

Halifax Stadium Analysis – Phase 2 – Requirements Consulting

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1.0 Executive Summary

In March of 2011 Canada was awarded the 2014 FIFA U-20 Women's World Cup and 2015 FIFA Women's World Cup. The 2015 event will attract international attention and showcase a number of Canadian cities and their spectator facilities. Cities being considered for one or both events include Halifax, Edmonton, Montreal, Vancouver, Winnipeg, Ottawa, and Moncton. While the other cities have spectator facilities in place which are capable of hosting the 2015 event, Halifax does not. This represents a unique opportunity for HRM to gain a valuable piece of infrastructure while garnering national and international attention.

Halifax Regional Municipality describes the stadium project as community driven and event-supported. The legacy of any major sports event ideally supports the values, vision and lifestyle of the host community. The stadium project is about building a facility that responds to community and regional needs, and in the process can be temporarily expanded for major entertainment and sports events. In this way it is a community-driven, event-supported facility

FIFA requirements are not "project definers" but provide a range of scale. The new stadium would need to accommodate 20,000 spectators during the event with minimum seating capacity of 10,000 as part of the sports and event legacy. This aligns with the objectives of Halifax Regional Municipality and its desire to build a sports and event campus.

Halifax Regional Council initiated a Phase 1 Business Case retaining Sierra Planning & Management in the spring of 2011. Their report, presented to Regional Council in August, evaluated the financial performance of both a 10,000 and 14,000-seat facility and identified the need for indoor commercial and revenue-generating space. Since September the design firm of Fowler Bauld Mitchell Architects and their team of specialist consultants, has been working on Phase 2 of the project. Following the recommendations of Phase 1, the new HRM Stadium would need to be a community-oriented facility with the ability through temporary expansion to host a number of national and international sports and entertainment events. The prime value of the new

stadium would be as a community-scaled regional facility and part of a larger sports and recreation campus if possible. The added value would be as a regional, provincial and Atlantic Canada event destination.

The process of developing a vision for the new HRM Stadium included a number of key initiatives:

- Public engagement through a series of open sessions, on-line questionnaires, telephone surveys and emails,
- A process of identifying and evaluating a number of public and privately held sites within the greater HRM,
- A conceptual design process based on input from the community in terms of scale, flexibility, expansion and relevance,
- Identifying both construction and overall project costs so that the HRM Stadium could provide the greatest value for money,
- Understanding the economic impact of a new stadium with the ability of evaluating the financial benefits of alternate scales of development.

Public Engagement

A fundamental objective of the Phase 2 work was to involve the community in a broad dialogue that included siting, size, and planning/design rationale. Public input was provided in a number of ways including public engagement sessions with live streaming, a telephone survey, an online questionnaire, and extensive use of social media.

There were a total of four public engagement sessions. The first, held in Halifax on October 12 at the Halifax Forum, dealt with the theme of "Vision". The second session was held in Dartmouth the following night at Farrell Hall with the theme of "Location and Design". Session 3 on November 16th again at the Halifax Forum, dealt with "Design Options" and a similar session was held the following night at Farrell Hall. All public sessions had live streaming and opportunities for participants following on-line to offer their opinions.

The public engagement sessions were well-attended. Opinions expressed were reinforced by a telephone survey, and online questionnaire, and direct email initiated as part of the engagement strategy. Major themes emerging from this process included:

- While the notion of a community stadium was understood there was strong support for a multi-purpose facility that could accommodate concerts and other assembly events other than sports.
- When asked for a preferred location at Session #2 the participants were closely divided between Shannon Park and Dartmouth Crossing.
- The majority of attendees were supportive of a new stadium and of those, the preference was for consideration of a facility that would be larger than 10,000 seats and that in the future would support a professional sports franchise.

The telephone survey was conducted from November 7 to November 15 with a total of 400 surveys being completed. Findings from the survey include:

- Approximately half of the respondents felt that the new stadium should be built in Dartmouth and of those the majority favoured Shannon Park over Dartmouth Crossing by a factor of almost two to one.
- Over 70% of respondents supported a new 10,000-seat stadium with an additional 10,000 temporary seats.
- Important factors in assessing a new stadium were ease of accessibility, sufficient parking, expandability of the site for other usages including a professional sports franchise.

The online survey was made available through Halifax.ca, the HRM surveys page, hrmsstadium.ca, and the HRM Stadium Facebook page and HRM Stadium Twitter feed. The survey link was available from November 1 to November 15 and during that time a total of 705 surveys were completed. Highlights of the online survey included the following:

- Shannon Park was the preferred site for the new stadium with 41% support,
- As with the telephone survey, over 70% of respondents supported the new facility.

The detailed outcome of the telephone and online surveys are include in Appendix 5 of this report.

Site Analysis

The process of selecting a site started with the guiding principles in the Phase 1 Business Case report. This included developing a campus of indoor and outdoor recreation facilities that would create a critical mass for both community programming and special events. A Site Evaluation Matrix was developed that incorporated the values and objectives of the Phase 1 report and this was applied to all sites considered in the Site Analysis. Through the evaluation process four sites were ultimately shortlisted for further review, leading to a final recommendation.

