



# SUDBURY COMMUNITY ARENA RENEWAL & NEW BUILD REVIEW

Prepared for the  
City of Greater Sudbury

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**SUDBURY COMMUNITY ARENA  
RENEWAL & NEW BUILD REVIEW**

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# SUDBURY COMMUNITY ARENA RENEWAL & NEW BUILD REVIEW

## INTRODUCTION

Brisbin Brook Beynon Architects (BBB), based in Ontario for 40 years, and our wholly owned U.S. firm SCI Architects, have completed more renewal and new multi-use event centres than any other Canadian firm as evidenced in Exhibit A's list of some of our Projects. BBB is known internationally as an advocate of having saved numerous major arenas from demolition through excellence in renewal design. **With this experience, BBB can objectively articulate the reasons why existing arenas can be saved and when they are better to be replaced.**

In this REVIEW, we have used our methodology to identify the Pros, Cons and Risks of the RENEWAL and NEW BUILD options. BBB's database has allowed us to estimate the two options' capital cost differences.

Of equal importance, BBB has created many unique seating, hospitality, sponsor, artist, fan experience products and building configurations that have improved an arena's financial viability. We know the efficiencies in renovation and new arena designs that save construction dollars and deliver more efficient profitable event centre operations. These have been integrated into this REVIEW.

This report includes many recommendations that are based upon our firm's experience and professional judgement. Where appropriate, the opinions and recommendations are backed-up by narrative to establish trust in the experience and professional judgement of the authoring firm

In closing, this REVIEW has articulated the rationales that support our recommendations, all based on the benefits, challenges, process, timeline, budgets, financial plan, and evaluations for both the RENEWAL and the NEW BUILD options. We look forward to presenting our findings and recommendations to the City of Greater Sudbury Council.

# SUDBURY COMMUNITY ARENA RENEWAL & NEW BUILD REVIEW

## EXECUTIVE SUMMARY

As you will see in this review, a new build is significantly superior to a renewal even where a significant amount of space is added to the Sudbury Community Arena (“SCA”). But in fact you are not comparing “apples to apples,” you are comparing two very different products with the RENEWAL’s shortcomings thoroughly set out in Section 2 a) and Section 6. For comparative purposes, the capital and operating costs over the first 25 years of a RENEWAL or a NEW BUILD is approximately the same, in the range of \$185M and \$195M in Q2 2024 dollars.

Based on our review, evaluation and expertise we recommend the NEW BUILD option for the following primary reasons:

1. Increasing Annual Net Revenues through more of the following: utilization, capacity, suites, events, sponsors and operating efficiencies;
2. Significantly Less Construction and Financial Risk which could be considerable with RENEWAL resulting in significant additional costs;
3. Larger Private Sector Investment potential in the Event Centre;
4. More Publicly Accessible and Welcoming with a higher Service Level;
5. Additional Private Sector Investment in the Adjacent South District Lands; and,
6. A NEW BUILD will last approximately twice as long as a RENEWAL.

In summary, a NEW BUILD will deliver significantly more VALUE for the investment than RENEWAL. Articulated rationales that support the above are expressed in the following REVIEW.

A third option, which is not covered in this review, is to “Do Nothing” and to continue to operate the existing SCA and only complete repairs and replacements when absolutely required. With a 73-year-old building, this is not recommended for the following primary reasons:

1. Major components such as the ice floor could breakdown resulting in shutting down the Arena and its operations for an extended period;
2. The facility will then not be upgraded to comply with today’s standards and laws including for safety, accessibility and energy;
3. The costs to maintain and repair the Arena will continue to increase – probably dramatically;
4. It will become more difficult to attract higher quality entertainment artists and special events to the city; and,
5. The facility will more and more become a second-class facility in comparison to similar Event Centres in Ontario and Canada. Its Comparative Service Level will be second class and much worse than RENEWAL.

# 1. DOCUMENT REVIEW

We have read the following documents and their appendices and other available studies, and the existing plans referred to in the City's RFQ and we have utilized their relevant information to complete this Review.

1. Proposed Sports and Entertainment Centre Feasibility and Business Case Assessment, February 2017 (<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=9299>)
2. Greater Sudbury Event Centre Site Evaluation, June 2017 (<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=8338>)
3. ProjectNOW, Presentation to City Council, 3rd Line Studio, October 2020 (<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=39007>)
4. Sudbury Community Arena Renovation & Expansion Program Cost Plan R1, May 2021 (<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=40191>)
5. Assessment Study for the Expansion of the Sudbury Community Arena, May 2021 (<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=40190>)
6. Sudbury Event Centre Update Report, June 2021 (<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=40189>)
7. Sudbury Community Arena Condition Update and Event Centre Options (<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=50084>)
  - Appendix A (<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=50085>)
8. Greater Sudbury Event Centre Update and Future Direction (<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=51025>)
  - Appendix A (<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=51026>)
  - Appendix B (<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=51027>)
  - Appendix C (<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=51028>)
9. 20231213 SCA Updated Building Condition Assessment
10. Event Centre Report and Presentation, July 2022(<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=47134>; <https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=47382>)
11. Sudbury Community Arena Barrier-Free Accessibility Assessment
12. City of Greater Sudbury Event Centre Update Report (by PwC) dated June 2021.
13. City of Greater Sudbury STRATEGIC PLAN 2019-2027 (Revised 2023)
14. City of Greater Sudbury (South District) MARKET FINDINGS REPORT Updated September 2019.
15. KKR Precedent Projects, June 14, 2023.

Document #6 above is a summary compilation of documents 3 through 6, and therefore we often only refer to document 6 in this review.

We have had clarifying discussions with staff, regarding the "City Council's 2017 list of required features for a new Event Centre ("EC"), including what is possible with a renovated scenario" which was referred to in the RFQ's Section 2a) and 3a). Based on those discussions, we have used the information below as the **LIST OF REQUIRED FEATURES** and referred to it in this analysis as "**LRF**".

## 1. DOCUMENT REVIEW (CONT'D)

*As outlined in PwC's report, there is a market in the Greater Sudbury area for approximately 550,000 people that could be served by a new arena / event centre. The optimal size of a new Greater Sudbury Sports and Entertainment Centre [in hockey mode] is estimated to be 5,800 fixed seats, with features that include:*

- *Approximately 5,020 general admission seats;*
- *Approximately 10 loges boxes containing a total of 40 seats;*
- *Approximately 500 club seats;*
- *Approximately 24 private suites with 10 seats per box; and,*
- *Contemporary Back-of-House amenities to support a variety of sports & entertainment events.*

There are also the following additional features stated in previous reports and statements by the City:  
*Features to be included within the Project are to include "Front-of-House" components such as a main lobby offering uncongested access to a main concourse, "House" components such as comfortable seating and private suites, and "Back-of-House components including modern day dressing rooms and vehicle entry for trucks to access the event floor.*

In summary, the City's statements and directives are to realize a quality event centre.

Refinement of the above LRF, based on EC entertainment industry representatives, City input and BBB's experience, additional objectives are:

- Achieve flexibility to be able to adjust capacity for special events such as concerts;
- By example, with 5,800 seating in hockey mode, a design that can be expanded to 6,000 for special events that require 6,000 such as Hockey Canada and Curling Canada championship events;
- Meeting the City's December 2019 Community Energy and Emissions Plan ("CEEP"), the City's enhanced Accessibility Policy, improved viewing, reduction of congestion and access to guest services and overall ability to attract more events than today;
- Meeting the applicable sections of the City's Strategic Plan 2019-2027 (Revised 2023); and,
- Operate more efficiently than today.

It is important to note that these recommendations are not a change in the previously approved features for a new event centre and nor does it impact the costs to achieve them. The recommendations related to capacity are a reflection of current trends in event centre designs that have moved to increase maximum capacity to attract larger popular events that do not require a seat for all guests. This is an important consideration in growing cities and echoes trends related to the spectator experience and event industry. These nuanced recommendations related the features defined above contribute to future proofing an event centre in Greater Sudbury. The most important aspect of future proofing is a design's flexibility to adapt to future changes in an evolving industry.

Before analyzing the comparative benefits and challenges of RENEWAL or NEW BUILD, it is important to emphasize that the present state of the Sudbury Community Arena ("SCA") is not good. Many existing structural, mechanical, electrical, plumbing ("MEP"), sightline problems must be corrected even before improving the SCA to today's standards. See the Proposed Sports and Entertainment Centre Feasibility and Business Case Assessment dated February 2017.

