	\$2,590,545	\$2,642,356	\$2,695,203	\$2,749,107	\$2,804,089	\$2,860,171	\$2,917,374	\$2,975,722
Ancillary Revenue	\$1,071,380	\$1,092,808	\$1,114,664	\$1,136,957	\$1,159,697	\$1,182,890	\$1,206,548	\$1,230,679	\$1,255,293	\$1,280,399	\$1,306,007	\$1,332,127	\$1,358,769	\$1,385,945	\$1,413,664	\$1,441,937	\$1,470,776
Facility Fees	\$625,272	\$637,777	\$650,533	\$663,544	\$676,814	\$690,351	\$704,158	\$718,241	\$732,606	\$747,258	\$762,203	\$777,447	\$792,996	\$808,856	\$825,033	\$841,534	\$858,364
Other Income	\$916,366	\$934,693	\$953,387	\$972,455	\$991,904	\$1,011,742	\$1,031,977	\$1,052,616	\$1,073,668	\$1,095,142	\$1,117,045	\$1,139,386	\$1,162,173	\$1,185,417	\$1,209,125	\$1,233,308	\$1,257,974
Total	\$4,780,670	\$4,876,284	\$4,973,809	\$5,073,285	\$5,174,751	\$5,278,246	\$5,383,811	\$5,491,487	\$5,601,317	\$5,713,343	\$5,827,610	\$5,944,162	\$6,063,046	\$6,184,307	\$6,307,993	\$6,434,153	\$6,562,836
Indirect Expenses	\$4,137,906	\$4,220,665	\$4,305,078	\$4,391,179	\$4,479,003	\$4,568,583	\$4,659,955	\$4,753,154	\$4,848,217	\$4,945,181	\$5,044,085	\$5,144,967	\$5,247,866	\$5,352,823	\$5,459,880	\$5,569,077	\$5,680,459
<b>FirstOntario Concert Hall</b>																	
Direct Event Income	\$1,325,497	\$1,352,007	\$1,379,047	\$1,406,628	\$1,434,760	\$1,463,456	\$1,492,725	\$1,522,579	\$1,553,031	\$1,584,091	\$1,615,773	\$1,648,089	\$1,681,050	\$1,714,671	\$1,748,965	\$1,783,944	\$1,819,623
Ancillary Revenue	\$213,314	\$217,581	\$221,932	\$226,371	\$230,898	\$235,516	\$240,227	\$245,031	\$249,932	\$254,930	\$260,029	\$265,230	\$270,534	\$275,945	\$281,464	\$287,093	\$292,835
Facility Fees	\$321,145	\$327,568	\$334,120	\$340,802	\$347,618	\$354,571	\$361,662	\$368,895	\$376,273	\$383,799	\$391,475	\$399,304	\$407,290	\$415,436	\$423,745	\$432,219	\$440,864
Other Income	\$265,751	\$271,066	\$276,487	\$282,017	\$287,657	\$293,410	\$299,279	\$305,264	\$311,370	\$317,597	\$323,949	\$330,428	\$337,036	\$343,777	\$350,653	\$357,666	\$364,819
Total	\$2,125,707	\$2,168,222	\$2,211,586	\$2,255,818	\$2,300,934	\$2,346,953	\$2,393,892	\$2,441,770	\$2,490,605	\$2,540,417	\$2,591,226	\$2,643,050	\$2,695,911	\$2,749,829	\$2,804,826	\$2,860,922	\$2,918,141
Indirect Expenses	\$2,734,575	\$2,789,266	\$2,845,051	\$2,901,952	\$2,959,991	\$3,019,191	\$3,079,575	\$3,141,167	\$3,203,990	\$3,268,070	\$3,333,431	\$3,400,100	\$3,468,102	\$3,537,464	\$3,608,213	\$3,680,377	\$3,753,985
Net Operating Income (Loss)	\$33,897	\$34,574	\$35,266	\$35,971	\$36,691	\$37,425	\$38,173	\$38,937	\$39,715	\$40,510	\$41,320	\$42,146	\$42,989	\$43,849	\$44,726	\$45,620	\$46,533
Management Fee	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000
Net Loss Subsidy	-\$275,431	-\$275,228	-\$275,020	-\$274,809	-\$274,593	-\$274,373	-\$274,148	-\$273,919	-\$273,685	-\$273,447	-\$273,204	-\$272,956	-\$272,703	-\$272,445	-\$272,182	-\$271,914	-\$271,640
Utility Subsidy	-\$1,199,982	-\$1,199,981	-\$1,199,980	-\$1,199,979	-\$1,199,978	-\$1,199,977	-\$1,199,976	-\$1,199,975	-\$1,199,974	-\$1,199,973	-\$1,199,972	-\$1,199,971	-\$1,199,970	-\$1,199,970	-\$1,199,970	-\$1,199,970	-\$1,199,970
Net City Proceeds	-\$1,891,516	-\$1,890,634	-\$1,889,734	-\$1,888,816	-\$1,887,880	-\$1,886,925	-\$1,885,951	-\$1,884,958	-\$1,883,944	-\$1,882,911	-\$1,881,856	-\$1,880,781	-\$1,879,684	-\$1,878,567	-\$1,877,426	-\$1,876,264	-\$1,875,077
<b>Hamilton Convention Centre</b>																	
Sales	\$5,446,767	\$5,555,702	\$5,666,816	\$5,780,153	\$5,895,756	\$6,013,671	\$6,133,944	\$6,256,623	\$6,381,756	\$6,509,391	\$6,639,579	\$6,772,370	\$6,907,818	\$7,045,974	\$7,186,893	\$7,330,631	\$7,477,244
Cost of Sales	\$1,072,319	\$1,093,765	\$1,115,640	\$1,137,953	\$1,160,712	\$1,183,927	\$1,207,605	\$1,231,757	\$1,256,392	\$1,281,520	\$1,307,151	\$1,333,294	\$1,359,959	\$1,387,159	\$1,414,902	\$1,443,200	\$1,472,064
Materials	\$577,237	\$588,782	\$600,558	\$612,569	\$624,820	\$637,316	\$650,063	\$663,064	\$676,325	\$689,852	\$703,649	\$717,722	\$732,076	\$746,718	\$761,652	\$776,885	\$792,423
Event Costs	\$342,001	\$348,841	\$355,818	\$362,934	\$370,193	\$377,596	\$385,148	\$392,851	\$400,708	\$408,723	\$416,897	\$425,235	\$433,740	\$442,414	\$451,263	\$460,288	\$469,494
Total	\$1,991,557	\$2,031,388	\$2,072,015	\$2,113,456	\$2,155,725	\$2,198,839	\$2,242,816	\$2,287,672	\$2,333,426	\$2,380,094	\$2,427,696	\$2,476,250	\$2,525,775	\$2,576,291	\$2,627,817	\$2,680,373	\$2,733,980
Gross Profit	\$3,455,210	\$3,524,315	\$3,594,801	\$3,666,697	\$3,740,031	\$3,814,832	\$3,891,128	\$3,968,951	\$4,048,330	\$4,129,296	\$4,211,882	\$4,296,120	\$4,382,042	\$4,469,683	\$4,559,077	\$4,650,258	\$4,743,264
Corporate Expenses	\$3,245,245	\$3,310,150	\$3,376,353	\$3,443,880	\$3,512,758	\$3,583,013	\$3,654,673	\$3,727,767	\$3,802,322	\$3,878,369	\$3,955,936	\$4,035,055	\$4,115,756	\$4,198,071	\$4,282,032	\$4,367,673	\$4,455,027
Net Earnings	\$209,965	\$214,164	\$218,448	\$222,817	\$227,273	\$231,818	\$236,455	\$241,184	\$246,008	\$250,928	\$255,946	\$261,065	\$266,286	\$271,612	\$277,044	\$282,585	\$288,237
<i>Does not include the Hamilton Convention C</i>																	
<b>Capital Investment Forecast</b>																	
First Ontario Centre	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410	\$1,840,410
FirstOntario Concert Hall	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hamilton Convention Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67	1,840,409.67
<b>Total Municipal Basecase Costs</b>																	
Spectra Operating Subsidy	-\$1,891,516	-\$1,890,634	-\$1,889,734	-\$1,888,816	-\$1,887,880	-\$1,886,925	-\$1,885,951	-\$1,884,958	-\$1,883,944	-\$1,882,911	-\$1,881,856	-\$1,880,781	-\$1,879,684	-\$1,878,567	-\$1,877,426	-\$1,876,264	-\$1,875,077
Capital Investment	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)	(1,840,409.67)
Annual City Cost	-\$3,731,926	-\$3,731,044	-\$3,730,144	-\$3,729,226	-\$3,728,290	-\$3,727,335	-\$3,726,361	-\$3,725,367	-\$3,724,354	-\$3,723,320	-\$3,722,266	-\$3,721,191	-\$3,720,094	-\$3,718,976	-\$3,717,836	-\$3,716,673	-\$3,715,487
<b>Total Operating Subsidy</b>																	
<b>Total Capital Investment</b>																	
<b>30-Year Total Cost</b>																	
<b>30-Year Total Cost NPV</b>																	
<i>Does not include the Hamilton Convention Cent</i>																	
<b>Net Loss Subsidy</b>																	
Guarantee	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000
Operating Profit (Loss)	\$33,897	\$34,574	\$35,266	\$35,971	\$36,691	\$37,425	\$38,173	\$38,937	\$39,715	\$40,510	\$41,320	\$42,146	\$42,989	\$43,849	\$44,726	\$45,620	\$46,533
Balance	-\$1,368,103	-\$1,367,426	-\$1,366,734	-\$1,366,029	-\$1,365,309	-\$1,364,575	-\$1,363,827	-\$1,363,063	-\$1,362,285	-\$1,361,490	-\$1,360,680	-\$1,359,854	-\$1,359,011	-\$1,358,151	-\$1,357,274	-\$1,356,380	-\$1,355,467
Spectra Operating Subsidy	-\$275,431	-\$275,228	-\$275,020	-\$274,809	-\$274,593	-\$274,373	-\$274,148	-\$273,919	-\$273,685	-\$273,447	-\$273,204	-\$272,956	-\$272,703	-\$272,445	-\$272,182	-\$271,914	-\$271,640