The following sites were evaluated:

- The Dartmouth Crossing area including Burnside (site #1), the “Quarry” site north of Wright Avenue between Countryview Drive extension and Highway 118 (site #2), the southeast corner of Commodore Drive and John Savage (site #3),
- St. Mary’s University (site #4),
- Shannon Park (site #5),
- Aerotech Park (site #6),
- Summit Properties site west of Aerotech Park (site #7),
- Lake Loon Golf Centre (site #8),
- Cogswell Interchange (site #9).

The evaluation criteria included a risk factor penalty for significant issues relative to acquiring or developing the site in time for the 2015 FIFA Women’s World Cup. Without the risk factor the highest scoring sites were Shannon Park, Commodore Drive Site in Dartmouth Crossing, the Quarry at Dartmouth Crossing, and Burnside. After the risk factor the best scoring sites were the Commodore Drive site, the Quarry site, Shannon Park, and Burnside. The Dartmouth Crossing sites are well-positioned to quickly move forward as a FIFA stadium site. Shannon Park outscored the other sites prior to the risk factor correction, and is the site most favoured by the public. To make the Shannon Park site work for the FIFA event Regional Council would need to make a decision early in 2012 to secure the site, develop a master plan of which the stadium is only a part, and undertake environmental remediation as part of a larger project initiative. Recognizing that the FIFA schedule is a critical path

item for the project, the Consulting Team is recommending the Commodore Drive – site #3 as the preferred location for the new HRM Stadium.

Conceptual Planning

The planning and conceptual design of the HRM Stadium was a response to a number of key elements:

- The vision for the design concept needed to support the objective of “community drive, event supported”,
- The design needed to be flexible and accommodate the needs of soccer, football, other outdoor sports, entertainment activities such as concerts and open-air movie events, as well as other major international competitions.
- A number of seating options were considered including the 14,000 fixed-seat alternate identified in the Phase 1 Business Case.

The Consulting Team ultimately focused on a concept design that had an appropriate balance of value for money. In the Legacy or 10,000-seat format the design included the following features:

- 5,000 fixed permanent seats on east and west sides of the field,
- Dressing rooms for FIFA and community events,
- Provision for a private suites level to be further developed in during the FIFA event,
- One end of the field of play would be graded and grassed to allow for picnic viewing of events.
- 10,000 temporary seating units will be located at either end of the field of play.

A 14,000 fixed-seat option has been developed and priced as well.

Capital Cost Estimating

The costing of the HRM Stadium complies with both community and FIFA requirements with an initial assumption of 10,000 permanent seats and 10,000 temporary seats owned by HRM. The Phase 1 Business Case identified an option with 14,000 permanent seats and 6,000 temporary seats and this has also been priced. The construction cost estimate for a 10,000 permanent seat stadium ranges from \$36,847,000 prior to land acquisition, site servicing,

contingencies and soft costs. With 14,000 permanent seats the stadium cost increases to \$46,246,000.

Stadium Financial Projections

Based on an assumed project capital cost of \$60 million, the contribution of the HRM would amount to \$20 million. Assuming that 100% of the HRM contribution is secured via a debenture and carried by the tax base as opposed to alternative sources of revenue, an average annual debt service payment of \$1.4 million would add \$6.40 to the average single family home property tax bill in year 1.

Operating Projections – Comparison

	Year 1		
	Scenario 1	Scenario 2	Scenario 3
10,000 Seats			
Total Revenue	\$1,401,061	\$1,659,799	\$1,888,274
Total Expenses (Excl. Management Fee and Capital Reserve)	(\$1,395,855)	(\$1,431,165)	(\$1,466,475)
Net Income (NOI) Before Management Fee and Capital Reserve	\$5,206	\$228,634	\$421,799
NOI after Management Fee and Capital Reserve	(\$494,794)	(\$271,366)	(\$78,201)
14,000 Seats			
Total Revenue	\$1,401,061	\$1,968,737	\$2,192,649
Total Expenses (Excl. Management Fee and Capital Reserve)	(\$1,636,355)	(\$1,671,665)	(\$1,671,665)
Net Income (NOI) Before Management Fee and Capital Reserve	(\$235,294)	\$297,072	\$520,984
NOI after Management Fee and Capital Reserve	(\$785,294)	(\$252,928)	(\$29,016)

Based on the financial risk analysis, the following is recommended as the preferred scenarios for adoption:

- Scenario 2 under the 10,000 permanent seat configuration, with an estimated NOI after management fee and capital reserve of approximately (\$270,000) (deficit);
- Under the 14,000 permanent seat configuration, the achievement of at least Scenario 2 with a projected normalized operating deficit of approximately (\$250,000) after management fee and capital reserve.
- Recognize that there is potential to achieve an improved operating position relative to Scenario 2 but unlikely to achieve the projected NOI in Scenario 3 on a sustained basis in the short to medium term.

Based on the analysis conducted, there is significant potential associated with achieving a permanent seat count of 14,000 seats; the risks attached to the higher seat count are diminished if seats are developed as part of the original construction and if the capital costs associated with the additional seats are part of the proposed capital funding model for the stadium project.

Economic Impact Assessment

The stadium will offer measurable economic benefits from its construction and operation, and from visitor spending impacts.

Construction-related impacts

The following summary table illustrates the estimated GDP impacts, labour costs and income, and employment generated during the design and construction phase of the project.