While not part of this REVIEW, a downtown RENEWAL or NEW BUILD has many advantages including sufficient available City controlled land, it is consistent with the City's strategic vision and building policies and greater ability to realize complementary benefits, all as stated in the PwC June 2017 report.

## 2. RENEWAL OPTION

### a) Benefits and Challenges

As set out in this section 2a) for a RENEWAL and section 3a) for a NEW BUILD, a NEW BUILD is significantly superior to a RENEWAL. But you are not comparing “apples to apples,” you are comparing two (2) very different products, with the RENEWAL being an inferior product compared to the NEW BUILD. In fact, the RENEWAL will not even deliver Council’s **List of Required Features**. Most of these are listed on the next page under Challenges/Negatives/Risks. With the RENEWAL, there is a real risk that the City’s objective for a quality facility will not be achieved.

For this comparison we have generally used the same EC RENEWAL design as described in the City’s previous reports including a major addition to SCA. Based on our experience, we agree with this previous programming approach, especially as the following list of initiatives are not practicable or feasible from a cost or scheduling perspective:

1. Remove and replace the roof with new supporting columns to allow a 5,800 capacity;
2. Elevate the existing roof to add an additional floor to fulfill some LRF program requirements;
3. Tear out the entire seating bowl to get an industry standard seating tier depth of at least 33”;
4. Replace the existing foundations to eliminate the risk of failure in the future; and,
5. Close Grey Street and acquire additional lands to the immediate west to build a proper truck load-in/out area to the west side of the stage.

In our opinion, the total additional cost to complete the above changes would be between \$50m and \$100M above the RENEWAL’s \$190M estimated cost in Section 4d). This would make the NEW BUILD much less expensive and even more the preferred choice.

Therefore, the following Section 2 for the RENEWAL Option assumes that the above 5 initiatives are not included.

In the following pages, **FRONT OF HOUSE** means the areas that are normally open to the public such as entries, concourses and washrooms. **BACK OF HOUSE** means areas that are used to operate the EC and host events. These areas are normally not open to the public such as service and mechanical/electrical rooms, dressing and locker rooms, offices and storage.



2. RENEWAL OPTION (CONT'D)

The Benefits and Challenges of the RENEWAL Option versus the NEW BUILD Option are as follows:  
 (Many points below are facts while points marked at the end with an "R" are Risks.)

BENEFITS	CHALLENGES/NEGATIVES/RISKS
<b>FRONT OF HOUSE</b>	
<ul style="list-style-type: none"> <li>Many find older buildings more interesting.</li> </ul>	<ul style="list-style-type: none"> <li>Desired capacity cannot be achieved. See Report #3 on page 3</li> <li>Overall circulation will be less open, clear and efficient, especially with the reduced areas for concourses and guest services adjacent to Grey and Minto Streets.</li> <li>Desired number and location of suites cannot be built. See Report #4 on page 3</li> <li>RENEWAL will have less "wow" factor and a shorter "honeymoon" of support, attracting fewer events, people, sponsors, etc.</li> <li>Previously proposed increase of existing 31" deep Seating Tiers to 32" to improve comfort, is costly and risk prone with steel overlay which is untried to our knowledge. <b>R</b></li> <li>Sightline compromises will continue in bowl's last rows. <b>R</b> See Report #5 on page 3</li> <li>All of the above will elicit public disappointment.</li> </ul>
<b>BACK OF HOUSE</b>	
	<ul style="list-style-type: none"> <li>Will attract fewer events because: event load in/out not as fast or safe as today's touring show standards and expectations.</li> <li>Less efficient overall Food &amp; Beverage operational layout.</li> <li>Less efficient overall EC operations.</li> </ul>
<b>FINANCIAL / BUSINESS</b>	
<ul style="list-style-type: none"> <li>The salvage value of structural steel and wood roof.</li> </ul>	<ul style="list-style-type: none"> <li>Much less capital cost certainty because of the existing Arena's many unknowns, especially foundations, other structures, hazmat, and hidden mechanical, electrical and plumbing infrastructure. <b>R</b> See Report #6 on page 3</li> <li>Soils under existing SCA are a risk and a significant financial exposure. <b>R</b></li> <li>More required construction contingency at outset.</li> <li>Less attendance resulting in reduced revenues. See #7 on page 3</li> <li>EC Tenant contracts are less advantageous for the City. <b>R</b></li> <li>Greater negative financial impact on existing EC operations during construction including closing SCA for 2 summers.</li> <li>Two very busy summer construction periods with two quiet/slow construction periods will be less efficient to build than a NEW BUILD's continuous construction resulting in less value received for the same capital expenditure.</li> <li>In summary, it is impossible to derisk a RENEWAL to the level of a NEW BUILD.</li> </ul>
<b>MISCELLANEOUS</b>	
	<ul style="list-style-type: none"> <li>All of the above will result in a lower Service Level.</li> <li>Ongoing operations will be less sustainable as overall building is not as efficient or sealed from the exterior elements. Little chance to meet CEEP as less sustainable and higher operating costs. <b>*A</b></li> <li>Achieving or exceeding full AODA Compliance is highly unlikely even if the Arena is expanded over Grey &amp; Minto. <b>R *B</b></li> <li>Will not meet City's Strategic Plan 2019-2027 (Rev. 2023). <b>*C</b></li> <li>Will not follow greater ancillary benefits from NEW BUILD as seen in other Canadian cities. <b>*D</b> See #9 on page 3.</li> <li>If a 'surprise problem' appears during construction, the Wolves &amp; Sudbury Five will have to relocate possibly to a different City. <b>R</b></li> <li>SCA not available for community and other events during construction.</li> </ul>



## 2. RENEWAL OPTION (CONT'D)

### Notes from the preceding table:

**\*A** RENEWAL will not be able to fully achieve the general objectives and goals set out in the City's CEEP Report especially regarding the most important issues of space and water heating and cooling. CEEP recognizes this advantage of a NEW BUILD versus RENEWAL in their report. See Section 3 a) of this report for further narrative on this topic.

**\*B** Sudbury's 2022-27 Multi-Year Accessibility Plan proactively encourages greater mobility for all citizens throughout the City. A RENEWAL will not be able to achieve the Plan's objectives to the same extent of a NEW BUILD which will be able to incorporate even newer initiatives that are especially designed for EC's.

**\*C** RENEWAL will not meet the City's Strategic Plans (revised 2023) objectives such as maintaining sustainable infrastructure, retiring old costly uneconomic assets, a sustainable long term financial plan, pursuit of large inbound private sector investment, and ensuring competitiveness to retain and attract new businesses and workforce.

**\*D** RENEWAL will not maximize the ancillary investment benefits as seen with New Builds in London, Kingston, Oshawa, Guelph and Moncton.

The above identifies the main benefits and challenges of a RENEWAL in comparison to a NEW BUILD, however, there will also be many aspects where the quality of the RENEWAL will be similar to a NEW BUILD. These include:

- The different required areas (albeit many in the wrong locations as noted in Section 2 a) under the RENEWALS' CHALLENGES/NEGATIVES/RISKS);
- The general aesthetics and 'visual look' of the different areas;
- The number of washroom fixtures including accessible and gender-neutral washrooms;
- The number of food & beverage points of sale;
- The facilities for athletes, artists, support staff, media, etc;
- Mechanical, electrical, lighting, plumbing, technology, security, audio/visual, etc. infrastructure;
- The level of 'life safety';
- Acoustics; and,
- Media Facilities.

The issue/risk of poor soils for additions to the RENEWAL and for the NEW BUILD are about the same and are not seen to be significant because of thorough soils tests and the added contingencies listed in Section 5.

RENEWAL & NEW BUILD in the South District have the same challenge of providing enough convenient parking. This is emphasized in PwC's EC UPDATE REPORT (of June 2021) for the City which states: "we understand that parking remains an issue" and "based on the foregoing, a parking facility should be additionally pursued".

