



## **STADIUM ANALYSIS – 3 PHASED APPROACH PHASE 1 RECAP**

### **Stadium Analysis – 3 Phased Approach**



**December 7** Council directs staff to proceed with Candidate City status for FIFA 2015

**February 7** Council agrees to 3-phased approach and confirms Citizen – led Steering Committee

**Phase 1** Business Plan (feasibility and needs assessment)

**Phase 2** Site Selection, Prelim Design, Cost

**Phase 3** Construction

**March 3** – FIFA selects Canada as HOST Country

## **Key Driver for Stadium Analysis**



**Opportunities associated with hosting the FIFA Women's World Cup Canada 2015:**

- 1 of 7 candidate cities
- CSA favours all 7 cities for 2015
- CSA favours eastern Canada for 2014 "test" event
- Event infrastructure legacy

## **FIFA Women's World Cup Canada 2015 and 2014**



- 10 day event
- 52 matches
- 7 cities across Canada Coast to Coast  
(3 currently without stadia)
- Largest women's sport event in the world
- Cultural and Festival events to compliment Sport

## **FIFA Women's World Cup Canada 2015 and 2014**

- Prelim Economic impact than past World Junior Hockey and World Men's Hockey Championship
- World media exposure (Broadcast in over 200 countries)
- 2011 event attracted 14.1M (ESPN) peaking at 21.1M for televised final match - much higher in Europe
- NO operating risk for HOST cities beyond agreed investments ( FIFA letters of Intent)

## **Commitment**

- Regional Council directed staff and Steering Committee to proceed with Phase 1 to:
  - Determine feasibility and long term value of potential venue
  - Measure the value to proceed to Phase 2 of the analysis
- Steering Committee and Staff recommendation to proceed:
  - Based on long term opportunity for the region
  - Desire to provide information for informed decision making by Regional Council after Phase 2.

## Investment Rationale for Phase 2



- **Steering Committee support for further investigation**  
– indication of potential long-term benefit to HRM
- **CSA and FIFA ongoing interest and support of HRM for 2015 and 2014 events**
- **Opportunity to finalize analysis for current or future construction**
- **Potential for funding assistance for Phase 2 analysis**

## Investment Rationale for Phase 2



- **Phase 1 identifies the need for participation & event infrastructure**
- **Phase 1 VFM further developed based on specific site & design discussion**
- **Identification of potential annual operational subsidy consistent with other community facilities**
- **Sport community & citizens at large interest in site and design options – not overtly interested in Business Planning phase**

## **Benefit of Proceeding**



- **Previous research (1986-present) has not provided full analysis of stadium opportunities and costs**
- **FIFA 2015 and 2014 significant national and regional events – economic and reputational**
- **Readiness for construction**
- **CSA aware of potential decision after Phase 2 NOT to construct**

## **Benefit of Proceeding**



- **Citizen – led Steering Committee already in place and committed to final analysis**
- **Staff resources allocated**
- **National and local development and sport communities ready for challenge**
- **Investment in Future, information for solid decision making for Regional Council**

### Council Investment– to date



- Dec 7 2010** Council decision to proceed as candidate city FIFA Women's World Cup Canada 2015
- Feb 7 11** Council decision to adopt 3 phased approach, and to appoint Citizen – led SC

*(February 13-27 Canada Winter Games – Halifax)*

- March 1** Council Steering Committee selections
- March 28** Phase 1 RFP Awarded
- April 4,5** Canadian Soccer Assoc Site Visit and Tour

### Council Investment – to date



- May 12-19** Stakeholder meetings
- June 6-10** Public and stakeholder meetings
- July 8-15** Steering Committee Review and deliberations of Draft Phase 1 Report
- July 26** Final Phase 1 Report circulated to Council
- August 2** Presentation and Steering Committee Recommendation to advance to Phase 2

## Upcoming Project Benchmarks



- |                   |   |
|-------------------|---|
| <b>August 9</b>   | <b>Council decision to proceed to Phase 2 or not</b>                            |
| <b>August 16</b>  | <b>Council decision to sign FIFA Letters of Intent for 2015 and 2014 events</b> |
| <b>August</b>     | <b>(mid) Post RFP – design and site</b>   |
| <b>August</b>     | <b>Funding requests to gov't partners for Phase 2 analysis</b>                  |
| <b>Sept 13,14</b> | <b>CSA and FIFA Site Visit in Halifax (1/7)</b>                                 |

