

Presentation to Greater Sudbury Council

November 27, 2015



Greater Sudbury
Synergy Project

The Greater Sudbury Synergy Centre

Pillars of Greater Sudbury Council

- Growth & economic development
- Responsive, fiscally prudent governance
- Quality of life & place
- Sustainable infrastructure



The Greater Sudbury Synergy Centre

Our Objectives

- Build a multi-use Conference & Performing Arts complex
- Be a catalyst for economic revitalization of Downtown
- Provide for the needs of the arts & culture community
- Meet the future growth needs of the City
- Create a facility that is operationally self-sustaining

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Community Need

- **Local arts groups:** workshops & exhibitions
- **Local performing arts:** rehearsal & performance space
- **Trade shows, conventions, banquets:** space for +550 people
- **Art Gallery:** accessible, visible venue
- **Sudbury Symphony:** technical capacity, superb acoustics
- **Cinefest /LOL:** television, sound, technical capacity
- **NLFB:** +1,000 seats for touring acts, smaller venues for local acts
- **Education, health, research:** lecture & conference space
- **Business:** arts/cultural asset to help recruit professionals
- **Dance studios:** rehearsal & performance space



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Market Opportunities

- N.E. Ontario arts & culture market = 560,000 visits/ annum
 - Greater Sudbury only captures 22%
- N.E. Ontario convention market = 100,000 visits/annum
 - Greater Sudbury only captures 38%
- Greater Sudbury has 25 arts & culture venues w/capacities of 150-500 persons but **NO** venues w/capacity >500 persons
- Social, arts & cultural amenities have not kept pace with growth in Health, Education, Research, Government & Commerce sectors





