

Sudbury Community Arena Condition Update and Event Centre Options

Presented To:	City Council
Meeting Date:	July 11, 2023
Type:	Managers' Reports
Prepared by:	Ian Wood Strategic Initiatives, Communications and Citizen Services
Recommended by:	Chief Administrative Officer

Report Summary

This report provides information regarding Council direction in Resolution C2022-226 and provides an update on the existing condition and effectiveness of the Sudbury Community Arena with a high-level summary of options for its replacement, renewal or renovation.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report is directly linked to the goals as described in City Council's 2019 – 2027 Strategic Plan. The emphasis is on Goal 1: Asset Management and Service Excellence, Goal 2: Business Attraction, Development and Retention, and Goal 4: Economic Capacity and Investment Readiness. There is no direct relationship with CEEP.

Financial Implications

There are no direct financial implications to this information report.

Background

On September 13, 2022, Council passed Resolution C2022-226:

THAT staff be directed to produce a background report, by the end of Q2 2023, to update the building condition assessment and operational effectiveness analysis of the Sudbury Community Arena and provide a high-level summary of options for its replacement or renovation, including comparisons of facility size, amenities, and business approach with event centres in other Canadian Hockey League communities.

The Sudbury Community Arena (SCA), originally built in 1951, is a 73-year old facility that has served the community continuously since its opening. It was built in a period of the city's history when it was experiencing post-war economic success and community expectations were high for public services that supported the city's growth and quality of life. Like most public facilities in most cities over the past 70 years, regular investment in asset renewal and repair/maintenance was inconsistent and, generally, not aligned with

the timing or level of expenditure to keep the facility in a state of good repair. Over the last approximately 15 years since municipalities began recording and reporting their fixed assets on their financial statements, asset management and “state of good repair” investments have generally increased. This has helped reduce the pace, but has not reversed, the continuing decline in asset condition. Considering other changes over the past seven decades related to accessibility, environmental sustainability and climate change adaptation, user expectations and technology, renovating the SCA involves considering several elements that would not have been contemplated when the facility was first designed and constructed.

Since September 13, staff reviewed previous building condition reports on the (SCA) and updated these with new information where it is available. Facility Condition Index Rating standards have been applied, based on current assessment, to provide insight into future project maintenance and capital renewal needs.

Staff also reviewed the business plan for a new event centre that was developed by Pricewaterhouse Coopers (PwC) and adopted by Council in 2017. This included reviewing the attributes for seating, boxes, and amenities identified at that time. To obtain current information on event hosting facility requirements, meetings were held with representatives of the Ontario Hockey League, the Canadian Hockey League, Curling Canada, and Live Nation, the largest promoter of events at the SCA, to validate expectations. A review of recent event centre projects in Canada was undertaken and is ongoing.

Staff completed a documentation review that included conceptual drawings and plans associated with the three renovation proposals previously developed for the SCA. For clarity, these proposals are the CBRE Sudbury Community Arena Options Study from February 2015, the unsolicited projectNOW proposal presented to Council in October 2020, and the Sudbury Events Centre Update Report from PwC in June 2021. Links to these reports are included in the resources list at the end of this report. Staff also met with Tim James of 3rdLine.Studio to ensure a thorough understanding of the projectNOW proposal.

Collectively, this work resulted in a detailed understanding of the SCA’s current condition. Consequently, staff identified four possible directions for next steps:

Option A – Maintain Current Level of Service, Addressing Issues as They Arise

Option B – Renew or Renovate Existing Facility

Option C – Stand-alone New Build Event Centre

Option D – New Build Event Centre as Part of Larger Downtown Redevelopment

Options A and B utilize the existing facility, while Options C and D would involve the construction of a new facility. All options are mapped against Council’s business plan requirements as shown in Table 2.

While additional work is required to fully understand any of these options, staff is confident that the range of options presented is complete and, depending on Council’s direction or focus, additional information can be secured to develop and advance a new project.

Nonetheless, to help inform a shared understanding of Option D, staff are continuing to research examples in other municipalities and will provide an update at the September 26 Council Meeting.

