

Request for Decision

Fabio Belli Foundation Proposal for the Creation of a Multi-Use Facility

Presented To:	Community Services Committee
Presented:	Monday, Jul 09, 2018
Report Date	Tuesday, Jun 19, 2018
Type:	Managers' Reports

Resolution

THAT the City of Greater Sudbury directs staff to prepare a business case for financial support of the Fabio Belli Indoor Sports Centre as outlined in the report entitled "Fabio Belli Foundation Proposal for the Creation of a Multi-Use Facility" from the General Manager of Community Development, presented at the Community Services Committee meeting on July 9, 2018, for consideration for inclusion in the 2019 municipal budget process.

Relationship to the Strategic Plan / Health Impact Assessment

This report supports Council's Strategic Plan in the area of Quality of Life and Place as it aligns with the Population Health Priorities of Families, Play Opportunities and Age Friendly Strategy. The development of a new indoor multi-use facility would allow for programs and services which would improve the health and well-being of youth, families and seniors.

Report Summary

This report outlines the unsolicited proposal received by the Fabio Belli Foundation for capital and ongoing support of their proposed multi-use facility. The report seeks direction to bring forward a business case as part of the 2019 budget process to consider financial support.

Financial Implications

The Fabio Belli Foundation has requested a one time support in the amount of \$2,950,000 towards the project and annual operating support in the amount of \$25,000.

Upon Council's approval, a business case for capital and ongoing support will be included for consideration

Signed By

Report Prepared By

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Health Impact Review

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Division Review

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Financial Implications

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Recommended by the Department

Catherine Matheson
General Manager of Community Development
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Recommended by the C.A.O.

Ed Archer
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as part of the 2019 budget process.

Background

At the April 3, 2017 Community Services Committee meeting, Council received a report titled Indoor Turf and Multi-Purpose Facilities which provided an overview of potential projects in the community. The report noted that the City of Greater Sudbury (City) had fielded inquiries and unsolicited proposals from various groups about collaborating to realize multi-purpose facilities in the community. The report indicated that the City did not have an established framework for receiving and evaluating initiatives that would involve City support. The report recommended that a review of demand for these types of facilities be conducted and to develop a framework to receive and evaluate proposals for the development of recreation facilities that require City support.

At the Community Services Committee meeting of June 19, 2017, Council was provided a preliminary demand analysis for indoor turf facilities as part of the report titled Framework for Partnership Opportunities for Indoor Turf and Multi-Purpose Facilities Interim Report. The report indicated that the City could support a permanent facility with two small fields which can be accommodated on a pitch measuring approximately 200 by 200 feet (excluding run-out space and a clubhouse building). The report noted that there were economies of scales realized with the construction of an air supported structure over a full sized (FIFA regulation) field.

A report titled Framework for Partnership Opportunities for Indoor Turf and Multi-Purpose Facilities - Final Report was presented at the Community Services Committee on October 23, 2017. The report included a framework and process to guide decisions related to collaborating with third parties for the delivery and provision of recreation services and facilities. The framework included the following tools:

- Decision tree for direct vs. indirect service delivery.
- Four stage partnership development model.
- Detailed steps of a three stage search and selection process.
- Standardized framework for evaluation of unsolicited proposals.

The Fabio Belli Foundation (Foundation) addressed the Community Services Committee at the May 14, 2018 meeting as a community delegation. Foundation representatives provided an update on the progress made regarding a multi-use indoor sports facility. As part of the presentation, the group noted that the Province of Ontario has committed \$4M towards the project and that they were working with the Rainbow District School Board for additional support.

Update

Subsequent to their presentation to the Community Services Committee, the Fabio Belli Foundation submitted a request for capital and ongoing support towards the multi-use facility project (Appendix A – Letter to City of Greater Sudbury, June 2018, attached).

The proposal outlined request for financial assistance as follows:

- Capital dollars in the estimated amount of \$2.2M towards necessary infrastructure for the project including roadwork and other associated work.
- Capital dollars in the amount of \$750,000 towards the construction of a new permanent 5,000 square foot field house that will house change rooms, washrooms, office space, meeting space, etc.
- An annual \$25,000 operational grant.

The unsolicited proposal submitted also included a business plan prepared by the Fabio Belli Foundation and nuAGE CPA (Appendix B – Fabio Belli Foundation Business Plan, April 2018, attached).

Analysis

The framework previously approved for the evaluation of proposals for the development of recreation facilities that require City support included a standardized framework for evaluation of unsolicited proposals. The framework indicates that unsolicited proposals at minimum should include the following:

- Comprehensive needs analysis.
- Comprehensive business plan.
- Proponent's financial capacity.
- Clear demonstration of the sustainability of the project.
- In the case of a not-for-profit group, the organization's succession plan.
- Detailed evidence of community benefit.
- Full risk analysis.

The Fabio Belli Foundation proposal included the following:

Comprehensive Needs Analysis

The Fabio Belli Foundation noted that since the closure of the Exhibition Centre, there is a lack of a suitable facility to support field sports requiring an indoor location for off season use. The proposal references the City's Framework for Partnership Opportunities for Indoor Turf and Multi-Purpose Facilities - Final Report which states that there is sufficient local demand for a permanent facility with two indoor turf fields (200 by 100 feet) and that there are economies of scale if an air supported structure is built over a full size regulation field. The Foundation's proposal also notes anticipated increase usage by adult groups and other field sports.

Comprehensive Business Plan

The Fabio Belli Foundation has included short term and long term pro forma statements as part of their proposal, outlining the expected revenues and costs over a ten year period. The projected statements also account for a capital fund replacement as well as a turf replacement. The assumed field rental rates and estimated rented hours are in line with the City's demand analysis previously conducted. Projections show a positive cash flow balance during each year of operation.

The Foundation is requesting that the City provides an annual grant in the amount of \$25,000 towards the operation of the proposed multi-use facility.

Financial Capacity

The proposal outlines the committed funding already in place for the \$5.6M construction of the multi-use facility:

Funding Partner	Committed Amount
Province of Ontario	\$4,000,000
Rainbow District School Board	\$1,100,000
Fabio Belli Foundation Fundraising	\$500,000

Additional funding is required for roadwork and associated infrastructure in the estimated amount of \$2.2M. The foundation is seeking City support with respect to these capital costs. The Foundation is also seeking a contribution of \$750,000 towards the construction of a new 5,000 square foot field house.

Project Sustainability

The Fabio Bell Foundation, as a not-for-profit organization, has committed to ensuring costs remain low to provide all socio-economic citizens with access to the facility. All profits will be reinvested into the Fabio Belli Foundation to ensure future sustainability and enhanced services for the benefit of all residents of the City of Greater Sudbury.

The Fabio Belli Foundation has also included its mission vision, mandate and values as follows:

Mission

The Fabio Belli Foundation acts as a voice for the promotion of health, wellness and sport for all citizens in the City of Greater Sudbury. Its mission is to increase well-being and enrich sporting experiences by creating and maintaining accessible facilities, encouraging healthy living, and celebrating sports excellence.

Vision

To be a local leader in facilitating a quality and inclusive environment that supports wellness and sport development, and where:

- Everyone is encouraged and valued for their contributions.
- Everyone sees participation in physical activity as an integral and vibrant part of their daily lives and the health of their community.
- Everyone has the opportunity to develop their skills, confidence, and to enhance their enjoyment of physical activity through participation.
- Athletes are provided with the opportunity to achieve world-class performance.

Mandate, Goals and Objectives

The Fabio Belli Foundation will contribute to the physical, mental and social well-being of the community by:

- Building and operating an indoor multi-sport facility.
- Creating programs that promote health and increase health literacy.
- Emphasizing the importance of sustainability of the Fabio Belli Foundation.
- Helping the public and private sectors work together.
- Ensuring that funding is used properly.
- Improving processes and performance.

Values

Given the countless ways that physical activity and sport enrich our lives, the foundation intends to be inclusive, ethical, innovative, and respectful. That means we will:

- Ensure everyone has the opportunity to get involved, regardless of their background and socio-economic status.
- Exercise transparency, and work with like-minded individuals and organizations.
- Deploy creative solutions to ensure long-lasting financial viability.
- Cooperate with and support our members and partners.

Succession Plan

The Fabio Belli Foundation's by-law charter includes the following to address succession planning for their not for profit organization:

- Gain the commitment of board and staff to manage transition intentionally.
- Identify current challenges and those that lie ahead, and the corresponding leadership qualities that are needed to navigate the challenges successfully.
- Consider whether placing an interim leader at the helm is the right path for our non-profit.
- Draft a timeline for leadership successions that are planned.
- Adopt an Emergency Leadership Transition Plan to address the timely delegation of duties and authority whenever there is an unexpected transition or interruption in key leadership.
- Identify leadership development opportunities for staff and board members to expand their leadership skills so that the organization will have a "deeper bench" of future leaders.
- Cross-train current staff to minimize the disruption from unexpected staffing changes.
- Make plans to adequately support newly-placed employees, such as with coaching, mentoring, and defining goals.

- Communicate: What will your organization say to stakeholders before, during, and after a transition of leadership? Thoughtful communications are needed in order to support the staff and organization during the transition process.
- On board deliberately: Help new board chairs and chief staff leaders feel confident and find their own voices.

Evidence of Community Benefit

The Foundation's proposal points to a number of community benefits for the improvement of quality of life and health and well being that a multi-use facility would provide the community. The proposal also notes the benefits a multi-use facility provides for the skill development and long term athlete development.

Specifically, during the Fabio Belli Foundation's presentation to Community Services on May 14, 2018, the following community benefits were identified:

- Reduces health care costs.
- Increases grassroots community excitement.
- Reduces crime.
- Increases happiness (full spectrum light and activity).
- Breaks down social, race, cultural and economic barriers through activity.
- Reduces screen time for kids.

During the presentation, Foundation representatives also made commitments to providing low cost and no cost activities for the community, including free indoor walking for older adults.

Risk Analysis

The Fabio Belli Foundation accounts for existing and potential threats including human, operational, financial, procedural and political threats. The Foundation's proposal has outlined established by-laws, controls and procedures to mitigate potential threats.

Summary

The proposal received from the Fabio Belli Foundation for support towards the development of a multi-use facility meets a demonstrated need for an indoor facility. Community benefit has been demonstrated and the Foundation's proposal supports the City's priorities to improve the quality of life and place for residents through the provision of programs and services designed to improve the health and well-being of youth, families and seniors.

The proposed project meets the minimum requirements of providing a business plan, risk assessment and succession plan.

Next Steps

Upon Council's approval, a business case for capital and ongoing support will be included for consideration as part of the 2019 budget process.

References

Fabio Belli Foundation Presentation, Community Services Committee (May 14, 2018)
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=23513.pdf>

Framework for Partnership Opportunities for Indoor Turf and Multi-Purpose Facilities - Final Report, Community Services Committee (October 23, 2017)
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=1&id=1154>

Framework for Partnership Opportunities for Indoor Turf and Multi-Purpose Facilities Interim Report, Community Services Committee (June 19, 2017)
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=3&id=1152>

Indoor Turf and Multi-Purpose Facilities Report, Community Services Committee (April 3, 2017)
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=9&id=1151>



Fabio Belli
Foundation

Unsolicited Proposal for the Creation of a Covered Multi-Use Facility in the City of Greater Sudbury

June 11, 2018



June 11, 2018

To whom it may concern:

The Fabio Belli Foundation is a local not for profit organization looking at facilitating a quality and inclusive environment that supports wellness and sport development. The Foundation acts as a voice for the promotion of health, wellness and sport for all citizens in the City of Greater Sudbury. Its mission is to increase wellbeing and enrich sporting experiences by building and maintaining accessible facilities, encourage healthy living and celebrating sports excellence.

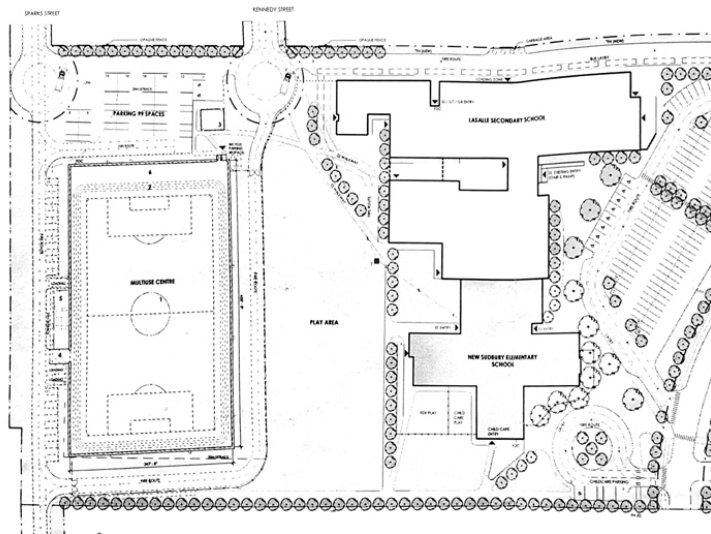
*Currently, the main focus of the Foundation is to build and operate an indoor multi sports facility in Greater Sudbury. As a Foundation, we are working to establish community partners to allow us to meet our goal of building this complex. As a non-profit entity, we are committed to ensure the facility is built and operated in such a manner that will be efficient and cost effective for **all citizens of the City of Greater Sudbury**.*

Please accept the attached proposal from the Fabio Belli Foundation ("the Foundation") as a request for financial assistance from the City of Greater Sudbury for the creation of an air supported multi-use facility and surrounding supporting infrastructure.