	In-Province	Out of Province	Total
Construction GDP	\$34,103,437 (Direct and Indirect)	\$10,476,768 (Indirect)	\$44,580,205
Consulting GDP	\$5,634,425 (Direct and Indirect)	\$672,831 (Indirect)	\$6,307,256
Facility Construction Labour Costs	\$22,778,577		\$22,778,577
Employment (Construction and Consulting related)	492 (Person Years of Employment)	98 (Person Years of Employment)	590 (Person Years of Employment)
Income (Direct and Indirect)	\$34,052,997		\$34,052,997

The municipal taxes generated for HRM is estimated to be \$886,400.

Operations

The annual estimated employment impacts resulting from Year 1 operations could involve total labour income of \$830,277. The total estimated Federal and Provincial tax impact for operations is: \$159,814.

Visitor Spending Impacts

The analysis provides an estimate of the total off-site spending expected to be generated by events hosted at the new facility for select categories of expenditure (retail, food and beverage and accommodation). The estimates exclude the impact of so-called one-off events such as FIFA 2015. Direct visitor spending is estimated on an annual basis to range from \$3.5M TO \$10.4M. Based on our assessment, it is most likely that the level of direct annual spending will typically range between \$5.3M (moderate low estimate) and \$7.7M (moderate high estimate). Direct and indirect municipal tax impacts are estimated to be over \$331,000 in a moderate high scenario.

Recommendations

This Phase 2 Report makes the following recommendations:

Site

The site that most appropriately responds to the objectives of the Phase 1 report is the Commodore Drive site in Dartmouth Crossing. This location supports the vision of a community-based sports campus with the capacity to host major sports and entertainment events.

One of the critical aspects of developing a new stadium for the FIFA events is timing, and specifically the requirement to also host the 2014 FIFA U-20 Women's World Cup. In a scenario where the stadium is not required for 2014, there is an additional year available for land acquisition, site planning, design and construction. This would allow for further consideration of Shannon Park as a possible location for the new stadium. This site received the highest level of public support, is an exceptional site for the stadium, and is a viable option if the site can be acquired quickly.

The Facility

The facility design recommended should have the following features:

- A overall fixed seating capacity of 10,000,
- All fixed seating should be located on the sides of the field of play,
- Dressing rooms and support space should be incorporated into the design and allow for direct access to the field of play,
- The requirements of the FIFA event should not compromise the layout of the facility,
- Every aspect of the facility should be designed with a view to expansion,
- There should be space available for commercial or leasing opportunities located so that they are always accessible.

The Phase 1 Business Case refers to an option of providing 14,000 fixed seats. The subsequent planning work associated with Phase 2 further studies this option. If funds are available, HRM may wish to consider a 14,000 fixed-seat facility.

.2.0 Background

Halifax Regional Municipality has held numerous international sporting events. The idea of building a stadium in Halifax Regional Municipality is not a new one but in the past the seating capacity may have been determined more by a single event than a broader realization of community needs. Sizing a stadium for a specific event without recognizing the capacity of the regional market to support it is an inherent problem in considering a major sports and entertainment venue.

The selection of Canada as the host country for the 2014 U-20 FIFA Women's World Cup and 2015 FIFA Women's World Cup again provides Halifax Regional Municipality with the opportunity to consider building a new stadium. With the FIFA events the hosting requirements are considerably different from that of the Commonwealth Games. Women's World Cup soccer requires a stadium capacity of 20,000 seats and this can be a combination of permanent and temporary. In its legacy configuration after the event, the stadium is required to have 10,000 permanent seats. The hosting requirements of FIFA are well aligned with region's desire to build a community-scaled outdoor spectator and sports facility. Halifax is in a unique situation relative to the 2015 Women's World Cup in that it is identified as one of the host cities but carries the caveat that it must construct a new stadium. It is the only city being considered that currently does not have an outdoor stadium facility.

The opportunity associated with any spectator facility requires a level of due diligence and Halifax Regional Municipality has effectively been assessing the opportunities associated with this kind of initiative. In August of 2011 it completed a Phase 1 Business Case that supported a stadium in the range of 10,000 – 14,000 seats with appropriate spaces for both community-based activity and commercial/retail space. In September the Municipality initiated Phase 2 of the due diligence process with the preparation of an assessment that would look at preferred sites, an appropriate program of community spaces, conceptual design options, costing, and revisit the Phase 1 Business Plan within the context of the emerging sites and concept design options.

An Overview of the Phase 1 Business Case

In April, 2011 Sierra Planning and Management along with a sub consulting team consisting of CBCL Limited and Novita Interpares was retained by Halifax Regional Municipality (HRM) to develop Phase 1 of a potential 3 phase exercise with regard to the analysis of a potential stadium in HRM. The purpose of the Phase 1 Stadium Consultation and Business Case was to assess the need, opportunity and financial cost-benefit associated with the development of a sports stadium capable of hosting the FIFA 2015 Women's World Cup. A key consideration in the business case analysis is the determination of a sustainable and viable legacy which meets not only a demonstrated community need but responds to the opportunity to develop a major event hosting capability in Halifax Regional Municipality (HRM).

Defining the business concept is at the core of the Phase 1 analysis. While there are a wide range of stadia in Canada, Phase 1 focused on demonstrated community need, market opportunity and an assessment of the economic impact of the facility. Additionally, in determining the feasibility of a potential stadium, it is imperative to consider the future programming and event opportunities that exist and the facility requirements that accompany that. Conceptually, the extent and scale of the legacy potential of the stadium after the FIFA event suggests a range of facility types. These alternative facility types form the basis of the Phase 1 research and recommended facility option.