**Arena Renovation Option Forecasting Assumptions**

**Baseline Scenario**

**Growth Assumptions**

All Income Growth	2.00%	
All Expense Growth	2.00%	
Post-Renovation Attendance Impact	15.00%	Applied to attendance forecast and event incomes
Post-Renovation Ancillary Revenue Impact	50.00%	Applied to attendance forecast and event incomes

**Renovation Cost Estimate**

2016 Arena Renovation Cost	\$68,000,000
Statscan Growth Factor	93.11%
2019 Cost	\$131,314,711

**Investment Analysis**

Discount Rate	4.50%	
Spectra Net Loss Portion	30.00%	
1985 Arena Construction Cost	\$33,500,000	
1985-2017 Inflation Factor	0.332	Statistics Canada
\$2019 Value	\$108,259,392	
CIRC Inv. Guideline	1.70%	
Annual Structural Reserve	\$1,840,410	

**Renovation Revenue Buildup**

Segment	2020 Attendance	2020 Revenue	
Sporting Events	165,415	\$36,560	
Major Concerts	75,622	\$995,186	Adjusted for 2 lost events
Minor Concerts	10,801	\$57,245	Adjusted for 2 lost events
Family/ Entertainment	133,448	\$916,788	Adjusted for 2 lost events
Religious Events	27,000	\$44,517	
Special Events	26,635	\$279,791	
Consumer Shows	6,660	-\$14,990	
<b>Total Revenue</b>	<b>445,581</b>	<b>\$2,315,097</b>	

2020 Lost Revenue	Attendance	\$/Seat	Revenue
Major Concert	10,803	\$13.16	\$142,167
Minor Concert	5,400	\$5.30	\$28,620
Family	5,560	\$6.87	\$38,197

**Renovation Budget Timing**

Year	Cost	Proportion
Design Phase		10%
Construction		45%
2019	\$13,131,471	
2020	\$59,091,620	
2021	\$59,091,620	
<b>Total Cost</b>	<b>\$131,314,711</b>	

**Attendance Forecast**

	2018 Actual	2019	2020	2021	2022	2023	2024	2025	2026
Total Attendance	489,107	498,889	445,581	454,493	573,723	585,197	596,901	608,839	621,016
			<i>Renovation</i>	<i>Renovation</i>	<i>Stabalization</i>				
	2027	2028	2029	2030	2031	2032	2033	2034	2035
	633,436	646,105	659,027	672,207	685,652	699,365	713,352	727,619	742,171
	2036	2037	2038	2039	2040	2041	2042	2043	2044
	757,015	772,155	787,598	803,350	819,417	835,805	852,521	869,572	886,963
	2045	2046	2047	2048					
	904,703	922,797	941,253	960,078					