We propose that the facility be called the Fabio Belli Indoor Sports Centre in honour of the late Fabio Belli who worked tirelessly for the creation of just such a structure. This letter contains information previously discussed at the Community Services meeting on May 14, 2018 in addition to new information.



Although a final location has not been determined, we have discussed the proposal with Rainbow District School Board to consider partnering with the Fabio Belli Foundation ("Foundation") to build the fieldhouse on the Lasalle Secondary School property. They are currently in the process of finalizing the construction of a new elementary school and there would be significant synergies if the two projects were built together. This partnership would require the approval of the board.



We are respectfully requesting that the City of Greater Sudbury support this project by providing both capital funds and grant to keep user rates affordable.

We are requesting:

- 1) We are asking that the City of Greater Sudbury reinstate an annual \$25,000 grant that was given to the Sudbury Regional Soccer Association to assist in the administration of the previous Sudbury Multi-Use facility at 967 Falconbridge Road. By helping keep overhead costs low the city will allow the Foundation to offer programs at low cost/no cost to community groups that could not normally access such a facility. We will work closely with the City of Greater Sudbury to ensure fragile sectors of society have access to this facility including such groups as the elderly who have already voiced support for our proposed walking track and lower socio-economic groups that normally could not afford access to such a facility.
- 2) The Foundation is asking the City of Greater Sudbury to assist in completion of infrastructure including roads and other associated work. It is our understanding that road work in the area already has capital budget dollars allocated for road work improvement. The Foundation asks that these capital dollars be allocated to the project in 2018 or 2019. The commitment by the City of Greater Sudbury towards the roadwork has been earmarked at 2.2 million dollars.
- 3) In addition to the construction of the Fabio Belli Indoor Sports Centre, the centre will require a fieldhouse that will house change rooms, wash rooms, office space, storage space and a meeting place for organizations using the facility. A small existing field house currently exists near the facility and we hope to work with present occupants temporarily use for bathrooms for dome users. The fieldhouse is tiny, old and will need to be enlarged and attached to the dome. The Foundation will build a new enlarged and attached field house to ensure proper restroom

facilities, shared meeting areas and a safe and well-lit common entry to the dome. The size of the upgraded/new facility would be between 3,500 and 5,000 square feet. The Foundation is requesting that the City of Greater Sudbury contribute \$750,000 to build the field house.

One Time Support	
Field House	\$750,000
Infrastructure	
Roads, etc	\$2,200,000

Annual Support	
Assistive operation costs	\$25,000

The Foundation understands that the City of Greater Sudbury commissioned a report dated October 11, 2017 to establish a framework to evaluate unsolicited proposals for the construction of an indoor turf-multi use facility. We believe that our proposal meets the criteria. We believe there is a need for this facility and are pleased that the city shares our vision as identified through the various reports that will be quoted in the following submission.

We hope the City of Greater Sudbury will give our proposal favourable consideration. By having the City of Greater as a partner in this initiative, it will further solidify this as a community project where the citizens of the Greater City of Sudbury can gather.

Find supportive information which will further support our request attached to this letter.

We look forward to working with the City of Greater Sudbury to execute this vision and make Sudbury a truly healthier and happier place!

Sincerely,
Dino Moretta



Co-Chair -Fabio Belli Foundation

Important Distinctions

Our proposal can be distinguished from competing bids on many areas. We have highlighted two of these areas in this prologue.

1. Strong Governance

Unfortunately, Sudbury suffers from what many small to medium sized communities suffer from. There is a relatively small number of people to draw from to champion community organizations and community events. Left on their own, these organizations grow with dependencies on these individuals. While they are passionate and give tirelessly of their time, often there is no governing body to guide their growth—Without a solid foundation on which to build, the system collapses and this leaves a gap in that area until the next individual takes the mantle.

The Fabio Belli Foundation has a broad mission and a strong governance structure. No single individual or group of individuals are integral to its existence. The board will hire and oversee an executive to fulfill its mission, which is highlighted in this document. There will be Board oversight of the facility at all times.

2. Focus on the Citizens of Greater Sudbury and Not-for-Profit

The Belli Foundation will focus its energy on ensuring the facility is accessed by regular user groups. It will also partition times for user groups without a voice or without the financial ability to afford even the non-profit fees. We will ensure time is allocated for elderly walks and will explore partnership opportunities for the very young to share the facilities and enjoy activities under the supervision of medical professionals.

<https://www.theglobeandmail.com/news/national/kindergarten-in-a-retirement-home-proves-a-hit-with-young-and-old/article4103165/>

and <http://www.carp.ca/2012/01/13/kindergarten-in-a-retirement-home-proves-a-hit-with-young-and-old/>

The facility will be a hub of happiness and health for all, not only those with an ability to pay. Winter in Greater Sudbury is long. Spending time in a large, open, bright, green space will go a long way towards improving the health of citizens of our community, young and old alike. We intend to host “Walk the Dome” nights for elderly residents with limited mobility and drop in “Walking Soccer” for those with more mobility. These are two examples of many community events that will be possible with the covered turf fieldhouse.

The Fabio Belli Foundation will give children of lower socio-economic status access to events at the facility and will work with community partners to ensure the facility complements and augments existing programs.

Identified Requirements

A. Comprehensive needs analysis; Three main supporting documents.

The City of Greater Sudbury has already identified the need for fields, as highlighted in the following report:

1. From the **Open Space/Leisure Master Plan 2014**.
“Open Space/Leisure Master Plan 2014”

“According to a City of Sudbury recreational city plan from 2014, Greater Sudbury can support a double indoor field and its population does not have any indoor facility for indoor recreation.



5.9

Indoor Turf Facilities Inventory & Background

The City of Greater Sudbury does not currently provide any indoor facilities for turf sports (e.g., soccer, football, baseball, track and field training, etc.), but did recently develop its first outdoor artificial turf field at the James Jerome Sports Complex, which allows for extended outdoor season use. The private sector, in partnership with the Sudbury Regional Soccer Association (SRSA), operates an Indoor Soccer Centre (formerly the Exhibition Centre) in the former City of Sudbury. This past season, a new operator took over the Indoor Soccer Centre and installed fieldturf. Some indoor soccer activities also take place in local school and post-secondary gymnasiums.

Based on a broad target of one indoor turf field per 100,000 residents, a Feasibility Study prepared by the City of Greater Sudbury for a Multi-use Recreation Complex in 2007 identified demand for two indoor turf fields (200 by 100 feet) to meet the needs of a variety of field sports and indoor events. This Multi-use Recreation Complex was not realized and is not currently being pursued. Recently, the development of 80,000 square foot air supported dome for indoor sports on St. Charles College lands has been proposed by the SRSA, St. Charles College, and a private operator. The City does not have any direct

involvement in this initiative. The current proposal for the St. Charles College dome would include four small fields for soccer and two for baseball, as well as a batting cage and a running track along the dome's perimeter. Initial construction plans have been delayed but may proceed in 2014.

Analysis:

The popularity of soccer is expanding into all seasons, which requires artificial turf indoor facilities, the development of which is a widespread trend across Ontario. Indoor soccer appeals to a smaller market segment than the outdoor game, but has the potential to continue to grow in popularity, particularly with trends suggesting increased interest in adult soccer. The manner in which indoor sports field facilities are designed, funded, and operated varies widely across the province. Indoor sports fields can be: covered by domes or permanent structures (converted or purpose built); small (similar to an outdoor mini field) or large (similar to an outdoor major field); and funded/operated by the municipality, not-for-profit group, and/or private sector. The fields can be used for sports such as minor baseball, field hockey, football, lacrosse, rugby, and other events, although soccer is typically the predominant activity. The financial viability of an indoor soccer facility is heavily influenced by its size, type of construction, and operating model. Many municipalities that have chosen to forgo providing indoor field facilities, instead deciding to allow the private sector to fill this void.

The city found that the Exhibition Centre fulfilled the need but this has since closed leaving a gaping hole in the community.

2. From the Multi-Use Recreational Complex Feasibility Study



CITY OF GREATER SUDBURY

MULTI-USE RECREATIONAL COMPLEX FEASIBILITY STUDY

November 1, 2007
Final Draft Report

4.3 Indoor Turf

The Sudbury Indoor Soccer Centre is the only indoor turf venue in the City. The facility (also referred to as the Exhibition Centre) is located on Falconbridge Highway in the former City of Sudbury and is leased by the Sudbury Regional Soccer Association (SRSA) on a year-to-year basis from a private owner. The 24,000 square foot building contains a field that is approximately 200 by 100 feet. The building was not originally designed to be an indoor soccer centre and, according to the SRSA, the turf is in dire need of replacement. The City of Greater Sudbury currently provides an annual grant of \$25,000 to assist the SRSA in its operation of the facility. As the popularity of soccer has taken off over the past decade, so too has the demand for additional outdoor fields which, in turn, has spurred demand for year-round indoor facilities. The 2004 Master Plan recognized the need for one indoor turf field in the City, with the potential need for a second between 2009 and 2013. At the time, it was recommended that Barrydowne Arena be redeveloped as an indoor turf venue, as well as an additional surplus arena in the future. Further investigation has shown that former arenas cannot adequately accommodate indoor soccer and that purpose-built facilities are now the preferred design.

In Ontario, the development of indoor venues was historically initiated by non-profit soccer organizations and/or the private sector and focussed on industrial/warehouse locations where land and large buildings were prevalent (as is the case in Greater Sudbury). As the popularity of

soccer continued to grow in the mid-1990s, many community organizations approached municipalities to request assistance with the development of indoor facilities. In some of these cases, the operation of the facilities is entirely funded by a non-profit third party (and is, therefore, self-sufficient), while the capital and land was a mixture of municipal and community funding. More and more, however, larger urban municipalities are directly funding and operating indoor soccer facilities with or without some level of financial or management assistance from local soccer organizations. From our experience, we have found that nearly every urban community in Central and Southwestern Ontario with a population over 100,000 has at least one such facility and some smaller communities are providing or considering indoor soccer facilities.

We estimate that – excluding the City of Toronto – there is approximately 1 indoor soccer field per 100,000 people in the Greater Toronto Area. In Vaughan alone, there are 6 indoor facilities that service a population of 250,000, but users come from a population base of over 2 million. These ratios are likely to change, however, in the coming years as many communities have indoor fields in the development stages (e.g., Brampton, Mississauga, etc.). Calculating demand for indoor soccer venues is not as precise as it is for outdoor soccer due to a variety of reasons, most notably that there are no hard and fast provision standards that can be applied – municipalities provide them at dramatically different rates. Nevertheless, the 2004 Master Plan utilized a provision standard of one indoor turf field (200 x 100 feet) per 100,000 population; although it is noted that this is a highly generic standard that requires a more indepth assessment to ensure that it is reflective of local circumstances. A more appropriate method of determining indoor field demand is to look at the usage potential from local sports organizations. For the 2006/07 indoor season, the Sudbury Indoor Soccer Centre had 943 registrants (including 420 youth and 523 adults). According to the Sudbury Regional Soccer Association, this is the maximum capacity of the facility and only allows each player to play one game per week. Based on what we have seen in other communities, it is reasonable to assume that one-quarter of all outdoor players would be interested in playing indoor soccer. A slightly lower percentage – 20% – is more reasonable for Greater Sudbury as the distance some players would have to travel to access the facility would limit participation.

Although the Ontario Soccer Association asserts that one-half of outdoor players would play indoor if adequate facilities exist, we feel this is overly optimistic for Greater Sudbury due to other competing sports such as hockey, which is clearly a popular activity in Greater Sudbury. Furthermore, an average youth soccer team would contain 10 players and require 1 hour per week, which allows for a game and shared practice (something that the current Sudbury facility cannot accommodate). Applying this ratio to the 420 youth players utilizing the indoor facility at present, the demand for youth soccer would be approximately 42 hours per week; this does not account for latent demand. With 4,783 youth playing outdoor soccer in Greater Sudbury (including the SRSA, Valley East, Rayside-Balfour, and Walden minor programs, as well as several club teams), it can be estimated that the total demand for indoor youth soccer is presently 96 hours ($4,783 \times 20\% = 957$ players / 10 players per hour). Using the same definition for minor prime time that is used for arenas (53 hours per week), this equates to a demand for 1.8 indoor fields. In addition to minor prime time, there are approximately 21 shoulder hours (Monday to Friday 4 to 5 p.m. and 10 p.m. to 12 a.m., and Saturday to Sunday 7 a.m. to 8 a.m.

and 10 p.m. to 12 a.m.) available to an indoor turf facility. As such, it is reasonable to expect that an indoor facility could be comfortably used 74 hours per week, not including usage during the daytime (which would likely be more sporadic). Youth football and other field sports are other potential users of minor prime time, although none of these groups are major users of the existing facility. Adult soccer groups, casual rentals, schools, etc. would also create demand that would generally be able to be accommodated outside of minor prime time hours or during the off-season. Some usage would also likely come from outside the City's municipal boundaries; however, this more difficult to predict and does not represent the core market that the City is seeking to serve. With a youth population that is currently at its peak, the demand for an indoor soccer facility is also likely at or near its peak.