2. RENEWAL OPTION (CONT'D)

***b) Process, Steps and Timelines for Design, and Construction and Decisions***

With Council’s objective to complete this project in 2027 or 2028, and to develop this project in a logical and cost-conscious manner, the following is recommended below. This is based on our recommended use of DESIGN BID BUILD procurement, which is to have architects and engineers complete construction documents for tender to qualified general contractors with the lowest compliant bid being awarded a fixed price contract. Third party cost estimates are completed through the design stages to ensure the project stays on budget. It is our opinion that with the present economic climate (versus 2 to 3 years ago when the Kingsway initiative was developed) design bid build is the best way to ensure maximum competition, the project’s quality, and to incorporate cost-effective design. The schedule of Approvals below is consistent with recent CGS projects and BBB’s experience with other municipalities. Informal Council briefings will be held as decided. Also included below are the consultants/contractors required at each stage

PHASES	REPORTS/RECOMMENDATIONS/APPROVALS:	SCHEDULE
1.	Recommendation on RENEWAL & DESIGN BID BUILD (BBB Arch) <b>Approval – APRIL 2024</b>	Dec '23 – Apr '24
2.	RFQ/RFP to Proponents & Decision on Preferred Proponent Schematic Design, Location of Additions and Class C Estimate Design Development and Class B Estimate (All Architectural/Engineering Team and all City Consultants including Cost Estimator) <b>Approval – MAY 2025</b>	May '24 – Aug '24 Sept '24 – Dec '24 Jan '25 – May '25
3.	Working Drawings and Class A Estimate Building Permit Construction Tender (GC/CM and Trades) <b>Award Construction Contract – FEB-MAR 2026</b>	Jun '25 – Nov '25 Dec '25 – Feb '26 Dec '25 – Feb '26
4.	'Behind the Scenes' Construction Summer Closure 'Behind the Scenes' Construction Summer Closure	Apr '26 – May '27 May '27 – Sept '27 Sept '27 – May '28 May '28 – Sept '28
5.	<b>Grand Opening – SEPTEMBER 2028</b>	

Unfortunately starting construction in April 2026 does not leave enough time to mobilize (i.e. award; shop drawing submissions, review and approval; delivery of materials to site; etc.) to initiate a complete closure for the 2026 summer construction. Therefore the 2 required summer closures will still have to be in 2027 and 2028 for a September '28 opening.

Any unknowns that are identified during this process may extend this schedule. These include items such as very unusual and unknown existing conditions and slower than anticipated decision making.

The above 2 off season Summer Closures (instead of the previously recommended 3 closures) is based on our experience with major EC renovations that had 1, 2 and 3 Off Season Summer Closures. It is our opinion that this project can be done with 2 closures. This will save money versus 3 off-season closures.

The above assumes the site and existing arena will be ready to commence construction of the renovations and additions in Q3 2026.

## 2. RENEWAL OPTION (CONT'D)

### *c) Case Studies of Similar Facilities*

<b>Facility Name &amp; Location:</b>	<b>PETERBOROUGH MEMORIAL CENTRE (PETERBOROUGH, ON)</b>
<b>Owner:</b>	City of Peterborough
<b>Opening Date &amp; Cost:</b>	1956, \$875K
<b>Renovation Date &amp; Cost:</b>	2003, \$13.3M
<b>Total Post Reno Area:</b>	120,000sf (11,148sm). Note 'sf' means square feet and 'sm' means square meters

The renovation included significant upgrades to the facility, including more accessible seating, updated concourses, washrooms, entrances, a Hall of Fame and various back-of-house areas. In 2003, there were people who wanted to build new, but the City decided not to undertake this. Today there have again been discussions and proposals to replace this arena.

<b>Facility Name &amp; Location:</b>	<b>KITCHENER MEMORIAL AUDITORIUM (KITCHENER, ON)</b>
<b>Owner:</b>	City of Kitchener
<b>Opening Date &amp; Cost:</b>	1950, \$1.25M
<b>Renovation Dates &amp; Costs:</b>	2002, \$6.5M and 2012, \$12M
<b>Total Post Reno Area:</b>	70,000sf (6,503sm) (as stated by Facility but not confirmed).

The renovations included the addition of 900 seats, 13 private suites, nine sport loges and two group sales suites along with a restaurant, which overlooks the event bowl. Three new major concession locations were added to the main concourse along with a raised lounge area. The existing media facilities were centralized and upgraded. The auditorium site also underwent a facelift with new parking lots, lighting and landscaping. The Kitchener Memorial Auditorium has approximately 2,000 more seats when built than the SCA and has a structure that was/is easier to renovate and expand. However, discussions continue in Kitchener about building a new EC.

<b>Facility Name &amp; Location:</b>	<b>COCA-COLA COLISEUM (CCC) (TORONTO, ON)</b>
<b>Owner:</b>	City of Toronto
<b>Opening Date &amp; Cost:</b>	1921, \$1M
<b>Renovation Date &amp; Cost:</b>	2003, \$38M
<b>Pre Reno Area:</b>	155,000sf (14,399sm)
<b>Increased Area in Reno:</b>	45,000sf (4,180sm)

The roof was reconstructed to incorporate 45 private suites and a VIP concourse, the event floor was lowered to allow the addition of removable seating sections, increasing the seating capacity to 9,500 for hockey and up to 11,000 for concerts. New concourses and concessions, a club lounge, professional sport team locker rooms, renovated public washrooms and improved and expanded back-of-house service areas improved the overall efficiency of the CCC complex. The CCC was simpler to renew than in Sudbury because it was a much simpler 'building type'. The removal and replacement of its original roof with a totally new premium level and its integrated utilization with the adjoining Exhibition and Convention Centre has resulted in a high rate of utilization.

## 2. RENEWAL OPTION (CONT'D)

<b>Facility Name &amp; Location:</b>	<b>THE FORUM (LOS ANGELES, CA-USA)</b>
<b>Owner:</b>	Steve Ballmer
<b>Opening Date &amp; Cost:</b>	1967, \$16M USD
<b>Renovation Date &amp; Cost:</b>	2014, \$100M USD
<b>Building Area:</b>	290,000sf (26,941sm)

Innovative, revenue-focused renovations included viewing from a large event level club to the concert stage, the largest general event floor of any arena in America, and spacious, well-appointed, and state-of-the-art artist amenities. The interior bowl was completely modernized to provide seating for 17,500 and can be converted to a half-bowl to seat 7,000. These renovations saved this unique building from being demolished. It also started the regeneration of the City of Inglewood with significant new investment in adjacent properties over the next 10 years. Soon after opening it became the second busiest indoor concert venue in the USA.

### Summary of Case Study Observations

The main 'take-aways' from the above are:

- With Peterborough and Kitchener, even after significant renewals, after 25 years, these communities are again talking about doing a new build;
- The Coca-Cola Coliseum was a much simpler building type than SCA with significant additional adjacent space that reduced its renewal cost; and,
- The Los Angeles FORUM found new uses without sports that provided a business model that worked for this simpler EC building.

## ***d) Appetite of Investment/Developer Market to Support RENEWAL***

KKR Advisors completed their Precedent Projects Report to the City on June 14, 2023, and reported in considerable detail 8 projects in Canada where private sector entities have been assisting municipalities in the provision of Community Infrastructure. BBB has been working on many of these and other similar projects in Ontario and Canada.

The conclusions are that existing city lands and buildings can be a point of leverage to increase private sector interest and investment; especially when the city is making a major capital investment. This is further accelerated with a 'front row centre' Community Centre. The other reality is that almost all these projects are New Builds for the reasons stated below. The only exception is Hamilton where a market niche opened to allow the renovation of the First Ontario Centre to be financially feasible.

One thing private sector investors and developers avoid are increased risks and uncertainties which is what the RENEWAL option has. Additionally, a NEW BUILD will be more attractive and acceptable to the public and project tenants/partners and therefore to investors/developers. Another concern will be that a RENEWAL will not have the public profile and impact to elevate the South District's projects to an enhanced level of recognition and success. These factors will decrease the market's support for RENEWAL versus NEW BUILD.

### 3. NEW BUILD OPTION

#### a) Benefits and Challenges

The Benefits and Challenges of the NEW BUILD Option versus the RENEWAL Option are as follows:  
 (Points marked with an “R” are Risks.)