Arena Renovation Option - Operating Forecast																
	2018 Actual	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Forecast					1	2	3	4	5	6	7	8	9	10	11	12
<b>First Ontario Centre</b>																
Direct Event Income	\$1,517,702	\$1,548,056			\$1,780,264	\$1,815,870	\$1,852,187	\$1,889,231	\$1,927,015	\$1,965,556	\$2,004,867	\$2,044,964	\$2,085,864	\$2,127,581	\$2,170,132	\$2,213,535
Ancillary Income	\$750,137	\$765,140	Renovation		\$1,147,710	\$1,170,664	\$1,194,077	\$1,217,959	\$1,242,318	\$1,267,164	\$1,292,507	\$1,318,358	\$1,344,725	\$1,371,619	\$1,399,052	\$1,427,033
Facility Fees	\$437,790	\$446,546			\$513,528	\$523,798	\$534,274	\$544,960	\$555,859	\$566,976	\$578,316	\$589,882	\$601,680	\$613,713	\$625,987	\$638,507
Total Event Income	\$2,705,629	\$2,759,742	\$2,315,097	\$2,361,399	\$3,441,502	\$3,510,332	\$3,580,538	\$3,652,149	\$3,725,192	\$3,799,696	\$3,875,690	\$3,953,204	\$4,032,268	\$4,112,913	\$4,195,171	\$4,279,075
Other Income	\$641,602	\$654,434	\$667,523	\$680,873	\$752,599	\$767,651	\$783,004	\$798,664	\$814,638	\$830,930	\$847,549	\$864,500	\$881,790	\$899,426	\$917,414	\$935,762
Total Income	\$3,347,231	\$3,414,176	\$2,982,619	\$3,042,272	\$4,194,101	\$4,277,983	\$4,363,543	\$4,450,813	\$4,539,830	\$4,630,626	\$4,723,239	\$4,817,704	\$4,914,058	\$5,012,339	\$5,112,586	\$5,214,837
Indirect Expenses	\$2,897,194	\$2,955,138	\$3,014,241	\$3,074,525	\$3,136,016	\$3,198,736	\$3,262,711	\$3,327,965	\$3,394,525	\$3,462,415	\$3,531,663	\$3,602,297	\$3,674,343	\$3,747,829	\$3,822,786	\$3,899,242
FOC Net Operating Income (Loss)	\$450,037	\$459,038	-\$31,621	-\$32,254	\$1,058,085	\$1,079,247	\$1,100,832	\$1,122,848	\$1,145,305	\$1,168,211	\$1,191,575	\$1,215,407	\$1,239,715	\$1,264,509	\$1,289,800	\$1,315,596
<i>Ex. Proportionate Share of MGMT Fee, Subsidy</i>																
<b>FirstOntario Concert Hall</b>																
Direct Event Income	\$928,059	\$946,620	\$965,553	\$984,864	\$1,004,561	\$1,024,652	\$1,045,145	\$1,066,048	\$1,087,369	\$1,109,116	\$1,131,299	\$1,153,925	\$1,177,003	\$1,200,543	\$1,224,554	\$1,249,045
Ancillary Revenue	\$149,354	\$152,341	\$155,388	\$158,496	\$161,666	\$164,899	\$168,197	\$171,561	\$174,992	\$178,492	\$182,062	\$185,703	\$189,417	\$193,205	\$197,069	\$201,011
Facility Fees	\$224,853	\$229,350	\$233,937	\$238,616	\$243,388	\$248,256	\$253,221	\$258,285	\$263,451	\$268,720	\$274,095	\$279,576	\$285,168	\$290,871	\$296,689	\$302,623
Other Income	\$186,068	\$189,789	\$193,585	\$197,457	\$201,406	\$205,434	\$209,543	\$213,734	\$218,008	\$222,368	\$226,816	\$231,352	\$235,979	\$240,699	\$245,513	\$250,423
Total	\$1,488,334	\$1,518,101	\$1,548,463	\$1,579,432	\$1,611,021	\$1,643,241	\$1,676,106	\$1,709,628	\$1,743,820	\$1,778,697	\$1,814,271	\$1,850,556	\$1,887,567	\$1,925,319	\$1,963,825	\$2,003,102
Indirect Expenses	\$1,914,638	\$1,952,931	\$1,991,989	\$2,031,829	\$2,072,466	\$2,113,915	\$2,156,193	\$2,199,317	\$2,243,304	\$2,288,170	\$2,333,933	\$2,380,612	\$2,428,224	\$2,476,788	\$2,526,324	\$2,576,851
FOCH Net Operating Income (Loss)	-\$426,304	-\$434,830	-\$443,527	-\$452,397	-\$461,445	-\$470,674	-\$480,088	-\$489,689	-\$499,483	-\$509,473	-\$519,662	-\$530,055	-\$540,657	-\$551,470	-\$562,499	-\$573,749
<i>Ex. Proportionate Share of MGMT Fee, Subsidy</i>																
<b>Spectra Contract Stipulations</b>																
Net Operating Income (Loss)	\$23,733	\$24,208	-\$475,148	-\$484,651	\$596,640	\$608,573	\$620,744	\$633,159	\$645,822	\$658,738	\$671,913	\$685,352	\$699,059	\$713,040	\$727,301	\$741,847
Management Fee	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000
Net Loss Subsidy	-\$278,480	-\$278,338	-\$428,144	-\$430,995	-\$106,608	-\$103,028	-\$99,377	-\$95,652	-\$91,853	-\$87,978	-\$84,026	-\$79,995	-\$75,882	-\$71,688	-\$67,410	-\$63,046
Utility Subsidy	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000
Net City Proceeds	-\$1,904,747	-\$1,904,130	-\$2,553,292	-\$2,565,646	-\$1,159,968	-\$1,144,456	-\$1,128,633	-\$1,112,493	-\$1,096,031	-\$1,079,240	-\$1,062,113	-\$1,044,643	-\$1,026,824	-\$1,008,648	-\$990,109	-\$971,199
<b>Hamilton Convention Centre</b>																
Sales	\$3,813,605	\$3,889,877	\$3,967,675	\$4,047,028	\$4,127,969	\$4,210,528	\$4,294,739	\$4,380,633	\$4,468,246	\$4,557,611	\$4,648,763	\$4,741,738	\$4,836,573	\$4,933,305	\$5,031,971	\$5,132,610
Cost of Sales	\$750,794	\$765,810	\$781,126	\$796,749	\$812,684	\$828,937	\$845,516	\$862,426	\$879,675	\$897,268	\$915,214	\$933,518	\$952,188	\$971,232	\$990,657	\$1,010,470
Materials	\$404,158	\$412,241	\$420,486	\$428,896	\$437,474	\$446,223	\$455,148	\$464,251	\$473,536	\$483,006	\$492,666	\$502,520	\$512,570	\$522,821	\$533,278	\$543,943
Event Costs	\$239,455	\$244,244	\$249,129	\$254,112	\$259,194	\$264,378	\$269,665	\$275,059	\$280,560	\$286,171	\$291,894	\$297,732	\$303,687	\$309,761	\$315,956	\$322,275
Total	\$1,394,407	\$1,422,295	\$1,450,741	\$1,479,756	\$1,509,351	\$1,539,538	\$1,570,329	\$1,601,735	\$1,633,770	\$1,666,445	\$1,699,774	\$1,733,770	\$1,768,445	\$1,803,814	\$1,839,890	\$1,876,688
Gross Profit	\$2,419,198	\$2,467,582	\$2,516,934	\$2,567,272	\$2,618,618	\$2,670,990	\$2,724,410	\$2,778,898	\$2,834,476	\$2,891,166	\$2,948,989	\$3,007,969	\$3,068,128	\$3,129,491	\$3,192,080	\$3,255,922
Corporate Expenses	\$2,272,189	\$2,317,633	\$2,363,985	\$2,411,265	\$2,459,490	\$2,508,680	\$2,558,854	\$2,610,031	\$2,662,232	\$2,715,476	\$2,769,786	\$2,825,181	\$2,881,685	\$2,939,319	\$2,998,105	\$3,058,067
Net Earnings	\$147,009	\$149,949	\$152,948	\$156,007	\$159,127	\$162,310	\$165,556	\$168,867	\$172,244	\$175,689	\$179,203	\$182,787	\$186,443	\$190,172	\$193,975	\$197,855
<i>Does not include the Hamilton Convention Centre's \$165,000 annual utility subsidy.</i>																
<b>Capital Investment Forecast</b>																
First Ontario Centre	-	\$13,131,471	\$59,091,620	\$59,091,620												
FirstOntario Concert Hall	-	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915									
Hamilton Convention Centre	-	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568	\$1,036,568									
Total	-	\$15,639,953	\$61,600,102	\$61,600,102	\$2,508,482	\$2,508,482	\$2,508,482									
<b>Total Municipal Basecase Costs</b>																
Spectra Operating Subsidy	-\$1,904,747	-\$1,904,130	-\$2,553,292	-\$2,565,646	-\$1,159,968	-\$1,144,456	-\$1,128,633	-\$1,112,493	-\$1,096,031	-\$1,079,240	-\$1,062,113	-\$1,044,643	-\$1,026,824	-\$1,008,648	-\$990,109	-\$971,199
Capital Investment	\$0	-\$15,639,953	-\$61,600,102	-\$61,600,102	-\$2,508,482	-\$2,508,482	-\$2,508,482	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual City Cost	-\$1,904,747	-\$17,544,083	-\$64,153,395	-\$64,165,749	-\$3,668,451	-\$3,652,938	-\$3,637,115	-\$1,112,493	-\$1,096,031	-\$1,079,240	-\$1,062,113	-\$1,044,643	-\$1,026,824	-\$1,008,648	-\$990,109	-\$971,199
Total Operating Subsidy	-\$34,155,832															
Total Capital Investment	-\$146,365,605															
30-Year Total Cost	-\$182,426,184															
30-Year Total Cost NPV	-\$146,813,588															
<i>Does not include the Hamilton Convention Centre's \$165,000 annual utility subsidy.</i>																
<b>Net Loss Subsidy</b>																
Gurantee	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000
Operating Profit (Loss)	\$23,733	\$24,208	-\$475,148	-\$484,651	\$596,640	\$608,573	\$620,744	\$633,159	\$645,822	\$658,738	\$671,913	\$685,352	\$699,059	\$713,040	\$727,301	\$741,847
Balance	-\$1,378,267	-\$1,377,792	-\$1,877,148	-\$1,886,651	-\$805,360	-\$793,427	-\$781,256	-\$768,841	-\$756,178	-\$743,262	-\$730,087	-\$716,648	-\$702,941	-\$688,960	-\$674,699	-\$660,153
30% Spectra Portion (Less MGMT)	-\$278,480	-\$278,338	-\$428,144	-\$430,995	-\$106,608	-\$103,028	-\$99,377	-\$95,652	-\$91,853	-\$87,978	-\$84,026	-\$79,995	-\$75,882	-\$71,688	-\$67,410	-\$63,046