The above model accounts for latent demand, but does not address increased interest in soccer. We expect that youth soccer participation rates will begin to level off in Greater Sudbury once an adequate supply of fields is available, as is the case in many other communities. Based on an extrapolation of trends, adult soccer is a significant growth area that could add to demand for both indoor and outdoor fields in the future. In terms of facility design, there are two distinct models that the City could pursue: (1) The development of two individual fields, each sized 200 feet by 100 feet. These are appropriate for local recreational soccer needs and training for both youth and adults. (2) The development of one full-size field, sized 300 feet by 200 feet and divisible into three smaller individual fields. This type of field can to accommodate higher levels of competition for local athletes and provincial, national, or international events. Either option could be constructed as permanent steel structure or an air-supported dome placed over an artificial turf field. Applicability of these design alternatives should be explored through discussion with the SRSA. Members of the SRSA have put forward two facility development proposals that mirror both of the above options; they hope to be selecting one preferred option to put forward to the City in the near future. The first one is for an indoor soccer centre referred to as the Northern Ontario Soccer Academy (NOSA). This facility would be approximately 100,000 square feet and consist of one full size field (300 feet by 200 feet) that is divisible into three smaller fields as well as outdoor fields. At present, the proposal is for this facility to be developed on its own site and not be associated with the multi-use recreational complex; however, the group is open to discussing options for joint facility development. One of the primary reasons for this is to advance the construction of the soccer facility; the prefabricated building design the group is proposing can allow for the facility to be in place within a period of approximately one year. To build and operate the facility, the group may require land (including site preparation) and an increased annual grant from the City. The details of their capital estimates and operating pro forma are presented in their business plan, which is currently under review by the City. The other proposal, which was presented at one of the community workshops, was to develop two separate 200 by 100 foot fields (as well as associated outdoor fields), which is what our analysis has indicated there is demand for. Additional discussion will be required with the SRSA to identify their preferred facility development option.


Key Findings:

1) There is current and long-term demand for two indoor turf fields (200 by 100 feet) in the City to meet the needs of a variety of field sports and indoor events. It is our recommendation that these should be designed as individual fields and not be part of a full field complex as there is insufficient demand for a larger facility. Although interest in adult soccer and other field sports is on the rise, increases in these indoor activities are likely to be only sufficient to balance the decline in the City's youth population over the long-term.

2) Combined with the arena facilities, an indoor turf venue would potentially enhance the marketability of the multi-use facility, offer economies of scale, and create a new revenue stream that could be used to offset losses in other areas to finance the capital debt load.

3) Additional discussion will be required with the SRSA to identify their preferred facility development option and to examine more closely the operating profile and relationship that would best meet their needs (e.g., a facility operated by the City, the Association through a governance board, or the private sector).

3. From the **Indoor Turf and Multi-Purpose Facility Strategy - Draft - September 2017 (Appendix A)**

	
Request for Decision Framework for Partnership Opportunities for Indoor Turf and Multi-Purpose Facilities - Final Report	Presented To: Community Services Committee
	Presented: Monday, Oct 23, 2017
	Report Date Wednesday, Oct 11, 2017
	Type: Presentations

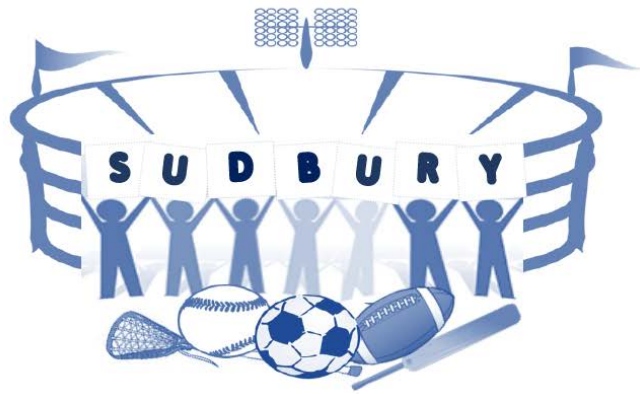
Key Findings – Indoor Turf

- The development of indoor turf facilities is a widespread trend across Ontario. These facilities support year-round training for competitive athletes of several sports (mainly soccer) and a variety of recreational activities.
- The City has not been directly involved in the provision or operation of an indoor turf facility and its 2014 Leisure, Parks and Open Space Master Plan Review recommended that other sectors continue to be the primary providers of these facilities. Across Canada, many facilities are operated in partnership with soccer clubs or the private sector.
- Using a participant-based methodology that considers common ratios and standards of play, the demand for indoor turf facilities (for all indoor field sport uses) in the City is currently estimated at 82 hours per week. Assuming an average weekly capacity of 60 hours per field, this translates into a current demand for 1.4 small fields (approximately 200 by 100 feet each). Fields cannot be designed as partial fields, thus this level of demand equates to two (2) small fields.
- If the facility is proposed as a permanent structure, a building that can house two small fields would be appropriate. If the facility is designed as an air-supported dome installed over an artificial turf field, a full field enclosure could be considered due to economies of scale; however, this should be explored further with the primary user groups.

B. Comprehensive Business Plan (Please see attached)

In March 2017, the Fabio Belli Foundation obtained the expertise of nuAGE CPA, who offered a comprehensive business plan for consideration by its Board of Directors. As can be seen in the attached Facility Proposal, it is projected that the proposed facility will generate positive cash flows each year, thereby meeting the Foundation's objective of ensuring a sustainable operation. Variable expenses directly related to the operation of the site are considered appropriate for the nature and size of the building, and are based on market rates that currently apply. Revenue is projected in 2019 based on a utilization rate of 60% during prime times, for both peak and non-peak seasons, and is anticipated to grow 19% in 2020 and 26% in 2021. To remain conservative, the revenue model for years 2022 through 2028 has remained relatively consistent to the revenue profile in 2021, adjusted for a slight growth projection of 1% applied in each year following 2021. A copy of the business plan was provided to the Community Services committee on May 14, 2018.

THE FABIO BELLI FOUNDATION: FACILITY PROPOSAL



C. Shown Financial Capacity

FINANCIAL PROJECTIONS

The attached financial projections have been developed by the assumptions enclosed, together with the Foundation's knowledge of the local market and current conditions. For the purposes of this forecast, the fiscal year end of the organization has been assumed to be June 30th. Furthermore, although development and construction activities have not started, for the purposes of this analysis, the assumption is that construction will be completed before the start of the Peak Season in fiscal 2019, being October 2019. However, the Foundation is currently anticipating having the construction completed by the end of 2018 and occupancy available for January 2019.

-See Business Plan

D. Demonstrated Project Sustainability

As stated in the attached business plan and this document, this project is not only sustainable, but it is also an absolute requirement for the City of Greater Sudbury.

The Fabio Belli Foundation, as a not-for-profit organization, will ensure costs remain low to provide all socio-economic citizens with access to the facility. All profits will be reinvested into the Fabio Belli Foundation to ensure future sustainability and enhanced services for the benefit of all residents of the City of Greater Sudbury.

Mission

The Fabio Belli Foundation acts as a voice for the promotion of health, wellness and sport for all citizens in the City of Greater Sudbury. Its mission is to increase wellbeing and enrich sporting experiences by creating and maintaining accessible facilities, encouraging healthy living, and celebrating sports excellence.

Vision

To be a local leader in facilitating a quality and inclusive environment that supports wellness and sport development, and where:

- everyone is encouraged and valued for their contributions.
- everyone sees participation in physical activity as an integral and vibrant part of their daily lives and the health of their community.
- everyone has the opportunity to develop their skills, confidence, and to enhance their enjoyment of physical activity through participation.
- athletes are provided with the opportunity to achieve world-class performance.

Mandate, Goals and Objectives

The Fabio Belli Foundation will contribute to the physical, mental and social wellbeing of the community by:

- Building and operating an indoor multi-sport facility.
- Creating programs that promote health and increase health literacy.
- Emphasizing the importance of sustainability of the Fabio Belli Foundation.
- Helping the public and private sectors work together.
- Ensuring that funding is used properly.
- Improving processes and performance.

Values

Given the countless ways that physical activity and sport enrich our lives, the foundation intends to be inclusive, ethical, innovative, and respectful. That means we will:

- Ensure everyone has the opportunity to get involved, regardless of their background and socio-economic status.
- Exercise transparency, and work with like-minded individuals and organizations.
- Deploy creative solutions to ensure long-lasting financial viability.
- Cooperate with and support our members and partners.

E. Organizational Succession Plan

Non-profits that are serious about their own sustainability are also serious about planning for smooth and thoughtful transitions of leadership as well as making sure their non-profit is prepared for unexpected departures.

The Fabio Belli Foundation will base its succession planning on these basic principles. As such, the Fabio Belli Foundation created a comprehensive bylaw charter in 2017.

The Fabio Belli Foundation has included within its bylaws the capacity to:

1. Gain the commitment of board and staff to manage transition intentionally.
2. Identify current challenges and those that lie ahead, and the corresponding leadership qualities that are needed to navigate the challenges successfully.
3. Consider whether placing an interim leader at the helm is the right path for our non-profit.
4. Draft a timeline for leadership successions that are planned.
5. Adopt an Emergency Leadership Transition Plan to address the timely delegation of duties and authority whenever there is an unexpected transition or interruption in key leadership.
6. Identify leadership development opportunities for staff and board members to expand their leadership skills so that the organization will have a "deeper bench" of future leaders.
7. Cross-train current staff to minimize the disruption from unexpected staffing changes.
8. Make plans to adequately support newly-placed employees, such as with coaching, mentoring, and defining goals.
9. Communicate: What will your organization say to stakeholders before, during, and after a transition of leadership? Thoughtful communications are needed in order to support the staff and organization during the transition process.
10. On board deliberately: Help new board chairs and chief staff leaders feel confident and find their own voices.

F. Evidence of Community Benefit

Key Findings – Indoor Turf

1. The development of indoor turf facilities is a widespread trend across Ontario. These facilities support year-round training for competitive athletes of several sports (mainly soccer) and a variety of recreational activities.
2. The City of Greater Sudbury has not been directly involved in the provision or operation of an indoor turf facility and its 2014 Leisure, Parks and Open Space Master Plan Review recommended that other sectors continue to be the primary providers of these facilities. Across Canada, many facilities are operated in partnership with soccer clubs or the private sector.
3. A portion of the indoor market is generated by outdoor users. The number of outdoor soccer registrants in the Sudbury Regional Soccer Association has declined by 35% (nearly 2,400 players) since 2009. Most of these players are youth and Greater Sudbury's youth population is not growing.
4. In Ontario, the number of registered indoor soccer players has increased by 41% between 2006 and 2015 (compared to a 9% decline in outdoor registration in the same time period). There are nearly as many indoor adult players as indoor youth players. Adult soccer participation represents the largest potential market for indoor turf, now and into the future.
5. There is no longer an indoor turf facility in Greater Sudbury (the Indoor Soccer Centre offered one small field but closed in 2016). Area gymnasiums are being used for indoor soccer, which is not a sustainable model for those seeking year-round competitive soccer opportunities.
6. The Sudbury District Soccer Club indicates that the current usage by local groups exceeds 60 hours per week, which is approximately the same number of hours that were rented in the last year of the Indoor Soccer Centre's operation.
7. Using a participant-based methodology that considers common ratios and standards of play, the demand for indoor turf facilities (for all indoor field sport uses) in the City of Greater Sudbury is currently estimated at 82 hours per week. Assuming an average weekly capacity of 60 hours per field, this translates into a current demand for 1.4 small fields (approximately 200 by 100 feet each). Fields cannot be designed as partial fields, thus this level of demand equates to two (2) small fields.
8. If the facility is proposed as a permanent structure, a building that can house two small fields would be appropriate. If the facility is designed as an air-supported dome installed over an artificial turf field, a full field enclosure could be considered due to economies of scale; however, this should be explored further with the primary user groups.

Key Community Benefits

A lack of free time due to busy lifestyles is the primary barrier to recreation participation. Organized sports are also dealing with competition from sedentary activities, spontaneous play and other sports. Affordability, or the ability to pay to play, is a significant barrier to participation in recreation.

Impact of the Aging Population

The child and youth market are the most common users of municipal recreation facilities. As this market shrinks, it is likely to result in a reduced number of facility users. The aging population does present opportunities to make better use of facilities during non-prime hours.