BENEFITS	CHALLENGES/NEGATIVES/RISKS
<b>FRONT OF HOUSE</b>	
<ul style="list-style-type: none"> <li>• Desired overall capacities can efficiently be achieved. See Report #12 on page 3.</li> <li>• Overall circulation will be more open, clear and efficient.</li> <li>• Required number of Suites and Loges can be built in best locations. See Report #12 on page 3.</li> <li>• NEW BUILD will have a “Wow” factor with bigger and longer “honeymoon” attracting more events, people and sponsors.</li> <li>• Seating tier depth will provide today’s standard of legroom comfort.</li> <li>• Sightlines will be excellent because they are being designed that way.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential negative reaction to the demolition of a traditional community gathering place.</li> <li>• Risk of poor soils, deep bedrock and contaminated soils although already identified in soil reports and a specifically added contingency.</li> </ul>
<b>BACK OF HOUSE</b>	
<ul style="list-style-type: none"> <li>• Event load in/out is faster, less expensive, and safer attracting more events.</li> <li>• More efficient overall positioning of Food &amp; Beverage facilities.</li> <li>• Overall EC operations will be more efficient.</li> <li>• Existing Arena can continue normal operations during construction.</li> </ul>	
<b>FINANCIAL / BUSINESS</b>	
<ul style="list-style-type: none"> <li>• Significantly less construction cost risk versus renovating a 1951 built building. See Report #13 on page 3.</li> <li>• More average revenues per event because of greater attendance.</li> <li>• A lot less construction contingency to try to cover unknowns.</li> <li>• More revenue from 3<sup>rd</sup> party sponsors and investors because of product certainty, being new and potential to host more championship events.</li> <li>• EC Tenant contracts are more advantageous for City.</li> <li>• No negative impact on existing EC operations during construction. See Report #14 on page 3</li> <li>• A NEW BUILD is significantly less difficult to de-risk than a RENEWAL.</li> </ul>	
<b>MISCELLANEOUS</b>	
<ul style="list-style-type: none"> <li>• All of the above will result in a high Service Level.</li> <li>• Operations will be more sustainable and will be better able to meet CEEP. *A</li> <li>• Detailed “accessibility design” will meet and likely exceed AODA requirements. *B</li> <li>• Will meet City’s Strategic Plan 2019-2027 (Revised 2023) *C.</li> <li>• Will realize ancillary investment benefits seen in other Canadian cities. *D See Report #15 on page 3.</li> <li>• SCA will be available to continue operations and hosting community and other events during construction.</li> </ul>	<ul style="list-style-type: none"> <li>• Construction phase will be less sustainable than RENEWAL if SCA is demolished. R</li> </ul>

**3. NEW BUILD OPTION (CONT'D)**

**Notes from the preceding table:**

- \*A** EC's are unique from other building types and require unique solutions to work towards CEEPs goals. These range from compartmentalization and low temperature heating systems to population monitoring and large air circulation fans. However, most important at this stage is that a NEW BUILD will be able to achieve the majority of goals set out in the City's CEEP Report, especially re space and water heating and cooling. CEEP recognizes this advantage of a NEW BUILD versus a RENEWAL in their report.
- \*B** Sudbury 2022-2027 Multi-Year Accessibility Plan proactively encourages greater mobility for all citizens throughout the City. A NEW BUILD will be able to achieve the Plan's objectives, including being able to incorporate even newer initiatives that are especially designed for EC's to a greater extent than a RENEWAL.
- \*C** NEW BUILD will meet the Strategic Plans objectives such as maintaining sustainable infrastructure in Sudbury, retiring old costly uneconomic assets, a sustainable long term financial plan, pursuit of large inbound investment, and ensuring competitiveness to retain and attract new businesses and workforce.
- \*D** NEW BUILD will result in similar ancillary benefits found in London, Kingston, Oshawa, Guelph and Moncton.

The issue/risk of poor soils for additions to the RENEWAL and the NEW BUILD are about the same and are not seen to be significant because of soils tests and the added financial exposure contingencies listed in Section 5.

RENEWAL & NEW BUILD in the South District have the same challenge of providing enough convenient parking. This is emphasized in PwC's EC UPDATE REPORT of June 2021 for the City.

***New Build Examples of Similar Size***



3. NEW BUILD OPTION (CONT'D)

**b) Process, Steps and Timelines for Design, and Construction and Decisions**

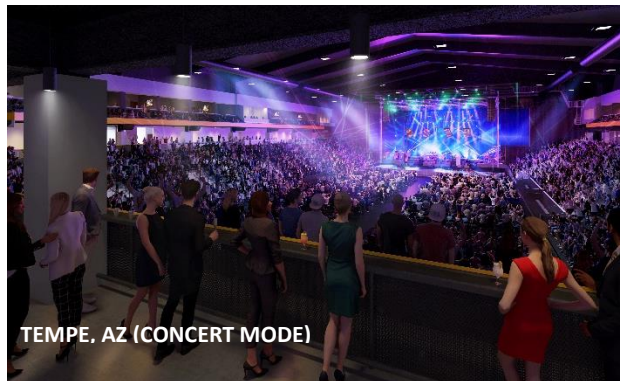
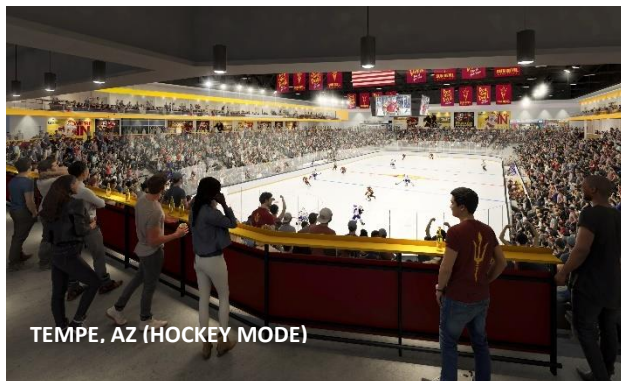
With Council’s objective to complete this project in 2027 or 2028, and to develop this project in a logical and cost-conscious manner, the following is recommended. This is based on our recommended use of DESIGN BID BUILD procurement which is to have architects and engineers complete construction documents for tender to qualified general contractors with the lowest compliant bid being awarded a fixed price contract with third party cost estimates to complete through the design stages to ensure the project stays on budget. It is our opinion that with the present economic climate (versus 2 to 3 years ago) when the Kingsway initiative was developed) design bid build is the best way to ensure maximum competition, project’s quality, and to incorporate cost-effective design.

The schedule of Council Approvals below is consistent with recent CGS projects and BBB’s experience with other municipalities. More informal Council briefings will be held as decided. Also included below are the consultants/contractors required at each stage.

PHASES	REPORTS/RECOMMENDATIONS/APPROVALS:	SCHEDULE
1.	Recommendation on NEW BUILD & DESIGN BID BUILD (BBB Arch) <b>Approval – APRIL 2024</b>	Dec ‘23 – Apr ‘24
2.	RFQ/RFP to Proponents & Decision on Preferred Proponent Schematic Design, Exact Location and Class C Estimate Design Development and Class B Estimate (All Architectural/Engineering Team and all City Consultants including Cost Estimator) <b>Approval – MAY 2025</b>	May ‘24 – July ‘24 Aug ‘24 – Dec ‘24 Jan ‘25 – May ‘25
3.	Working Drawings and Class A Estimate Building Permit Construction Tender (GC/CM and Trades) <b>Award Construction Contract – FEB-MAR 2026</b>	June ‘25 – Nov ‘25 Dec ‘25 – Feb ‘26 Dec ‘25 – Feb ‘26
4.	Construction	Apr ‘26 – Apr ‘28
5.	<b>Grand Opening – APRIL-MAY 2028</b>	

Any unknowns that are identified during this process may extend this schedule such as delays in land acquisitions, soil testing, completion of transportation plans and decisions.

*New Build Examples of Similar Size*



3. NEW BUILD OPTION (CONT'D)

**c) Case Studies of Similar Facilities**

**Facility Name & Location:** PRINCE ALBERT EVENT CENTRE (PRINCE ALBERT, SK)  
**Owner:** City of Prince Albert  
**Building Size:** 144,000sf (13,378sm)  
**Opening Date:** Fall 2026  
**Building Cost:** \$83 million

While there was an original EC amount of \$55m this was quickly revised by the City to \$71m and then to \$83m without parking, consultants, FFE, and miscellaneous items. Prince Albert Event Centre, with capacities of 4,700 in hockey mode and 6,000 in concert mode, includes private suites, loge seating, and club lounge and sports bar among other amenities. The arena is being developed for the City and will serve as the new home of the Western Hockey League’s Prince Albert Raiders and be a state-of-the-art venue for concerts and events. It will also house the AAA Hockey League Mintos and Northern Bears. The Prince Albert Event Centre will be paired with the Aquatic Centre as a central community and sports hub.

