

## **Downtown Event Centre Update – October 8, 2024**

Presented To:	City Council
Meeting Date:	October 8, 2024
Type:	Presentations
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Recommended by:	Chief Administrative Officer

### **Report Summary**

This report and presentation provide an update on the event centre in Greater Sudbury’s downtown South District.

### **Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans**

This report responds to several elements of the 2019-2027 Strategic Plan including:

Objective 2.0 Economic Capacity and Investment Readiness

- 2.1 Build Economic Development Initiatives to Support Existing Businesses, Attract New Businesses and Promote Entrepreneurship,
- 2.4 Revitalize Greater Sudbury’s Downtown and Town Centres with Public Investments that Support Private Investment
- 2.8 Invest in Transformative Facilities, Spaces and Infrastructure that Support Economic Activity

Objective 3.0 Climate Change

- 3.2 Develop and strengthen strategies and policies to mitigate and/or adapt to the impacts of climate change,
- 3.3 Build climate resiliency into existing programs

Objective 5.0 Create a Healthier and More Vibrant Community

- 5.2 Invest in Infrastructure to Support Community Recreation with Focus on Quality of Life
- 5.6 Align Initiatives with the Goal of Community Vibrancy

### **Financial Implications**

The total approved budget for the Downtown Event Centre is \$200 million. This budget consists of \$65 million from original debt obtained in 2020, as well as approval for additional \$135 million in debt financing to be obtained in 2026.

## Background

At its April 16, 2024 meeting, Council received a report entitled “Event Centre Renewal and New Build Report” from the Chief Administrative Officer. The purpose of the report was to provide information regarding the difference between upgrading the existing Sudbury Community Arena versus constructing a new Arena / Event Centre in the South District of the downtown.

The report made several conclusions and provided recommendations to Council. The following Resolutions emanated from the meeting:

**CC2024-75** THAT: *the City of Greater Sudbury selects the New Build Option as outlined in the report entitled “Downtown Event Centre Update Report”, from the Chief Administrative Officer, presented to City Council on April 16th, 2024, with the following parameters:*

1. *The new event centre shall include 5,800 fixed seats;*
2. *The total budget shall be up to \$200 million that includes:*
  - i. *Cost estimates described in BBB’s Report and described in previous reports referenced in this report;*
  - ii. *Enhanced accessibility features;*
  - iii. *Enhanced environmental sustainability features that support the Community Energy and Emissions Plan.*
3. *The new event centre shall be constructed in the south district of the downtown core.*

**CC2024-77** THAT: *the City of Greater Sudbury approves the Downtown Event Centre financing plan as outlined in the report entitled “Downtown Event Centre Update Report,” from the Chief Administrative Officer, presented at the City Council meeting on April 16th, 2024.*

*Subject to:*

*THAT funding sources for the borrowed funds include the following;*

1. *Results of the core service review update and enterprise management plan update;*
2. *Use of alternate revenue sources, such as the municipal accommodation tax;*
3. *Use of a portion of the special capital levy, as required;*

*All of which shall be to manage financial implications that would otherwise require future increases to the tax levy.*

**CC2024-78** THAT: *the City of Greater Sudbury delegates authority to the General Manager of Corporate Services to secure new debt of up to \$135 million, in addition to funds previously borrowed, to support Event Centre financing requirements.*

At its meeting of July 9, 2024 Council received a report from the General Manager of Growth and Infrastructure entitled, “Greater Sudbury Event Centre Project”. The purpose of the report was to provide an update on the status of the project and to provide a recommendation to advance the project.

The following Resolution emanated from the meeting:

**CC2024-170** THAT: *the City of Greater Sudbury authorizes the award of a contract to KKR Advisors Ltd. on a single source basis, with an upset limit of \$200,000, to support event centre project development including assistance with potential locations for the Event Centre within the South District that will maximize adjacent economic development opportunities, negotiate facility use agreements using its unique market knowledge, and market solicitations required to procure a venue operator, all in a form satisfactory to the City Solicitor, as presented at the Council meeting on July 9, 2024.*

This report provides an update on activities related to the project and information on probable next steps.

## **Project Activity Summary Since Last Update**

Conceptual design and scope development. Several activities are ongoing concurrently described as follows:

### **Procurement of Architectural Services**

A Request for Proposal (RFP) was issued and closed on September 17, 2024. Five submissions were received and are being evaluated at this time. It is anticipated that an agreement for Architectural Services would be executed before the end of November.

### **Advisory Services with KKR Advisors Ltd.**

KKR Advisory Services have been secured with an agreement and have commenced work on the project. The following tasks are being conducted with assistance from KKR Advisors:

- Negotiating Term Sheets with the Sudbury Wolves and Sudbury Five. This establishes a basis for the tenant desired requirements within the event centre and allows other aspects of the project to continue.
- Procurement of a Venue Operator through the process of a competitive Request for Proposal. This process will be ongoing through October. The Venue Operator will assist in the detailed design process and assist with finalizing terms with major tenants in the facility.