Analysis

The Sudbury Community Arena: Safe to Use, But Unable to Meet Contemporary Needs

The SCA is a 3-storey recreational facility with one ice rink, viewing areas, offices, meeting rooms, concession areas, and various amenities required to house the Ontario Hockey League’s Sudbury Wolves and the National Basketball League of Canada’s Sudbury Five. Constructed in 1951, the Sudbury

Community Arena is now over seventy years old and has surpassed its expected service life. The SCA offers 4,610 fixed seats with a total capacity of 5,100 during performance events with floor seating. It was last renovated in 2007 when private boxes and club seating was developed, along with associated amenities.

One method to assess building condition and capital requirements is a Facility Condition Index (FCI); an industry standard assessment that provides a benchmark to compare a facility's required investments against its current replacement value. For the SCA, the FCI indicates that the building is in fair condition today but potentially moving into poor condition in 2025. An FCI of "Fair" describes a facility that is safe to use but age and deterioration are evident. Further details on the methodology of the FCI calculation and the SCA's condition can be found in Appendix A: Sudbury Community Arena Condition Assessment.

Any renewal or renovation of the SCA requires some compromise with regard to the desirable event centre attributes adopted by Council in March 2017. A summary of these attributes for all options can be found in Table 2.

Before choosing a facility renewal approach (i.e., Options A or B), it would be prudent to undertake detailed assessments of the facility's essential components (e.g., foundation, roof support, pad system) to develop a well-supported opinion about the facility's ability to serve the community for at least another 30 years. This type of detailed structural analysis could include invasive evaluation and materials testing. An initial assessment would cost approximately \$100,000 and would determine the need for additional testing and analysis. These would be completed at an additional cost. The overall process should be able to be completed within 4 to 6 months.

Four Options for Council's Information

Option A – Maintain Current Level of Service, Addressing Issues as They Arise

As detailed in Appendix A, the SCA requires an average investment requirement of approximately \$973,674 per year over the next ten-year period to maintain its current condition. To clarify, this investment would not see significant renewal or improvement of the facility. This estimated amount is required just to maintain the SCA in a Fair condition. The amount includes a 10% design contingency and 10% general contingency for project administration or other associated costs. It is expected that this amount would trend upward over time if major investments were deferred.

The deferred and current investment requirement of the SCA is now approximately \$5.85M including contingencies. This investment is captured within the estimated annual investments outlined above and should be implemented in the short term because lifecycle interventions that may be a low risk when they are first noted, tend to increase to a greater risk as the interventions are deferred over time. These investments are intended to ensure that the facility can continue to operate effectively and minimize the risk of significant operational service interruptions.

Additionally, the deferred and current investment requirement is important to note, as based on the history of the building, staff anticipate the following major investments will be required in the medium term (i.e., within the next 10 years):

- Roof replacement
- Refurbishment of structural columns and beams
- Foundation repairs
- Replacement of catwalk
- Lighting replacement
- Refrigerant system compressor replacement

These costs are generated using a formula and should be treated as guidance only. These can vary when

any of the individual projects are designed and implemented. Priorities may also change because of circumstances. For example, a project to address the current snow load restrictions, which requires preventative action when the snow depth reaches 16 inches, could become more urgent if the city were to experience one or more winters with above-average snowfall.

As outlined in Appendix A, a Barrier-free Accessibility Assessment has recently been completed for the SCA. Improvements are required throughout the building, and, in some cases, the current facility design does not allow for the necessary improvements to be fully implemented. This could result in the municipality being in contravention of either the spirit or the letter of the Accessibility for Ontarians with Disabilities Act could also limit the number and types of future events in the facility. The estimated costs of the achievable accessibility improvements are included in the estimates described here.

Option B – Renewed or Renovated Sudbury Community Arena

As indicated, since 2015 three separate reports regarding the potential to redevelop the existing SCA facility into a more functional and modern event centre have been provided to Council:

- Greater Sudbury engaged CBRE to perform a Sudbury Community Arena Options Study that was completed in February 2015. The study provided a refurbishment option that expanded the facility to take over the Grey Street road allowance and the Municipal Parking Lot north of the facility.
- projectNOW was an unsolicited proposal presented in October 2020 that emphasized improvements and expansion of elements such as: the public entry, upper concourse, loading access and event support, and accommodating the Sudbury Wolves and Sudbury Five season schedules during construction. ProjectNOW anticipated complementary commercial development and enhanced parking on the current Minto Street municipal parking lot to support its proposal.
- The 2021 Business Case update performed by PwC with Ian McKay Architecture Inc. assessed the Sudbury Community Arena to identify the potential to renovate and renew the facility with the goal to achieve a level of service more consistent with a new events centre.

