

Dear Mayor Eisenberger and Members of Hamilton City Council:

Re: A Renewed Vision or the Future of Hamilton's Sports, Entertainment, Hospitality and Convention Facilities

As one of Hamilton's largest and most successful hospitality and entertainment brands, with five beloved venues and 400 employees, and a long history of commitment to this community, Carmen's Group would like to now present to the City of Hamilton an opportunity to accelerate the City's development as a national cultural hotspot, by proposing a renewed direction for Hamilton's iconic entertainment facilities.

The strategic objective of this proposal is twofold; to maximize the potential of the existing former HECFI facilities in their current form, while simultaneously moving forward with a collaboration process to build the private-public partnership model that best produces the next generation of Hamilton's entertainment venues.

Carmen's Group, in partnership with Scott Warren - former General Manager of FirstOntario Centre and FirstOntario Concert Hall/The Studio with 28 years of significant contributions to the management of entertainment venues - will spearhead a local, ***Made in Hamilton*** consortium. This consortium has a dynamic slate of expertise including strong sports and entertainment industry relationships, large-scale entertainment promotion experience, facility management prowess, as well as partners with extensive financing and development expertise. The consortium will work with private-sector, industry partners and City Council to explore all potential redevelopment options to ensure the next generation of Hamilton entertainment patrons have state-of-the-art facilities that deliver the extraordinary experiences they desire. Building on the partnerships established in the already completed and private-sector funded 2016 Arena Renovation Study that Carmen's Group was a key partner in, and the recent 2017 City Council motion proposed by Councillor Merulla, this renewed direction would see various urban core locations, precinct feasibility scenarios, strong business case and city-building components examined and explored.

While this longer-term vision is pursued, the Carmen's Group/Scott Warren partnership would provide an immediate win-win-win for all stakeholders including City Council, City staff, employees of the current venues, and all citizens of Hamilton, by providing the following benefits to be shared among all involved parties:

- **Immediate Upfront Savings to Hamilton Taxpayers** – continuing the demonstrated capacity of Carmen's Group to produce subsidy reductions, as evidenced by our effective management of the Convention Centre, as well as the proven taxpayer subsidy reduction of the entertainment venues via Scott Warren's leadership, the consortium will deliver further subsidy reductions across the facilities under our management throughout the term of a renewed engagement;
- **Upfront Capital Investments** – a sizeable upfront investment in improvements to the respective facility's aesthetics designed to ultimately enhance guest experiences;
- **Contract Flexibility** – the consortium, due to their locality and future vision, will include flexible language and terms in the contract to allow for development exploration;

- **Programming Expertise** – With Scott Warren executing the booking/talent buying, as he has done for the past five years, the consortium will continue to build on the world-class talent programming that has helped Hamilton realize enormous economic impact. Scott continues to maintain extensive relationships with industry promoters and agents in the United States and Canada and will share documentation of their support for this consortium.

- **Employee Continuity** – all existing union and non-union employees of the facilities would be offered employment under the terms of the proposed new management contract;

- **Local Advisory Board** – the consortium will form an industry board consisting of the most prominent and influential names from the local and national entertainment industry, to offer insight, support and assistance in maximizing the potential of the respective venues.

The future has never looked brighter for the City of Hamilton. With a booming real estate market, new residential developments, hot new restaurants, exciting transit improvements, vibrant neighbourhood districts, and unparalleled natural beauty, the rest of the world is starting to appreciate what Hamiltonians have long recognized and what the City so appropriately said in our visionary bid to be home to Amazon's HQ2; **Hamilton is Unstoppable!** It is now time to bring this same vision to best maximizing synergies with our entertainment facilities, having them work in tandem, with specific and unique opportunities surrounding the FirstOntario Centre, FirstOntario Concert Hall/The Studio and the Hamilton Convention Centre. Carmen's Group has a proven track record, delivering on our promise to dramatically reduce the operating subsidy at the Convention Centre, saving the City nearly \$6 million since 2013. We have further demonstrated our commitment to Hamilton and the urban core by moving the Carmen's Group Corporate Headquarters to downtown Hamilton, in the heart of the hospitality district on James Street North.

With regards to next steps, in light of the impending conclusion date on the first management contract for these three venues, **Carmen's Group formally requests that City Council now examine alternative contract management arrangements regarding the current three entertainment venues including facility redevelopment exploration.** We then look forward together with our consortium partners, to the presentation of an unsolicited bid regarding a comprehensive private-public partnership plan that will take Hamilton's sports, entertainment, convention and hospitality industry deep into the 21st century, helping Hamilton fulfill its destiny as the **Ambitious City**.

Yours very sincerely,



PJ Mercanti

CEO
Carmen's Group