Arena Renovation Option - Operating For																			
	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Operating Forecast	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
<b>First Ontario Centre</b>																			
Direct Event Income	\$2,257,806	\$2,302,962	\$2,349,021	\$2,396,002	\$2,443,922	\$2,492,800	\$2,542,656	\$2,593,509	\$2,645,379	\$2,698,287	\$2,752,253	\$2,807,298	\$2,863,444	\$2,920,713	\$2,979,127	\$3,038,709	\$3,099,483	\$3,161,473	\$3,224,703
Ancillary Income	\$1,455,573	\$1,484,685	\$1,514,378	\$1,544,666	\$1,575,559	\$1,607,071	\$1,639,212	\$1,671,996	\$1,705,436	\$1,739,545	\$1,774,336	\$1,809,822	\$1,846,019	\$1,882,939	\$1,920,598	\$1,959,010	\$1,998,190	\$2,038,154	\$2,078,917
Facility Fees	\$651,277	\$664,303	\$677,589	\$691,141	\$704,963	\$719,063	\$733,444	\$748,113	\$763,075	\$778,337	\$793,903	\$809,781	\$825,977	\$842,497	\$859,347	\$876,533	\$894,064	\$911,945	\$930,184
Total Event Income	\$4,364,656	\$4,451,949	\$4,540,988	\$4,631,808	\$4,724,444	\$4,818,933	\$4,915,312	\$5,013,618	\$5,113,891	\$5,216,168	\$5,320,492	\$5,426,902	\$5,535,440	\$5,646,148	\$5,759,071	\$5,874,253	\$5,991,738	\$6,111,573	\$6,233,804
Other Income	\$954,478	\$973,567	\$993,039	\$1,012,899	\$1,033,157	\$1,053,820	\$1,074,897	\$1,096,395	\$1,118,323	\$1,140,689	\$1,163,503	\$1,186,773	\$1,210,509	\$1,234,719	\$1,259,413	\$1,284,601	\$1,310,293	\$1,336,499	\$1,363,229
Total Income	\$5,319,134	\$5,425,517	\$5,534,027	\$5,644,708	\$5,757,602	\$5,872,754	\$5,990,209	\$6,110,013	\$6,232,213	\$6,356,858	\$6,483,995	\$6,613,675	\$6,745,948	\$6,880,867	\$7,018,484	\$7,158,854	\$7,302,031	\$7,448,072	\$7,597,033
Indirect Expenses	\$3,977,227	\$4,056,771	\$4,137,906	\$4,220,665	\$4,305,078	\$4,391,179	\$4,479,003	\$4,568,583	\$4,659,955	\$4,753,154	\$4,848,217	\$4,945,181	\$5,044,085	\$5,144,967	\$5,247,866	\$5,352,823	\$5,459,880	\$5,569,077	\$5,680,459
FOC Net Operating Income (Loss)	\$1,341,908	\$1,368,746	\$1,396,121	\$1,424,043	\$1,452,524	\$1,481,574	\$1,511,206	\$1,541,430	\$1,572,259	\$1,603,704	\$1,635,778	\$1,668,493	\$1,701,863	\$1,735,900	\$1,770,618	\$1,806,031	\$1,842,151	\$1,878,994	\$1,916,574
<i>Ex. Proportionate Share of MGMT Fee, Sub</i>																			
<b>FirstOntario Concert Hall</b>																			
Direct Event Income	\$1,274,026	\$1,299,507	\$1,325,497	\$1,352,007	\$1,379,047	\$1,406,628	\$1,434,760	\$1,463,456	\$1,492,725	\$1,522,579	\$1,553,031	\$1,584,091	\$1,615,773	\$1,648,089	\$1,681,050	\$1,714,671	\$1,748,965	\$1,783,944	\$1,819,623
Ancillary Revenue	\$205,031	\$209,132	\$213,314	\$217,581	\$221,932	\$226,371	\$230,898	\$235,516	\$240,227	\$245,031	\$249,932	\$254,930	\$260,029	\$265,230	\$270,534	\$275,945	\$281,464	\$287,093	\$292,835
Facility Fees	\$308,675	\$314,848	\$321,145	\$327,568	\$334,120	\$340,802	\$347,618	\$354,571	\$361,662	\$368,895	\$376,273	\$383,799	\$391,475	\$399,304	\$407,290	\$415,436	\$423,745	\$432,219	\$440,864
Other Income	\$255,431	\$260,540	\$265,751	\$271,066	\$276,487	\$282,017	\$287,657	\$293,410	\$299,279	\$305,264	\$311,370	\$317,597	\$323,949	\$330,428	\$337,036	\$343,777	\$350,653	\$357,666	\$364,819
Total	\$2,043,164	\$2,084,027	\$2,125,707	\$2,168,222	\$2,211,586	\$2,255,818	\$2,300,934	\$2,346,953	\$2,393,892	\$2,441,770	\$2,490,605	\$2,540,417	\$2,591,226	\$2,643,050	\$2,695,911	\$2,749,829	\$2,804,826	\$2,860,922	\$2,918,141
Indirect Expenses	\$2,628,388	\$2,680,955	\$2,734,575	\$2,789,266	\$2,845,051	\$2,901,952	\$2,959,991	\$3,019,191	\$3,079,575	\$3,141,167	\$3,203,990	\$3,268,070	\$3,333,431	\$3,400,100	\$3,468,102	\$3,537,464	\$3,608,213	\$3,680,377	\$3,753,985
FOCH Net Operating Income (Loss)	-\$585,224	-\$596,929	-\$608,867	-\$621,044	-\$633,465	-\$646,135	-\$659,057	-\$672,238	-\$685,683	-\$699,397	-\$713,385	-\$727,653	-\$742,206	-\$757,050	-\$772,191	-\$787,635	-\$803,387	-\$819,455	-\$835,844
<i>Ex. Proportionate Share of MGMT Fee, Sub</i>																			
<b>Spectra Contract Stipulations</b>																			
Net Operating Income (Loss)	\$756,683	\$771,817	\$787,253	\$802,999	\$819,059	\$835,440	\$852,148	\$869,191	\$886,575	\$904,307	\$922,393	\$940,841	\$959,658	\$978,851	\$998,428	\$1,018,396	\$1,038,764	\$1,059,540	\$1,080,730
Management Fee	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000	-\$450,000
Net Loss Subsidy	-\$58,595	-\$54,055	-\$49,424	-\$44,700	-\$39,882	-\$34,968	-\$29,955	-\$24,843	-\$19,627	-\$14,308	-\$8,882	-\$3,348	\$2,297	\$8,055	\$13,928	\$19,919	\$26,029	\$32,262	\$38,619
Utility Subsidy	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000	-\$1,200,000
Net City Proceeds	-\$951,911	-\$932,238	-\$912,170	-\$891,702	-\$870,824	-\$849,528	-\$827,807	-\$805,651	-\$783,052	-\$760,001	-\$736,489	-\$712,507	-\$688,045	-\$663,094	-\$637,644	-\$611,685	-\$585,206	-\$558,199	-\$530,651
<b>Hamilton Convention Centre</b>																			
Sales	\$5,235,262	\$5,339,968	\$5,446,767	\$5,555,702	\$5,666,816	\$5,780,153	\$5,895,756	\$6,013,671	\$6,133,944	\$6,256,623	\$6,381,756	\$6,509,391	\$6,639,579	\$6,772,370	\$6,907,818	\$7,045,974	\$7,186,893	\$7,330,631	\$7,477,244
Cost of Sales	\$1,030,679	\$1,051,293	\$1,072,319	\$1,093,765	\$1,115,640	\$1,137,953	\$1,160,712	\$1,183,927	\$1,207,605	\$1,231,757	\$1,256,392	\$1,281,520	\$1,307,151	\$1,333,294	\$1,359,959	\$1,387,159	\$1,414,902	\$1,443,200	\$1,472,064
Materials	\$554,822	\$565,919	\$577,237	\$588,782	\$600,558	\$612,569	\$624,820	\$637,316	\$650,063	\$663,064	\$676,325	\$689,852	\$703,649	\$717,722	\$732,076	\$746,718	\$761,652	\$776,885	\$792,423
Event Costs	\$328,720	\$335,295	\$342,001	\$348,841	\$355,818	\$362,934	\$370,193	\$377,596	\$385,148	\$392,851	\$400,708	\$408,723	\$416,897	\$425,235	\$433,740	\$442,414	\$451,263	\$460,288	\$469,494
Total	\$1,914,222	\$1,952,506	\$1,991,557	\$2,031,388	\$2,072,015	\$2,113,456	\$2,155,725	\$2,198,839	\$2,242,816	\$2,287,672	\$2,333,426	\$2,380,094	\$2,427,696	\$2,476,250	\$2,525,775	\$2,576,291	\$2,627,817	\$2,680,373	\$2,733,980
Gross Profit	\$3,321,040	\$3,387,461	\$3,455,210	\$3,524,315	\$3,594,801	\$3,666,697	\$3,740,031	\$3,814,832	\$3,891,128	\$3,968,951	\$4,048,330	\$4,129,296	\$4,211,882	\$4,296,120	\$4,382,042	\$4,469,683	\$4,559,077	\$4,650,258	\$4,743,264
Corporate Expenses	\$3,119,229	\$3,181,613	\$3,245,245	\$3,310,150	\$3,376,353	\$3,443,880	\$3,512,758	\$3,583,013	\$3,654,673	\$3,727,767	\$3,802,322	\$3,878,369	\$3,955,936	\$4,035,055	\$4,115,756	\$4,198,071	\$4,282,032	\$4,367,673	\$4,455,027
Net Earnings	\$201,812	\$205,848	\$209,965	\$214,164	\$218,448	\$222,817	\$227,273	\$231,818	\$236,455	\$241,184	\$246,008	\$250,928	\$255,946	\$261,065	\$266,286	\$271,612	\$277,044	\$282,585	\$288,237
<i>Does not include the Hamilton Convention</i>																			
<b>Capital Investment Forecast</b>																			
First Ontario Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FirstOntario Concert Hall	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hamilton Convention Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Municipal Basecase Costs</b>																			
Spectra Operating Subsidy	-\$951,911	-\$932,238	-\$912,170	-\$891,702	-\$870,824	-\$849,528	-\$827,807	-\$805,651	-\$783,052	-\$760,001	-\$736,489	-\$712,507	-\$688,045	-\$663,094	-\$637,644	-\$611,685	-\$585,206	-\$558,199	-\$530,651
Capital Investment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual City Cost	-\$951,911	-\$932,238	-\$912,170	-\$891,702	-\$870,824	-\$849,528	-\$827,807	-\$805,651	-\$783,052	-\$760,001	-\$736,489	-\$712,507	-\$688,045	-\$663,094	-\$637,644	-\$611,685	-\$585,206	-\$558,199	-\$530,651
<b>Total Operating Subsidy</b>																			
<b>Total Capital Investment</b>																			
<b>30-Year Total Cost</b>																			
<b>30-Year Total Cost NPV</b>																			
<i>Does not include the Hamilton Convention</i>																			
<b>Net Loss Subsidy</b>																			
Gurantee	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000	-\$1,402,000
Operating Profit (Loss)	\$756,683	\$771,817	\$787,253	\$802,999	\$819,059	\$835,440	\$852,148	\$869,191	\$886,575	\$904,307	\$922,393	\$940,841	\$959,658	\$978,851	\$998,428	\$1,018,396	\$1,038,764	\$1,059,540	\$1,080,730
Balance	-\$645,317	-\$630,183	-\$614,747	-\$599,001	-\$582,941	-\$566,560	-\$549,852	-\$532,809	-\$515,425	-\$497,693	-\$479,607	-\$461,159	-\$442,342	-\$423,149	-\$403,572	-\$383,604	-\$363,236	-\$342,460	-\$321,270
30% Spectra Portion (Less MGMT)	-\$58,595	-\$54,055	-\$49,424	-\$44,700	-\$39,882	-\$34,968	-\$29,955	-\$24,843	-\$19,627	-\$14,308	-\$8,882	-\$3,348	\$2,297	\$8,055	\$13,928	\$19,919	\$26,029	\$32,262	\$38,619

