

Markham Sports, Entertainment and Cultural Centre





MARKHAM SPORTS, ENTERTAINMENT & CULTURAL CENTRE

DETAILS

The proposed centre will have:

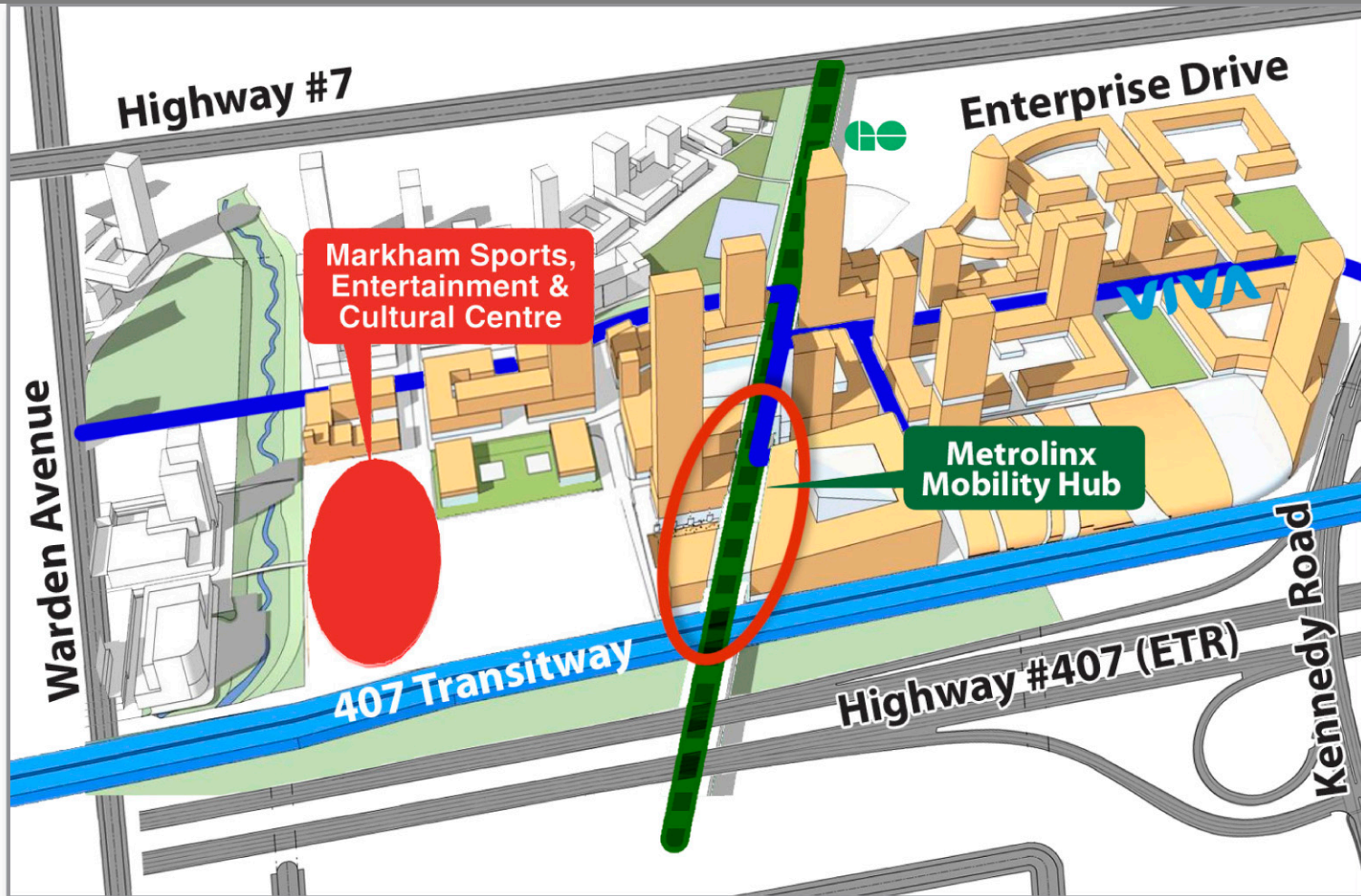
- 20,000 seats
- an NHL sized arena
- 700,000 square feet

Markham will own the Centre, on Markham-owned land

- approximately 6 acres

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LOCATION





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REVISED FINANCIAL STRUCTURE

\$162.5M	Private Sector (Canaccord Genuity & Jefferies LLC)
\$120.0M	Developer Agreements
\$ 10.0M	Special Development Levies Already Received
\$ 32.5M	Arena Lease
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=\$325.0M	Construction Cost

REVISED FINANCIAL STRUCTURE

Issue	Status
Financing	Private Sector: \$162.5m Markham: \$162.5m (capped)