Increased Focus on Skill Development and Competition

There is a greater focus and demand on athlete development and competitive experiences. This results in more time required on the field of play and considerations for training spaces and indoor turf when facility planning.

Key Trends in Facility Provision

Implications of Aging Infrastructure

Most of Ontario's recreational infrastructure was built in the 1960's and 1970's. Older facilities present challenges in terms of lack of modern amenities, AODA deficiencies and high energy costs.

Multi-Purpose Facilities

New construction in the form of multi-use facilities is the industry trend. Multi-purpose facilities provide one-stop shopping, opportunities for sport development and tourism and operational efficiencies.

Green Construction

Energy efficiency and environmental sustainability are key considerations when renovating or building new recreation facilities.

G. Full Risk Analysis

In an attempt to anticipate and neutralize potential risk of the project, we are providing the following analysis of the risk of the project.

1. Identify Threats

The first step in Risk Analysis is to identify the existing and possible threats that you might face.

These can come from many different sources. For instance, they could be:

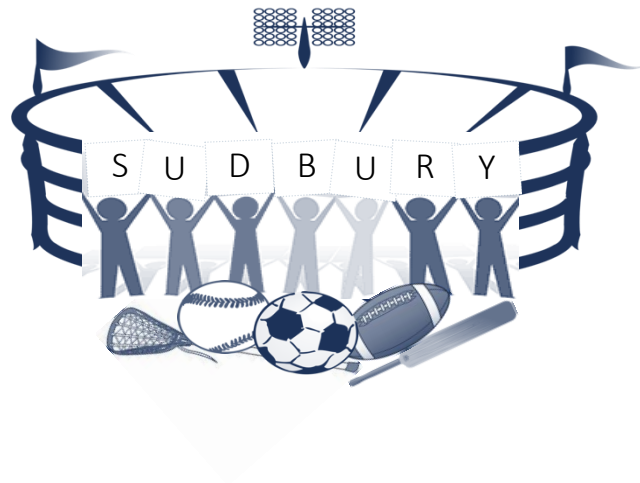
- Human – Illness, death, injury, or other loss of a key individual.
 - We have taken into consideration through our by-laws an orderly transition should any board members leave. With our advisory committee, we will have an abundance of interested potential board members that can join the board having already gained a significant knowledge of the business and operation of the Foundation.
- Operational – Disruption to supplies and operations, loss of access to essential assets, or failures in distribution.
 - The facility will be rented to different associations. The dome will be the most essential asset and will be insurance against business interruption and against the facility.
- Reputational – Loss of customer or employee confidence, or damage to market reputation.
 - The Foundation's by-laws call for an advisory group that is comprised of significant users. This committee will meet on a regular basis to ensure the board of directors is making decisions aligned with the expectations of the users of the facility.
- Procedural – Failures of accountability, internal systems, or controls, or from fraud.
 - The Audit Committee, enshrined in the by-laws of the Foundation, will create, implement and maintain internal controls to ensure the integrity of the financial information of the Foundation.
- Project – Going over budget, taking too long on key tasks, or experiencing issues with product or service quality.
 - The Foundation will work in partnership with Rainbow District School Board, calling on their expertise as the facility is being built. The Foundation, will operate the facility and will rely on different sporting associations to run programs.
- Financial – Business failure, stock market fluctuations, interest rate changes, or non-availability of funding.
 - The goal of the Foundation is to fund the construction of the facility 100% through grants. This will eliminate debt repayment risk, interest risk and allow the facility to concentrate on offering users a low cost facility to maximize usage.

- Technical – Advances in technology, or from technical failure.
 - We will be consulting with the approved construction company to ensure that the facility uses technology to its advantage.
- Natural – Weather, natural disasters, or disease.
 - These types of risks are unforeseen
- Political – Changes in tax, public opinion, government policy, or foreign influence.
 - We believe that by following the mandate of the Foundation, the facility will meet the needs of users in the City of Greater Sudbury.

Risk analysis conclusion

By partnering with the City of Greater Sudbury and Rainbow District School Board, the Fabio Belli Foundation will minimize risks. We all have a stake in the well-being of Greater Sudbury and will create an environment where challenges are identified and managed in a timely manner.

THE FABIO BELLI FOUNDATION: FACILITY PROPOSAL



MARCH 2018

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DISCLAIMER AND NON-DISCLOSURE AGREEMENT

The information contained in this plan is confidential and proprietary and is intended only for the persons to whom it is transmitted by The Fabio Belli Foundation (herein “the Foundation”). Any reproduction of this plan, in whole or in part, or the divulgence of any of its contents, without the prior written consent of the Foundation, is prohibited. Receipt or possession of this document does not convey any rights to disclose its contents, in whole or in part, to any third party, or to develop, manufacture, use, or sell anything described herein.

The information set forth herein is believed by nuAGE CPA to be reliable. It must be recognized, however, that projections and predictions provided by the Board about the Foundation’s future performance are subject to a degree of economic, business and market uncertainty. The information provided by the Board does not include evaluating the support for the assumptions, including the hypothesis, or other information underlying the projections. Accordingly, nuAGE CPA does not express any opinion or any other form of assurance on the financial projection, or assumptions, including but not limited to the hypothesis presented herein.

Although projections are believed to be realistic, no representations can be made by the Foundation or by nuAGE CPA as to their attainability. While the information presented is deemed by the Foundation to be accurate, nuAGE CPA shall not be liable for the accuracy of or omissions from this strategic plan or for any other written or oral communication transmitted to the Recipient and any other party in the course of its evaluation of transactions involving the Foundation.

OUR MISSION

THE FABIO BELLI FOUNDATION

Fabio Belli was a dedicated and respected member of our community, not only as a committed councillor to the City of Greater Sudbury, but also as a businessman, community organizer, and most importantly, family man. Fabio recognized the significant contribution that individuals can make to their own community, and tirelessly worked to help transform his City towards a bigger and brighter future.

The Fabio Belli Foundation was created in 2016, in order to honour Fabio's legacy and continue his passionate work. The mission statement of the foundation is to:



“promote health, wellness and sport for all citizens in the City of Greater Sudbury.”

The main objectives of the Foundation are to:

1. Act as a community leader in assessing the current recreational landscape available to athletes in the community.
2. Develop a governance structure that addresses identified gaps within the community and perform adequate due diligence in assessing the feasibility of solutions.
3. Partner with members of the community to deliver recreational opportunities for the citizens of the city.

PROPOSED INDOOR SPORTS FACILITY

The City of Greater Sudbury does not currently have an indoor sports facility, equipped with artificial turf, to be primarily used during the fall and winter months for training and playing of various sports. The Indoor Soccer Centre that previously existed on Falconbridge Road in Sudbury did meet the demands of the local sports communities, however was closed in 2016. As a result, the Foundation has developed a proposal to construct and operate a new indoor sporting complex in the city in order to give local athletes access to indoor facilities typically offered in most communities across the Province of Ontario.

The Foundation has been exploring the various options available to satisfy the demand of the sporting community for such a facility, learning from other communities which have already experienced much success. There are many alternatives available with respect to the construction of the facility, as well as the ownership and operating models. This facility proposal will present the approach followed by the Foundation, the alternatives considered, and ultimately the proposed recommendation to develop a facility to meet an unfulfilled demand within the community.

The proposed sporting complex will consist of the following specifications:

Building Type:	Air Supported Structure
Square Footage:	Approximately 94,000 square feet
Number of Fields:	3 Soccer Fields (approximately 110x210 each in size), convertible to 1 large FIFA regulation field or 1 baseball diamond
Playing Surfaces:	Artificial Turf (specific details to be finalized)-
Field Amenities:	Change rooms with sufficient washroom and shower facilities, partitions available to appropriately segment playing surfaces- Four lane track
Parking Spots:	100 spaces

OPERATING MODEL & STRUCTURAL DESIGN

The Foundation has examined different operating models based on the landscape that exists in Northern Ontario with various stakeholders, as well as through analysis of models currently deployed in other communities. Generally speaking, the simplest operating models involve the following:

- The Facility Model – where the entity manages the facility, including all operations and costs associated with the building, and rents the facilities as required.
- The Enterprise Model – where the entity manages the facility as a full operation, running leagues, camps and other related events, charging and administering over individual participants.

The Foundation has chosen the Facility Model, similar to the model used by many municipalities to operate different types of recreational facilities.

Similarly, the Foundation has researched and evaluated several structural options, all requiring different levels of capital funds to construct and operating costs to maintain. As discussed in subsequent sections, various structures exist throughout other cities. Generally speaking, the most common structure options are as follows:

- Permanent Structures – Permanent structures being used as indoor sports facilities across Canada can have varying characteristics. For the purposes of this proposal, the permanent structure option being evaluated is a stand-alone building, newly built, per the designs and specifications developed by the Foundation.
- Air Supported Structure – Air-supported structures are common throughout the Province, are currently used in many different capacities to support various sports, and generally come in pre-determined manufactured sizes.

The Foundation has elected to design and construct a new air supported structure. An air supported structure will best meet the current needs of the community and offers flexibility in the long term, including greater control over operating costs.

BOARD OF DIRECTORS

The Board of Directors of the Fabio Belli Foundation consists of the following members of the community:



JEAN-GILLES LAROCQUE

Mr. Larocque is a secondary school teacher and Athletic Director at Bishop Carter Secondary School, and also the owner The Baseball Academy, which is the only indoor baseball training facility in Northern Ontario. Having spent many years both playing and coaching baseball, he runs Sudbury's competitive baseball program, and is involved in various provincial level teams. Jean-Gilles has a degree from West Virginia State University in Institute, West Virginia.



DR. MICHEL LARIVIERE

Dr. Lariviere is a Psychologist in Sudbury providing counselling and therapy to individuals in groups in a wide range of areas. He has achieved success in developing his practice while also continuing to be a leader in related research, as well as being a faculty member at Laurentian University and the Northern Ontario School of Medicine. Michel obtained his Ph.D. from Carleton University and is a member of the Ontario, Canadian and American Psychological Associations.



DINO MORETTA

Mr. Moretta is a Tax Manager with Freelandt Caldwell Reilley, providing tax and advisory services to medium to large sized corporations in Northern Ontario. With an extensive background working with the Canada Revenue Agency prior to his current role, he brings a specialized skill set to clients in navigating the Canadian tax system. A CPA and CGA, Dino graduated from Laurentian University with a Bachelor of Commerce degree.

MS. SUSAN BELL

Ms. Belli grew up in Sudbury and has two children with her husband Fabio, Brianna and Emma. Susan is committed to her husband's vision and will help ensure his legacy of community building lives on.



DR. DENNIS REICH

Dr. Reich is a physician, researcher, entrepreneur and technology consultant in Northern Ontario. He established the Primary Medical Centre providing care to patients in Sudbury. He is also co-founder and CEO of Activated White Ltd., which is developing a platform technology polymer designed to help in carbon capture, and President of SilverThink, a medical technology company. Dennis received his Medical Degree from Queen's University and his Family Practice Degree from the University of Ottawa and the Northern Ontario School of Medicine. He is a mentor at Sudbury's Regional Innovation Centre, NORCAT (RIC).

PARTNERSHIP & SITE SELECTION

SELECTION PROCESS

One of the fundamental goals of the Foundation is to remain connected and integrated with the community as much as possible. As a result, the Foundation has decided that any proposed project would be undertaken along with a local partner who has similar goals for the citizens of the city. The Foundation has met with both major local post-secondary institutions to understand each institution's long-term goals, including their objectives regarding current and future recreational facilities. The Foundation has also met with one of the four school boards in the City of Greater Sudbury, to explore the possibility of a partnership. Finally, several local entrepreneurs have met with the Foundation to present their entity's objectives and strategic plans for such a facility, to see whether any synergies exist.

The Board of the Fabio Belli Foundation took great care in evaluating all options available in selecting the right partner for this venture. The Board assessed each organization's primary goals, site location, operating plans, and the role the Foundation would play with each proposal, before they made their decision.

Ultimately, the Board of the Foundation has selected Rainbow District School Board (or "School Board") as the partner of choice in developing an indoor sports facility in the City of Greater Sudbury. This partnership would require the approval of the school board.

OPERATING PARTNER OF CHOICE

Rainbow District School Board is in the planning stages to install and maintain an artificial turf surface on the soccer field at Lasalle Secondary School as part of the redevelopment of the site to accommodate an elementary school. The School Board is proceeding with the installation regardless of the outcome of this proposal. Although the new artificial turf surface will give the School Board a premium soccer pitch for its students as well as local sports clubs, it can only be operational during the warmer months of the year. The majority of the school year is during the cooler and colder months.