**Arena Renewal Option Forecasting Assumptions**

**Baseline Scenario**

<b>Growth Assumptions</b>	
General Growth Factor	2.00%
FOCH Growth Post-Renovation	2.00%
Attendance Growth (Years 15-30)	1.00%
General Expense Inflation	2.00%

<b>General Assumptions</b>	
New Arena Size	10,000

<b>Cost Analysis</b>	
2016 Arena Cost	\$68,000,000
Statscan Growth Factor	93.11%
2019 Cost	\$131,314,711

<b>Investment Analysis</b>		
Discount Rate	4.50%	
Spectra Net Loss Portion	30.00%	
FOC Replacement Cost	\$133,562,805	
FOCH Replacement Cost	\$54,825,000	
HCC Replacement Cost	\$28,151,284	
Convention Centre Reserve	\$422,269	
Structural Reserve	1.50%	
City	MGMT	
Profit Sharing (Years 1-5)	25.00%	75.00%
Profit Sharing (Years 6-10)	50.00%	50.00%
Profit Sharing (Years 11-50)	75.00%	25.00%
Management Fee	\$450,000	
CIRC Inv. Guideline	1.70%	
Annual Structural Reserve	\$2,270,568	

**New Construction Revenue Buildup**

Segment	2023 Attendance	Assumed Avg. Income	Inflated
Cultural Programming	268,576	\$9.96	\$10.78
Sports Programming	402,931	\$2.50	\$2.71
2023 Event Income		\$3,984,763	
Other Income Avg.		\$364	
2023 Other Income		\$3,636,051	
Expense Assumption		\$651	
2023 Expense		\$7,049,017	
Facility Fee Collection (Years 1 - 25)		\$0.50	
Facility Fee Collection (Years 25 - 51)		\$1.00	

\$10.78 Inflated 2018 value which compared to London's \$10.16

Average on Scotiabank Place, Halifax & Budweiser Gardens, London. Contracted revenues (naming rights) so not inflated.

\$705 Average on Scotiabank Place, Halifax & Budweiser Gardens, London.

Average per-ticket City proceeds based research compiled by EY on other Spectra-managed facilities.

**Construction Cost**

Years	Amount
2019	\$13,356,281
2020-2023	\$40,068,842
<b>Total Cost</b>	<b>\$133,562,805</b>
2019	10%
2020-2023	30%

**Attendance Forecast**

	2018 Actual	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Sports Events	165,415	168,723	172,098	175,540	179,051	268,576	273,947	279,426	285,015	290,715	296,529	302,460
Cultural Programming	323,692	330,166	336,769	343,505	350,375	402,931	410,989	419,209	427,593	436,145	444,868	453,766
<b>Total</b>	<b>489,107</b>	<b>498,889</b>	<b>508,867</b>	<b>519,044</b>	<b>529,425</b>	<b>671,507</b>	<b>684,937</b>	<b>698,635</b>	<b>712,608</b>	<b>726,860</b>	<b>741,398</b>	<b>756,225</b>
		<i>Pre-Construction</i>	<i>Construction</i>	<i>Construction</i>	<i>Construction</i>	<b>Stabalization</b>						
	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
	8	9	10	11	12	13	14	15	16	17	18	19
	308,509	314,679	320,973	327,392	333,940	340,619	347,431	350,906	354,415	357,959	361,539	365,154
	462,841	472,098	481,540	491,170	500,994	511,014	521,234	526,446	531,711	537,028	542,398	547,822
	771,350	786,777	802,513	818,563	834,934	851,633	868,665	877,352	886,126	894,987	903,937	912,976
	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	
	20	21	22	23	24	25	26	27	28	29	30	
	368,805	372,493	376,218	379,981	383,780	387,618	391,494	395,409	399,363	403,357	407,391	
	553,300	558,833	564,422	570,066	575,767	581,524	587,340	593,213	599,145	605,136	611,188	
	922,106	931,327	940,640	950,047	959,547	969,142	978,834	988,622	998,508	1,008,494	1,018,578	

Bulldogs Increase	50%
Non-Sporting Increase	15%

Stabalized Sports Attendance	268,576	
Avg. / Event	5,481	OHL Avg. = 5,210
Additional Cultural Attendance	52,556	

<b>London Example</b>						
	2018		2017		2016	
<b>Operations</b>	122 # of Event		134 # of Event		147 # of Event	
	490,347 Paid Attendance		587,020 Paid Attendance		586,919 Paid Attendance	
	\$2,639,587 Event Income		\$3,228,051 Event Income		\$2,552,117 Event Income	
	\$3,736,290 Other Income	58.60%	\$3,470,796 Other Income	51.81%	\$3,482,830 Other Income	57.71%
	<u>\$6,375,877 Total Income</u>		<u>\$6,698,847 Total Income</u>		<u>\$6,034,947 Total Income</u>	
	\$6,230,807 Indirect Expenses		\$6,408,130 Indirect Expenses		\$5,645,886 Indirect Expenses	
	\$145,070 Net Proceeds		\$290,717 Net Proceeds		\$389,061 Net Proceeds	
<b>City Proceeds</b>						
Proceeds from Operations	\$117,660	81%	\$258,907	89%	\$243,553	63%
Ticket Sales (Facility Fee)	\$145,314	\$0.30	\$128,005	\$0.22	\$133,961	\$0.23
Avg. Ticket Revenues	\$5.38		\$5.50		\$4.35	
<b>London Revenue Benchmarking</b>	<b>Revenue</b>	<b>Attendance</b>	<b>Income</b>			
Knights	\$779,711	306,607	\$2.54	<i>Includes concessions</i>		
All Other Events	\$1,859,876	183,740	\$10.12	<i>Includes concessions</i>		
Basketball	\$83,675					
Concerts	\$766,907					
Family Shows	\$63,995					
Misc. Sports	\$279,814					
Other	<u>\$665,485</u>					
	\$4,499,463					
<b>Current FirstOntario Arrangement</b>						
2018 Attendance	107,104					
Total Event Income	-\$97,105					
Spectra Budgeted Loss	<u>\$168,795</u>					
Income	\$71,690					
Avg. Income	\$0.67					
<b>Other Income Comparison</b>						
	London	Per Seat	Halifax	Per Seat		
Event Income	\$2,603,645	\$286	\$3,300,000	\$292		
Other Income	<u>\$3,718,498</u>	\$409	<u>\$3,600,000</u>	\$319		
Total Income	\$6,322,143	\$695	\$6,900,000	\$611		
Indirect Expenses	\$6,319,745	\$694	\$6,869,982	\$608		
Capacity	9,100		11,300			

