

Hau, Lucy

Subject: FW: Arena ??

-----Original Message-----

From: Heath, Jack
Sent: April-23-12 2:25 PM
To: Robert Campbell
Cc: Mayor, Councillors & C.A.O.; Kitteringham, Kimberley
Subject: RE: Arena ??

You have asked some very good questions. Thank you. I am working on answers.

Plus, I will ask the Clerk to put your inquiry on the agenda for the coming Council meeting as correspondence.

Jack Heath
Deputy Mayor of Markham & York Region Councillor
905-415-7506 Cell 416-464-5517
jheath@markham.ca

-----Original Message-----

From: Robert Campbell
Sent: April 22, 2012 9:44 AM
Subject: Arena ??

Does Markham really need this 20,000 seat arena, and how does it benefit from this ?
We certainly don't build it for the World Jrs or a few concerts.
Still too many questions.... Is it fair to charge new homeowners up to \$5,000, and maybe a one time charge of \$160 per household. The financing is as clear as mud. Why does the Bratty group want to give \$162M, will they benefit from Section 37 re density and height?
If this arena is such a wonderful concept why doesn't private money build it and run it?

~Robert Campbell
Ward 4

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Hau, Lucy

Subject: FW: Proposed Markham Arena

From: Heath, Jack

Sent: April-23-12 4:20 PM

To: Elisabeth Tan; Hamilton, Don; Jones, Jim; Shore, Howard; Scarpitti, Frank; Landon, Gord; Burke, Valerie; Li, Joe; Ho, Alan; Chiu, Alex; Campbell, Colin; Moretti, Carolina; Kanapathi, Logan

Cc:

Subject: RE: Proposed Markham Arena

Thanks for this Elisabeth. Some good points.

I am going to have it added to correspondence for the Council meeting. I am also going to forward to Dennis Flaherty who is working on answers to the questions people have asked. I could take a reasonably good try at the most of them but I think Dennis will do even better!

Best wishes.

Jack Heath

Deputy Mayor of Markham & York Region Councillor
905-415-7506 Cell 416-464-5517
jheath@markham.ca

From: Elisabeth Tan

Sent: April 22, 2012 10:23 PM

To: Hamilton, Don; Jones, Jim; Shore, Howard; Scarpitti, Frank; Landon, Gord; Heath, Jack; Burke, Valerie; Li, Joe; Ho, Alan; Chiu, Alex; Campbell, Colin; Moretti, Carolina; Kanapathi, Logan

Cc:

Subject: Proposed Markham Arena

Dear Mayor and Members of Council,

I did attend a major part of Friday's Public Meeting and we concluded that it would be nice to have a Markham arena for sports and other events closer to home. However, there were too many unanswered questions.

How can this project be 90% funded by Private businesses, if The Town is footing 50% of the \$ 325 million? Afterwards, it would be owned a 100% by The Town? What is the trade-off?

The lease (another 407 ETR deal?) must be very low and for how many years? How is the profit distribution?

It was presented that The Town will get some money from the tickets surcharges, parking revenues, lease payments and Section 37.

BILD (Building Industry and Land Development Association) has submitted a letter opposing the extra development charges. Are we going to face another OMB fight?

Are we getting taller buildings than planned in Markham Centre? Can we service M.I.S.T.A, PanAm buildings and arena?

Although we were told that transportation and parking issues will be taken care of, we are not convinced that our traffic congestion will be solved by 2015?

I agree with Councillor Gord Landon that surface parking would be a waste of precious land and it doesn't enhance Markham Centre. Even if it is only temporary until we get more buildings, then it is still a waste to tear it all up again?

As Mr. Thun at the end remarked, why are we in such a hurry to close the deal? The Junior World Cup is a yearly event.

It is a major decision, so please ask taxpayers for their opinion.

Yes, we would love a Sports and Events Centre if it is financially sound and does not cause more gridlock than we already have. But there are many other taxpayers, who may not even consider the arena?

Regards.

Elisabeth Tan
Unionville

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Hau, Lucy

Subject: FW: There is a huge fog over the proposed Arena!

From: Donna Markham

Sent: April-23-12 3:57 PM

To: Ho, Alan; Chiu, Alex; Moretti, Carolina; Campbell, Colin; Hamilton, Don; Scarpitti, Frank; Landon, Gord; Shore, Howard; Heath, Jack; Jones, Jim; Li, Joe; Kanapathi, Logan; Burke, Valerie; Kitteringham, Kimberley

Cc:

Subject: There is a huge fog over the proposed Arena!

WITHOUT PREJUDICE

Dear Mayor and Councillors,

I attended the Town meeting Friday, regarding the proposed Markham Sports, Entertainment & Cultural Centre. Clearly, it would be an impressive facility; however, the devil is in the details... IF, it was being built and operated privately, I would say great!!! But, since we are going to be paying for it, I say not so fast – what's the rush?