Each of these proposals takes a different approach to a renovated facility that would provide additional amenities and begin to close the gap between the existing level of service and that which would be provided by a new build event centre. All are limited, however, by the physical constraints of the current structure. In particular, the roof and supporting structure don't provide adequate height for the provision of a modern private box level with associated amenities, or modern media facilities, with sufficient height and locations for fixed TV broadcast camera points. With less than the recommended seventy feet of clearance, these renovated designs do not meet the requirements for some events and require compromises for others. Similarly, spectator seating remains constrained and unreasonable compared to a contemporary facility and current consumer demands. Additional information on these features and how a renovated facility compares to other options is shown below in Table 2.

The estimated renovation costs provided by each of these proposals, when inflated to 2023 dollars, range from approximately \$74 million to approximately \$150 million. Members of Council will be aware of current challenges in the construction market, including labour shortages, that are creating volatile tender results. These pressures have not been factored into the costs provided. As indicated previously, it would be prudent to fully examine key structural components prior to committing such significant funds into a facility of this age.

Option C – Stand-alone New Build Event Centre

Both Options C and D include a new build event centre that includes the desirable attributes for a modern spectator facility, as established by Council in the 2017 Business Plan. Based on staff's recommendation of

the downtown site in 2017, and the results of Council’s site selection deliberations at that time, staff have not considered locations outside the South District of Downtown Sudbury.

The development of a new event centre would benefit from existing infrastructure in the downtown core and create added value for the area by enhancing the existing urban fabric and contributing to downtown revitalization.

The 2017 business case report identified a new events centre with a capacity range of 5,500 to 6,000 fixed seats. Specifically, the business case suggested a minimum target of 5,800 fixed seats to meet the needs of Greater Sudbury’s market. The target of 5,800 fixed seats does not imply a total seating capacity for the facility as temporary and ‘virtual seats’ may also be incorporated for various types of entertainment events by means of retractable seating, floor seating, restaurants, and entertainment spaces. In April of 2023, Hockey Canada reaffirmed that seating within the range of 7,000 seats provides a great atmosphere for hosting championship events, while a minimum seating requirement for international events is typically 6,000 seats.

Additionally, while soliciting feedback from the entertainment industry, there is a general perception that Greater Sudbury’s market will continue to support 8 to 12 concert events per year.

The 2021 PwC Business Case Update proposed a new event centre with a minimum fixed seating capacity of 5,800 and total concert event capacity of 7,200. The proposed seating capacity was further broken down in Table 1.

Table 1: New Event Centre Seating Capacity		
Seating Type	Venue Space	Seating Quantity
Fixed	General Seating	5,020
	Club Seating	500
	Private Suites (24)	240
	Loge Boxes (10)	40
<i>Subtotal Fixed (minimum) =</i>		5,800
Temporary & Virtual Seats	Retractable Seating	1,400
	Floor Seating	
	Private Suite Amenities (Lounge & Party Room)	
	Commercial Space (500 to 1,000 ft ²)	
<i>Subtotal Temporary & Virtual (minimum) =</i>		1,400
Total Quantity of Seats in proposed New Event Centre =		7,200

The design features of a new event centre will benefit the community by enhancing the facility’s service capacity. The desired outcomes of an event centre include and are not limited to:

- Achieve requirements of the Accessibility for Ontarians with Disabilities Act (AODA)
- Improved Spectator Experience – including reduced congestion with the facility, improved sightlines, additional concessions and specialty seating
- Business Attraction, Development, and Retention
- Class A Event Attraction supporting Tourism goals
- Operational Efficiency
- Alignment with Community Energy and Emissions Plan (CEEP) Goals

At present, the most accurate estimate for the cost to construct a stand-alone event centre in Greater Sudbury comes from the progressive design build process established to develop the event centre facility as part of the Kingsway Entertainment District. The facility requirements developed in the 2017 business plan formed the basis for the conceptual design and costing provided by the bidders in Q2 2022. The budget

developed at the conceptual stage was \$215 million, prior to working through detailed design which may have resulted in more cost-effective approaches to meet the City's requirements. While there are significant differences in site requirements between the Kingsway and Downtown, there are servicing requirements and foundational challenges that need to be addressed in the city core. As such, and with the current volatile construction market as noted above, a cost in the \$200 million range is appropriate at this stage of consideration for a downtown new build event centre.