Entertainment Venue Renewal Option													
Operating Forecast	2018 Actual	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
First Ontario Centre	Pre-Con	Construction	Construction	Construction	Turnover	Stabilization							
					1	2	3	4	5	6	7	8	
Direct Event Income	\$1,517,702	\$1,548,056	\$1,579,017	\$1,610,598	\$1,642,809	-	-	-	-	-	-	-	-
Ancillary Income	\$750,137	\$765,140	\$780,443	\$796,051	\$811,972	-	-	-	-	-	-	-	-
Facility Fees	\$437,790	\$446,546	\$455,477	\$464,586	\$473,878	-	-	-	-	-	-	-	-
Total Event Income	\$2,705,629	\$2,759,742	\$2,814,936	\$2,871,235	\$2,928,660	\$3,984,763	\$4,064,458	\$4,145,747	\$4,228,662	\$4,313,235	\$4,399,500	\$4,487,490	\$4,577,240
Other Income	\$641,602	\$654,434	\$667,523	\$680,873	\$694,491	\$3,636,051	\$3,708,772	\$3,782,948	\$3,858,607	\$3,935,779	\$4,014,494	\$4,094,784	\$4,176,680
Total Income	\$3,347,231	\$3,414,176	\$3,482,459	\$3,552,108	\$3,623,150	\$7,620,814	\$7,773,230	\$7,928,695	\$8,087,269	\$8,249,014	\$8,413,994	\$8,582,274	\$8,753,920
Indirect Expenses	\$2,897,194	\$2,955,138	\$3,014,241	\$3,074,525	\$3,136,016	\$7,049,017	\$7,189,998	\$7,333,798	\$7,480,474	\$7,630,083	\$7,782,685	\$7,938,338	\$8,097,105
Management Fee	-	-	-	-	-	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
FOC Net Operating Income (Loss)	\$450,037	\$459,038	\$468,218	\$477,583	\$487,135	\$571,796	\$583,232	\$594,897	\$606,795	\$618,931	\$631,309	\$643,936	\$656,814
Net Proceeds After MGMT Fee	-	-	-	-	-	\$121,796	\$133,232	\$144,897	\$156,795	\$168,931	\$181,309	\$193,936	\$206,814
City Portion of Net Proceeds	-	-	-	-	-	\$30,449	\$33,308	\$36,224	\$39,199	\$42,233	\$90,655	\$96,968	\$103,407
Operator Portion of Net Proceeds	-	-	-	-	-	\$91,347	\$99,924	\$108,673	\$117,596	\$126,698	\$90,655	\$96,968	\$103,407
Facility Fee Revenue	-	-	-	-	-	\$335,753	\$342,468	\$349,318	\$356,304	\$363,430	\$370,699	\$378,113	\$385,675
Total City Revenue	-	-	-	-	-	\$366,202	\$375,776	\$385,542	\$395,503	\$405,663	\$461,354	\$475,081	\$489,082
<b>FirstOntario Concert Hall</b>													
Direct Event Income	\$928,059	\$946,620	\$965,553	\$984,864	\$1,004,561	\$1,045,145	\$1,087,369	\$1,131,299	\$1,177,003	\$1,224,554	\$1,274,026	\$1,325,497	\$1,379,047
Ancillary Revenue	\$149,354	\$152,341	\$155,388	\$158,496	\$161,666	\$164,899	\$171,561	\$178,492	\$185,703	\$193,205	\$201,011	\$209,132	\$217,581
Facility Fees	\$224,853	\$229,350	\$233,937	\$238,616	\$243,388	\$248,256	\$258,285	\$268,720	\$279,576	\$290,871	\$302,623	\$314,848	\$327,568
Other Income	\$186,068	\$189,789	\$193,585	\$197,457	\$201,406	\$205,434	\$213,734	\$222,368	\$231,352	\$240,699	\$250,423	\$260,540	\$271,066
Total	\$1,488,334	\$1,518,101	\$1,548,463	\$1,579,432	\$1,611,021	\$1,663,734	\$1,730,949	\$1,800,879	\$1,873,635	\$1,949,330	\$2,028,083	\$2,110,017	\$2,195,262
Indirect Expenses	\$1,914,638	\$1,952,931	\$1,991,989	\$2,031,829	\$2,072,466	\$2,113,915	\$2,156,193	\$2,199,317	\$2,243,304	\$2,288,170	\$2,333,933	\$2,380,612	\$2,428,224
FOCH Net Operating Income (Loss)	-\$426,304	-\$434,830	-\$443,527	-\$452,397	-\$461,445	-\$450,181	-\$425,244	-\$398,438	-\$369,669	-\$338,840	-\$305,851	-\$270,595	-\$232,962
<b>Hamilton Convention Centre</b>													
Sales	\$3,813,605	\$3,889,877	\$3,967,675	\$4,047,028	\$4,127,969	\$4,210,528	\$4,294,739	\$4,380,633	\$4,468,246	\$4,557,611	\$4,648,763	\$4,741,738	\$4,836,573
Cost of Sales	\$750,794	\$765,810	\$781,126	\$796,749	\$812,684	\$828,937	\$845,516	\$862,426	\$879,675	\$897,268	\$915,214	\$933,518	\$952,188
Materials	\$404,158	\$412,241	\$420,486	\$428,896	\$437,474	\$446,223	\$455,148	\$464,251	\$473,536	\$483,006	\$492,666	\$502,520	\$512,570
Event Costs	\$239,455	\$244,244	\$249,129	\$254,112	\$259,194	\$264,378	\$269,665	\$275,059	\$280,560	\$286,171	\$291,894	\$297,732	\$303,687
Total	\$1,394,407	\$1,422,295	\$1,450,741	\$1,479,756	\$1,509,351	\$1,539,538	\$1,570,329	\$1,601,735	\$1,633,770	\$1,666,445	\$1,699,774	\$1,733,770	\$1,768,445
Gross Profit	\$2,419,198	\$2,467,582	\$2,516,934	\$2,567,272	\$2,618,618	\$2,670,990	\$2,724,410	\$2,778,898	\$2,834,476	\$2,891,166	\$2,948,989	\$3,007,969	\$3,068,128
Corporate Expenses	\$2,272,189	\$2,317,633	\$2,363,985	\$2,411,265	\$2,459,490	\$2,508,680	\$2,558,854	\$2,610,031	\$2,662,232	\$2,715,476	\$2,769,786	\$2,825,181	\$2,881,685
Net Earning's for Operator	\$147,009	\$149,949	\$152,948	\$156,007	\$159,127	\$162,310	\$165,556	\$168,867	\$172,244	\$175,689	\$179,203	\$182,787	\$186,443
Does not include the Hamilton Convention Centre's \$165,000 annual utility subsidy.													
<b>Capital Investment Forecast</b>													
New Arena Project Costs	-	\$13,356,281	\$40,068,842	\$40,068,842	\$40,068,842	-	-	-	-	-	-	-	-
First Ontario Centre (Brine System)	-	\$730,000	\$6,570,000	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	-	-	-	-	-	-
FirstOntario Concert Hall	-	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	\$1,471,915	-	-	-	-	-	-
Hamilton Convention Centre	-	\$422,269	\$422,269	\$41,540,756	\$41,540,756	\$1,471,915	\$1,471,915	-	-	-	-	-	-
Total	-	\$15,980,465	\$48,533,026	\$41,540,756	\$41,540,756	\$1,471,915	\$1,471,915	-	-	-	-	-	-
Land Acquisition Costs		-\$35,000,000											
<b>Total City Costs / Proceeds</b>		-\$51,415,295	-\$48,976,952	-\$41,993,154	-\$42,002,202	-\$1,555,893	-\$1,521,383	-\$12,896	\$25,834	\$66,823	\$155,503	\$204,486	\$256,120
Does not include the Hamilton Convention Centre's \$165,000 annual utility subsidy.													
Total Arena Facility Fee Proceeds	\$15,430,432												
Total Arena Operating Profit Collection	\$4,068,995												
Total Performing Arts Subsidy	-\$7,469,138												
Total Capital Costs	\$161,891,671												
Land Acquisition Costs	\$35,000,000												
30-Year Total Cost	-\$184,861,382												
30-Year Total Cost NPV	-\$166,372,238												
Does not include the Hamilton Convention Centre's \$165,000 annual utility subsidy.													