### **Site Selection**

Staff have commenced the process to determine the preferred location of the new Arena / Event Centre within the South District. The prime Architectural consultant, KKR Advisors and the Event Centre Venue Management company will be assisting staff in this phase of the project. The work in this stage is expected to be completed by January of 2025.

Some members of the project team toured the site, including KKR Advisors, and background information has been exchanged. Preliminary discussions with prospective developers have commenced.

It is reasonable to assume that additional field investigations will be conducted in the South District in the Fall of this year. This additional investigation may be necessary to determine the preferred location, and it may be necessary to assist in the detailed design of the facility.

### **Detailed Design**

Work on the Detailed Design has not commenced. More information will be provided in future staff updates.

### **Construction**

There are no updates on construction of the Arena / Event Centre is not scheduled to commence until 2026. Residents may notice ongoing activities related to demolition of existing buildings in the south district, and temporary works to permit temporary activities in the south district such as temporary parking. Temporary works may include placement of asphalt grindings, and barriers to assist with temporary parking.

## Financial Status

The following table provides a summary of budget and costs to date:

<b>KED and South District Land Costs to Date</b>	<b>Budget \$25,000,000</b>
KED Project	\$4,380,000
Consultant Costs	\$83,000
Land Acquisition and Demolition Costs*	\$16,301,000
<b>Total:</b>	<b>\$20,764,000</b>

\*There are costs to be incurred for remaining land acquisition and demolitions.

<b>Downtown Event Centre Costs to Date</b>	<b>Budget \$200,000,000</b>
Consultant and Internal Staffing	\$48,700
<b>Total:</b>	<b>\$48,700</b>

Costs to date are being covered with existing funds. Staff have not commenced any additional borrowing yet, and it is not expected to be necessary for costs to be incurred through the balance of 2026.

Staff have not taken actions subsequent to Resolution CC2024-77. Future updates will provide information in response to this resolution.

## Project Risks

Staff have not identified any risks at this time that would otherwise impact the scope, schedule or financial implications.

## Next Steps

The following is a summary of some of the key activities to be conducted in the coming months.

- i. Finalize Terms Sheets with the Sudbury Wolves and Sudbury Five
- ii. Procure a Venue Operator for the new Arena / Event Centre
- iii. The Prime Architect will be selected, and initial stages of their design will commence
- iv. The preferred Site Selection process will continue with a view to completing this stage by January 2025. Additional geotechnical field investigations are highly likely during this phase of the project.
- v. Demolitions and some temporary work will occur throughout the South District as necessary.

Refer to Appendix 'A' – Arena/Event Centre Schedule for a Gantt Chart of the ongoing concurrent activities as of July 9, 2024.

## Resources Cited

1. City Council July 9, 2024: <https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=a9c82ceb-177f-4520-abe3-9675021831f7&lang=English&Agenda=Agenda&Item=46&Tab=attachments>
2. City Council April 16<sup>th</sup>, 2024: ([City Council Meeting - April 16, 2024 \(escribemeetings.com\)](#))
  - a. Event Centre Renewal and New Build Review ([Event Centre Renewal and New Build Review \(escribemeetings.com\)](#))
  - b. Appendix A: A2S Final Report - SCA Structural Condition Assessment ([repXX \(escribemeetings.com\)](#))
  - c. Appendix B: SCA Renewal and New Build Review Report ([filestream.ashx \(escribemeetings.com\)](#))
  - d. Appendix C: KKR Advisors' Final Report ([PowerPoint Presentation \(escribemeetings.com\)](#))
3. City Council September 26<sup>th</sup>, 2023: ([City Council Meeting - September 26, 2023 \(escribemeetings.com\)](#)), [Greater Sudbury Event Centre Update and Future Direction \(escribemeetings.com\)](#)
  - a. Appendix A: [Sudbury Community Arena Condition Update and Event Centre Options \(escribemeetings.com\)](#)
  - b. Appendix B: Supporting Information ( [filestream.ashx \(escribemeetings.com\)](#))
  - c. Appendix C: 2022-06-10 Avenir Centre Economic Impact Summary [pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=51028](#)
4. City Council July 11<sup>th</sup>, 2023: [City Council Meeting - July 11, 2023 \(escribemeetings.com\)](#)
  - a. [Sudbury Community Arena Condition Update and Event Centre Options \(escribemeetings.com\)](#));
  - b. [Appendix A Updated Detailed Assessment of Sudbury Community Arena.docx \(escribemeetings.com\)](#)
5. [City Council August 9<sup>th</sup>, 2022: Greater Sudbury Event Centre Project Update \(escribemeetings.com\)](#)
  1. City Council March 7<sup>th</sup>, 2017: ([City Council Meeting - March 07, 2017 \(escribemeetings.com\)](#))
    - a. Full Report ([filestream.ashx \(escribemeetings.com\)](#))
    - b. Staff Report ([filestream.ashx \(escribemeetings.com\)](#))
    - c. Appendix A Sudbury Events Centre Feb 21\_2027 ([filestream.ashx \(escribemeetings.com\)](#))