- Fixed price contract estimated at \$325 million (excluding construction financing) and the Private Sector Group will be responsible for any cost overruns
- If construction cost is less than \$325 million, the savings accrue to Developer Group
- Private Sector Group will pay 50% of the cost (to be financed externally by Canaccord Genuity and Jefferies LLC)
- Markham is borrowing \$162.5 million (estimated to be at 4.6% for 20 years) to be paid by Developers' Group and arena lease

REVISED FINANCIAL STRUCTURE

Issue	Status
Arena Revenues	Lease of \$2.6 million (indexed)

- Draft Memorandum of Understanding (MOU) incorporates an annual lease amount of \$2.6 million (indexed)
- Equates to approximately \$32.5 million of borrowing capacity over the term of the loan

REVISED FINANCIAL STRUCTURE

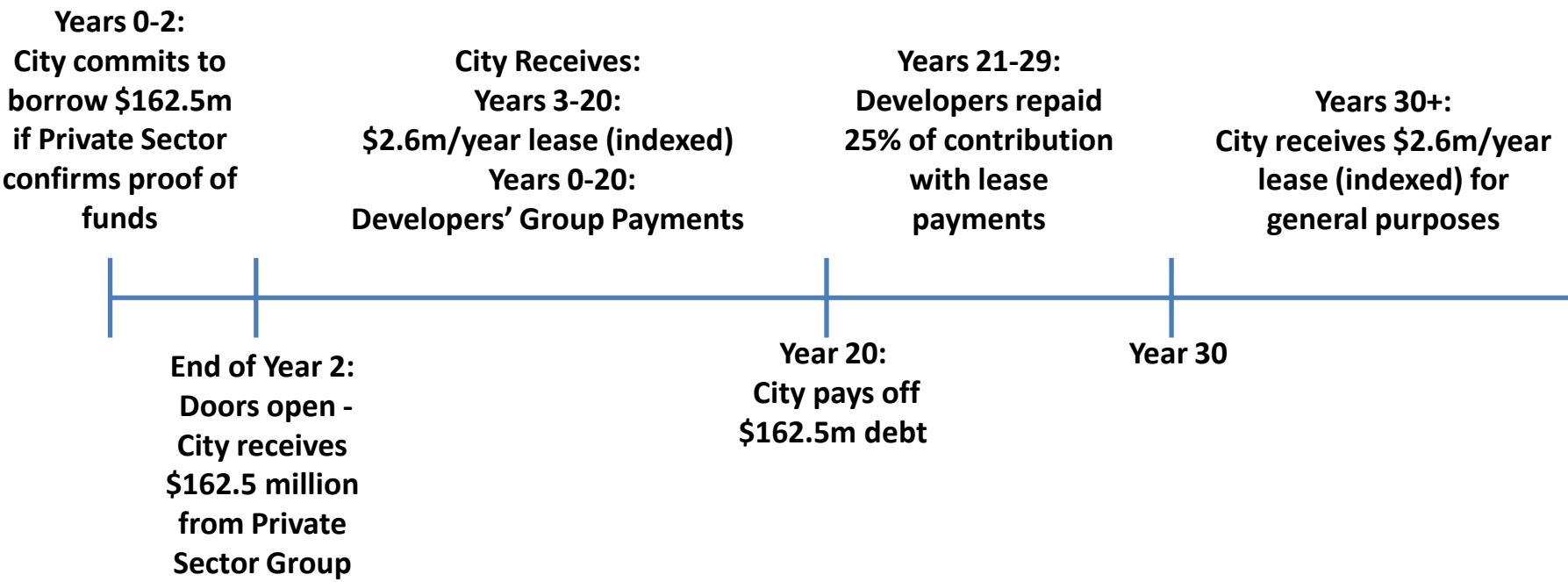
Issue	Status
Developer Agreements	Special Levy eliminated going forward (\$10 million collected to date) Developer Group has agreed to fund \$120m (plus interest)

- Draft MOU with Developers' Group to fund \$120 million (plus interest) over 20 years
 - To date, the parties who have signed the MOU represent \$70 million of the \$120 million
- The Special Levy is eliminated
- After debt is repaid (approximately 20 years), lease will refund Developers' Group 25% of their contributions to the arena
- Developer Recognition will include a Developer Walk of Fame, dedicated space for developers to display projects, digital advertising within the arena



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REVISED FINANCIAL STRUCTURE



REVISED FINANCIAL STRUCTURE

Issue	Status
Municipal Capital Facility Designation	Yes (in recognition of Community Access Agreement)

City is foregoing Development Charges (estimated total = \$27.0m; Markham portion = \$1.2m) and property taxes (estimated total = \$2.4m/year; Markham portion = \$0.34m/year) in exchange for increased local economic activity and community access:

- Ice time
- The Centre will be made available to Markham for community-based groups /Community Events
- Use of upper/main concourse for walking, tai chi, etc.
- Community Meeting Rooms
- Available to be used as an Evacuation Centre
- Markham branding on interior and exterior of facility
- Office space

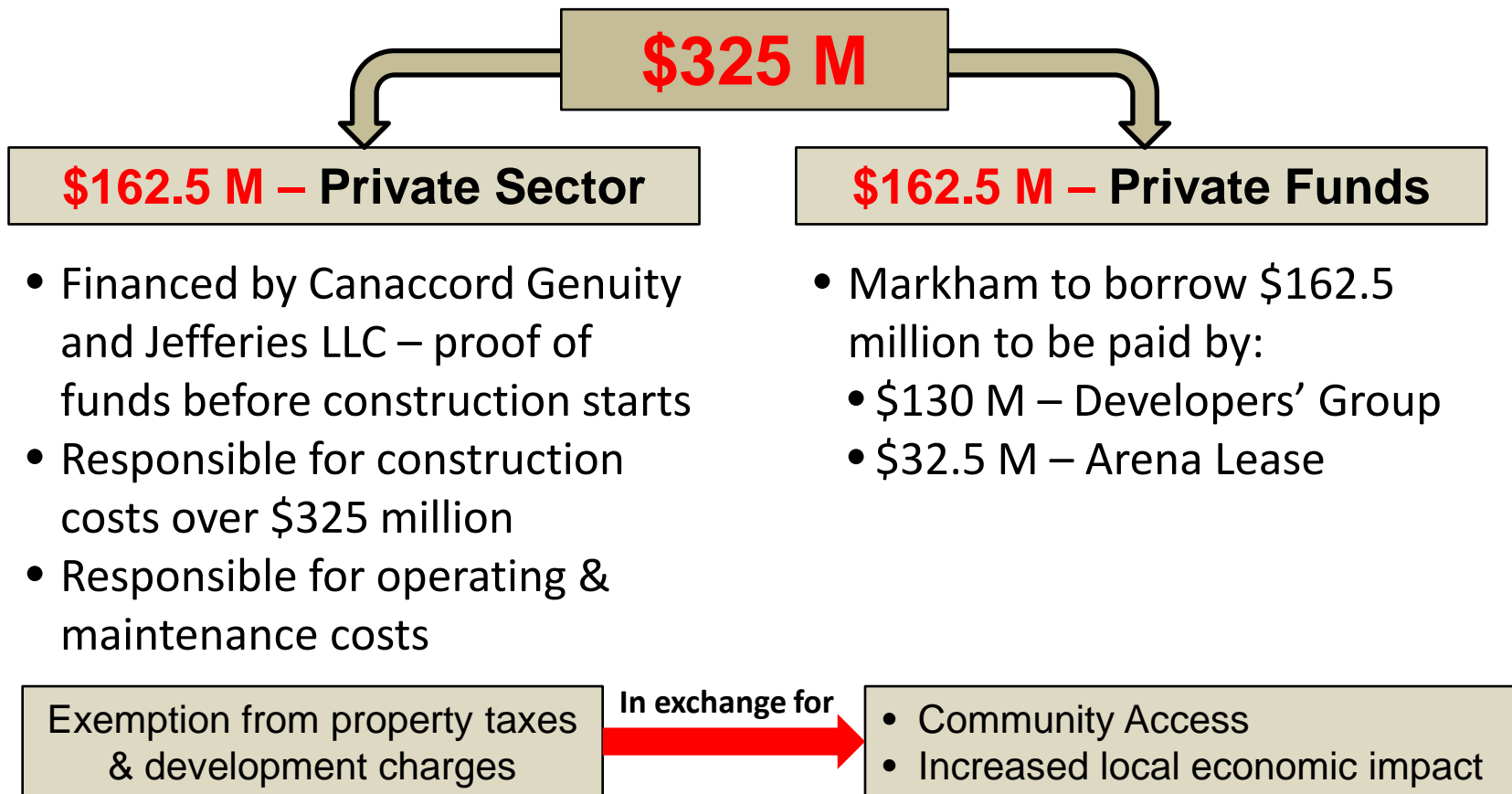
REVISED FINANCIAL STRUCTURE

Issue	Status
Operating & Maintenance Costs	Private Sector responsibility - Private Sector guarantee

- Private Sector Group will guarantee any operating losses

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REVISED FINANCIAL STRUCTURE



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WHAT ARE THE BENEFITS?

Benefits based on the Province's Tourism Regional Economic Impact Model

Assumes 130 annual events and 780,000 attendees.

- 600 construction jobs over two years
- 886 post-construction jobs
- \$13 million in provincial taxes
- \$61 million regional gross domestic product (GDP) annually
- Annual GDP includes \$15 million in projected retail, food, beverage and accommodation