Demonstrating Opportunity and Potential Impact

The stadium business case is not based solely on community usage, fundamental though that is as an ongoing use of the stadium – the analysis indicates strongly that the summer and winter utilization of the field will be significant and is a baseline contribution to the revenue base of the facility.

The development of a stadium, replete with grandstands and associated building amenities is based also on the opportunity that exists in HRM to capture a part of the events market that it has been unable to achieve to date – thereby creating net incremental benefits to HRM. Given the type of events that can be attracted, a proportion of these can also be considered as achieving net economic benefits to the Province as a whole.

The opportunity lies in the range of events that can be attracted to an integrated stadium venue – many of which are more participatory in nature than spectator-based. However among the full sweep of provincial and Atlantic regional events, are a number of larger-scale, ticket-revenue generating events. The Phase 1 analysis identifies a long list of events that occur nationally and internationally, and creates an illustrative list of potential events that could be held at the stadium over a 10 year period beginning in 2015.

Analysis of Financial Feasibility: Facility Operations

The Phase 1 analysis of financial viability was limited in its scope by terms of reference that precluded the analysis and estimation of capital costs as well as the possible candidate sites for a stadium to host the 2015 FIFA Women's World Cup. Accordingly, the financial analysis addressed the generic operating risk factors and range of potential revenues, as well as the possible range of mechanisms to design, build, finance and operate the facility. While a comprehensive evaluation of viability must include design, capital costs and site location, financial analysis of major public venues typically separates facility operating forecasts from the consideration of capital funding and financing options. For many major public facilities (libraries, conference centres, and sports facilities), operating revenues are unable to support the debt service that would be required to offset the full capital cost of the facility. Reflecting this, it is recognized that capital grant funding will be required to minimize the level of debt financing required and offset the cost of the facility which cannot be repaid from operating revenues.

The financial analysis that accompanies the business case is based on a selection of event opportunities and is a conservative appraisal of event potential in a competitive landscape. As a result, the annual financial contribution from these events is considered achievable. The resulting economic benefits are both considerable and similarly achievable. As a result, any development of a stadium should:

- Respond to HRM recreational needs, provide an opportunity for excellence in sports participation, coaching and create lasting infrastructure;
- As an event centre, be an engine of economic impact; and

- Create an opportunity for future expansion of the stadium as the opportunity allows.

The Preferred Concept

After evaluating the range of facility options the recommended concept is a facility with an initial seating capacity of 10,000 seats. This option represents the best value for money and is supported by the market. However, it is essential that the facility be expandable both on a temporary basis (to 20,000 seats) as well as on a permanent basis should a future business case support the incremental capital cost of additional permanent infrastructure. A fully built-out grandstand base building with a range of building occupancies including potential lease space, offices, and the potential for shared services with other on-site or nearby recreation facilities, is a central feature of the stadium.

The 10,000-seat option is developed as two scenarios for purposes of estimating the operating financial performance. There is no distinction between the two scenario (1 and 2) in terms of the type and scale of facility or the number of event days or attendance; however, scenario 1 provides a more conservative (or risk-based) assessment of both operating costs as well as revenues from a number of sources other than ticketed events. Scenario 2 provides a more balanced assessment of risk and represents moderately higher revenues while still discounting significantly for risks attached to achieving these revenues.

Potential Merit of More than 10,000 Seats

The Phase 1 report indicated that the question of final seat count for a stadium required more than market appraisal but an assessment of costs and benefits taking into account likely incremental capital costs of additional seating. Accordingly, the Phase 1 report recommended that consideration be given to the merits of constructing to a higher permanent seat count (in the order of 13,000 to 14,000 seats). Whilst incurring a higher initial capital cost, this would not translate into an unduly significant increase in operating costs. It is possible that with the additional incremental capital cost to achieve greater than 10,000 permanent seats, the facility could either attract additional events or solidify its competitive position in Atlantic Canada. In addition, the higher

Indicative Financial Performance Based on Two Scenarios			
	Financial Performance	Potential Economic Impact	Community ROI
Scenario 1 (conservative)	Annual Deficit to Facility of \$190,000 (excluding capital reserve) \$475,000 (incl. capital reserve)	\$3.5-5.3m annually to HRM from event spectators and participants	<i>Function of: the range of uses developed on site, location and accessibility to a majority of the HRM resident base, etc.</i> <ul style="list-style-type: none"> • Enrich community participation in sport • Enable improved services such as coaching, elite training and potentially cultural programming. • quality of life contribution
Scenario 2 (moderate)	Annual breakeven performance (excluding capital reserve), Annual Deficit to Facility of \$295,000 (incl. capital reserve)	\$3.5-5.3m annually to HRM from event spectators and participants	

permanent seat count translates into a lower temporary seat cost for those events which are successfully attracted to the facility and which require temporary seats to achieve the desired additional capacity.

Factors to consider regarding additional permanent seats beyond the recommended complement of 10,000 include the following:

- The availability of capital funding to pay for the incremental addition and whether all or a portion of those costs would be a burden on the municipal tax base;
- The depreciation of the additional capital asset over time;
- Whether the additional seats would represent permanent or throw away items in the event of a major facility expansion to house a professional sporting franchise; and
- In the interim, public attitude and tolerance towards a stadium with seating capacity which is likely only to be required on an infrequent basis.

