

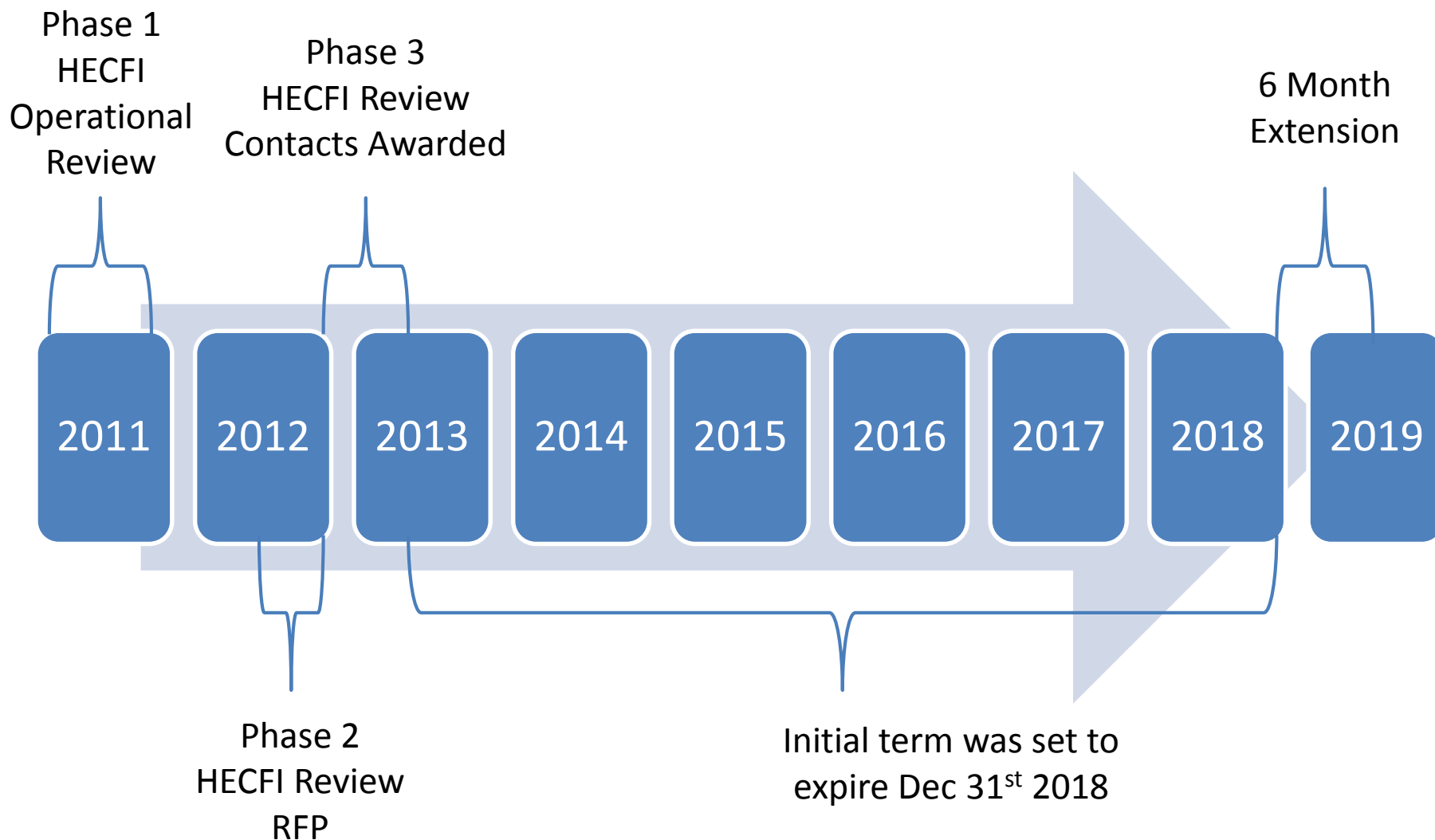
Hamilton

Downtown Entertainment Asset Operating Agreements

9.2



Historical Timeline



Downtown Entertainment Assets



First Ontario Centre (formerly Copps Coliseum)