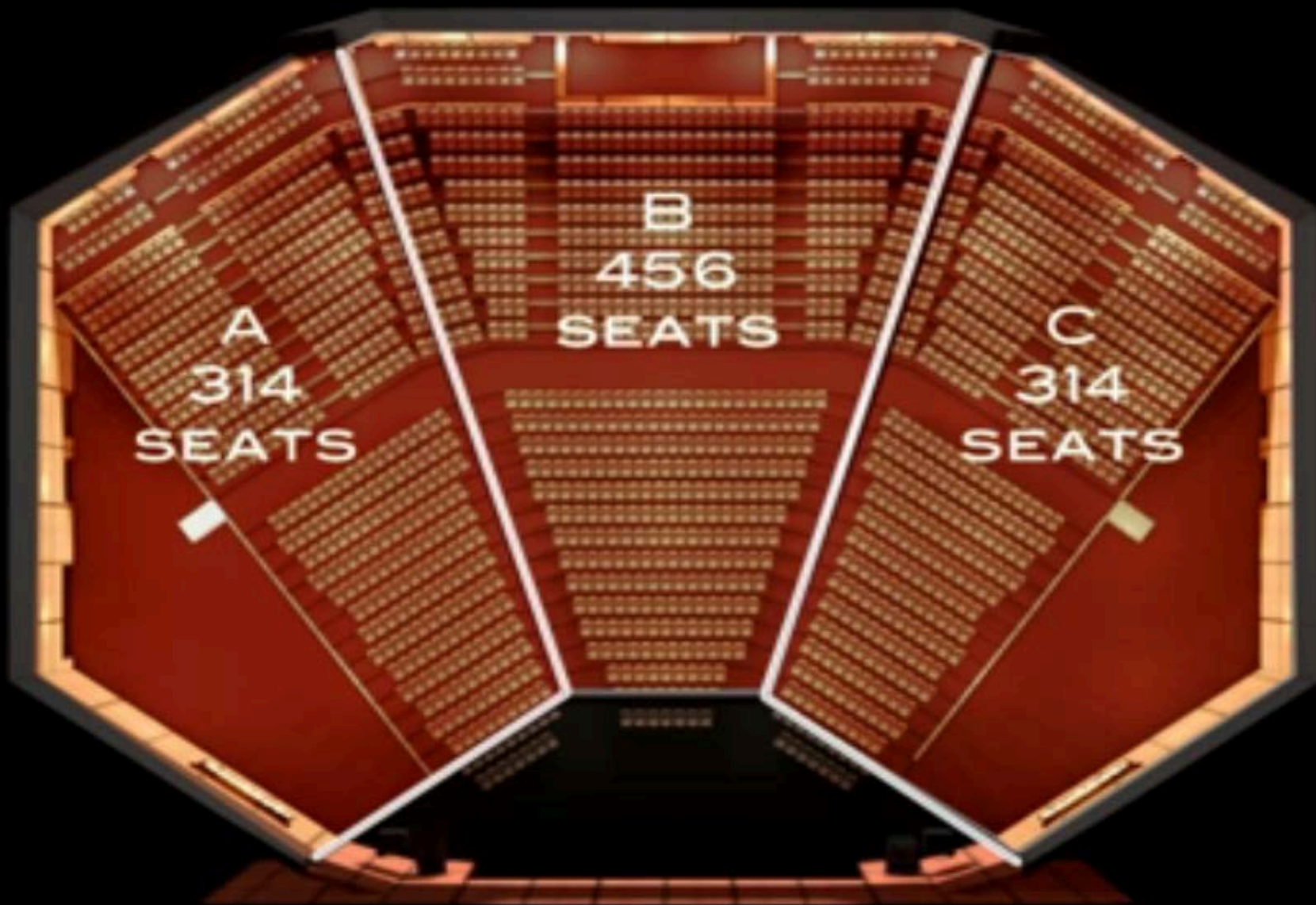
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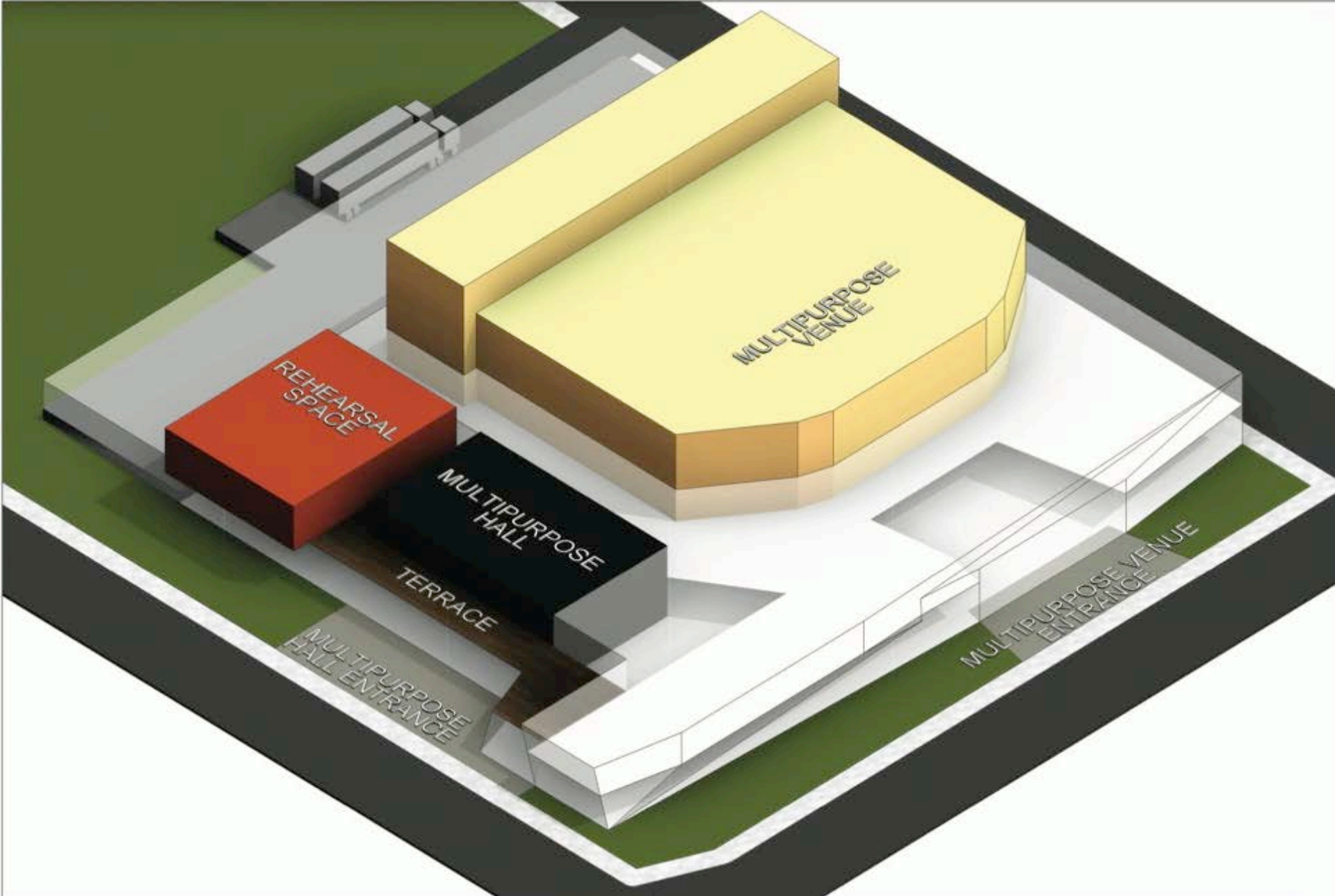
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The Multi-Use Solution