**Facility Name & Location:** FISHERS EVENT CENTER (FISHERS, INDIANAPOLIS)  
**Owner:** City of Fishers  
**Building Size:** 200,000sf (18,580sm)  
**Opening Date & Cost:** 2024, \$130 million USD

The Fishers Event Center in suburban Indianapolis is being developed by the City of Fishers and has 7,200 seats in hockey mode and up to 8,500 seats for concerts. It hosts hockey, basketball, concerts, shows, graduations, and other community events and features a stage-view club, loge club, VIP lounge, private suites, and retail and concession fronts among other amenities.

**Facility Name & Location:** MULLETT ARENA (TEMPE, AZ)  
**Owner:** Arizona State University  
**Building Size:** 150,000sf (13,935sm)  
**Opening Date & Cost:** 2022, \$134 million USD

Mullett Arena was developed by Arizona State University (ASU) & is operated by Oak View Group LLC (“OVG”). It offers collegiate university and NHL hockey programming as it services both the ASU Sun Devils and, the Arizona Coyotes of the NHL. The venue accommodates other sports such as wrestling and gymnastics, as well as music events, esports tournaments, and other forms of entertainment. The arena features premium suites, loge boxes, a club lounge, and a party deck. The facility includes Mountain America Community Iceplex, a second rink that serves as a venue for the University and community to host public skates, figure skating, and youth hockey programs in one of the fastest-growing states for youth hockey participation in the country. The arena was one of the first completed developments for the Novus Innovation Corridor, a 10 million square foot mixed-use urban ecosystem embedded in ASU's main campus in Tempe.



3. NEW BUILD OPTION (CONT'D)

**Facility Name & Location:** LANSDOWNE EVENT CENTRE (OTTAWA, ON)  
**Owner:** City of Ottawa  
**Building Size:** 165,000sf (15,329sm)  
**Opening Date & Cost:** 2027, Confidential

Lansdowne Event Centre is a new 5,500-seat EC that will be the home of the Ottawa 67's and Ottawa BlackJacks and is capable of hosting world-class arts and entertainment concerts and events. Seating capacity will be 5,500 for hockey games and up to 7,000 for concert events. It features numerous food and beverage areas, a stage-view club and loge club, a sports bar, and private suites. It is the catalyst for an adjacent major commercial complex with 2 high-rise residential towers.

**Summary of Case Study Observations**

The main 'take-aways' from the above are:

- Fishers and Mullett have been designed to deliver all user/owner requirements while obtaining significant construction savings; and,
- Most of the above were based on a Design Bid Build procurement with independent cost estimating input.

*New Build Examples of Similar Size*



### 3. NEW BUILD OPTION (CONT'D)

#### *d) Appetite of Investors/Developer Market to Support this Option*

As indicated in Section 2d), private sector investors/developers want certainty and minimal risk. The NEW BUILD option offers this reassurance. Additionally, a totally new project will be more attractive and acceptable to the public, the media, project tenants/partners, and therefore to investors / developers. Another advantage will be that a NEW BUILD will have a greater public profile and impact to elevate the South District's projects to an enhanced level of recognition and success. These factors will increase the market's support of NEW BUILD versus RENEWAL.

KKR Advisors completed their Precedent Projects Report to the City on June 14, 2023, and reported in considerable detail 8 projects in Canada where private sector entities have been assisting municipalities in the provision of Community Infrastructure. BBB has been working on many of these projects and other similar projects in Ontario and Canada. The conclusions which we agree with are that existing city lands and buildings can be a point of leverage to increase private sector interest and investment; especially when the city is making a major capital investment. This is further accelerated with a 'front row centre' Community Event Centre. The other reality is that almost all these projects are New Builds for the reasons stated below. The only exception is Hamilton where a market niche opened to allow the renovation of the First Ontario Centre to be financially feasible.

We have also reviewed the City's Market Findings Report, updated Sept 2019, which indicates that the City's investment in the Event Centre is critical to attracting private sector investment and development to the South District.

For this to succeed, it is our opinion that an important factor is to recognize that the Event Centre will be a super regional centre of entertainment where there's fun and excitement and lots of activity. Focusing on this will open up more understanding by the private sector of the best and most appropriate ancillary types of commercial and residential development. For example, if you want a dynamic exciting place to live, "move-in next door". Developed correctly a NEW BUILD can be the anchor of a new significant entertainment district for the region.

A NEW BUILD will operate successfully for the next 60 to 70 years. A RENEWAL will operate less successfully for the next 25 to 30 years prior to its shortcomings resulting in decreased revenues and new initiatives to again require to BUILD NEW. This is because of the RENEWAL's many post-renovation shortcomings and compromises. As well, the advancing building codes, aging systems, constrained footprint, enhanced design standards for Event Centres, and the event production industry continually improving. With the difficulties of renovating the SCA, it will fall further behind state-of-the-art ECs. In summary, the marketing and sales will be better, and the public excitement and support will be stronger with a NEW BUILD. It will also future-proof the City's investment in an Event Centre.

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## 4. BOTH OPTIONS

### *a) Required Consulting Services*

For either Option, many people are surprised by the number of consultants, however because of the project's complexities and size and the critical importance of life safety, this is now the norm and the usual consulting services under the coordination of the Architect are:

- Architect;
- Structural Engineer;
- Mechanical, Energy Modeling, Plumbing and Fire Protection;
- Electrical, Technology Data, Security, etc.;
- Civil Engineering and Site Servicing;
- Code and Life Safety;
- AV and Broadcast;
- Acoustic;
- Food and Beverage;
- Accessibility;
- Waste Management;
- Vertical Transportation;
- Exterior Envelope;
- Sustainability and High Performance; and,
- Commissioning.

The usual consulting services normally retained and coordinated by the Owner/Client are:

- Surveyor / Scanning;
- Geotechnical and Hydrological;
- Existing Environmental;
- Preliminary Constructability and Construction Management;
- Construction Cost Estimating;
- Environmental Impact Studies;
- Public Consultation Strategy;
- Transportation and Traffic;
- Heritage Impact (if any);
- Hyper (CT) Security;
- Legal and Accounting; and,
- Professional Arena Management.

Because of the larger site and civic issues with Event Centres and their adjacent developments, the Owner/Client often also retain the main planning consultant(s).

4. BOTH OPTIONS (CONT'D)

***b) Process, Steps, and Timeline for Non-Design/Construction Issues***

The sequential primary design, construction work program and stages to advance this project in a logical and cost-conscious manner is set out for RENEWAL & NEW BUILD in Sections 2b) and 3b) respectively. Therefore, this section only deals with non-design and non-construction issues: building public support, securing third-party financial commitments, finding expertise related to EC operations, and marketing and sales.

<u>STAGE</u>	<u>SCHEDULE</u>
<p>1. Decision on RENEWAL or NEW BUILD, site location and DESIGN BID BUILD procurement.</p> <p>News and public information releases to build media and public interest and excitement.</p>	Dec '23 – Oct '24
<p>2. Completion of Schematic Design, Class C Estimate, Design Development, and Class B Estimate.</p> <p>Release of design renderings, drawings, and communication campaign to further build public support and the belief that “this project is real”. This is important because of the challenges these projects present. The caution that many potential partners and supporters show early in the development process can result in reduced revenues. The same is true when the RFP is held for operators and other non-design/construction advisors and sales services to allow their integration and input into the design process. Therefore we recommend this in the middle of the Design Development process. The cost of these services are in the Soft Cost Pre-Opening Operating Expenses in Section 5 d).</p>	Nov '24 – Sept '25
<p>3. Completion of Working Drawings, Class A Estimate, Design and/or Construction Tenders, and Award of Construction Contract.</p> <p>With public belief that this project is real, the actual marketing and sales programs go into high gear for the programs set out in Section 7a).</p>	Oct '25 – July '26
<p>4. Construction and Grand Opening</p> <p>All financial commitments are confirmed and where required the recognition and benefits are put in place on site.</p>	Aug '26 – Sept '28

## 5. BUDGET

### *a) Total Event Centre Construction Area*

This section reviews, at a high level, the estimated costs for the design/construction of RENEWAL and of NEW BUILD with a premium added for RENEWAL. This premium is due to its additional operating costs above a NEW BUILD over the first 25 years of operations.

