



MAY 11 2018

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Dear Mayor Eisenberger and Members of Hamilton City Council:

Re: The Future Management of Hamilton's Downtown Entertainment Venues

We are writing to update you on progress that has taken place since our letter in February, 2018, at which time the Carmen's Group formally requested City Council examine alternative contract management arrangements regarding the current three downtown entertainment venues. Our two-fold strategic objective remains clear; to maximize the potential of the existing former HECFI facilities in their current form, while concurrently moving forward with a collaboration process to build the private-public partnership model that best produces a renewed vision for the future of Hamilton's entertainment venues. Back in February, in light of the impending conclusion date on the first management contracts for the three venues set for the end of this calendar year, the Carmen's Group made our formal request to City Council, which then voted to instruct staff to investigate and report back.

As we await the staff report, our group wanted to ensure City Council be kept up-to-date on all relevant developments. We are excited to inform you that our Local Group has added an important new relationship. The Carmen's Group working in partnership with Scott Warren, has reached an agreement to work with the Oak View Group (OVG), headquartered in Los Angeles, regarding the proposed operation of the three venues. OVG was founded by Tim Leiweke, Irving Azoff and Madison Square Garden Entertainment. Tim Leiweke, now CEO of OVG, is the former president and CEO of Maple Leaf Sports and Entertainment (MLSE). Before coming to Toronto in 2013 he was president and CEO of the Anschutz Entertainment Group (AEG) in Los Angeles, where he developed the Staples Center, L.A. LIVE and the StubHub Center. He returned to L.A. in 2015 to found OVG with his partner Irving Azoff, who is formerly chairman and CEO of Ticketmaster Entertainment, executive chairman of Live Nation Entertainment, and CEO of Front Line Management. Azoff is currently chairman of Full Stop Management which represents recording artists such as the Eagles, Harry Styles, Christina Aguilera, Journey, Don Henley, Joe Walsh, Van Halen, Thirty Seconds to Mars, Steely Dan, Gwen Stefani, Fleetwood Mac, Bon Jovi, Jimmy Buffett and more. Since 2013 he has been chairman and CEO of Azoff MSG Entertainment, a venture with the Madison Square Garden Company, which controls live events at the Madison Square Garden arena and Theater at MSG. In addition to the Garden itself, MSG Entertainment owns the rights to operate two theaters in Manhattan, Radio City Music Hall and the Beacon Theatre, controls operations of the Chicago Theater, co-books the Wang Theater in Boston, and also purchased and renovated the Forum in Inglewood, California, transforming the former home of the L.A. Kings and Lakers into one of Southern California's most successful live event venues.

The coming together of these visionary partners to create the Oak View Group produced a world-class leader in facility management, business development, live-event bookings, sponsorships and global partnerships. Many top-level sports and entertainment executives joined the company, including Peter Luukko, co-chairman of OVG's Arena Alliance and current executive chairman and member of the NHL's Board of Governors for the Florida Panthers. Luukko was formerly president of Comcast Spectacor and president of the Philadelphia Flyers. With this exceptional team in place, OVG is currently developing the transformation of the KeyArena at Seattle Center, and was recently selected by the State of New York to develop the new home of the New York Islanders at Belmont Park on Long Island. Further, OVG's relationships in the touring entertainment business are second to none, and the Hamilton venues will benefit from the direct support that will be provided by the executives of OVG. The company is excited to provide venue-management and facility operation services to our Local Group, and this project represents their first venture in Canada.



Our team understands and respects that City Council will have to determine how best to move forward in light of the pending conclusion date on the existing management contracts, and we will work within whatever process you decide. That said, we want to make clear that this venue-management proposal, crafted by our Local Group working with OVG, will mark a great improvement over the existing contracts, providing improved financial arrangements and entertainment services for all stakeholders throughout the term of a renewed engagement. We also want to let you know that as we pursue these considerations of the immediate contracts, our emerging Carmen's-led private-sector consortium also anticipates the presentation of an unsolicited bid regarding a comprehensive private-public partnership to establish the Precinct Plan that delivers the "next-generation" of sports, entertainment, convention and hospitality facilities in the heart of Hamilton's urban core. As these exciting projects proceed, we look forward to working with you in the days, weeks, years and generations to come.

Yours very sincerely,

PJ Mercanti
CEO, Carmen's Group