- Transformation technology for rapid changeover
- Theater mode: 1,400 seats
- Convention mode: 3 halls @ 300-450 seats each
- Flat floor mode: trade shows (2,000), banquets (1,000)
- Main Lobby: receptions, displays, social function
- Exhibit Hall: 100-300 persons
- Rehearsal Hall: recitals, meetings, workshops
- Commercial kitchen/catering
- State-of-the-art staging, lighting & audio/video



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Community & Commercial Activity

(per Art Expert/Global Spectrum Events Management)

- 30 conferences, trade shows, corporate events
- 46 touring / resident concerts/performing arts events
- 11 Family shows (Sesame Street, Cirque spectacular)
- 8 sporting events (gymnastics, martial arts, cheerleading)
- 22 special events (graduations, show cases, art exhibits)
- 212 meetings, seminars, lectures, rehearsals, recitals, classes
- **329 events / 170,000 attendees per annum**

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12-month Operating Pro-forma

(per Global Spectrum Events Management)

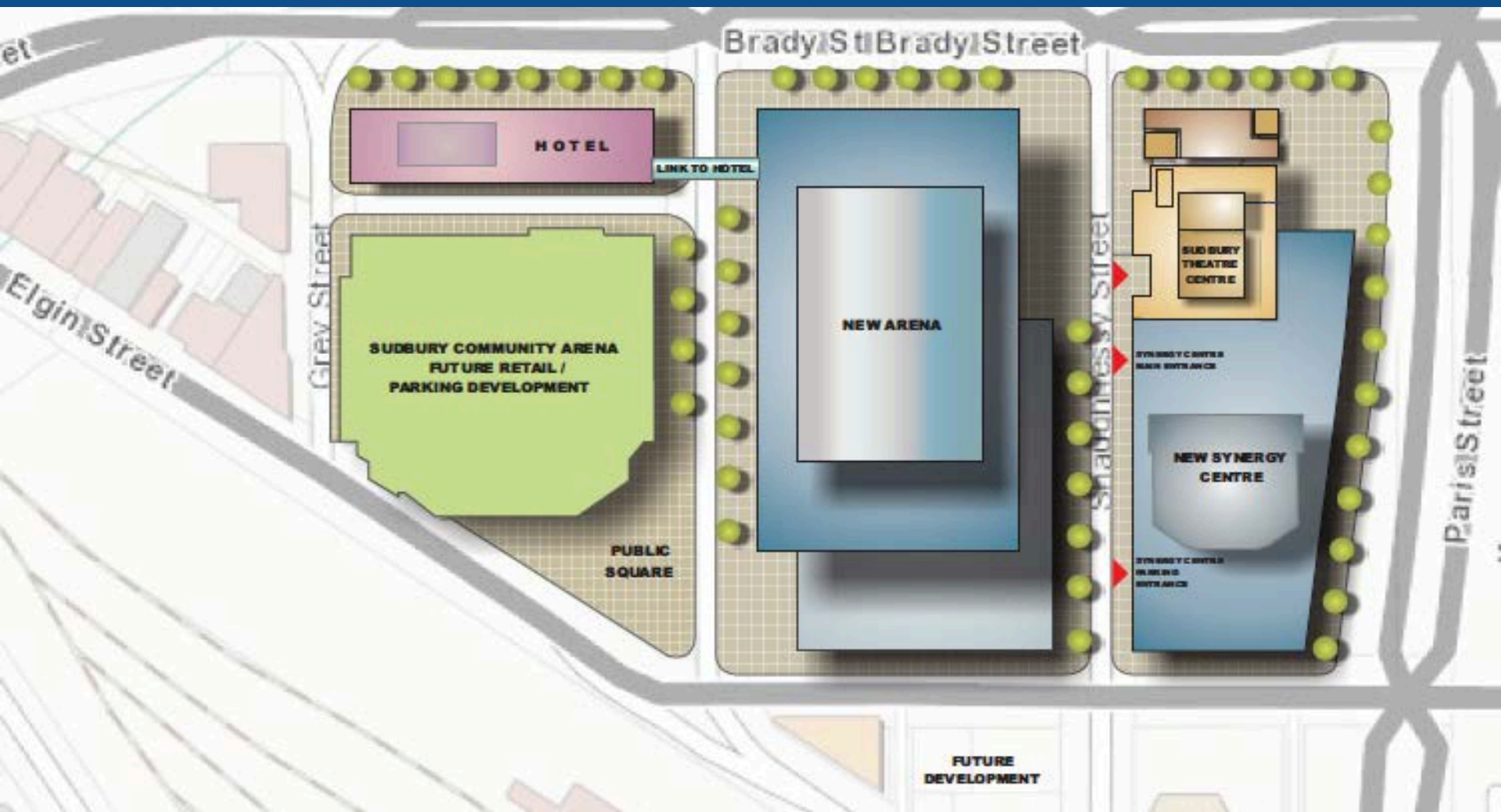
Gross Income (event rentals, promoter, facility/ ticketing fees)	\$ 872,000
Ancillary Income (suites, concessions catering, A/V, novelties)	468,000
Other Income (advertising, sponsors, marquee, office rentals etc.)	597,000
Adjusted Gross Income	1,937,000
Total Expenses (salaries, materials, services)	1,886,000
Net profit	\$ 51,000



