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Sent: September-27-19 10:45 AM

To: Wilson, Maureen; Farr, Jason; Nann, Nrinder; Merulla, Sam; Collins, Chad; Jackson, Tom; Pauls, Esther; Danko, John-Paul; Whitehead, Terry; Clark, Brad; Pearson, Maria; Johnson, Brenda; Ferguson, Lloyd; VanderBeek, Arlene; Partridge, Judi; Eisenberger, Fred

Cc: Thorne, Jason; Norton, Glen; Smith, Janette; McHugh, Ryan

Subject: Update on PWC Study re: New Downtown Convention Centre

Dear Mayor Eisenberger and Members of Hamilton City Council,

With all of the discussion in recent weeks regarding the state of the City's various sports and entertainment venues, our various partners including LiUNA, Fengate Capital, Meridian Credit Union, and the Joyce Family believes that it is important to provide you with an update on some of the work that we are doing to help create some tangible options for the City of Hamilton as it continues to explore solutions to these aging facilities.

First, through the coordination efforts of Jasper Kujavsky and legal work by the leadership team at Gowlings WLG, our consortium is incorporating under the name of **Hamilton Urban Precinct Entertainment Group** (referred to as "HUPEG"). We are also in discussions with other prominent local developers and hospitality operators (both locally and GTA-based) about potential inclusion or alignment with our organization. We are also going to commence discussions with Spectra and Live Nation around 'what is possible' and how we can all work together, in alignment and for the greatest good of Hamilton, both short term and long term in the existing and any potential new facilities.

Secondly, as referenced in the subject line, our group has commissioned PriceWaterhouseCoopers (PWC) to produce a report around specific solutions on how to deliver a new state-of-the-art convention centre in the City of Hamilton. This will include some overlapping information with your recent Ernst & Young (E&Y) report - around convention centre research - but will include more specific information about 'how' the private sector can go about assisting with the financing/construction of a new convention centre, and the type/scope of ancillary development (residential/commercial/etc.) that would be required to afford that level of financing support. It is expected that the 'ancillary' development on city owned land would be very substantial (in line with estimates from E&Y), both potentially downtown as well as in other parts of the city (Stoney Creek, Flamborough, Glanbrook, Etc), and much of this new development would result in new taxes for the City of Hamilton. The study will also look at other funding avenues available for the construction of new convention centres, including funding streams used by the City of Niagara Falls such as Build Canada (and other senior government infrastructure funds.) We will also be exploring the positive financial benefit that hosting the Commonwealth Games could provide for 'sport and entertainment' infrastructure investment in the city – both downtown and for facilities around the Greater Hamilton Area – in addition to the new affordable housing solutions for the city.

While it may also seem like the most logical solution, it is important that we also share with you that **the only location for a new convention centre to work is downtown**. The adjacency to other hospitality amenities including hotels (Sheraton/Homewood) and restaurants are absolutely necessary for a convention centre to be viable, and having proximity to other cultural and entertainment venues is also strategically important. It helps us immensely that the convention centre is close to the AGH, the FirstOntario Concert Hall and FirstOntario Centre, as this clustering is helpful when bidding on national events such as the Canadian Country Music Awards, the Junos, and other numerous events that require multiple venues to be in close proximity.

Lastly, we also wanted to share that we are going to be meeting next week with Vrancor Hospitality to brainstorm how we can each add value to the discussion around downtown precinct redevelopment, and to explore potential alignment of various sorts. We have also had discussions with Michael Andlauer and the Hamilton Bulldogs around their plans, whom we respect immensely and whose partnership we value. If the Bulldogs remain open and flexible about exploring possible downtown arena solutions they will no doubt find tremendous support from numerous hospitality operators and developers who are focused on development in the core. (As an aside, Carmen's Group and the Charity of Hope are both proud partners of the Hamilton Bulldogs Foundation and the great work that they do in this community for thousands of children, and we will continue to be supportive of this impactful community initiative. We have always had a great working relationship with their entire organization and look forward to continuing to long into the future.)

In closing, once our PWC study is completed in the coming week/weeks, we will happily share it with relevant parties at City Hall to provide some new protein to the conversation around 'sport, entertainment, convention centre' redevelopment solutions.

If anybody has any questions, I would be more than delighted to answer them.

Thanks for your time.

Most Sincerely,

P.J. Mercanti

On behalf of the Hamilton Urban Precinct Entertainment Group



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