Fundamental Guiding Principles for Development

During Phase 1, key guiding principles were determined by the consulting team and represent those aspects of both development planning and implementation for the facility that maximize the potential to meet the mandate for community recreational access as well as creating a flexible venue which improves the event capacity in the Province. These principles, or success factors, reflect both existing HRM corporate policy regarding social and economic development, as well as conditions necessary to support the financial viability of the Stadium. Adherence to these guiding principles is reflected in the site selection, design, and operational specifications of the facility as developed in Phase 2 of the feasibility analysis.

Key guiding principles include:

- Maximize the potential for tournaments (Local, Provincial, and Regional) requires multiple fields as well as training and staging facilities;
- Build for future needs and opportunities;
- Recognize the opportunity cost of doing nothing, or of under-building;
- Location to reflect the principles of existing municipal strategic directions for urban development and reinvestment in areas with existing urban Infrastructure.
- Expandability as a core opportunity and a business case expectation.

- Allied to this expansion capacity, the stadium should be capable (via expansion) of accommodating a commercial sports franchise.
- Location to reflect the principles of existing Municipal Strategic Directions for Urban Development and reinvestment in areas with existing urban infrastructure.
- Pursue sites with visibility and which maximize accessibility using a range of modes of travel.
- Adopt a realistic approach to off-season usage for the overall facility which can include both use of demountable fabric bubbling of the field during the winter months, as well as an accommodation of special events utilizing both the field and the building structure of the stadium.
- Where appropriate, pursue non-compete provisions with existing suppliers of recreation facilities in HRM both during the summer season and off-season.
- Support Stadium-Related Retail.
- Be business case-specific about multi-use opportunities.
- Animate the site as a campus or precinct.

3.0 Public Engagement



Halifax Regional Municipality has a Public Engagement Strategy and sees this as enhancing the visioning, planning and design process. The high profile aspect of the proposed new HRM Stadium necessitated a high level of outreach to the community in soliciting input and options. The public engagement process undertaken for this project included a total of four public engagement sessions within a critical 5-week period, a telephone survey, an on-line questionnaire/survey and extensive use of social media including facebook and twitter. The public engagement sessions featured on-line streaming and participants at a computer could both watch the process and email their comments for inclusion in the live commentary.

The presentations in the public engagement sessions were designed to be open-ended. Concept designs were schematic in nature with a number of options being provided in terms of stadium arrangement, size, expandability, and features. All sites considered by the Consulting Team were identified in the public sessions and opinions welcomed. It was clear in all sessions that comments of support and concern were welcomed. The public engagement sessions were about gauging public opinion on this important regional matter.



In discussions with municipal staff the engagement team focused on some key and engaging questions:

- What's cooking around the Stadium?
- What's the public's vision for the Stadium?
- What are the essential elements we want in a Stadium?
- What comments do you have on the design?
- Where do you stand around a Stadium?

The public engagement sessions were held between October 12 and November 17. The purpose of these sessions was to create a highly participative interface between the Architects, HRM and the public, so that the opinion and perspective of concerned citizens could directly inform the recommendations of the Steering Committee and ultimately the decisions made by Council.



The first 2 sessions helped set the tone for the site selection and design work that occurred between sessions 2 and 3. The final 2 sessions included a presentation of the work that occurred as a result of the public input. The sessions solicited further refinement and commentary to inform a last round of revisions prior to Steering Committee's recommendation.

The four sessions were:



Vision – Session 1

Halifax Forum, October 12 The purpose of this meeting was to gather opinion around the public's vision of the stadium. The public responded with clear vision around the Stadiums being community oriented, economically sustainable, multi-purpose, multi-sport, multi-use, contributing to jobs and prosperity, civic pride and revitalization, as well as being accessible and having good transportation.

Design and Location – Session 2

Farrell Hall, Dartmouth, October 13th

The purpose of this meeting was to gather opinion around the key design elements and location of a Stadium in HRM. Key themes were: expandability and size (varied opinion), non-sports events, roof, multi-use (golf, track, rink), community uses, green building, naming rights/sponsorship important, parking, signature location (view, connectivity), commercial space, soccer & football. Public opinion favoured both Dartmouth Crossing and Shannon Park as preferable locations for the Stadium.



Refining the Design – Sessions 3 & 4

Halifax Forum, November 16th and Farrell Hall, November 17th

The purpose of these gatherings was to take a closer look at the design and gather public opinion around specific design elements. There was a clear response to the element of scale: "Go Big", ranging from 10,000-28,000 permanent seats, CFL size, go for the FIFA requirement and "Do it right the first time." Regarding the amenities, people responded with: family park, enough washrooms, a roof, access and transportation, ample parking, an anchor tenant, a stage and a track. Other things that were important included: economic and ecological sustainability, room for expansion, multi-use, iconic design, community access, corporate support, concerts and location (Shannon Park and Dartmouth Crossing). People also responded with messages of "Think of the future" and "Keeping youth here."



There were a number of recurring themes in multiple sessions. These centred on the questions of viability, purpose, location, and design. As in any public project there was a diversity of opinion and competing perspectives, but overall several clear messages emerged.