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Proposed Mixed-Use Development



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Capital Cost: Mixed-Use Development

Construction Costs:

Synergy Centre	\$65 M
Brand Hotel (150 room)	25 M
Parking structure (est. 250 cars)	6 M
Total	\$106 M

Capital Revenue:

Hotel / Developer contribution	\$25 M
Federal contribution	15 M
Provincial contribution	15 M
Sponsorships	15 M
City Contribution / Financing	36 M
Total	\$106 M



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Structured Financing: Mixed-use Development

(per CBRE Capital Markets / PKF Hotels & Leisure Services Group)

<u>Asset</u>	<u>Rate</u>	<u>Contribution/annum</u>	<u>Mortgage Serv.(4%)</u>
Hotel (150 rm.)	R.E. Tax 3.9%/1000	\$ 842,000	\$ 13.4 M
Parking (250)	Rate \$5/spot/day	\$ 465,000	7.4 M
Retail (15,000 sq. ft.)	Rent \$15 / sq. ft.	\$ 225,000	3.6 M
City net contribution*			11.6 M
Total Yield		\$ 1,532,000	36.0 M

* Net benefits to City via achieved assets (e.g. road improvements, parking, adjacent land value increases)



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Economic Benefits

- Double share of arts/culture/convention market @ Yr. 5
- Annual economic impact of \$35 M (TREIM)
- Revenue neutral, self-sustaining business model
- Catalyst for Downtown revitalization (hotel/commercial)
- Reinforces City's role as regional commercial/cultural hub



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Social Benefits

- Strengthens partnerships & community engagement
- Enhances capacity/participation of arts & culture organizations
- Creates/grows new arts & culture opportunities/enterprises
- Co-location opportunities (e.g. gallery/museum space, artist space, library/media centre)
- Supports businesses/institutions for professional recruitment

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Environmental Benefits

- Renews commercial, arts & culture infrastructure
- Eliminates need for multiple stand-alone facilities
- Incorporates energy-efficient, green technologies



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Supported By:



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- Will revitalize the economy of the Downtown core
- Will be operationally self-sustaining
- Will enhance our City's "quality of life & place"
- Will meet the future growth needs of our City



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Funding Request

- City support to complete pre-construction phase:
 - \$300,000 over 2 years
- Project to be “shovel-ready” by January 2018