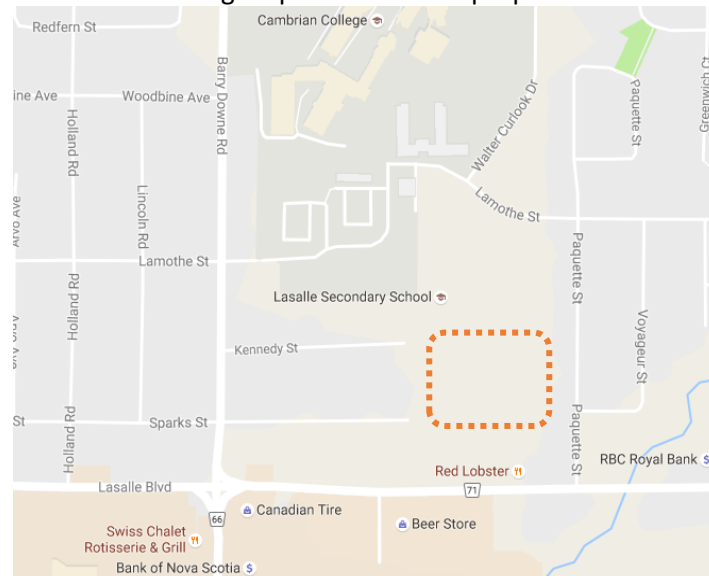
The Foundation feels that its objectives with the proposed facility match very closely with the goals of the School Board, both having the well-being of citizens at heart.

A similar partnership is working quite well between the municipality in Milton, Ontario and the Catholic Secondary School Board in that Region. Although certain aspects of this partnership may differ from this project, collaboration on the project by both parties mirrors what the Foundation and School Board are striving to achieve in Sudbury.



PROPOSED SITE LOCATION

The Foundation believes the Lasalle Secondary School site, which is currently under redevelopment, is an ideal location for the proposed new indoor sporting complex. The school is located at 1545 Kennedy Street in Sudbury, Ontario. The following map illustrates the proposed site:



The following drawing illustrates the proposed location of the complex on the existing property.



Once final engineering documents and site surveying are completed, the Foundation will have a more accurate determination of the exact location of the new facility on the site selected.

MARKET ANALYSIS

LOCAL DEMAND FOR INDOOR FACILITY

The community in Sudbury consists of a wide range of groups and individuals with a high likelihood of renting an indoor sports facility such as that being proposed by the Foundation. Since the closure of the Indoor Soccer Centre in 2016, local organizations have unfortunately had to look for alternative facilities such as elementary school gymnasiums, or in other cases cancelled any activities that would typically run in the fall and winter months. The following lists organizations that were historically consistent users of the soccer centre, as well as newer organizations, that would have an interest in renting field space in the proposed facility:

SOCCER

Soccer continues to be one of the leading sports in the Greater Sudbury area with respect to participation, both at the youth and adult levels. Each year, soccer ranks as the number one sport played by youths aged 3-17 in Canada, with 38% of children playing soccer in 2014¹. According to the Sudbury Regional Soccer Association, in 2015 the City of Greater Sudbury was home to 13 different programs, both recreational and competitive, offering soccer to children and adults alike. As expected, the greatest number of soccer players

comes from the youth level, with youth programs making up 80% of total soccer registrations last year². It should be noted that in the attached statistics 'Indoor Programs' only include clubs registered with the soccer association, and do not include players registered in privately run soccer academies offered in the city. The academies that exist in Northern Ontario were a regular tenant of the Indoor Soccer Centre and have subsequently been running their training and leagues at local gymnasiums since the closure occurred. Although it may not be fully representative of the Northern market, the Ontario Soccer

2015 Registrations by Program

Youth Recreational Programs		Senior Recreational Programs	
Espanola	196	Croatia-Adria	33
GSSC	251	Italia Flyers	232
Nickel Centre	383	Sudbury Athletic	15
Rayside-Balfour	306	SC Italia	55
Sudburnia	850	Sudbury Women	243
Valley East	990	SDSC	298
Walden Minor	453		
SDSC	200		
	<u>3,629</u>		
Competitive Programs		Indoor Programs	
GSSC	179	SDSC	735
SDSC	40	Espanola	43
	<u>219</u>		<u>778</u>

Association (OSA) regularly uses the benchmark that 50% of outdoor players typically take part in some form of indoor soccer training, camp, or league, during the fall and winter months³. Furthermore, the competitive programs offered by the Greater Sudbury Soccer Club (GSSC) and the Northern Soccer Academy (NSA) field teams in Provincial leagues and tournaments. The competition in these Provincial leagues and tournaments generally trains throughout the year in indoor soccer facilities, further emphasizing the need that local teams require similar facilities in the off season.

¹ CIBC – KidSport Report, 'Helping our kids get off the sidelines', July 2014.

² Sudbury Regional Soccer Association, 2015 Annual General Meeting package.

³ Ontario Soccer Association, various publications.

BASEBALL

Baseball in the Greater Sudbury area has experienced a significant increase in 2016 for a wide variety of reasons, including both the economic appeal of children playing baseball in comparison to other costlier sports and the growth in popularity of the sport across Canada. As a result, the minor baseball leagues in Greater Sudbury grew approximately 32.5% during the

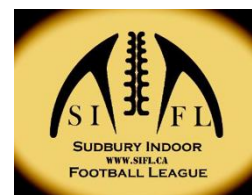
2016 season, with the expectation that registration will achieve similar levels in 2017⁴. Furthermore, with the emergence of two Elite Baseball teams in 2016 which now represent Sudbury in the premier Provincial competitive leagues, there is a greater demand for fall and winter training facilities where baseball players can simulate training on a regular size field. The previously run Indoor Soccer Centre was used regularly by local baseball athletes for training purposes.

Baseball Participation Statistics

	SMBA	VEMBA	Total	% Growth
2014	433	282	715	2.58%
2015	429	300	729	1.96%
2016	619	347	966	32.51%

FOOTBALL & ULTIMATE FRISBEE

The Sudbury Indoor Football League (SIFL) was started in 2010 by a group of local former football players, looking for an opportunity to continue playing the sport they love. The league played games between March and November each year in the Indoor Soccer Centre until the centre closed in 2016, representing a dependable revenue source during their season. In the final season prior to the closure of the Indoor Soccer Centre, the league consisted of 8 teams, and was anticipating expanding at a potential rate of 2 teams per season moving forward⁵.

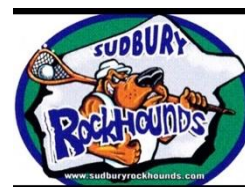


Ultimate Frisbee is quickly becoming a popular sport across the Province, providing recreation seekers with a non-contact alternative, in both a social and competitive environment. Sudbury Ultimate Club, Sudbury's only ultimate Frisbee organization, has continued to see growth over the past decade, running leagues and tournaments of up to 10 teams⁶. Having access to an indoor turf facility would give this growing sport a desirable location to hold matches and other like events throughout the winter months.



LACROSSE

The Greater Sudbury Lacrosse Association (GLSA) has experienced significant growth in virtually every age category offered by its programs. The Sudbury Rockhounds club offers programs beginning with its initial Tyke program, and includes teams at every age group up to its adult category. The GLSA estimates that 500 youth currently play lacrosse in the city, making the association the largest user of community arenas during the spring and summer months⁷. However, given these same arenas are utilized during the fall and winter seasons for ice sports, the GLSA would greatly benefit from having a turf facility available for their competitive and recreational programs.



⁴ Sudbury Minor Baseball Association & Valley East Minor Baseball Association, organization data.

⁵ Sudbury Indoor Football League official website, SIFL.ca.

⁶ Sudbury Ultimate Club official website, sudburyultimate.com.

⁷ GLSA Presentation to Greater Sudbury council.

CRICKET

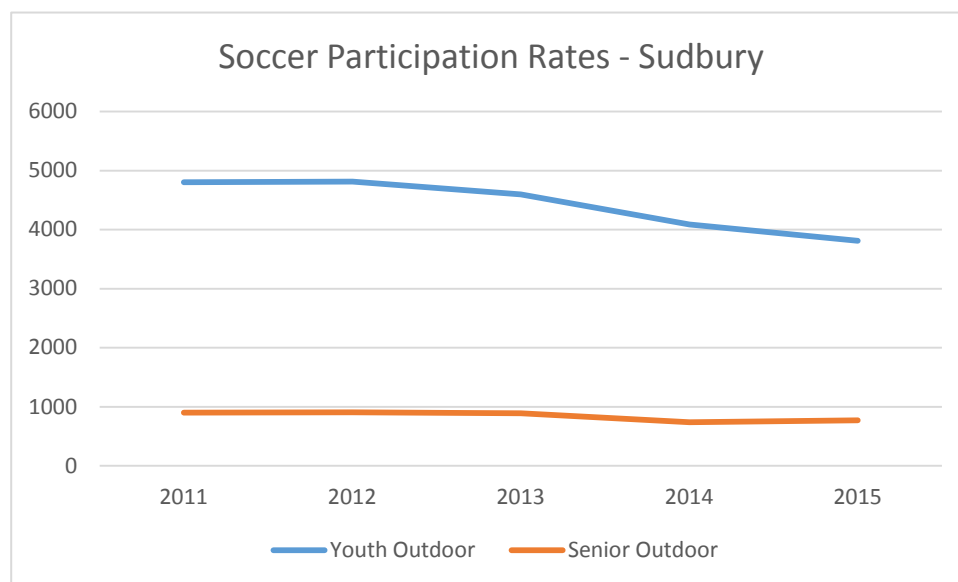
The Big Nickel Cricket Club (BNCC) is one of Sudbury's newest sports organizations, bringing together lovers of the sport from various cultural backgrounds. The club started in 2014 and is an active member of the Ontario Cricket Association, which consists of clubs from all over the Province. The club practices and competes outdoors during the spring and summer months, however Sudbury does not have an indoor sporting facility that can be used by the club during the fall and winter. Similar to the other sports mentioned above, a new turf facility would give local cricketers the proper accommodations to continue playing and training all year long.

COMMUNITY BASED PROGRAMMING

The FBF multi-use facility will allow for programs such as elderly "walk the dome" nights where all aged citizens of Sudbury can attend an evening of walking around the perimeter of the dome for exercise. This will be important for multiple reasons as it will bring an increase in activity levels which has been shown to have tremendous increases in wellbeing. The evenings will be accentuated by central dome information nights for the elderly where medical information may be passed on or very young children events could coincide to bring a youthful exuberance to the walkers. Other events such as walking soccer will be promoted. These types of events will only be possible in a fully publically funded facility.

LOCAL HISTORICAL SPORTS PARTICIPATION

Residents of the Greater Sudbury area actively participate in the local sports community throughout the entire year. Youth participation in traditional sports has changed over the past few decades for a variety of reasons, ranging from costs being incurred to interest in other activities, not as popular in the 1980's and 1990's, on the rise. Youth outdoor soccer registrations peaked between 2011 and 2013, but then returned to levels of approximately 4,000 participants in recent years as outlined in the graph below⁸. Moving forward, youth outdoor soccer registration levels are anticipated to be consistent with 2014 and 2015 levels.



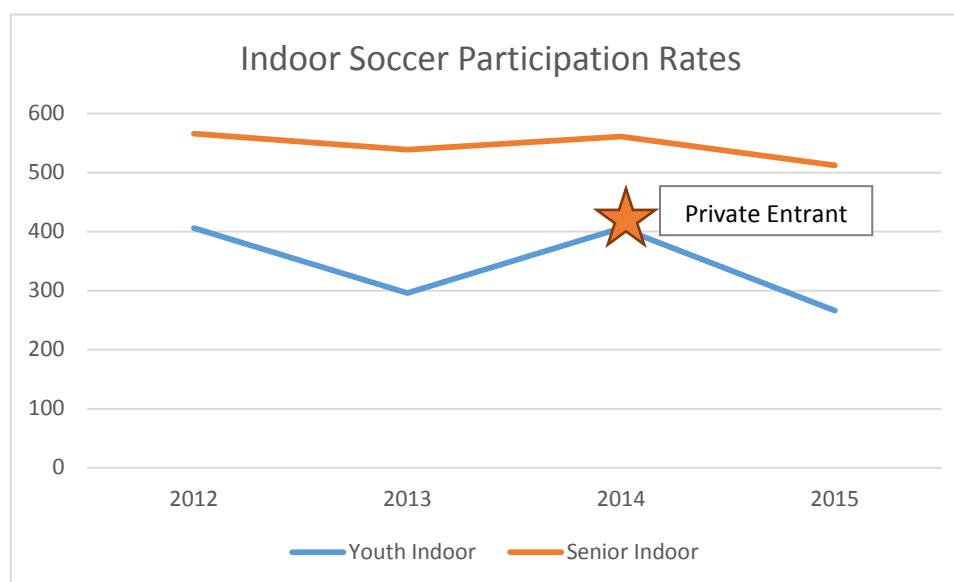
Notwithstanding the trend from 2011, participation rates in outdoor youth soccer in Greater Sudbury are still very material. In comparison, youth hockey participation for the 2013 season in Greater Sudbury numbered approximately 4,700 players⁹, which is virtually equal to the 4,600 youth players registered for soccer in that same year. As has been the case for most years within the city limits, Senior / Adult outdoor soccer registrations remain consistent from year to year at approximately 1,000 players registering annually.