## Upcoming Project Benchmarks



- |                  |  |
|------------------|--|
| <b>September</b> | <b>Presentation to Regional Council re possible funding formula / capital strategy</b>   |
| <b>Sept-Dec</b>  | <b>Ongoing negotiations with CSA re HOST city agreements (pending decision to build)</b> |
| <b>Oct/Nov</b>   | <b>Public consultation re site and design</b>  |
| <b>December</b>  | <b>Presentation to Council – Final Phase 2 proposed site options</b>                     |
| -                | - facility design  |
| -                | - Class C capital cost   |
| -                | - capital funding discussion   |
| -                | - decision to construct or not   |

## Decision Making Benchmarks



- |                      |   |
|----------------------|---|
| <b>August 9</b>      | <b>Decision to proceed or NOT to Phase 2</b>  |
| <b>August 16</b>     | <b>Decision to direct Mayor to sign CSA/FIFA letters of intent re event funding (pending decision to build a stadium)</b>   |
| <b>December 2011</b> | <b>FINAL OFFRAMP RE FIFA EVENTS<br/>Decision to proceed to construct a stadium OR NOT based on completed Phase 2 analysis and identified capital funding partners</b> |

## Phase 1 Report Clarifications



- 1. The estimates of operating position reflect uncertainty – Councillor McLuskey set the tone that there was no certainty in the numbers. By undertaking a risk approach to programming, events, revenues and costs, we accounted for significant risk, so the deficit we project should not be seen as being open ended.
- 2. Event potential – we are very conservative
- 3. Capacity for a CFL franchise – we are being modest in scale but with an eye for ability to expand the entire complex in the future
- 4. Divorce this from outdoor rec planning
- 5. Economic Impact – it is more valid that we might think
- 6. Importance of thinking about a multi-use base evolving over time – it can be a centre of activity 12 months
- 7. Event days – 50 is quite high for events for open air stadia

## Phase 1 Report Clarifications



- **Business Plan accounts for revenue and operating cost uncertainty:**
  - Type, scale and number of spectator events conservative
  - Resulting Net Operating Revenue (NOI) is conservative and reflects the conservative approach to revenue projection
  - Scenario 1 projection of deficit \$475,000 (Worst Case)
    - ✦ \$280,000 capital reserve
    - ✦ \$200,000 management fee

## Phase 1 Report Clarifications



- **Scenario 2 projection of deficit \$295,000 (Best Case)**
  - \$280,000 capital reserve
  - \$200,000 management fee
- **In reality, number of events could be higher**

## Phase 1 Report Clarifications



- **Event Days are Reasonable and Conservative**
  - 50 events days is not LOW for an open air stadium
  - This excludes daily use by community
- **Business Plan based on daily use of facility for community, plus participatory sports events, plus spectator events**
- **Building (main grandstand) in use and generating revenue for 12 months a year**

## Phase 1 Report Clarifications



- **Recommended Permanent Seat Count is not capped at 20,000**
  - More permanent seats do not generate proportional increase in operating costs – marginal net cost of each permanent seat declines
  - Value for Money of additional permanent seats can only be determined in Phase 2
    - ✦ Based on capital costs
    - ✦ Based on location
    - ✦ Based on resulting design opportunities
    - ✦ Based on partnership opportunities

## Phase 1 Report Clarifications

- Specific opportunities for long-term campus development
- Location – informed estimates of economic impact potential
- Refinement of projected revenue potential and resulting operating deficit
- Confirmation of viability of modular approach to future facility expansion at selected location
- Estimation of Value for Money for scale/capital cost, location, economic impact and community impact

## Recommendations to Regional Council

- Approve in principle recommended directions in Final Report (Option 3)
- Direct Staff to proceed to Phase 2 Stadium Analysis – Site Selection and Preliminary Design
- Approve Phase 2 funding from Strategic Growth Reserve Q126
- Staff return to Regional Council end of September for capital affordability and financing options discussion