Viability

People were asked if they think an HRM Stadium should go forward in each session. Opinion was gathered along a spectrum ranging from strongly in favour ("on fire") to "on the fence" to strongly opposed ("on ice"). Overall, the majority of the comments were pro-stadium. This was more pronounced at the events held at Farrell Hall in



Dartmouth, where a strong majority of the public were “on fire” and anti-stadium comments were more rare. At the Halifax Forum, there was more of a debate with a vocal minority either “on the fence” or “on ice”. There was also some indication that opinion moved toward being more pro-stadium over the course of the engagement with specific comments in both sessions 3 and 4 of participants saying they had moved from being against the Stadium to for it over the course of being engaged.

For those that felt it was a positive initiative for HRM, the consistent messages were that a Stadium will:

- put Halifax on the map as a major host to large events,
- bring a sense of civic pride,
- create opportunities for economic revitalization,
- spur urban renewal,
- build a legacy of future opportunities for the next generation,
- attract lucrative corporate sponsorship,
- be a catalyst for health, wellness and community engagement.

For those who had concerns or felt it would be a mistaken investment, the big issues were:

- the current fiscal climate locally, nationally, and globally,
- cost: initial capital investment and the ongoing operational sustainability,
- how the stadium ranks with other priorities,
- how does it fit into an intentional regional plan,
- whether there is sufficient private support,
- if there is a compelling and viable need beyond FIFA.

Findings

Comments made during the public sessions dealt with a number of issues and topics. Outlined below are some of those comments.

Purpose

The message of multi-purpose, multi-use, and multi-sport came across loud and clear in the session devoted to vision and was repeated in later sessions. At the same time there was several references to the Stadium being more of a “sports destination”. A number of Canadian Football fans with hopes for a Halifax CFL team, attended the sessions and were serious about building something “CFL-able”. Soccer fans also highlighted the connections that immigrants and youth would have to FIFA and the ongoing soccer infrastructure. The request for a track was mentioned a few time as well as one plug for harness racing.

An emphasis on community use was consistent and there was clear support for the idea of an adjacent family park. Other uses like concerts were frequently mentioned and even the possibility of trade shows.

Location

In general people commented that they wanted a central location with access to transportation, and a site that wouldn't create limits to expandability. Session 2 was devoted to location. Technical and business commentaries were given for each of the potential locations and the people present "voted with their feet". There was a close split in loyalties between Shannon Park and Dartmouth Crossing. In Sessions 3 and 4 these continued to seem the most popular, with the strong opinions on both sides. Those in favour of Dartmouth Crossing cited the pre-existing infrastructure (access roads, lighting, shopping, and hotels), expanse of land available (expandable stadium, space for parking) and lack of hurdles for FIFA timelines (Shannon Park site remediation etc.) Those arguing for Shannon Park, commented on the possibility of revitalizing Dartmouth (boardwalk, shops, residential mixed-use development), iconic view planes (drawing on the distinctly maritime vistas looking to and from a Shannon Park Stadium).

Design Comments

Scale

There was a clear response to the question of scale. "Go Big" was the consistent message in the Dartmouth gatherings and also came up repeatedly in Halifax. However, there was a concern of the potential drawbacks of a Stadium often nearly empty. There was strong support for 10,000 permanent seats and perhaps stronger for 14,000 (one even wanted 28,000).

The message that there should be room for expansion was consistent. Many suggested to go for the FIFA requirement and expand later, while some wanted to start with the CFL size. There was a strong message to "Do it right the first time." And not let the pressures of FIFA timelines result in a poorly thought through or "rinky-dink" structure.

Style

The design of the Stadium was a strong theme that brought many suggestions ranging from "bold and iconic" to "old-fashioned" to "unique Halifax style". Specific suggestions were made including lines and elements that evoke ocean waves and ship sails.

Amenities

Around the question of amenities, a roof was mentioned in every session. There was hope that the Stadium would be covered in some form, enabling year-round access and usability. People spoke about the importance of community access and the concept of a family park was strongly endorsed. Providing sufficient washrooms and parking were also critical. A stage and track were mentioned for purposes beyond soccer and football. Accessibility (universal access) was mentioned to ensure that everyone will be able to participate in the stadium. Ecological sustainability and green building was raised as another component to consider in the overall design and amenities.

Public Engagement Sessions Summary

Overall, of those people who participated in the 4 sessions there was a strong show of support for a Stadium in HRM. Although those who attended were not a precise representation of the diversity that makes up HRM, there was a strong turnout overall and people engaged passionately regardless of their perspective.

Options in the public sessions covered the full spectrum from "hot" to "cold". However there were two general comments that seemed to be consistent. The first was that there was very strong support for the Shannon Park site as the location for a new stadium. The second comment had to do with size and while the new stadium is seen as a community facility supported by events, there was a sense that any new stadium would need to be designed to easily expand to accommodate a sports franchise. Even in the initial phase of the project there was a preference for more rather than less seating.

Telephone and On-line Survey

Introduction

The following presents the results of the 2011 HRM Stadium Study. The purpose of this study was to measure public opinion of the proposed HRM Stadium. Specific study objectives were to:

- Assess potential HRM locations for the stadium;
- Understand the importance of various factors that could be considered when determining the location of the stadium;
- Gauge public support for proposed design/uses of the stadium;
- Understand the importance of various factors that could be considered when determining the design of the stadium;
- Gauge public support or opposition to fund a stadium; and
- Understand the importance of various factors that could be considered when determining funding of the stadium.