Prior to the closure of the Indoor Soccer Centre, indoor soccer in Sudbury had experienced relatively consistent participation levels over the past several years. Senior / Adult indoor soccer participation generally remains at approximately 550 players per season, with a continuous inflow of junior teams and players replacing older players no longer interested in the sport¹⁰.

⁸ Sudbury Regional Soccer Association, AGM package, 2011-2015.

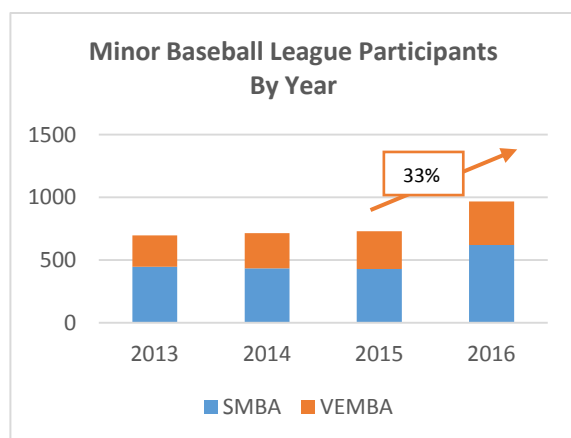
⁹ Greater Sudbury Arena Renewal Strategy, January 2013.

¹⁰ Sudbury Regional Soccer Association, AGM package, 2011-2015.



As shown in the graph above, participation rates for youth indoor soccer has been varying since 2012, generally moving between 300 – 400 participants any given year¹¹. However, it should be noted that part of this volatility is directly related to a lack of formal development programs run in the city for interested athletes. It should also be noted that in 2014 a new soccer academy entered the Greater Sudbury market, to provide high level training and instruction throughout the year, during both the outdoor and indoor seasons. Although the emergence of a new soccer academy is great for youth development, because the academy participants are not included in the Sudbury Regional Soccer Association statistics above, the graph indicates an inaccurate decrease in youth indoor participation following 2014.

Participation statistics for youth baseball in Sudbury are showing very positive trends. The two local minor leagues, Sudbury Minor Baseball Association and Valley East Minor Baseball Association, both saw significant increases in overall participation during 2016¹², as discussed previously. Although difficult to quantify in the year the increase occurs, an increase in participation rates directly relates to an



anticipated increase in demand for more baseball related training and playing opportunities, especially during the off season.

Senior / Adult baseball, as well as softball, has also seen consistent registration levels from year to year. However, historically adult recreational baseball and softball players have not significantly contributed to the demand for indoor facilities during the fall and winter months.

Trending rates for other local sports are not readily available and, therefore, have not been included in this proposal.

GROWTH OF INDOOR FACILITIES THROUGHOUT

ONTARIO

¹¹ Sudbury Regional Soccer Association, AGM package, 2011-2015.

¹² Sudbury Minor Baseball Association & Valley East Minor Baseball Association, organization data.

The demand for indoor sports facilities has been steadily increasing across Ontario over the past two decades, with most communities responding by constructing permanent structures, converting older structures, or erecting air-supported domes or bubbles. As shown below, all but four communities throughout Ontario with a population of greater than 50,000 residents have one, or more, indoor soccer / sport facilities.

Indoor Facilities & Population Statistics - Ontario Cities

	Population (Census)			Bubble	Permanent
	2006	2011	2016		
Toronto	2,503,281	2,615,060	2,731,571	✓	✓
Ottawa	812,129	883,391	934,243	✓	✓
Mississauga	668,599	713,443	721,599	✓	✓
Brampton	433,806	523,906	593,638	-	✓
Hamilton	504,559	519,949	536,917	✓	✓
London	352,395	366,151	383,822	✓	✓
Markham	261,573	301,709	328,966	✓	-
Vaughan	238,866	288,301	306,233	-	✓
Kitchener	204,668	219,153	233,222	-	✓
Windsor	216,473	210,891	217,188	-	✓
Richmond Hill	162,704	185,541	195,022	note 1	-
Oakville	165,613	182,520	193,832	-	✓
Burlington	164,415	175,779	183,314	-	✓
Greater Sudbury	157,857	160,274	161,531	-	-
Oshawa	141,590	149,607	159,458	-	✓
Barrie	128,430	136,063	141,434	✓	-
St. Catharines	131,989	131,400	133,113	note 1	-
Guelph	114,943	121,688	131,794	✓	✓
Cambridge	120,371	126,748	129,920	note 1	-
Whitby	111,184	122,022	128,377	✓	✓
Kingston	117,207	123,363	123,798	✓	-
Ajax	90,167	109,600	119,677	note 1	-
Milton	53,889	84,362	110,128	✓	✓
Thunder Bay	109,160	108,359	107,909	✓	✓
Waterloo	97,475	98,780	104,986	note 1	-
Chatham - Kent	108,177	103,671	101,647	-	-
Brantford	90,192	93,650	97,496	-	✓
Clarington (Bowmanville - Newcastle)	77,820	84,548	92,013	-	✓
Pickering	87,838	88,721	91,771	✓	-
Niagara Falls	82,184	82,997	88,071	✓	✓
Newmarket	74,295	79,978	84,224	-	✓
Peterborough	75,406	78,777	81,032	✓	-
Kawartha Lakes (Lindsay)	74,561	73,219	75,423	note 1	-
Sault Ste. Marie	74,948	75,141	73,368	-	✓
Sarnia	71,419	72,366	71,594	-	-
Caledon (Bolton)	57,050	59,460	66,502	note 1	-
Norfolk (Simcoe)	62,563	63,175	64,044	-	-
Halton Hills (Georgetown)	55,289	59,013	61,161	note 1	-
Aurora	47,629	53,203	55,445	✓	-
Welland	50,331	50,631	52,293	-	✓
North Bay	53,966	53,651	51,553	-	-
Belleville	48,821	49,454	50,716	✓	-

Note 1: Facility within 25 kms.

Note 2: Cities with a population greater than 50,000 residents that have no indoor soccer facility.

**** Cities without a facility highlighted above.**

Only 10% of Ontario cities with populations greater than 50,000 do not have an indoor facility, with the City of Greater Sudbury significantly larger than the others in this same category. Of Ontario cities with a facility, only 18.4% elected to erect a bubble structure, rather than a permanent structure, if the

bubble structure was to be their only indoor facility. Many cities who chose to construct/repurpose a permanent structure, also have chosen to erect additional air-supported facilities to further meet the demand of their markets. With approximately 2.5% of Ontario's population playing soccer in Canada¹³, the soccer participation rates with respect to the population are greater in Sudbury than the Provincial average. As a result, it is very evident that the City of Greater Sudbury has more than adequate demand for an indoor soccer facility to be built.

OPERATING MODELS – EXISTING FACILITIES

As discussed, there are several different operating models that exist throughout Ontario for indoor facilities that currently exist. Ownership models vary from municipally run sites, non-profit organizations, privately run facilities, and/or a partnership between entities. Below is a representative sample of current facilities operational in Ontario, with relevant operating metrics for each facility:

INDOOR FACILITIES CURRENTLY EXISTING THROUGHOUT ONTARIO

City	Facility	Structure Type	Size (Sq. Ft.)	Ownership	Approximate Hourly Rate
Milton	Milton Soccer Centre	Permanent	Unknown	Private Entity	197.50
Mississauga	Hershey Centre	Bubble	68,500	City	160.00 (1)
Oakville	Pine Glen Centre	Permanent	100,000	Non-Profit	225.00
Burlington	Burloak Sports Centre	Permanent	Unknown	Private Entity	160.00 (2)
Burlington	Sherwood Park Dome	Bubble	20,000	Non-Profit	200.00
Brampton	Brampton Soccer Centre	Permanent	150,000	City	220.00
London	BMO Field	Permanent	150,000	Non-Profit	220.00
Hamilton	Players Paradise	Permanent	72,000	Private Entity	200.00
Milton	Jean Vanier Secondary School	Bubble	72,000	City / School Board	175.00 (3)
Sault Ste Marie	Northern Community Centre	Permanent	40,000	City	122.40

NOTES:

(1) Rates discounted as supplementary facility to larger indoor complex.

(2) Significantly smaller facility.

(3) Only operational during fall and winter months.

As expected, hourly rates are very much tied to market conditions in each community. However, there is also a direct correlation between the average hourly rate being charged, and the size of the facility and the amenities offered. As is the case with any publically funded and operated facility, sites run in whole or in part by a municipality, typically offer rates that are lower than private facilities, given that the municipality is expected to subsidize such centres as well.

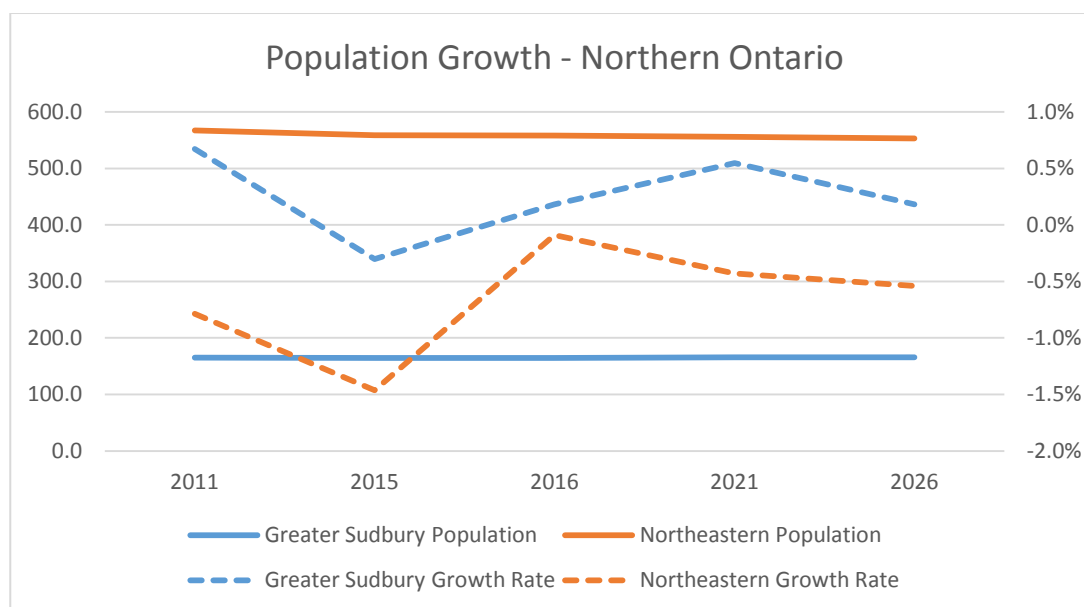
The Foundation believes that the average hourly rates being proposed in the attached financial analysis are acceptable for the market conditions in the City of Greater Sudbury.

STATISTICAL ANALYSIS – GREATER SUDBURY

Population growth in Sudbury, as well as Northern Ontario, is forecasted to remain at consistent levels over the next decade. However, given that the City of Greater Sudbury is thought of as the economic centre of Northern Ontario, the growth rate for the city itself is forecasted to be greater than the forecast growth rate for the Northeastern Region¹⁴, as displayed below:

¹³ Ontario Soccer Association, 2015 registration statistics.

¹⁴ Ontario Ministry of Finance, Ontario Population Projections Update, 2016.



There have been several studies performed in Canada analysing the trends between participation in sports and the factors affecting participation. In the CIBC – KidSport Report published in 2014 assessing Canadian realities and perceptions around organized sports, it was noted that 58% of Canadians identified cost as the greatest barrier affecting organized sports¹⁵.

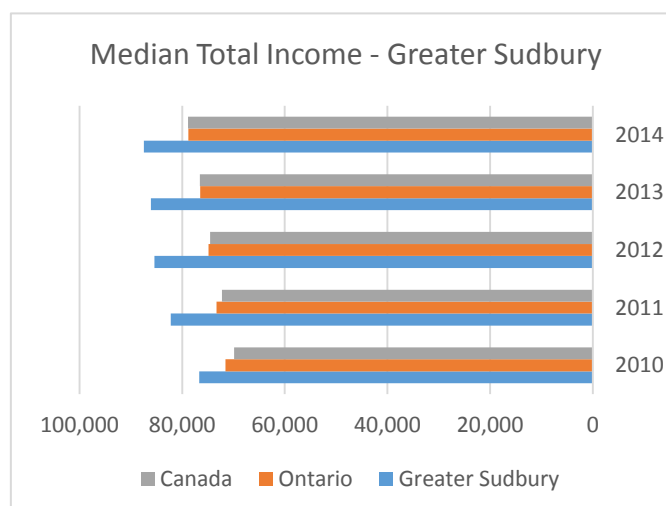
Within the City of Greater Sudbury however, median total income has continued to rise over the past five successive years¹⁶. Median total income in Sudbury grew 14% between 2010 and 2014, greater than the Provincial growth rate of 10.1% and the National growth rate of 12.9% for the same period. Furthermore, the City of Greater Sudbury has experienced regular growth in various other facilities, targeted at other sports and activities during this same period, further acknowledging the local citizens' appetite for such facilities.