Entertainment Venue Renewal Option													
Operating Forecast	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
First Ontario Centre	9	10	11	12	13	14	15	16	17	18	19	20	21
Direct Event Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Facility Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Event Income	\$4,668,785	\$4,762,160	\$4,857,403	\$4,954,552	\$5,053,643	\$5,154,715	\$5,257,810	\$5,362,966	\$5,470,225	\$5,579,630	\$5,691,222	\$5,805,047	\$5,921,148
Other Income	\$4,260,213	\$4,345,418	\$4,432,326	\$4,520,973	\$4,611,392	\$4,703,620	\$4,797,692	\$4,893,646	\$4,991,519	\$5,091,349	\$5,193,176	\$5,297,040	\$5,402,981
Total Income	\$8,928,998	\$9,107,578	\$9,289,729	\$9,475,524	\$9,665,035	\$9,858,335	\$10,055,502	\$10,256,612	\$10,461,744	\$10,670,979	\$10,884,399	\$11,102,087	\$11,324,128
Indirect Expenses	\$8,259,047	\$8,424,228	\$8,592,713	\$8,764,567	\$8,939,858	\$9,118,656	\$9,301,029	\$9,487,049	\$9,676,790	\$9,870,326	\$10,067,733	\$10,269,087	\$10,474,469
Management Fee	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
FOC Net Operating Income (Loss)	\$669,951	\$683,350	\$697,017	\$710,957	\$725,176	\$739,680	\$754,473	\$769,563	\$784,954	\$800,653	\$816,666	\$832,999	\$849,659
Net Proceeds After MGMT Fee	\$219,951	\$233,350	\$247,017	\$260,957	\$275,176	\$289,680	\$304,473	\$319,563	\$334,954	\$350,653	\$366,666	\$382,999	\$399,659
City Portion of Net Proceeds	\$109,975	\$116,675	\$123,508	\$142,133	\$144,976	\$147,875	\$150,833	\$153,849	\$156,926	\$160,065	\$163,266	\$166,531	\$169,862
Operator Portion of Net Proceeds	\$109,975	\$116,675	\$61,754	\$65,239	\$68,794	\$72,420	\$76,118	\$79,891	\$83,739	\$87,663	\$91,667	\$95,750	\$99,915
Facility Fee Revenue	\$393,389	\$401,256	\$409,281	\$417,467	\$425,816	\$434,333	\$438,676	\$443,063	\$447,493	\$451,968	\$456,488	\$461,053	\$465,663
Total City Revenue	\$503,364	\$517,931	\$532,790	\$559,600	\$570,792	\$582,208	\$589,509	\$596,912	\$604,420	\$612,033	\$619,754	\$627,584	\$635,525
FirstOntario Concert Hall													
Direct Event Income	\$1,434,760	\$1,492,725	\$1,553,031	\$1,584,091	\$1,615,773	\$1,648,089	\$1,681,050	\$1,714,671	\$1,748,965	\$1,783,944	\$1,819,623	\$1,856,015	\$1,893,136
Ancillary Revenue	\$226,371	\$235,516	\$245,031	\$249,932	\$254,930	\$260,029	\$265,230	\$270,534	\$275,945	\$281,464	\$287,093	\$292,835	\$298,692
Facility Fees	\$340,802	\$354,571	\$368,895	\$376,273	\$383,799	\$391,475	\$399,304	\$407,290	\$415,436	\$423,745	\$432,219	\$440,864	\$449,681
Other Income	\$282,017	\$293,410	\$305,264	\$311,370	\$317,597	\$323,949	\$330,428	\$337,036	\$343,777	\$350,653	\$357,666	\$364,819	\$372,115
Total	\$2,283,950	\$2,376,222	\$2,472,221	\$2,521,666	\$2,572,099	\$2,623,541	\$2,676,012	\$2,729,532	\$2,784,123	\$2,839,805	\$2,896,601	\$2,954,533	\$3,013,624
Indirect Expenses	\$2,476,788	\$2,526,324	\$2,576,851	\$2,628,388	\$2,680,955	\$2,734,575	\$2,789,266	\$2,845,051	\$2,901,952	\$2,959,991	\$3,019,191	\$3,079,575	\$3,141,167
FOCH Net Operating Income (Loss)	-\$192,838	-\$150,102	-\$104,629	-\$106,722	-\$108,856	-\$111,034	-\$113,254	-\$115,519	-\$117,830	-\$120,186	-\$122,590	-\$125,042	-\$127,543
Hamilton Convention Centre													
Sales	\$4,933,305	\$5,031,971	\$5,132,610	\$5,235,262	\$5,339,968	\$5,446,767	\$5,555,702	\$5,666,816	\$5,780,153	\$5,895,756	\$6,013,671	\$6,133,944	\$6,256,623
Cost of Sales	\$971,232	\$990,657	\$1,010,470	\$1,030,679	\$1,051,293	\$1,072,319	\$1,093,765	\$1,115,640	\$1,137,953	\$1,160,712	\$1,183,927	\$1,207,605	\$1,231,757
Materials	\$522,821	\$533,278	\$543,943	\$554,822	\$565,919	\$577,237	\$588,782	\$600,558	\$612,569	\$624,820	\$637,316	\$650,063	\$663,064
Event Costs	\$309,761	\$315,956	\$322,275	\$328,720	\$335,295	\$342,001	\$348,841	\$355,818	\$362,934	\$370,193	\$377,596	\$385,148	\$392,851
Total	\$1,803,814	\$1,839,890	\$1,876,688	\$1,914,222	\$1,952,506	\$1,991,557	\$2,031,388	\$2,072,015	\$2,113,456	\$2,155,725	\$2,198,839	\$2,242,816	\$2,287,672
Gross Profit	\$3,129,491	\$3,192,080	\$3,255,922	\$3,321,040	\$3,387,461	\$3,455,210	\$3,524,315	\$3,594,801	\$3,666,697	\$3,740,031	\$3,814,832	\$3,891,128	\$3,968,951
Corporate Expenses	\$2,939,319	\$2,998,105	\$3,058,067	\$3,119,229	\$3,181,613	\$3,245,245	\$3,310,150	\$3,376,353	\$3,443,880	\$3,512,758	\$3,583,013	\$3,654,673	\$3,727,767
Net Earnings for Operator	\$190,172	\$193,975	\$197,855	\$201,812	\$205,848	\$209,965	\$214,164	\$218,448	\$222,817	\$227,273	\$231,818	\$236,455	\$241,184
Does not include the Hamilton Convention Cer													
Capital Investment Forecast													
New Arena Project Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
FirstOntario Centre (Brine System)	-	-	-	-	-	-	-	-	-	-	-	-	-
FirstOntario Concert Hall	-	-	-	-	-	-	-	-	-	-	-	-	-
Hamilton Convention Centre	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Acquisition Costs													
Total City Costs / Proceeds	\$310,526	\$367,829	\$428,160	\$452,878	\$461,935	\$471,174	\$476,254	\$481,393	\$486,590	\$491,847	\$497,164	\$502,542	\$507,983
Does not include the Hamilton Convention Cer													
Total Arena Facility Fee Proceeds													
Total Arena Operating Profit Collection													
Total Performing Arts Subsidy													
Total Capital Costs													
Land Acquisition Costs													
30-Year Total Cost													
30-Year Total Cost NPV													

