



General Issues Committee

MINUTES

9:30 a.m.

Wednesday, July 18, 2012

Council Chambers

Hamilton City Hall

71 Main Street West

Present: Deputy Mayor L. Ferguson (Chair)
Mayor R. Bratina
Councillors C. Collins, S. Duvall, J. Farr, T. Jackson,
B. Johnson, S. Merulla, B. Morelli, J. Partridge, R. Powers,
T. Whitehead

Absent with Regrets: Councillor M. Pearson – Bereavement
Councillor R. Pasuta – Personal
Councillors B. Clark, B. McHattie – Vacation

Also Present: C. Murray, City Manager
R. Rossini, General Manager, Finance and Corporate
Services
G. Davis, General Manager, Public Works
N. Everson, A/General Manager, Planning and Economic
Development
J. A. Priel, General Manager, Community Services
D. Fisher, Acting City Solicitor
T. Tollis, Treasurer
C. Biggs, Legislative Co-ordinator

THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised that Anschutz Entertainment Group (AEG)/Katz Group advised that they would not be submitting a proposal. As a result, the presentation times for the balance of presenters has been adjusted accordingly.

(Farr/Powers)

That the agenda be approved, as amended.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

None

(c) PRESENTATIONS

Prior to the presentations being given, Chair Ferguson provided the following comments:

- No decision is required to be made at today's meeting; not discussing details of the proposals, although Committee members may ask questions for clarification, as necessary
- This is an opportunity to hear from the proponents on the general nature of their proposals
- In order to maintain consistency, each proponent was provided with information and guidelines for their presentation to address the following: Proponent Experience and Capabilities; Proposal Economics; Enhanced Use of HECFI Facilities; Community Impact; Other Matters/Closing Remarks;
- Proponents have been advised not to discuss HR or personnel-related matters due to their confidentiality; Committee members are also advised not to pose questions on those issues for the same reason;
- The order of presentations was selected at random by the Committee Clerk; as this is a public meeting, the proponents are able to be present for each others' presentations
- Should any of the proponents wish to clarify any statements or add additional information to anything that has been presented during the meeting, they will have a subsequent opportunity to respond in writing to the Chair and members of the General Issues Committee, directed to the Legislative Coordinator of this Committee, by no later than 4:00 p.m. on Friday, July 20.

Independent External Review of HECFI Operations – Phase II (Request for Proposals) – Proponent Presentations (Item 3.1)

Tony Tollis, City Treasurer, provided introductory remarks which included, but were not limited to, the following:

- Expressed thanks to KPMG for their assistance and to the proponents for their professionalism in accommodating the process
- Met with all proponents to advise of Council's objectives
- All proponents were advised that they were allowed to change their proposal from the first process
- Also given opportunity to submit bids for one, two or all three of the facilities; also can partner with other proponents if they so choose
- Proponents asked to sign a non-disclosure and liability agreement and provided with detailed information regarding all aspects of the HECFI business

- Information provided was unprecedented in terms of the detail, which was done so that informed decision/proposal could be prepared
- Asked that all proposals be received by July 16, and information is being presented today
- Financial information is very high level; needs to be detailed out for the Committee in terms of the impacts that the proposals have on the City and on the status quo budget
- Staff will be coming back to the General Issues Committee on August 13, at which time staff will be presenting a detailed financial assessment of all proposals for comparison purposes
- Additional information will be provided at the end of this meeting in terms of options available.

With the assistance of power point, each of the proponents provided their presentation(s) to the Committee based on the information and guidelines provided to them by staff, including:

- Proponent Experience and Capabilities
- Proposal Economics
- Enhanced Use of HECFI Facilities
- Community Impact
- Other Matters/Closing Remarks.

The following is a list of the proponents and their representatives:

(i) Global Spectrum

- Frank R. Russo, Jr., Senior Vice President, Business Development and Client Relation
- Brian Ohl, Regional Vice President of Facility Management
- Kenneth J. Wajda, CPA, Vice President of Finance, Global Spectrum

Live Nation Canada

- Riley O'Connor, Chairman, Live Nation Canada
- John May, Senior Vice President, Live Nation Network
- Paul Corcoran, Senior Vice President, Venues and Facilities Canada (Music), Live Nation

Mr. Ruso advised that their proposal included Copps Coliseum and Hamilton Place only, and that they have withdrawn from the Convention Centre.

Copies of the presentation were distributed to the Committee and submitted to the Clerk for the public record. The presentation material is also available for public viewing on the City of Hamilton website.

(Johnson/Partridge)

That the presentation from Global Spectrum/Live Nation Canada, be received. **CARRIED**

(ii) SMG/Forum Equity

- Robert Cavaleri, Senior Vice President, Business Development
- Bob Papke, Vice President, Live Entertainment - Theatres

Forum Equity

- Greg Kitscha, Senior Associate

Sonic Unyon

- Mark Milne, Co-Founder and General Manager
- Tim Potocic, President

Proposal for all three HECFI facilities.

Copies of the presentation were distributed to the Committee and submitted to the Clerk for the public record. The presentation material is also available for public viewing on the City of Hamilton website.

(Merulla/Morelli)

That the presentation from SMG/Forum Equity/Sonic Unyon, be received. **CARRIED**

(Farr/Morelli)

That the Committee recess and reconvene at 1:15 p.m.

CARRIED

(iii) Carmen's inc.

- Peter Mercanti, Chairman
- P. J. Mercanti, President
- Joey Mercanti, Executive Vice President
- Justin Mencfeld, Vice President, Marketing/Public Relations
- Loren Lieberman, Partner

Presented proposal for the operation of the Hamilton Convention Centre.

Copies of the presentation were distributed to the Committee and submitted to the Clerk for the public record. The presentation material is also available for public viewing on the City of Hamilton website.

(Morelli/Collins)

That the presentation from Carmen's Inc., be received.

CARRIED

(iv) Hamilton Entertainment and Convention Facilities Inc. (HECFI)

- John Hertel, Chief Administrative Officer and Interim CEO
- Brad Calder, Director of Operations/Events Delivery
- Rick DiFilippo, Corporate Controller
- John Elder, Director of Entertainment

Presented proposal for the operation of all three facilities.

Copies of the presentation were distributed to the Committee and submitted to the Clerk for the public record. The presentation material is also available for public viewing on the City of Hamilton website.

(Farr/Morelli)

That the presentation from the Hamilton Convention Centre, be received.

CARRIED

Upon the conclusion of the presentations, Tony Tollis acknowledged the HECFI team for getting the information together for the proponents and thanked them for their co-operation throughout this process.

Mr. Tollis then showed a power point outlining five Options, as follows:

- Option 1: Status Quo or Baseline Operation
- Option 2: City-managed HECFI Solution
- Option 3: All Facilities under Private Ownership/Operation
- Option 4: Multiple Private Ownership/Operation
- Option 5: City to maintain its operation of Copps Coliseum and Hamilton Place, with Carmen's at the Hamilton Convention Centre

Mr. Tollis advised that a report would be presented to the Committee at a future General Issues Committee meeting outlining the implications of each of these options. The Committee will be provided with all the information in order to assess the various options.

(d) ADJOURNMENT

There being no further business, the Committee adjourned at 3:55 p.m.

Respectfully submitted

Councillor L Ferguson
Deputy Mayor