OPERATIONAL METRICS

PROJECTED UTILIZATION

For the purposes of this proposal only, in order to provide the most conservative estimate of anticipated uptake for the new facility, the Foundation is making the key assumption that the complex will only be rented during prime time hours. Prime time hours for this proposal are defined as Monday to Friday 4:30pm – 11:30pm, Saturdays from 9:00am – 9:00pm, and Sundays from 9:00am to 10:00pm.

The Foundation also recognizes that indoor facilities have drastically different operating profiles in different seasons during the year. As a result, for the purposes of this proposal, the Foundation has



¹⁵ CIBC – KidSport Report, 'Helping our kids get off the sidelines', July 2014.

¹⁶ Statistics Canada, Census results, 2010-2014.

ONLY projected the revenues to be earned between October and April of each year (i.e. Peak Season), recognizing that additional revenues earned between May and September each year would be incremental.

Key Operational Metrics			
	2019	2020	2021
Average Rental Rate - Full Year	\$ 145	\$ 150	\$ 150
Peak Season Hours Rented / Week	85	110	125
Utilization Rate - Peak Season	57%	73%	83%
Number of Fields Used	1.42	1.83	2.08

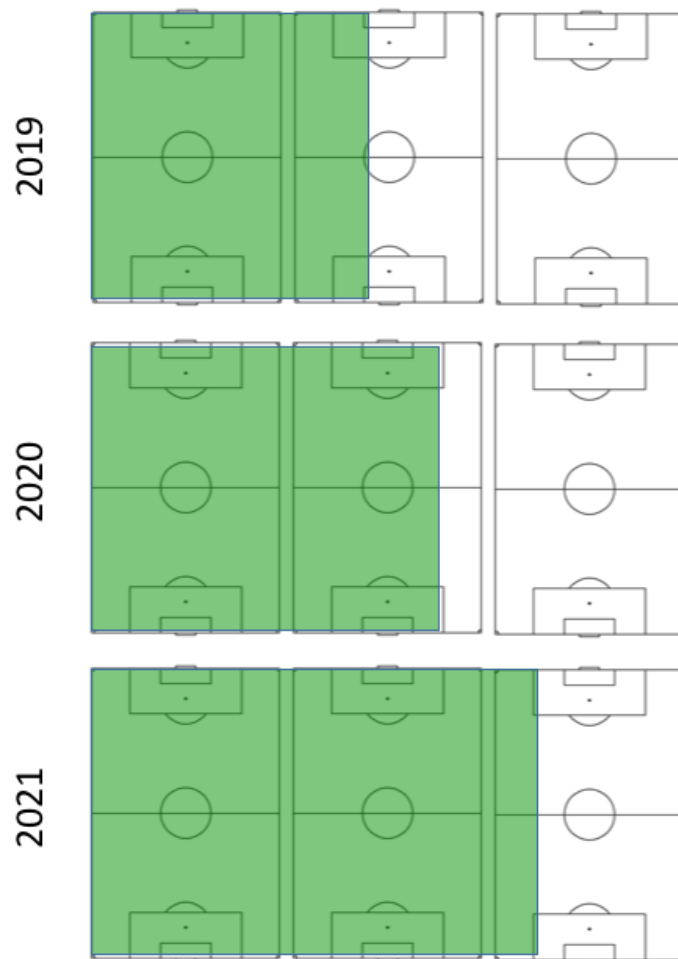
The table above summarizes the operational metrics forecasted for the proposed facility in each of the first three years of operations. The proposed model will generate, on average, \$145 - \$150 per hour of revenue during this period, which is very much in line with market expectations for this type of complex in Sudbury.

As the key assumption for this proposal is only considering the revenue impact of prime time hours, the utilization rates reflect the expected uptake for this time frame only. The Foundation anticipates being able to operate at a 57% utilization rate during the first year of operations, growing steadily in the following years, to achieve a sustainable utilization rate of 83% in year 2021 and beyond.

Through research and analysis of existing similar facilities in the Province, one of the key success factors observed in other situations is the ability to modify one larger field into small fields, when required. One of the core requirements for the Foundation for the proposed building is to have one FIFA sized soccer field, which can be transformed into three small fields of 110 x 210 feet each, when required. The previous Indoor Soccer Centre that operated in Sudbury had one field approximately 100 x 200 feet in size, which was a very limiting factor for its operators.

As outlined below, during the Peak Season, the Foundation expects to be able to rent out an average of 1.4 fields each hour, during prime time hours. Given the demand in the Peak Season for indoor facilities, the Foundation anticipates growing the average fields in use per prime time hour, to 1.83 in 2020 and 2.08 in 2021. As is common with these facilities, the Non Peak Season will present some challenges for the Foundation in maintaining high utilization rates. For the purposes of this proposal, the Foundation has not estimated the facility usage rates, nor the related revenues, for the Non Peak Season.

AVERAGE FIELD USE - PER HOUR



*** Note: field illustrations are approximate.*

ADDITIONAL REVENUE CONSIDERATIONS

For the purposes of the attached financial projections, small provisions were made for additional revenue streams, specifically for organizational sponsorships and anticipated subsidies. However, several revenue streams exist with the potential to result in incremental revenues for the facility. The following briefly identifies revenue streams that will be considered by the Foundation throughout the development process:

NAMING RIGHTS

A common funding platform considered by some operators of sporting complexes is the option to lease the naming rights of the facility for a pre-determined period of time. When constructing the Northern Community Centre in Sault Ste. Marie, Ontario in 2012, the municipality decided on awarding the naming rights of the facility to Northern Credit Union. The terms of the naming rights were generally agreed as \$20,000 contributions to the centre each year over a ten year period, with the option to renew the arrangement for an additional ten years¹⁷. Although the Foundation is strongly considering naming the facility The Fabio Belli Indoor Sports Centre, such a mechanism may be explored to increase sustainable funding for the facility long term.

CONCESSION OPERATIONS

As this proposal is in the development stages, there has been no formal decision as to whether the operations would include any form of concessions, specifically relating to food and beverages. As no formal study has been completed on the impact such operations would have in terms of incremental revenues, no provisions have been included in this analysis. However, should the Foundation decide to offer any form of these services, all revenue would be incremental to the revenues included thus far.

ADDITIONAL MUNICIPAL SUBSIDIES

Historically, the City of Greater Sudbury contributed \$25,000 annually to the operations of the Indoor Soccer Centre, recognizing the benefit the facility had in the community. However, given that the previous operation was run by a private entity, exploring future subsidies was not a viable option. For the purposes of simplicity, the enclosed revenue projections do not include any subsidy from the City of Greater Sudbury. Any subsidies received would be incremental revenues to the Foundation.

RENTALS DURING NON PRIME TIME HOURS

As previously discussed, to remain conservative, the revenue model enclosed only focuses on revenue that can be earned during prime time hours. However, the Foundation is optimistic that a market also exists for non prime time hours, both in the Peak and Non Peak Seasons. For instance, one key primary market that has not been modelled thus far is the rental of the new building to the various camps held in the city throughout the year. Any revenues received for non prime time rentals will be incremental revenues to the revenue model enclosed in this proposal.

¹⁷ CIBC – KidSport Report, ‘Helping our kids get off the sidelines’, July 2014.

RISK CONSIDERATIONS

Although the Foundation is fully supportive of this facility proposal and believes the operating model will result in an overall increase in the quality of sporting facilities available to Sudbury residents, the Board also recognizes the inherent risks that exist which may not be in their control or span of influence. The following risks are considered noteworthy at this point in the planning phase:

GENERAL ECONOMIC CONDITIONS

The Foundation recognizes that there are several economic factors that could have a significant effect on the construction and operations of a new indoor facility. Economic conditions in the market have a direct impact on the financial viability of any venture. Although the Foundation is confident that the endeavour would be successful under current economic conditions, any significant change in economic conditions would have an impact on the facility's rental ability, and thereby create financial strain on its operations.

Furthermore, since the Foundation's proposal centres on the construction of a new building, the risks and exposures that inherently exist within the construction industry can have an impact on the anticipated timelines. Any work disruption due to strike issues or work stoppages for specific trade groups, can affect the construction progress and present unforeseen circumstances to the Board for consideration.

OTHER PLANNED FACILITY INITIATIVES

During the planning and assessment process, as previously discussed, the Foundation had the opportunity to meet with other private and public entities and institutions, that may still have in their plans objectives of opening other indoor soccer / sports facilities in the City of Greater Sudbury. The Board recognizes that they do not have any control or influence over the long term actions of these organizations, nor has the Board performed any due diligence or analysis on what impact additional future entrants into this same market will have on the proposed facility. However, the Foundation believes that they are in a sound position with their partner of choice, Rainbow District School Board, to design, construct and operate a state of the art facility that will meet the demand of the market and provide the citizens of Sudbury with an exceptional experience.

MUNICIPAL INVOLVEMENT

As is the case with all municipalities, a portion of local tax levies is allocated towards virtually most recreational facilities owned and operated publically for local residents. Although this proposal does not include municipal involvement in the construction and/or operating costs regarding the proposed site, there is obvious benefit to the citizens of the city in having access to such a location. The following excerpt from the city's most recent arena renewal strategy is meant to help quantify the current subsidy program that exists for municipal facilities.

EXISTING SUBSIDY PROGRAMS

Although the City of Greater Sudbury operates various venues for administrative, social, leisure and recreational purposes, the city's subsidization of local arenas is the closest comparison to the indoor sports facility being proposed. The following table summarizes the net impact on the local tax levy resulting from the cost overages that occur at local arenas¹⁸:

Table 3: Total Cost Recovery (capital 2012 estimates and 2011 operating costs/revenues)

	<i>Direct Operating Expense</i>	<i>Average Annual Capital Expense (unfunded)</i>	<i>Total Expense (Op + Cap)</i>	<i>Revenue Total</i>	<i>Annual Net Impact on Levy</i>	<i>Cost Recovery</i>
<i>Gerry McCrory Countryside</i>	\$582,018	\$41,200	\$623,218	\$476,139	(\$147,079)	76.4%
<i>TM Davies</i>	\$599,234	\$129,800	\$729,034	\$452,901	(\$276,133)	62.1%
<i>Sudbury Arena</i>	\$1,472,387	\$382,500	\$1,854,887	\$1,150,131	(\$704,756)	62.0%
<i>Garson</i>	\$421,559	\$88,200	\$509,759	\$284,048	(\$225,711)	55.7%
<i>Raymond Plourde</i>	\$452,987	\$136,600	\$589,587	\$338,901	(\$250,686)	57.5%
<i>McClelland</i>	\$538,828	\$113,200	\$652,028	\$314,717	(\$337,311)	48.3%
<i>Dr. Edgar Leclair</i>	\$426,692	\$192,400	\$619,092	\$263,495	(\$355,597)	42.6%
<i>Carmichael</i>	\$432,420	\$167,700	\$600,120	\$281,527	(\$318,593)	46.9%
<i>Centennial</i>	\$384,890	\$154,800	\$539,690	\$219,369	(\$320,321)	40.6%
<i>Toe Blake (Coniston)</i>	\$424,474	\$116,700	\$541,174	\$228,033	(\$313,141)	42.1%
<i>Cambrian</i>	\$309,328	\$158,200	\$467,528	\$188,889	(\$278,639)	40.4%
<i>Chelmsford</i>	\$451,218	\$281,700	\$732,918	\$283,436	(\$449,482)	38.7%
<i>Capreol (both pads)</i>	\$461,788	\$305,200	\$766,988	\$297,752	(\$469,236)	38.8%
<i>I.J. Coady</i>	\$276,823	\$147,700	\$424,523	\$102,252	(\$322,271)	24.1%

The Foundation is in no way suggesting that the City of Greater Sudbury be held accountable for any capital or operating cost overages experienced by the new indoor facility, but feels the data is relevant to discuss any proposed subsidies to be received by the Foundation in relation to the recovery structures in place with other municipal buildings. It should also be noted that the recovery structure above was published in 2012, whereas current rates may be more or less favourable than what's presented above.

¹⁸ Greater Sudbury Arena Renewal Strategy, January 2013.

CONSTRUCTION & DEVELOPMENT

PROJECT SPECIFICATIONS & CAPITAL COSTS

The capital costs associate with construction and development are as follows:

CATEGORY	FINAL
Civil work (contingency)	\$ 735,000
Air Supported Structure	2,000,000
Artificial Sports Surface	1,100,000
Mechanical	200,000
Electrical	400,000
Upgrades to Existing Fieldhouse	765,000
Soft costs/Equip/Finishes	400,000
Contingency	500,000
TOTAL	\$ 6,100,000

SPECIFIC CONSTRUCTION RISKS

To be discussed and available on request.