A new event centre would also allow for the redevelopment of the current facility and site. Further investigation of alternate uses should be a component of any future plan to ensure maximum value for the community of this strategic location and asset.

Option D – New Build Event Centre as Part of Larger Downtown Redevelopment

In reviewing examples of event centre development in other Canadian Hockey League cities, several successful sites have been able to realize complementary private development, either as a component of a larger district development or as triggered by the public sector investment in the event centre facility.

Staff identified new event centre developments in Hamilton, Moncton, London, Gatineau, Kingston, Ste Catharines, and Oshawa, as examples which could provide useful insights for Greater Sudbury. The approach in each city is unique, with varying degrees of public and private investment. Further research to understand the lessons that can be extrapolated for Greater Sudbury's context is currently underway. At the same time, a market sounding of both local and provincial level developers will continue over the next several weeks. Staff will produce a more detailed analysis of this approach to event centre development for the September 26 meeting of Council.

Summary of Options and Ability to Deliver on Goals of 2017 Business Plan

Table 2 provides a comparison between the three general approaches for a future event centre facility based on the key attributes identified in the 2017 business plan and validated through the analysis undertaken since Council approved Motion C2022-226. Staff have identified items that fall well short of the desired outcomes in red, those which display some limitations in yellow, and those which meet or exceed Council's goals in green.

Attribute Description	Option A: Maintain SCA Service Level	Option B: SCA Renewal/Renovation	Options C&D: SCA Replacement (New Build)
Accessibility for Ontarians with Disabilities Act (AODA)	<ul style="list-style-type: none"> • Accessibility assessment outlined upgrades will not fulfill all regulatory requirements. Although many upgrades can be completed within the existing facility, design constraints limit the potential for certain improvement upgrades. 	<ul style="list-style-type: none"> • All renewal options consider redesign and expand main entrance and lobby • New box office • Increased circulation to meet accessibility requirements 	<ul style="list-style-type: none"> • Universal accessibility to achieve the Accessibility for Ontarians with Disabilities Act • Achieved throughout the facility in all spaces • Opportunity to enhance accessibility options
Event Viewing Experience for Community Members	<ul style="list-style-type: none"> • 4,610 fixed seats • 12 suites (not equivalent in form, size, or function to typical suites of an event centre) • The roof structure and seating bowl prevent desired sight lines 	<ul style="list-style-type: none"> • Seat count ranges from 5,000 to 6,000 • Expansion and reconfiguration of the seating bowl is limited by the triangular roof truss system • PwC suggested a new metal bowl liner over the existing concrete structure to facilitate additional seating and increase row-to-row spacing 	<ul style="list-style-type: none"> • Minimum 5,800 seats • Hockey Canada suggests 6,000 fixed seats to host championship events, this aligns with Curling Canada's request for championship events • Suites to meet business pan requirements, including a private party suite and suites lounge • Design to maximize sightlines • Opportunity for flexible seating that address specific event types
Spectator Path of Travel	<ul style="list-style-type: none"> • Limited possibility for improvements to the concourse and paths of travel • Minimal opportunity to improve main lobby and entrances 	<ul style="list-style-type: none"> • CBRE: expand all four sides of the arena for a compliant concourse. The expansion covers Grey Street road allowance. • ProjectNOW: expand concourse with the least encroachment into adjacent roadways. • PwC: expand all four sides of the arena to provide a compliant concourse. The expansion encroached the Grey and Minto Street road allowance. • Each renewal options suggests an expanded entrance and lobby 	<ul style="list-style-type: none"> • A new event centre design would include appropriate concourse, paths or travel, and main entrance lobby for the facility capacity.
Customer Service	<ul style="list-style-type: none"> • Points of sale and kiosks may be improved from an accessibility perspective. However, space limits opportunity to increase points of sale 	<ul style="list-style-type: none"> • The three expanded concourse visions suggest 35 to 50 combined permanent and temporary concession points of sale • Add a Retail Store in the main entrance 	<ul style="list-style-type: none"> • Appropriate concessions to service the quantity of seating and capacity • Dedicated space to store and sell merchandise at the main entrance