**RENEWAL:** 177,000sf (16,444sm) of renovations and additions, which is approximately 15,000sf (1,394sm) less than what has been outlined in previous reports related to an SCA renewal. Based on our renovation projects, it is our position that the best quality EC RENEWAL possible can be designed within 177,000sf (16,440sm).

**NEW:** 170,000sf (15,800sm) which is less than the RENEWAL area because of planning efficiencies. BBB’s recent ECs of a similar size to Sudbury’s include: a just completed 4,728-seat venue that hosts the NHL Coyotes; a 7,200-capacity venue that is over 60% built with a fixed price contract; a 5,000-capacity venue with 100% Construction Documents that is ready for construction in Saskatchewan; and a 5,500-capacity venue in Ottawa that is in detailed design. All of these projects have been adjusted to Sudbury, Q2 2024 dollars and Sudbury’s EC LRF program. Another example that supports our recommendation of 170,000sf above is Kingston’s EC of approximately 150,000sf for almost the same capacity as Sudbury and now that City is studying an expansion to the existing building. Based on all of this experience, we recommend a NEW BUILD of 170,000sf (16,800sm).

### *b) Room Finish Schedule*

See Exhibit B.

### *c) Interior SF Cost Projections*

This is for all in construction “hard cost amounts” but without soft costs and site work:

Based on the cost of BBB’s recent RENEWAL & NEW BUILD EC projects converted to Sudbury in Q2 2024 dollars, we project these Interior gross square foot (sf) costs:

<b>RENEWAL:</b>	New Construction:	\$800/sf
	Renovated Construction:	\$600/sf
<b>NEW BUILD:</b>	New Construction:	\$750/sf

The RENEWAL’S New Construction cost at \$800/sf is higher than the NEW BUILD’s at \$750/sf because of the inefficiencies and higher costs to add new construction around an existing building and the inefficiencies and additional costs of building around an operating EC.

5. BUDGET (CONT'D)

**d) Budget Projections**

**RENEWAL BUDGET PROJECTION – BBB**

The following is BBB’s RENEWAL Estimate to Q2 2024 completed independently from Sudbury’s previous estimates and reports. For the purpose of this budgeting section, and based on our experience with other major renewals, we have assumed that the entire sf area of the existing arena will need renovations (some to a greater & others to a lesser extent) and we are recommending an additional 87,000sf (8,082sm) in new space to achieve as much of the LRF as possible. This results in a total sf. area estimate that exceeds that of new build due to the planning inefficiencies of renewal.

		<b>\$ Millions</b>
<b>RENEWAL</b> – New Construction (incl. 20% Contingency)	87,000sf (8,082sm) x \$800	\$70m
– Renovated Construction (incl. 20% Contingency)	90,000sf (8,361sm) x \$600	\$54m
Sudbury & Structural (re soils) Premium. *1.	\$124m x 14%	\$17m
<b>Subtotal</b>		<b>\$141m</b>
Soft Costs – An industry standard of 25% for such things as Furniture Fixtures Equipment, Consultants, Taxes, Building Permit Fees, Insurance, Pre-Opening Operating Expenses, Legal/Accounting and City’s In-House Management.	\$141m x 25%	\$35m
<b>TOTAL RENEWAL</b>		<b>\$176m</b>
Sitework (without Parking)		\$4m
<b>TOTAL RENEWAL</b>		<b>\$180m</b>

\*1. The above ‘Sudbury and Structural Premium’ of 14% is because of Sudbury’s location and the need to import materials and labour from more distant locations than usual. It was determined through conversations with experts in Sudbury. The structural premium was determined after a review of soils report by 2 structural engineers.

Not included above are: Land Cost, Off-Site Services, and Parking. The above estimate assumes new Roofing, Refrigeration and Rink (but reuse of Chiller).

Below are the estimated reduced revenues of a RENEWAL compared to a NEW BUILD over their first 25 years of operation. They are added to the RENEWAL’s capital costs to provide a more realistic financial comparison between the two options.

12 Fewer Suites (\$350k/yr. x 25yr x 90%)	\$7.9m
600 Fewer Capacity (\$1.7m x 5% x 25yr x 90%)	\$1.9m
2 Fewer Touring Shows (\$900k x 5% x 25yr x 90%) and periodic special events such as Hockey Canada and Curling Canada Championships.	\$1.0m
<b>Subtotal</b>	<b>\$11m</b>
<b>TOTAL COST OF RENEWAL</b>	<b>\$191m</b>

No loss has been included for the reduced revenues and operating costs at the existing arena while it is under renovation and the additional required operating staff to relocate materials and operations during the different phases of construction, as the resultant credit or loss is not seen as significant.

To build the project stated in this REVIEW for the estimated costs requires a design and construction team that is experienced and knowledgeable with the design and construction of ECs as their problems are unique, especially when dealing with “scope creep” which is a primary reason for escalating costs.

5. BUDGET (CONT'D)

**RENEWAL BUDGET PROJECTION – SUDBURY’S PAST REPORTS**

Of all Sudbury’s previous RENEWAL Costing information, the “4. WT Costing, Report, May 24, 2021” is the most thorough. Further info on this estimate in the “5. IMA Final Report, May 31, 2021”, concludes with a total building and site cost of \$105m with one construction phase and \$108m with two phases. Both of these costs are without Consultant Fees. We assume two phases will be preferred because of the major negative impact on the Wolves’s operations and revenues. For this exercise, we have used both the single-phase and two-phase construction costs. Note that in this estimate, the Consultant Fees have been included in Soft Costs.

	\$ Millions	
	Phase 1	Phase 2
RENEWAL including a 192k sf EC & Site Work	\$105m	\$108m
Add Design/Construction Contingency (15% added by BBB)* <sup>1</sup> .	\$16m	\$16m
Escalation (Q2 2021 to Q2 2024 – [14% by BBB])	\$17m	\$17m
Sudbury & Structural Soils Premium (9% by BBB)* <sup>2</sup> .	\$13m	\$13m
<b>SUBTOTAL</b>	<b>\$151m</b>	<b>\$154m</b>
Deduct 15,000sf (1,393sm) ÷ 192,000sf (17,837sm) of floor area = (7.8%)	(\$12m)	(\$12m)
<b>TOTAL</b>	<b>\$139m</b>	<b>\$142m</b>
Soft Costs – An industry standard of 25% for such things as Furniture Fixtures Equipment, Consultants, Taxes, Building Permit Fees, Insurance, Pre-Opening Operating Expenses, Legal/Accounting and City’s In-House Management.	\$35m	\$36m
<b>TOTAL</b>	<b>\$174m</b>	<b>\$178m</b>

\*<sup>1</sup>. An “estimating allowance” (i.e. contingency) of 15% was included in the 5 IMA Final Report but not this design/construction contingency.

\*<sup>2</sup>. The above ‘Sudbury Premium’ of 9% is because of Sudbury’s location and the need to import materials and labour from more distant locations than usual. It is reduced from BBB’s estimate of 14% for a NEW BUILD because in our opinion, some premiums were already in WT and IMF’s estimates.

The WT estimate assumes new: Refrigeration and Rink (but reuse Chiller), Roofing, and Steel Seating Bowl Overlay (approvals and constructability TBD). Not included above are: Land Cost, Off-Site Services, Storm Water Management, and Parking.

Below are the estimated reduced revenues of a RENEWAL compared to a NEW BUILD over their first 25 years of operation. They are added to the RENEWAL’s capital costs to provide a more realistic financial comparison between the two options.

12 Fewer Suites (\$350k/yr. x 25yr x 90%)	\$7.9m	\$7.9m
600 Fewer Capacity (\$1.7m x 5% x 25yr x 90%)	\$1.9m	\$1.9m
2 Fewer Touring Shows (\$900k x 5% x 25yr x 90%) and periodic special events such as Memorial Cup and World Juniors.	\$1.0m	\$1.0m
<b>Subtotal</b>	<b>\$11m</b>	<b>\$11m</b>
<b>TOTAL COST OF RENEWAL</b>	<b>\$185m</b>	<b>\$189m</b>

No loss has been included for the reduced revenues and operating costs at the existing arena while it is under renovation or the additional required operating staff to relocate materials and operations during the different phases of construction since the resultant credit or loss is not seen as significant.