Capacity: 17,400 Hockey, 19,000 Concerts

Opened: 1985

Operated by **Global Spectrum** since March 2013



First Ontario Concert Hall and Studio (formerly Hamilton Place)

Capacity: Great Hall 2193, 500 Studio

Opened: 1973

Operated by **Global Spectrum** since March 2013



Hamilton Convention Centre

60,000 sq. ft. over 3 floors

Opened: 1981

Operated by **Carmen's Group** since March 2013

Downtown Entertainment Assets

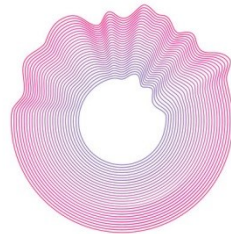


- 5 year + 5 year deal
- Declining Subsidy



- 5 year + 5 year deal
- Flat subsidy + profit share





HAMILTON
PHILHARMONIC
ORCHESTRA



CCMA
AWARDS

JUNO
AWARDS 2015





City of Hamilton @cityofhamilton

NBA Finals Game 2 viewing party at FirstOntario Centre in #HamOnt!
#WeTheNorth



Hamilton Honey Badgers, Core Entertainment, CEBL and Toronto Raptors



SPECTRA
BY COMCAST SPECTACOR

First Term Overview

7



\$4.65m

In operating savings
vs. HECFI model



203

Average number of
events per year



\$500k

Capital
contribution



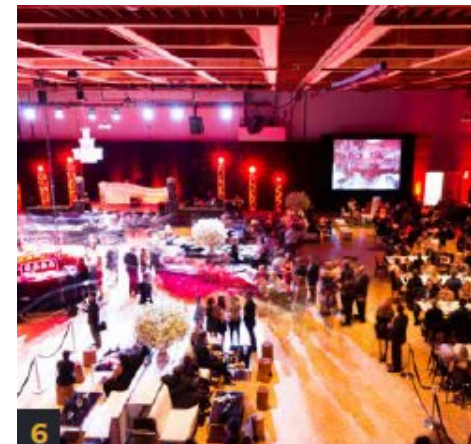
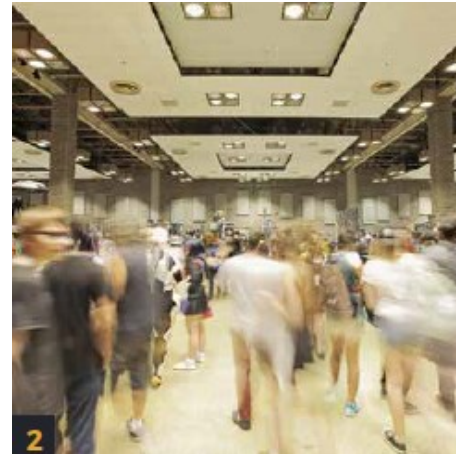
470k

Average number of
guests per year

Agreement Year	Subsidy of Operating loss	Subsidy of Utility Cost	Total Net Operating Subsidy
2018	\$950,000	\$1,200,000	\$2,150,000
2017	\$1,300,000	\$1,200,000	\$2,500,000
2016	\$1,400,000	\$1,200,000	\$2,600,000
2015	\$1,400,000	\$1,200,000	\$2,600,000
2014	\$1,400,000	\$1,200,000	\$2,600,000
2013*	\$1,166,667	\$1,000,000	\$2,166,667
Total	\$6,766,667	\$5,800,00	\$14,616,667

*From March 2013 until December 31st 2013

First Term Overview




1 Dreamcatcher Foundation Gala 2 ConBravo! 3 CSAE Trillium Chapter Winter Summit
4 JUNO Awards Industry Night 5 An Evening with Tony Bennett 6 TDL Group