Thus, there were three principal themes explored in the research: 1) location; 2) design/uses; and 3) funding. In exploring each of these three themes in turn, respondents were first presented with a question to gauge their initial position on the theme. Respondents were next presented with a list of factors that could be considered when assessing location, design/usage, and funding positions vis-à-vis the stadium. Finally, respondents were re-asked the initial query concerning the overall theme, to understand if knowledge of the various factors or considerations examined have an impact on their overall opinion on the theme.

To achieve the study objectives, two surveys were administered. The first, a telephone study, was conducted from November 7 to November 15, 2011, among 400 adult residents of HRM. The overall margin of error from a random sample of 400 residents is plus or minus 4.9 percentage points, 19 times out of 20. The second component of the research was an online study, which was made available in a number of ways including via Halifax.ca, the HRM surveys page, hrmsstadium.ca, the HRM Stadium Facebook page, and the HRM Stadium Twitter feed. The survey was available from November 1 to November 15,

2011, and a total of 705 surveys were completed. Please note, the online study did not require respondents to answer all questions, therefore sample sizes reported in this document vary from question to question.

Summary

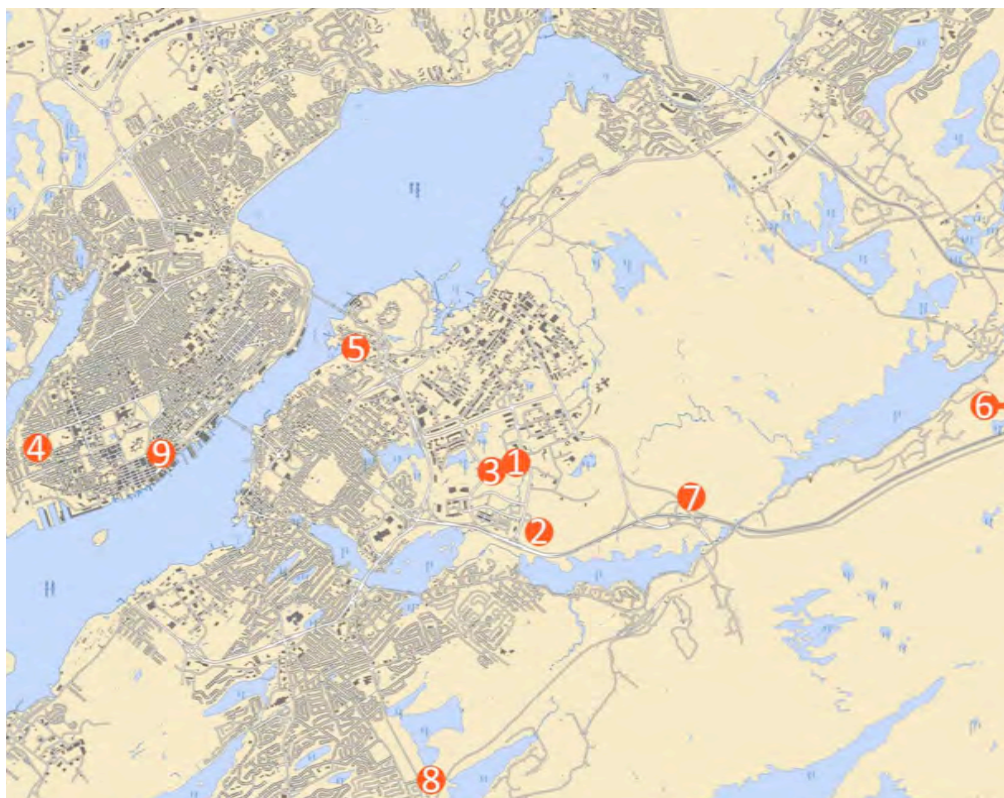
Overall, HRM residents are in favour of building a stadium within the Municipality. In terms of location, the preference is for the stadium to be located in Dartmouth, with the Shannon Park area being the most popular site tested. Parking and accessibility are of the utmost concern for residents when deciding a location for the stadium. Other factors that are considered important include being on a site that is large enough to allow for possible expansion; on land that is affordable; on land that is readily available; and in an area that will lead to spin-offs in terms of jobs and economic growth.

A number of design/usage considerations for the stadium have been publicly discussed, and respondents were asked to assess several of these factors in terms of their perceived importance. Residents believe the most critically important factor for design is that the stadium should be multi-use and built for various sports. Residents also believe it is important that the stadium provide opportunities for the future hosting of events; should make HRM residents proud to have it in their community; should meet the ongoing needs of community sport and recreation activities; and should provide opportunities for the future hosting of provincial, national, and international sport events. Residents support HRM providing funds towards building a stadium, with approximately seven in ten residents offering either strong or general support for stadium funding.

4.0 Site Investigation

One of the key elements in the Halifax Stadium Analysis – Phase 2 project is the identification and assessment of appropriate sites. The Consulting Team worked with HRM staff to identify appropriate federal, provincial and municipal

properties. HRM also issued a Request for Expressions of Interest to the private sector to identify potential private-sector sites. The potential sites are listed below along with their site number in the Evaluation Matrix:



Federal sites:

- Shannon Park – Site #5

Provincial sites:

No appropriate sites were identified

HRM sites:

- Burnside – Site #1
- Aerotech Business Park – Site # 6
- Cogswell Interchange – Site #9

Institutional sites:

- St. Mary's University – Site #4

Private Sector submitted sites:

- Dartmouth Crossing / Quarry – Site #2
- Dartmouth Crossing / Commodore – Site #3
- Lake Loon Golf Centre – Site #8
- Summit Property – Site #7

The Evaluation Process

One of the core objectives of the evaluation process was to identify sites that would be a desirable for a new community-focused spectator facility and at the same time, accommodate the temporary requirements of a 20,000-seat venue for the FIFA Women's World Cup.