Much of the PwC Update, June 2021 re costs is a validation of Reports 4 and 5 that are discussed above. However, it does exclude Land Costs and may exclude the impact of the sites’ poor soils.

The above RENEWAL estimates DO NOT include the \$50m to \$100m premium to make the RENEWAL & NEW BUILD options more of an “apples to apples comparison as discussed in Section 2 a).

**5. BUDGET (CONT'D)**

**NEW BUILD BUDGET PROJECTION – BBB**

The following is BBB’s NEW BUILD Estimate to Q2 2024 completed independently from Sudbury’s previous estimates and reports. It is based on 4 recent BBB projects of a similar size and capacity all converted to Sudbury’s EC specs, size, capacity, and location. This will bring greater reliability to the appropriate requirements and costs.

New EC Building (Including Contingencies)	170,000sf (15,793sm) x \$750	\$128m
Sudbury & Structural Soils Premiums (14%)	\$128 x 14%	\$18m
<b>SUBTOTAL</b>		<b>\$146m</b>
Soft Costs – An industry standard of 25% for such things as Furniture Fixtures Equipment, Consultants, Taxes, Building Permit Fees, Insurance, Pre-Opening Operating Expenses, Legal/Accounting and City’s In-House Management.		\$37m
<b>TOTAL NEW BUILD:</b>		<b>\$183M</b>
Site Work (without Parking)		\$4m
<b>TOTAL NEW BUILD</b>		<b>\$187M</b>

Not included above are: Land Cost, Off-Site Services, Storm Water Management, Parking and Demo of Existing Arena. The above EC Costs do include an additional premium to build in Sudbury because of its location and the need to import materials and labour from more distant locations than usual.

The CEEP Report has many objectives, many of which are general and qualitative in nature which makes them difficult or impossible to estimate. If the City elects to incorporate a high level of CEEP objectives, based on the City’s recent projects, we recommend adding an additional \$6m to \$8m to the above total cost of \$187m. This would normally be higher except that our benchmark costing includes a reasonable amount of sustainability improvements especially adding in the pending changes to the Ontario Building Code. If City elects to exceed Ontario’s accessibility standards, we recommend an additional \$2m to \$3m allowance for additional accessibility improvements.

**NEW BUILD BUDGET PROJECTION – Sudbury’s Past Reports**

The best publicly available information re a NEW BUILD in Sudbury is the Event Centre Update of July 12, 2022, for the Kingsway Site presented to Council on the same date. Its construction cost is \$129,000,000 without “Costs to date, Fees, Site Work, Allowance (Contingencies), etc.” Additional escalation, allowances and structural soils premiums of \$32,000,000 has then been added for a total of \$161,000,000.

The resultant cost can be summarized as follows:

New EC Building	\$129.0m
Escalation, Allowances, Structural Soils Premiums (25%)	\$32.0m
Subtotal	\$161.0m
Soft Costs (20% - reduced because of some costs being included above)	\$32.0m
<b>TOTAL NEW BUILD</b>	<b>\$193.0m</b>
Site Work (without Parking)	\$4.0m
<b>TOTAL NEW BUILD</b>	<b>\$197.0m</b>

The extrapolation of known Kingsway costs for use with a Downtown New Build is very difficult because the two projects are so different with, by example, the Kingsway project having a much larger site area and additional infrastructure costs such as storm water management.



**5. BUDGET (CONT'D)**

City of Greater Sudbury staff have confirmed that the EC’s GFA is approx. 226,000sf (21,000sm) and the City’s RFP Part 6 had a total just under 182,986sf (17,000sm). This may account for the \$10,000,000 difference in the two different estimating methodologies.

Only publicly available information was provided from the City’s new EC initiative on the Kingsway. Details of the submissions may be commercially confidential and were not shared. For the purposes of this review, the EC Options Reports in July 2023 stated a cost in the “\$200m range” to be appropriate for a downtown location. We have also reviewed the City’s detailed requirements to the bidders for the Kingsway EC and it is apparent that there are objectives that reflect the criteria of that RFP to offer recommendations or value add items that may have led to a higher price than anticipated. If these were modified, it is our opinion that those cost proposals would be reduced.

**Renewal Examples**



**New Build Examples**



## 6. OPTIONS EVALUATION

From the previous pages, the cost of RENEWAL can be assumed to be approximately the same as a NEW BUILD. There is a variance between these two options but too small at this early stage to change this opinion and the decision of RENEWAL or NEW BUILD. Based on this, the following evaluation methodology compares the performance of the options in fulfilling the City’s and event industry’s requirements. As referenced in Section 2 Renewal Options, to achieve Full Compliance under the Renewal scenario in the following table, up to \$100M would be required to be added to the estimate.

● Full Compliance    ◐ Partial Compliance    ○ Not Compliant

<b>FRONT OF HOUSE</b>		
<b>CITY’s REQUIREMENTS (See page 4 of this Report)</b>	<b>RENEWAL</b>	<b>NEW BUILD</b>
5,800 Seats in Hockey Mode.	○	●
Includes 24 suites, 10 Loges and 500 Club Seats in best locations to Maximize Revenues.	○	●
Uncongested Access to and Circulation Around Main Concourse.	◐	●
Meet City’s 2019 Energy and Emissions Plan to be More Sustainable.	◐	●
Meet and exceed City’s 2022-27 Multi Year Accessibility Plans.	◐	●
Meet City’s Strategic Plan (revised 2023) Objectives.	◐	●
Maximize City’s Objective to Follow Success of Other Canadian Cities in Attracting Ancillary New investment. (See PwC June 2021 Update).	○	●
<b>EVENT INDUSTRY’s ADDITIONAL REQUIREMENTS (See page 4 of this Report)</b>		
Additional Seating & SRO Capacity in Concert Mode.*1	○	●
Expandable to 6,000 Seating to Secure Special Events like Hockey Canada and Curling Canada Championships.	◐	●
Industry Standard Sightlines Throughout.	◐	●
Provide Industry Standard Seat Sizes and Legroom.	○	●
Create Bigger and Longer Honeymoon After Opening to Attract More Events, Guests, Sponsors, etc. for the Long Term.	◐	●
Create a Bigger “WOW”.	◐	●
Deliver a high Service Level	○	●
<b>BACK OF HOUSE</b>		
<b>CITY’s REQUIREMENTS (See page 4 of this Report)</b>		
Provide “Contemporary Back of House Amenities” to Support a Variety of Sports & Entertainment Events.	◐	●
Convenient Truck Access to Event Floor.	◐	●
<b>EVENT INDUSTRY’s ADDITIONAL REQUIREMENTS (See pages 6 &amp; 10 of this Report)</b>		
Fast, Safe & Least Expensive Event Load-in/out to Attract More Events.	◐	●
Efficient Event Centre Ongoing Operations.	◐	●
Efficient & Optimal Positioning of Food & Beverage Operations.	◐	●
Existing SCA Operates During EC Construction.	◐	●
<b>FINANCIAL/BUSINESS</b>		
Least Risk Due to Unknown Existing Conditions like Hazmat, Foundations & Structures, MEP, etc.	○	●
More Attendance & Revenues.	○	●
More Touring Show Events Because of Higher Revenues.	○	●
More Revenues from 3 <sup>rd</sup> Party Sponsors and Investors because of EC Quality Certainty and Potential for more Special Events.	○	●
Better Contracts for City with Tenants.	○	●
Less Negative Financial Impact on SCA Operations During Construction.	○	●
More Efficient Constructability & Schedule to Deliver More Value for Money Spent.	○	●

\*1 Recent EC designs have moved to increase maximum capacity to attract larger popular events that don’t require a seat for all guests. This is important in growing cities and reflects trends related to spectator experience and industry trends.

Based on the above, the NEW BUILD Option would allow all desired outcomes to be achieved and therefore is the preferred option.

## 7. FINANCIAL PLAN

### *a) Direct EC Financial Support*

City's capital has to be the starting point for the project's capital funding, and this has to be strongly stated at the outset along with a great presentation on why this NEW BUILD project is by far the best option going forward: with its many design advantages, the reduced financial risk, and the functional challenges of the existing Sudbury Community Arena.