There are so many questions that I have around this business proposition:

- Why was this put together without public input? In fact, I don't even think that the Councillors really understand the 'financial framework' that passed unanimously last Friday.
- Why are critical financial details kept from the taxpayers? If we are expected to be responsible for paying even one dollar towards this deal – we have the right to know the full details.
- Wording of this "Opportunity" states; "...The proposal is for a Private Sector Group to fund 50% of the construction costs..." If I understand this deal correctly, I believe that the word 'fund' is misleading taxpayers. IF, this is actually a loan, it should clearly state the word 'loan'.

<http://www.thefreedictionary.com/fund>

Dictionary: *verb*

- ▶ finance, back, support, pay for, promote, float, endow, subsidize, stake, capitalize,
- ▶ provide money for, put up the money for The foundation has funded a variety of faculty programs.
- Did the construction of this facility go out for tender? How were the contractors selected?
- How do the taxpayers know if we are getting value for money, when Mr. Roustan put the entire deal together?
- Since we know that the Markham Theatre, Community Centres, Varley Art Gallery... have to be subsidized by the community, what makes Council feel that this business opportunity will be any different – except that this facility will cost substantially more!
- The word 'community' was used several times at the Friday meeting. However, I cannot see how anyone can justify saying that – how exactly do you foresee this functioning like a Community Centre?
- How long is Mr. Roustan's lease for and what is the monthly lease rate he will be paying?

- When Mr. Roustan's lease ends, what is the plan to find a new lessee? I would expect that this will be a challenge and could leave the residents stuck without a tenant...
- Why are we borrowing money from Mr. Roustan to finance half of the construction costs?
- What's in it for Mr. Roustan?
- A google search of Mr. Roustan shows some very concerning information about this character... And it doesn't include much of anything other than his Markham proposal. I would think that others who have also checked google would have similar apprehensions???
- What happens if the builders do not agree to making 'voluntary' payments -- to the financial framework and to the builders?
- Why wasn't Mr. Andy Taylor prepared for the Q&A session? He should have had credible 'potential' tax increases ready -- instead of pulling numbers out of a hat -- numbers that appear to be woefully unstated. Or was this actually planned?
- Residents require a proper Business Proposition -- prepared by a well-respected, professional entity -- such as Pricewaterhouse Coopers... Has this been done? If not -- why not? If so, the taxpayers require this information.

Again, the above are only some of my questions and concerns regarding this 'opportunity'. In light of the fact that residents have very few financial details on this opportunity, and I am not convinced that even Council and Town staff have been given the full financial picture -- I respectfully request that Council does not support approving this opportunity on Thursday evening. Instead, I request that you hold public meetings to provide residents with full financial details, hear residents' questions/concerns/support, and bring the findings back to another Special General Committee Meeting in six - twelve months. Residents require transparency and due diligence -- before spending millions of taxpayers' dollars!

Once again Mayor Scarpetti, this is still the Town of Markham -- not the Town of Scarpetti...

Sincerely,

Donna Bush

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Hau, Lucy

Subject: FW: Financing of Arena

Importance: High

From: Karen Rea

Sent: Tue 4/24/2012 11:17 AM

To: Landon, Gord; Hamilton, Don; Li, Joe; Ho, Alan; Chiu, Alex; Moretti, Carolina; Burke, Valerie; Kanapathi, Logan; Jones, Jim; Scarpitti, Frank; Heath, Jack; Shore, Howard; Campbell, Colin

Cc: Baird, Jim; Kitteringham, Kimberley; Taylor, Andy

Subject: Financing of Arena

WITHOUT PREJUDICE

Good Morning Counsellors

I have been trying to figure out about the financing for the Arena. If someone can please clarify on what this is going to cost us.

This is what I am getting from the presentation on Friday:

Cost \$325000000 plus cost of financing.

\$162500000 to be borrowed from GTA Sports that has to be paid back upon completion of construction.(2 years approx.) Loan payments on this is \$1036847.56 per month approx. 12.5 million a year

So there is an extra \$25 million that we will owe GTA Sports. As I am sure we are not getting that money for free.

\$130 million will be covered via, developers section 37 and TIF hopefully!

Town of Markham portion is \$32 million approx.

GTA Sports is going to make us lease payments...so we can pay back \$162500000 (that we have already borrowed from GTA)What are the Lease Payments does it equal the amount of the loan payment. How long is the Lease for.

What happens if we do not get an NHL team and GTA sports cannot make their Lease Payment...Or is Bratty on the Lease as a Guarantor..

Andy Taylor said worse-case scenario it would cost the tax payer an extra 2% per year for 5 years. That does not equal \$32.00 per year. I am going to take a guess average property tax is \$4000 2 % increase on that is \$80.00 the following year would be \$81.60... Do the math its more than the suggested \$160.00 that Don Hamilton tried to confirm on Friday. Or are you calculating this differently...

We as residents should know exactly what this is going to cost, it's not just \$325000000 you need to add on carrying costs which are huge on \$162.5 mill alone its over \$86 mill .

Either way we should not be involved in this, it should be privately owned, so if something happens, we as residents are not going to be negatively affected.

I would urge all of you to defer your vote for a minimum of 6 months to look into alternate financing arrangements not involving the residents. As its all of our money that you are spending.

Andy, I would appreciate if you can please confirm or correct my assumptions. (or if one of the counsellors have the answer)

Regards

Karen

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