

## Overview of Proposed Global Spectrum Agreement

### Facilities Managed:

FirstOntario Centre (formerly Copps Coliseum),  
FirstOntario Concert Hall and Studio (Formerly Hamilton Place).

### Term:

<b>Proposed Guaranteed Term:</b>	5 years + a 6-month transition period commencing July 1, 2019 and expiring December 31 <sup>st</sup> 2024.  Note: the 6-month transition period would be under the financial terms of the existing deal and the new terms outlined within would come into effect in January 1, 2020.
<b>Additional Renewal Options:</b>	None

### One Time Capital Contributions:

<b>From Global Spectrum:</b>	\$500,000 contribution made to the City of Hamilton upon signing an extension.
<b>From Compass Group Canada</b>	A \$550,000 investment in an upgrade to the FirstOntario Centre and FirstOntario Concert Hall's concession infrastructure on the following schedule:  <b>Guaranteed Term:</b> Year 1 - \$500,000 Year 3 - \$50,000

### Financial Terms:

<b>Net Contribution from City</b>	<ol style="list-style-type: none"> <li>1) The City will continue to subsidize the first \$1.4M in operating losses;</li> <li>2) Global Spectrum will receive a Guaranteed Management Fee of \$350,000;</li> </ol>
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	<p>In the event that the annual net operating losses are less than \$1.4M, the benefits would be realized as follows:</p> <ol style="list-style-type: none"> <li>1) The City receives the initial \$350,000;</li> <li>2) The next \$400,000 would be split 50% to the City, 50% to Global Spectrum as “incentive income”;</li> <li>3) Global Spectrum contributes 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. This would include losses that may arise as a result of LRT construction, and/or the critical failure of major capital components in the facilities that they manage (such as the FirstOntario Centre’s brine line).</li> <li>4) Any further subsidy reduction/profit would be split 60% to the City, 40% to Global Spectrum.</li> </ol> <p>Note: based on the average of 2016, '17, and '18 performance results, the City would have received an incremental \$156K per year in additional revenues (subsidy reduction)</p>
<p><b>Capital vs. Operating Costs</b></p>	<p>The City is responsible for all Capital costs while Global Spectrum is responsible for all Operating Costs.</p>
<p><b>Utilities</b></p>	<p>Any utility costs above the 2011 Actual utility cost of \$1.2M will continue to be paid by Global Spectrum.</p>