In order to protect the quality of the finished project and secure the best financing rates, we recommend a Design-Bid-Build procurement versus a PPP or Design/Build/Operate. The future operating surpluses will not be sufficient and predictable enough to guarantee the servicing of enough capital from the private sector to make this attractive. As well, the City will still end up guaranteeing the vast majority of the debt without full control.

To maximize revenues, we recommend that the City consider seeking bids for the operation of the EC because of its entrepreneurial requirements that governments typically find challenging. Many cities across the country have adopted this form of operation.

As set out below, the EC operations tender would still include private sector capital contributions towards the cost of the EC. Therefore, once the location and building type decisions have been made, we recommend that the project should be turned into a "Community Project" where all sectors of Greater Sudbury should support to make the project as successful as possible. A key component of the project's Financial Plan will be based on this community support plan including the following:

- 1) Bigger successful companies for:
  - Suites
  - Naming Rights
  - Other Sponsorships
- 2) Smaller companies and well-off individuals:
  - Loges and/or Club Seats
- 3) Community Support & Fundraising:
  - Focused Initiatives by Service Organizations
  - Philanthropy
  - Buy Seats with Brass Family Plaques
- 4) Companies that have an interest in the future operation of the EC such as:
  - Building Operations
  - Food and Beverage Operations and Products
  - Retail Sales
- 5) Wolves & Other Sports Fans for:
  - Wolves Pack Club
  - Shoot Twice Goal Seats
  - Branded Seats
- 6) Segments of the Community Interest Groups for:
  - Smaller "Sudbury First" art and imprint projects

## 7. FINANCIAL PLAN (CONT'D)

The first four categories above will deliver the largest opportunity to secure additional capital funding and/or increased annual operating revenues by profiling support in becoming a founding partner to make the new EC a reality. Also, the above programs are also based on enhancing longer-term revenues by the desire to have first access to new seating, hospitality, and branding/recognition products in the new EC. The choice between capital funding and annual revenues varies from project to project as do the entities being approached.

We anticipate that should the City of Greater Sudbury pursue a Community Project approach and with our experience with similar event centre projects, you could realize up to 15% of additional capital to offset the municipal share.

From other recent projects, we understand that there is limited financial support from senior levels of government to contribute to an EC.

Further to a question in your RFQ for this Review, midsize Event Centres that have higher revenues to help increase their net revenues are: London's Budweiser Gardens, Fort Myers's Hertz Arena, St. Catharine's Meridiane Centre, and Erie Insurance Arena in Pennsylvania.

### ***b) Accelerated Adjacent Downtown Investment with EC***

Wherever we have completed RENEWED or NEW BUILD ECs in downtown areas; they have become catalysts for new investments in those downtown areas. Examples that are well described in KKR's June 2023 report include:

- London Ontario where these improvements are obvious;
- Kingston has had similar results;
- Oshawa;
- Guelph; and,
- Moncton.

While the following very successful examples may appear to not be applicable to Sudbury, they are important because they strongly indicate how even large cities use transformative projects to revitalize downtown with active vibrant entertainment zones:

- The Leafs/Raptors/Concert Venue created a real estate investment boom (after the railway lands sat dormant for 15 years). Today, condos adjacent to this EC sell for a significant premium to the same condo that is 5-10 blocks away.
- Vancouver's Canucks Arena was built in an empty field and today is surrounded by 30 to 40 story towers.
- Boston's Bruins/Celtics EC and ancillary development has become a central hub of the City's downtown.

The key elements to take advantage of this opportunity are:

- Available fairly priced land;
- Use of EC by existing and new stakeholders in the neighbourhood;
- Creation and promotion of community events at the EC to convey that this is the place to be in Sudbury;
- Strong Public Relations/Marketing program and support of local and national media; and,
- Profiling Downtown Sudbury as the entertainment hub for a 250,000 to 300,000 captive population that is within a 2-hour drive.

## EXHIBIT A

### LIST OF BRISBIN BROOK BEYNON ARCHITECTS ENTERTAINMENT CENTRE PROJECTS

- BBB Architects has completed more renewal & new multi-use Event Centres than any other Canadian firm. See attached lists.
- We are known internationally as an advocate of renewal having saved numerous spectator facilities from demolition.
- BBB Architects has developed a clear methodology to identify the Pros and Cons and Risks of the renewal and new build options.
- BBB Architects' database allows us to effectively project the two options' capital cost differences.

# EXHIBIT A



## ARENA RENOVATIONS



- Madison Square Garden, NYC
- Scotiabank Arena, Toronto
- Rogers Arena, Vancouver
- Wells Fargo Center, Philadelphia
- TD Garden, Boston
- The Forum, Los Angeles
- Delta Center, Salt Lake City
- CFG Bank Arena, Baltimore
- Scotiabank Saddledome, Calgary
- Mattamy Athletic Centre at Maple Leaf Gardens, Toronto
- Rexall Place, Edmonton
- XL Center, Hartford
- Coca-Cola Coliseum, Toronto
- Moda Center, Portland
- Peterborough Memorial Centre
- Charlotte Checkers Arena
- FirstOntario Centre, Hamilton
- Kitchener Memorial Auditorium
- Paramount Fine Food Centre, Mississauga



Madison Square Garden, NYC



Scotiabank Arena, Toronto



The Forum, Los Angeles



Delta Center, Salt Lake City



FirstOntario Centre, Hamilton



Coca-Cola Coliseum, Toronto



TD Garden, Boston



Maple Leaf Gardens, Toronto



Wells Fargo Center, Philadelphia

# EXHIBIT A

## NEW SPORTS & ENTERTAINMENT VENUES

BRISBIN  
BROOK  
BEYNON  
ARCHITECTS

- Mullett Arena, Tempe, AZ
- The Gathering, Metro Atlanta
- Budweiser Gardens, London, ON
- Leon’s Centre, Kingston
- Prince Albert Event Centre
- Windsor Credit Union Centre
- Lansdowne Event Centre, Ottawa
- Gene Polisseni Center, Rochester
- Arena Riga, Latvia
- Barclaycard Arena, Hamburg
- Barrie Molson Centre
- First Arena, Elmira, NY
- Hertz Arena, Ft. Myers
- Webster Bank Arena, Bridgeport
- Grossinger Motors Arena, Bloomington
- Hartwall Arena, Helsinki
- Malmo Arena, Sweden
- O’Brien Group Arena, Melbourne
- Powerade Centre, Brampton
- Siemens Arena, Vilnius
- Fishers Event Center, Indianapolis



The Gathering, Metro Atlanta



Budweiser Gardens, London



Leon’s Centre, Kingston



Prince Albert Event Centre



Mullett Arena, Tempe



Lansdowne Event Centre, Ottawa

# **EXHIBIT B**

## **OUTLINE ROOM FINISH SCHEDULE For Level of Quality Only**

### **Order of Finishes: Floors; Walls; Ceilings**

- GENERAL FRONT OF HOUSE:
  - epoxy & stone; painted high impact drywall; painted exposed ceiling areas.
- PREMIUM FRONT OF HOUSE:
  - carpet; painted high impact drywall; painted exposed ceiling areas.
- WASHROOMS FRONT OF HOUSE:
  - tile & epoxy; tile & epoxy on high impact drywall; painted exposed ceiling areas.
- FOOD & BEVERAGE FRONT OF HOUSE:
  - epoxy on concrete; tile & epoxy on high impact drywall; painted suspended ceilings.
- SPECTATOR VIEWING:
  - sealed concrete; epoxy on block & high impact drywall; painted exposed ceiling areas.
- TEAM/ARTIST BACK OF HOUSE AREAS:
  - polished or epoxy on concrete; painted block; painted exposed ceiling areas.
- STORAGE & SERVICE BACK OF HOUSE:
  - polished and sealed concrete; painted high impact drywall; exposed ceilings.
- FOOD & BEVERAGE BACK OF HOUSE:
  - epoxy concrete; epoxy high impact drywall; exposed ceiling areas.
- MEDIA BACK OF HOUSE:
  - carpet; painted drywall; painted exposed ceiling areas.
- OFFICES, CLASSROOM BACK OF HOUSE:
  - carpet; painted drywall, painted exposed ceiling areas.
- EXTERIOR FAÇADES:
  - 10% manufactured stone, 50% metal, 40% glass.
- LONG SPAN EXTERIOR ROOF:
  - single ply polyvinyl chloride or PVC.