FINANCING REQUIREMENT AND FINANCING PLAN

The financing plan for the new facility is as follows:

FUNDING PARTNER	COMMITTED FUNDING
Province of Ontario	\$ 4,000,000
Rainbow District School Board <i>(for school site redevelopment on the Lasalle Secondary School property)</i>	\$ 1,100,000
Fabio Belli Foundation Contingency	\$ 500,000
Greater City of Greater Sudbury	Infrastructure Funding

FINANCIAL ANALYSIS

FINANCIAL PROJECTIONS

The attached financial projections have been developed by the assumptions enclosed, together with the Foundation's knowledge of the local market and current conditions. For the purposes of this forecast, the fiscal year end of the organization has been assumed to be June 30th.

Furthermore, although development and construction activities have not started, for the purposes of this analysis, the assumption is that construction will be completed before the start of the Peak Season in fiscal 2019, being October 2018.

Short Term Projected Income & Cash Flow Statement (Fiscal June 2019 – Fiscal June 2021)

From the first year of operations, given the assumptions used in the attached schedules, it is projected that the proposed facility will generate positive cash flows each year, thereby meeting the Foundation's objective of ensuring a sustainable operation. Variable expenses directly related to the operations of the site are considered appropriate for the nature and size of the structure, and are based on market rates that currently exist.

Revenue is projected in year 2019 based on a utilization rate of 57% during prime times, and is anticipated to grow 35% for year 2020 and 13% for year 2021.

The following table summarizes the earnings before interest, tax, depreciation and amortization for the first 3 years of operations.

YEAR	EBITDA
2019	\$ 10,036
2020	\$ 17,771
2021	\$ 67,873

Long Term Projected Income & Cash Flow Statement (10 Year of Operations)

Using the first three fiscal periods as a base, it is projected that the Foundation will maintain positive cash flows each year during the first ten years of operations.

To remain conservative, the revenue model for years 2022 through 2028 has remained relatively consistent to the revenue profile in 2021, adjusted for a slight growth projection of 1% applied each year following 2021. Although an increase in utilization for future years will naturally occur once operations are running, the attached projections accept the 83% utilization being projected for prime time hours in 2021 as an adequate benchmark for future years as well.

The Board anticipates being able to keep variable costs for future years proportionately in line with the short-term projections for 2019-2021, and has incorporated appropriate increases for all other expenses over the ten year period.

The following table summarizes the projected cumulative cash flows from operations for the Foundation in select future years.

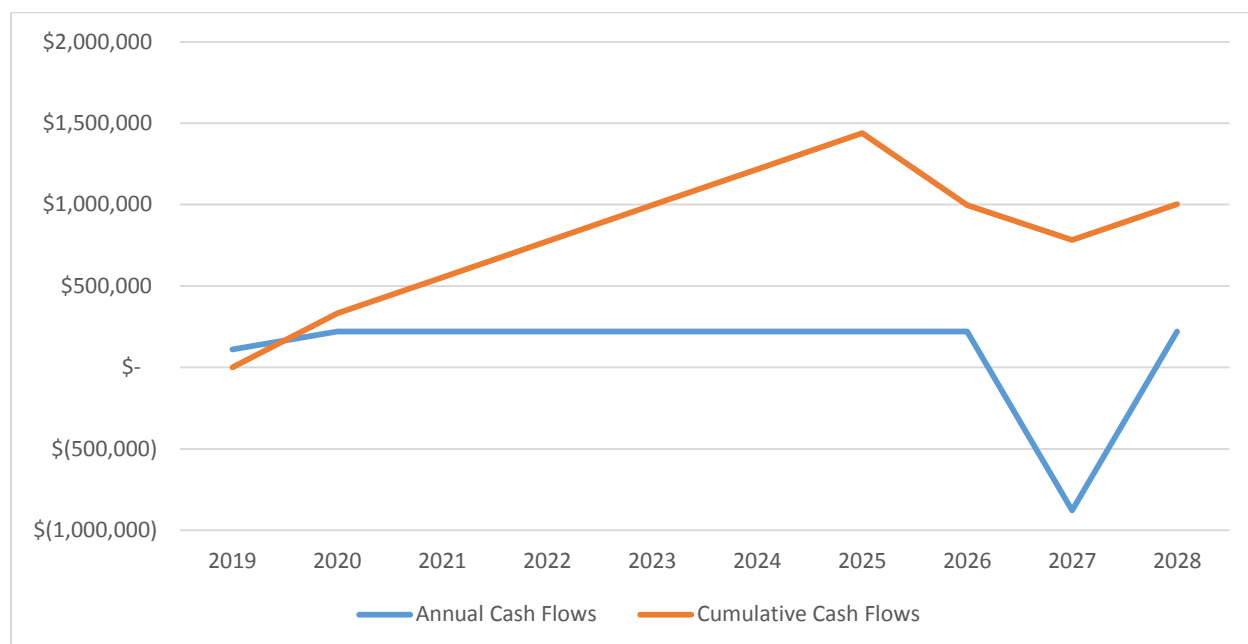
YEAR	EBITDA
2022	\$ 165,977
2025	\$ 393,182
2028	\$ 646,070

Projected Capital Funding & Expenditures

A key aspect of the Foundation's feasibility assessment for the new facility is dependent on future cash flows being adequate to cover capital replacements and expenditures resulting from use of the facility long term.

As is common with other artificial turf based facilities, the Foundation is expecting a useful life of 8 years for the surface, requiring full replacement in year 2026 at an estimated cost of \$1,100,000. Based on other similar projects in communities running air supported structures, the Foundation is estimating the useful life of the structure to be 15 years; at which point the membrane of the structure will need to be replaced. For the purposes of this analysis, it is estimated that the cost to replace the membrane will be 60% of the initial investment of the air supported structure; approximately \$900,000. To fund these anticipated expenditures, the Foundation is forecasting to fund its capital obligations \$110,714 in 2019, and \$221,429 each year thereafter.

After considering the capital requirements over the next ten years, the net cash flows relating to capital expenditures for the Foundation are projected to be as follows:



Overall Commentary

Generally speaking, the financial position projected for the Foundation in the enclosed schedules depicts an organization that can generate sufficient cash flows to both maintain current year operations and also fund future capital expenditure and replacement requirements.

As discussed, the revenue model for field rentals at this point only takes into consideration rentals during prime time periods, allowing for incremental revenues from non prime time hours, still to be considered. Similarly, at this point in the planning phase, the Board has not made decisions on various other funding models, such as naming rights and sponsorship opportunities, presenting the Foundation will even more opportunities to explore. The expense profile developed for this proposal adequately represents the capital and operating costs associated with this venture, and therefore the Board believes its projections are accurate and attainable.

SCHEDULE 1 – SHORT TERM FIELD REVENUE ASSUMPTIONS

	2019	2020	2021
FIELD RENTAL - SOCCER			
Rental Season (Oct - Apr)			
Hourly Charge	\$ 145	\$ 150	\$ 150
Hours Rented Per Week	70	85	95
FIELD RENTAL - BASEBALL			
Rental Season (Oct - Apr)			
Hourly Charge (* 2 field used)	\$ 145	\$ 150	\$ 150
Hours Rented Per Week	10	15	20
FIELD RENTAL - OTHER			
Rental Season (Oct - Apr)			
Hourly Charge	\$ 145	\$ 150	\$ 150
Hours Rented Per Week	5	10	10

SCHEDULE 2 – SHORT TERM ADDITIONAL REVENUE ASSUMPTIONS

ADDITIONAL REVENUES

Organizational Sponsorship	\$ 15,000	\$ 25,000	\$ 25,000
City of Greater Sudbury Subsidy	\$ -	\$ -	\$ -
	<u>\$ 15,000</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>

SCHEDULE 3 – SHORT TERM PROJECTED INCOME & CASH FLOW STATEMENT

	2019	2020	2021
REVENUE			
Field Rentals	\$ 369,750	\$ 495,000	\$ 562,500
Other (Levies, Sponsorships, Subsidies)	15,000	25,000	25,000
	\$ 384,750	\$ 520,000	\$ 587,500
OPERATING EXPENSES			
Administration and Marketing	\$ 4,000	\$ 5,400	\$ 6,100
General & Equipment Maintenance	5,500	5,775	6,064
Insurance	20,000	20,400	20,808
Janitorial Services	4,000	4,200	4,410
Professional Fees	4,000	4,200	4,410
Salaries & Benefits	100,000	102,000	104,040
Telephone/Internet/Communications	4,000	4,200	4,410
Turf Maintenance	2,500	2,625	2,756
Utilities	120,000	132,000	145,200
Total Operational Expenses	\$ 264,000	\$ 280,800	\$ 298,198
NET INCOME (LOSS)	\$ 120,750	\$ 239,200	\$ 289,302
Net Income (Loss) From Operations	\$ 120,750	\$ 239,200	\$ 289,302
Structure Replacement Fund	(32,143)	(64,286)	(64,286)
Turf Replacement Fund	(78,571)	(157,143)	(157,143)
Net Operating Cash Flow	\$ 10,036	\$ 17,771	\$ 67,873
Cumulative Net Operating Cash Flow		\$ 27,807	\$ 95,681

SCHEDULE 4 – LONG TERM PROJECTED INCOME & CASH FLOW STATEMENT

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
REVENUE										
Field Rentals	\$ 369,750	\$ 495,000	\$ 562,500	\$ 568,125	\$ 573,806	\$ 579,544	\$ 585,340	\$ 591,193	\$ 597,105	\$ 603,076
Other (Levies, Sponsorships, Subsidies)	15,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
	\$ 384,750	\$ 520,000	\$ 587,500	\$ 593,125	\$ 598,806	\$ 604,544	\$ 610,340	\$ 616,193	\$ 622,105	\$ 628,076
OPERATING EXPENSES										
Administration and Marketing	4,000	5,400	6,100	6,200	6,300	6,400	6,500	6,600	6,700	6,800
General & Equipment Maintenance	5,500	5,775	6,064	6,100	6,200	6,300	6,400	6,500	6,600	6,700
Insurance	20,000	20,400	20,808	21,000	21,200	21,400	21,600	21,800	22,000	22,200
Janitorial Services	4,000	4,200	4,410	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Professional Fees	4,000	4,200	4,410	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Salaries & Benefits	100,000	102,000	104,040	105,100	106,200	107,300	108,400	109,500	110,600	111,700
Telephone/Internet/Communications	4,000	4,200	4,410	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Turf Maintenance	2,500	2,625	2,756	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Utilities	120,000	132,000	145,200	146,700	148,200	149,700	151,200	152,700	154,200	155,700
Total Operational Expenses	264,000	280,800	298,198	301,400	304,400	307,400	310,400	313,400	316,400	319,400
NET INCOME (LOSS)	\$ 120,750	\$ 239,200	\$ 289,302	\$ 291,725	\$ 294,406	\$ 297,144	\$ 299,940	\$ 302,793	\$ 305,705	\$ 308,676
Net Income (Loss) From Operations	\$ 120,750	\$ 239,200	\$ 289,302	\$ 291,725	\$ 294,406	\$ 297,144	\$ 299,940	\$ 302,793	\$ 305,705	\$ 308,676
Capital Fund Replenishment	(32,143)	(64,286)	(64,286)	(64,286)	(64,286)	(64,286)	(64,286)	(64,286)	(64,286)	(64,286)
Turf replacement - Transfer to Capital Fund	(78,571)	(157,143)	(157,143)	(157,143)	(157,143)	(157,143)	(157,143)	(157,143)	(157,143)	(157,143)
Net Operating Cash Flow	\$ 10,036	\$ 17,771	\$ 67,873	\$ 70,296	\$ 72,978	\$ 75,716	\$ 78,511	\$ 81,365	\$ 84,277	\$ 87,248
Cumulative Net Operating Cash Flow		\$ 27,807	\$ 95,681	\$ 165,977	\$ 238,955	\$ 314,670	\$ 393,182	\$ 474,546	\$ 558,823	\$ 646,070

SCHEDULE 5 – PROJECTED CAPITAL FUNDING & EXPENDITURES

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
CASH INFLOWS										
Construction Financing	5,000,000									
Foundation Contingency	600,000									
Capital Fund Replenishment	32,143	64,286	64,286	64,286	64,286	64,286	64,286	64,286	64,286	64,286
Turf Replacement - Transfers	78,571	157,143	157,143	157,143	157,143	157,143	157,143	157,143	157,143	157,143
Total Cash Inflows	5,710,714	221,429	221,429	221,429	221,429	221,429	221,429	221,429	221,429	221,429
CASH OUTFLOWS										
Development & Construction Costs	\$ (4,500,000)									
Initial Turf Instalation	(1,100,000)									
Turf Replacement									(1,100,000)	
Total Cash Outflows	(5,600,000)	-	-	-	-	-	-	-	(1,100,000)	-
NET CASH FLOWS	\$ 110,714	\$ 221,429	\$ 221,429	\$ 221,429	\$ 221,429	\$ 221,429	\$ 221,429	\$ 221,429	\$ (878,571)	\$ 221,429
CUMULATIVE CASH FLOWS		\$ 332,143	\$ 553,571	\$ 775,000	\$ 996,429	\$ 1,217,857	\$ 1,439,286	\$ 1,660,714	\$ 782,143	\$ 1,003,571

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