<p>Business Attraction, Development, and Retention</p>	<ul style="list-style-type: none"> Commercial space with virtual seating will not be included within the facility footprint Kitchen and commissary storage limited to existing 	<ul style="list-style-type: none"> CBRE and PwC suggested a minimum 500 sq. ft. of commercial space; expansion impacts road allowance ProjectNOW suggests that commercial space is constructed on the adjacent property. CBRE and PwC reports include for additional kitchen space and commissary design 	<ul style="list-style-type: none"> Minimum 500 sq. ft. and offer virtual seating within space Kitchen: <ul style="list-style-type: none"> Kitchen and commissary storage Event Sponsorship: <ul style="list-style-type: none"> The concourse and seating bowl is preferred to be able to display sponsorship items such as vehicles in addition to supporting kiosks and moving people.
<p>Event Attraction</p>	<ul style="list-style-type: none"> Too small to host desired Hockey Canada, Curling Canada, and International Ice Hockey Federation championship events. Roof structure limits media booth Vehicle entry and marshalling are limited to substandard conditions A rigging grid may be installed with limitations due to the current roof structure Clear height limited to existing Lighting may be upgraded 	<ul style="list-style-type: none"> Existing roof would continue to cause limitations on media booth and sightlines Each renewal suggestion details expansion to the north within the municipal lot and into Grey Street for elements such as vehicular access to the ice surface Relocation and expansion of the Sudbury Wolves dressing rooms, administrative areas, and coaches' rooms. Rigging grid and clear height will continue to be limited by the existing roof structure 	<ul style="list-style-type: none"> Elevated media and sound booth Appropriate quantity and size of dressing rooms Private access points for athletes, performers, and medical staff, and private bench and stage access Multipurpose and green room Appropriately sized penalty box Multiple entry loading bay Marshalling and open storage Design for rigging grid to support minimum 100,000 lbs. Design for minimum clear height of 70 ft from underside of roof structure to event floor
<p>Operational Efficiency</p>	<ul style="list-style-type: none"> Currently operating under snow load restrictions. Structural analysis in the low roof areas on the north and south side identified that the roof structure is significantly under-designed to accommodate snow accumulation within the snow drift area. The interim solution involves a snow watch program to prevent accumulation greater than 16". Limited potential for building automation Challenges w/ storage, administrative space and loading for events 	<ul style="list-style-type: none"> Improved building intelligence; feedback noted that often facilities must upgrade IT infrastructure to host events All retrofit scenarios consider improved storage, and administrative spaces. Availability of temporary space for performance and athletic club staff Limitations of roof structure continue, i.e. snow load 	<ul style="list-style-type: none"> Building intelligence Building administration office space for facility staff, tenant, and temporary staff Secure storage Control centre area at loading dock Service elevators, also linked to event attraction and sponsorship opportunities by permitting displays such as vehicles
<p>Alignment with CEEP Goals</p>	<ul style="list-style-type: none"> There may be opportunity to improve energy consumption and generate renewable energy The facility is currently connected to the District Energy system which is powered by natural gas. Recent studies and more stringent emission expectations no longer consider the use of natural gas and hydrocarbon consumption to be a green alternative. 	<ul style="list-style-type: none"> Improved building intelligence will improve efficiency Opportunity to pursue CEEP goals by increasing the efficiency of the existing facility through mechanical retrofit. 	<ul style="list-style-type: none"> High efficiency and automated building systems and equipment Opportunity to explore renewable energy options Educational opportunities with the implementation of renewable and 'green' energy initiatives

Next Steps

Staff will continue to research examples in other communities and provide a further update on September 26, with more detailed information on the business approach utilized in other municipal event centre developments.

Appendices

Appendix A: Sudbury Community Arena Condition Assessment

Resources Cited

March 2015 CBRE Report:

<https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=ae01e230-025b-45a4-9b8b-f02cb6050469&Agenda=Agenda&lang=English>

March 2017 PwC Business Case Report:

<https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=0e1c22a3-9547-4d1c-b4e7-680c68c22e54&Agenda=Agenda&lang=English>

June 2017 Event Centre Update (Location Decision)

<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=8336>

June 2021 PwC Sudbury Event Centre Update Report:

<https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=b6c078e6-8c3c-4b41-bd1a-ff6397d9f2de&Agenda=Agenda&lang=English>

October 2020 projectNOW Presentation:

<https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=5d1a4eec-b606-45c2-a06c-4f3308eb648d&Agenda=Agenda&lang=English>