Does not include the Hamilton Convention Cer



Entertainment Venue Renewal Option									
Operating Forecast	2044	2045	2046	2047	2048	2049	2050	2051	2052
First Ontario Centre	22	23	24	25	26	27	28	29	30
Direct Event Income	-	-	-	-	-	-	-	-	-
Ancillary Income	-	-	-	-	-	-	-	-	-
Facility Fees	-	-	-	-	-	-	-	-	-
Total Event Income	\$6,039,571	\$6,160,362	\$6,283,569	\$6,409,241	\$6,537,426	\$6,668,174	\$6,801,537	\$6,937,568	\$7,076,320
Other Income	\$5,511,040	\$5,621,261	\$5,733,686	\$5,848,360	\$5,965,327	\$6,084,634	\$6,206,326	\$6,330,453	\$6,457,062
Total Income	\$11,550,611	\$11,781,623	\$12,017,256	\$12,257,601	\$12,502,753	\$12,752,808	\$13,007,864	\$13,268,021	\$13,533,382
Indirect Expenses	\$10,683,958	\$10,897,637	\$11,115,590	\$11,337,902	\$11,564,660	\$11,795,953	\$12,031,872	\$12,272,510	\$12,517,960
Management Fee	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
FOC Net Operating Income (Loss)	\$866,653	\$883,986	\$901,665	\$919,699	\$938,093	\$956,855	\$975,992	\$995,511	\$1,015,422
Net Proceeds After MGMT Fee	\$416,653	\$433,986	\$451,665	\$469,699	\$488,093	\$506,855	\$525,992	\$545,511	\$565,422
City Portion of Net Proceeds	\$173,259	\$176,724	\$180,259	\$183,864	\$187,541	\$191,292	\$195,118	\$199,020	\$203,001
Operator Portion of Net Proceeds	\$104,163	\$108,496	\$112,916	\$117,425	\$122,023	\$126,714	\$131,498	\$136,378	\$141,355
Facility Fee Revenue	\$470,320	\$475,023	\$479,774	\$484,571	\$489,368	\$494,165	\$498,962	\$503,759	\$508,556
Total City Revenue	\$643,579	\$651,748	\$660,032	\$668,435	\$1,166,375	\$1,179,914	\$1,193,626	\$1,207,514	\$1,221,579
FirstOntario Concert Hall									
Direct Event Income	\$1,930,999	\$1,969,618	\$2,009,011	\$2,049,191	\$2,090,175	\$2,131,978	\$2,174,618	\$2,218,110	\$2,262,473
Ancillary Revenue	\$304,665	\$310,759	\$316,974	\$323,313	\$329,780	\$336,375	\$343,103	\$349,965	\$356,964
Facility Fees	\$458,675	\$467,848	\$477,205	\$486,749	\$496,484	\$506,414	\$516,542	\$526,873	\$537,411
Other Income	\$379,558	\$387,149	\$394,892	\$402,790	\$410,846	\$419,062	\$427,444	\$435,993	\$444,712
Total	\$3,073,896	\$3,135,374	\$3,198,082	\$3,262,043	\$3,327,284	\$3,393,830	\$3,461,707	\$3,530,941	\$3,601,560
Indirect Expenses	\$3,203,990	\$3,268,070	\$3,333,431	\$3,400,100	\$3,468,102	\$3,537,464	\$3,608,213	\$3,680,377	\$3,753,985
FOCH Net Operating Income (Loss)	-\$130,094	-\$132,695	-\$135,349	-\$138,056	-\$140,817	-\$143,634	-\$146,506	-\$149,437	-\$152,425
Hamilton Convention Centre									
Sales	\$6,381,756	\$6,509,391	\$6,639,579	\$6,772,370	\$6,907,818	\$7,045,974	\$7,186,893	\$7,330,631	\$7,477,244
Cost of Sales	\$1,256,392	\$1,281,520	\$1,307,151	\$1,333,294	\$1,359,959	\$1,387,159	\$1,414,902	\$1,443,200	\$1,472,064
Materials	\$676,325	\$689,852	\$703,649	\$717,722	\$732,076	\$746,718	\$761,652	\$776,885	\$792,423
Event Costs	\$400,708	\$408,723	\$416,897	\$425,235	\$433,740	\$442,414	\$451,263	\$460,288	\$469,494
Total	\$2,333,426	\$2,380,094	\$2,427,696	\$2,476,250	\$2,525,775	\$2,576,291	\$2,627,817	\$2,680,373	\$2,733,980
Gross Profit	\$4,048,330	\$4,129,296	\$4,211,882	\$4,296,120	\$4,382,042	\$4,469,683	\$4,559,077	\$4,650,258	\$4,743,264
Corporate Expenses	\$3,802,322	\$3,878,369	\$3,955,936	\$4,035,055	\$4,115,756	\$4,198,071	\$4,282,032	\$4,367,673	\$4,455,027
Net Earnings for Operator	\$246,008	\$250,928	\$255,946	\$261,065	\$266,286	\$271,612	\$277,044	\$282,585	\$288,237
Does not include the Hamilton Convention Cer									
Capital Investment Forecast									
New Arena Project Costs					\$2,270,568	\$2,270,568	\$2,270,568	\$2,270,568	\$2,270,568
FirstOntario Centre (Brine System)					\$0	\$0	\$0	\$0	\$0
FirstOntario Concert Hall					\$0	\$0	\$0	\$0	\$0
Hamilton Convention Centre					\$0	\$0	\$0	\$0	\$0
Total					\$2,270,568	\$2,270,568	\$2,270,568	\$2,270,568	\$2,270,568
Land Acquisition Costs									
Total City Costs / Proceeds	\$513,486	\$519,052	\$524,683	\$530,379	-\$1,245,010	-\$1,234,287	-\$1,223,448	-\$1,212,490	-\$1,201,414
Does not include the Hamilton Convention Cer									
Total Arena Facility Fee Proceeds									
Total Arena Operating Profit Collection									
Total Performing Arts Subsidy									
Total Capital Costs									
Land Acquisition Costs									
30-Year Total Cost									
30-Year Total Cost NPV									

Does not include the Hamilton Convention Cer



# Appendix F

Sports and Entertainment Venues						
Comparable Facility Construction Costs						
Arena	Year Built	Cost	Capacity	Cost/Seat	\$2019	Comment
Meridian Centre	2014	\$53,300,000	5,300	10,057	\$11,766	OHL Facility without the technical requirements for modern shows.
KPMG Feasibility Study	N/A	\$79,200,000	6,000	13,200	\$13,200	OHL Facility with technical requirements for modern shows.
Place Bell	2017	\$130,000,000	10,000	13,000	\$13,702	Adjusted to reflect cost of building arena structure, and excludes parking and adjoining recreational centre.
Videotron Centre	2015	\$370,000,000	18,250	20,274	\$20,274	Built to NHL standards.
Rogers Place	2016	\$480,000,000	18,350	26,158	\$26,158	Built to NHL standards and costs include underground parking and other amenities.
<b>Cost per Seat Average (Comparable Facility)</b>					<b>\$13,451</b>	

- Using estimates of comparable facility construction costs inflated to \$2019 using Statistics Canada Non-Residential Construction Cost Index

Budweiser Gardens Inflated Construction Cost (2002-2019)			
2002 Construction Cost	\$52,000,000	Arena Capacity	9,100
\$2017	\$88,285,229		
\$2019	\$94,818,336		
<b>Cost per Seat</b>	<b>\$10,420</b>		

- Using the 2002 construction cost of \$52,000,000, inflated using Statistics Canada Non-Residential Cost Index to the index year of 2017.  
 - Using the \$2017 cost estimate, the value has been further inflated to \$2019

Marshall & Swift Valuation Service	
- Using the Marshall & Swift cost estimating guide, a per seat replacement cost was established. Please see "MVS" tab for more clarity.	
<b>Cost per Seat</b>	<b>\$13,262</b>
Capacity	10,000

Final Cost Estimate	
Avg. Comparable Per-Seat Cost	\$13,356
Capacity	10,000
<b>Est. Arena Cost (\$2019)</b>	<b>\$133,562,805.31</b>

**Performing Arts Cost**

Comparable Facility Construction Costs						
Arena	Year Built	Cost	Capacity	Cost/Seat	\$2019	Comment
Burlington Arts Centre	2011	\$29,000,000	1,000	29,000	\$31,590	

**Marshall & Swift Valuation Service**

- Using the Marshall & Swift cost estimating guide, a per seat replacement cost was established. Please see "MVS" tab for more clarity.

Cost per Seat	\$31,095
\$/Seat	\$25,000 <i>Downward adjustment to reflect inferior technical equipment to Burlington Arts Centre.</i>
Capacity	2,193

**Est. Performing Arts Centre**                      **\$54,825,000**

**Convention Centre**

Comparable Facility Construction Costs						
Arena	Year Built	Cost	Size	Cost/SF	\$2019	Comment
Shaw Centre	2011	\$170,000,000	365,973	465	\$511	Significantly superior
Scotiabank Centre	2011	\$100,000,000	288,000	347	\$391	Similar quality, includes \$4M land acquisition

**Marshall & Swift Cost Estimate**

- Using the Marshall & Swift cost estimating guide, a psf replacement cost was established. Please see "MVS" tab for more clarity.

Cost per SF	\$305
Size Estimate	70,000

**Est. Convention Centre Costs**                      **\$28,151,284**

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**Sports, Entertainment and Convention Venues Review  
Council Approved Scope of Work**

That staff be directed to commission an independent third-party study which is to be guided by the Council-Approved Vision set out in the Downtown Secondary Plan, Economic Development Action Plan, Cultural Plan and Hamilton Tourism Strategy, which conducts a needs, opportunities, and gap analysis assessing:

- (i) Hamilton’s Sports, Entertainment and Convention Centre facility needs, given the City’s size and position within the Southern Ontario marketplace;
- (ii) Various ownership and review models of ownership divestment of the entertainment facilities, the land, air rights, and include projected increases in the tax base that have succeeded in comparable Municipalities, with a focus on the estimated economic impact and cultural impacts, including, but not limited to, both indirect and direct financial benefits each model could potentially provide the City of Hamilton;
- (iii) What role do the existing FirstOntario Centre, FirstOntario Concert Hall, The Studio, and the Hamilton Convention Centre assets play in meeting Hamilton’s Sports, Entertainment and Convention Centre needs moving forward;
- (iv) Whether there is any added benefit in locating the City’s entertainment assets, in the Downtown, in a clustered precinct that includes residential and commercial development and how suitable the City’s existing entertainment asset sites are for the development of any such facility or facilities;
- (v) Models of how to best maximize the contributions of private sector partner(s) with the required experience and know-how to execute on the City’s preferred model;
- (vi) How to best engage citizens and community stakeholders in a consultation process; and,
- (vii) The best process for procuring the development of such entertainment assets and criteria for assessing any unsolicited proposals the City may receive;

# **CITY OF HAMILTON**

## **NOTICE OF MOTION**

**General Issues Committee: September 18, 2019**

**MOVED BY COUNCILLOR J. FARR.....**

### **Request for a Full-Time Beat Officer for the Hamilton Downtown Core**

WHEREAS, there have been increasing calls from residents, business owners and two BIAs in the Downtown to reinstitute a full time Hamilton Police Service Beat Officer;

WHEREAS, in the past, the presence of a Beat Officer has proven to be very effective in providing the area a sense of safety and security, and greatly strengthens relations between the public and the Hamilton Police Service; and,

WHEREAS, currently, the 2020 budget deliberations for the Hamilton Police Service is underway;

THEREFORE, BE IT RESOLVED:

That the Hamilton Police Services Board be requested to contemplate reinstating a full-time Beat Officer to the Hamilton Downtown Core.