First Term Overview



First Term Overview

 **\$4.7m**

In operating savings
vs. HECFI model



142

Total events
in 2018



\$750k

Capital
contribution



86k

Total guests
in 2018

Agreement Year	Subsidy of Operating loss	Less Carmen's Group Utility Contribution	Total Net Operating Subsidy/ (Contribution)
2018	\$0	(\$165,000)	(\$165,000)
2017	\$125,000	(\$145,000)	(\$20,000)
2016	\$200,000	(\$135,000)	\$65,000
2015	\$250,000	(\$115,000)	\$135,000
2014	\$344,000	(\$105,000)	\$239,000
2013*	\$650,000	(\$105,000)	\$545,000
Total	\$1,569,000	(\$605,000)	\$964,000

*From March 2013 until December 31st 2013

Overview of Staff Recommendation



Global Spectrum Proposed Deal



Item:	Negotiated Terms:
Term:	<ul style="list-style-type: none"> 5 years + 6 month transition period commencing July 1, 2019 expiring December 31, 2024
One Time Capital Contribution:	<ul style="list-style-type: none"> Global Spectrum: \$500k (upon signing) Compass Group Canada: \$550k <ul style="list-style-type: none"> Year 1 - \$500,000 Year 3 - \$50,000 <p>\$1,050,000 Total Capital Contributions</p>
Financial Terms:	<ul style="list-style-type: none"> Baseline subsidy of \$1.4m unchanged \$350k Guaranteed management fee (reduced by \$100k) Incentive Model - If performance is better than \$1.4m subsidy: <ul style="list-style-type: none"> City receives initial \$350k Next \$400k split 50/50 Any further subsidy reduction split 60/40 in favour of the City.
Net Loss Contribution:	<ul style="list-style-type: none"> Global Spectrum will contribute half of any "incentive income", up to an annual maximum of \$200,000 per year, into a reserve account that would be drawn on in the event of future losses. Includes <u>any</u> losses that occur. Including losses as a result of disruption from LRT construction or the failure of critical capital components (ex. FirstOntario Centre's brine-line).

Global Spectrum Proposed Deal

Term 1: Actual

Term 2: Proposed

Better/Worse

Total Capital
Contributions:



\$500k



\$1.05m

+\$550k

Annual
Operating
Subsidy:



\$1.290m

2014-2018 5 Year Average



\$1.06m

Term 2 Forecast

+\$229k

Per Year

\$1.146m Forecasted Subsidy Reduction Over 5 Year Term

\$1.374 m Forecasted Subsidy Reduction Including Transition Years (2013, 2019)



SPECTRA
BY COMCAST SPECTACOR



Global Spectrum Proposed Deal



Carmen's Group Proposed Deal



CARMEN'S GROUP







Item:	Negotiated Terms:
Term:	<ul style="list-style-type: none"> 5 years + 6 month transition period commencing July 1, 2019 expiring December 31, 2024
One Time Capital Contribution:	<ul style="list-style-type: none"> Carmen's Group : \$500k In Capital Contributions <ul style="list-style-type: none"> Year 1 - \$300,000 Year 2 -5 - \$50,000

Year	Operating Subsidy	Utility Contribution*	Net Operating Subsidy/(Contribution)
2019	\$0	\$0	\$0
2020	\$100,000	(\$25,000)	75,000
2021	\$0	(\$40,000)	(\$40,000)
2022	\$0	(\$50,000)	(\$50,000)
2023	\$0	(\$65,000)	(\$60,000)
2024	\$0	(\$82,500)	(\$82,500)
Total	\$100,000	(\$262,500)	(\$162,500)

*If revenues exceed \$4,000,000 threshold, an additional utility contribution equal to 2% of sales will be provided to the City (less the utility guarantee).

Carmen's Group Proposed Deal

	Term 1: Actual	Term 2: Proposed	Better/Worse
Total Capital Contributions:	 \$750k	 \$500k	-\$250k
Net Operating Subsidy/ (Contribution):	 \$50.8k <i>2014-2018 - 5 Year Average</i>	 (\$32.5) <i>Term 2 Proposed</i>	+\$83.3k <i>Per Year</i>

\$416.5k Forecasted Subsidy Reduction Over 5 Year Term

\$961.5k Forecasted Subsidy Reduction Including Transition Years (2013, 2019)



*Thank
you*