It was recognized that should Halifax not proceed with the design and construction of an outdoor spectator facility at this time, the selection and evaluation process for the various sites would still have value should HRM decide in the future to build a new stadium.

The Matrix

A draft Site Evaluation Matrix was prepared by the Consulting Team and built on the guiding principals of the Phase 1 Report. It was presented to both HRM staff and the Steering Committee for their comments and feedback. The Consulting Team used the matrix to evaluate all sites identified above. The criteria elements were as follows:

- Ease of land acquisition/consolidation/development,
- Ability to physically accommodate the requirements of the 2015 FIFA Women's World Cup,
- Stimulate further complementary development in the surrounding area,
- Allow for environmentally sensitive development,
- Be a community destination in legacy (post- FIFA) mode,
- Allow for future expansion (additional seating, recreation facilities or other community benefits),
- Appropriate adjoining infrastructure/services,
- Relationship to growth areas in HRM,
- Appropriateness of land use – should it be used more purposefully?,
- Ability to leverage multiple sources of capital dollars,
- Relative likelihood to maximize long term economic impacts,
- Ability to generate community/political support.

The final section of the matrix was entitled "Risk Factor" and identified significant requirements for the site should HRM move to the land acquisition stage specific for hosting a FIFA event. Risk Factors were the final element in the evaluation process and sites could only have points deducted through this phase of the evaluation. The deductions were:

- For a high risk of environmental issues associated with the site deduct a maximum of 20%,
- For inadequate site size associated with the 2015 FIFA Women's World Cup deduct a maximum of 25%,
- For a protracted acquisition process deduct a maximum of 10%,
- For a protracted development process deduct a maximum of 10%

The planning and design process must move quickly to meet the schedule of both the 2015 event and 2014 pre-event. Council may ultimately decide that providing a new community spectator facility is best achieved by undertaking a longer public engagement, design, and construction process. In this case the Risk Factors identified above have little or no relevance to a future site evaluation process, and the pre-Risk Factor scores become more relevant and meaningful. For this reason, the scores below for each of the sites evaluated include the pre and post-Risk Factor ratings.

The Matrix Scores

A brief commentary for each site is included with the ratings. The highest rated sites will be dealt with in more detail at the end of this section. The private-sector submissions included the Dartmouth Crossings area and made reference to the Quarry Site. That submission also identified an additional 100 acres in the immediate area. The Consulting Team felt for the preliminary assessment, they should look at the broader Dartmouth Crossing "precinct" and not restrict their review to simply the Quarry Site. In terms of assessing the Burnside Site the Consulting Team looked at the overall area assuming that there would be sufficient land available within the HRM portfolio. After the initial review the Consulting Team took a more detailed look at the development risks of each site and developed a more detailed analysis.

The Shortlisted Sites

The short-listed sites identified by the Consulting Team are consistent with the scoring results. The sites are:

- Burnside – site #1
- Dartmouth Crossing / Quarry – Site #2
- Dartmouth Crossing / Commodore Drive – Site #3
- Shannon Park – Site #5

The development cost of the proposed HRM Stadium on each of these sites will be identified in Section 7- Capital Cost Estimate.

Scoring of Sites

Score before Risk Factors	Score after Risk Factors	Comments
Burnside - Site #1		
52.40 Rated 4 th	42.20 rated 4 th	<p>This site's primary strengths were its close proximity to the existing artificial turf facilities, the fact that it is owned by HRM, and has good highway access to the site, a feature shared by other properties within Dartmouth Crossing. When looked at in more detail there was some concern with the extent of the wetlands. While there is a reasonable amount of land that could be developed on the Burnside site the wetlands impact the flexibility in locating the stadium.</p> <p>Burnside was seen as a having some risk because of the wetlands and the resulting size of developable property particularly for the FIFA event. This resulted in a reduction in the score of the Burnside Site once the Risk Factors were applied, although it did not change the site's overall rating of 4th.</p>
Dartmouth Crossing / Quarry - Site #2		
56.21 rated 3 rd	56.21 rated 2 nd	<p>Relative to other available properties within the overall Dartmouth Crossing precinct this site was further away from the existing playing fields and appears relatively isolated.</p> <p>Strengths of this site included the fact that there was a willing vendor, the location was close to a major highway although this proximity could cause a level of congestion prior to a major event, it was adequate in size to accommodate all of the FIFA requirements and could expand for future indoor recreational opportunities.</p>
Dartmouth Crossing / Commodore - Site #3		
77.05 Rated 2 nd	67.05 rated 1 st	<p>This site was seen as the most ideal within the larger Dartmouth Crossing/Burnside precinct. Long-range plans could see additional future recreation development on the north side of Commodore Drive that could connect the stadium with the existing fields to the west of John Savage Avenue. The opportunity for making this area a multi-component sports and recreation destination both locally and regionally was compelling.</p> <p>This site scored well in most categories including potential operational synergies, convenience, and benefit to users. As with most properties in the Dartmouth Crossing area, its location just outside of HRM Regional Centre was seen as a small weakness. This specific site is one of the prime properties left in Dartmouth Crossing and was not formally submitted. It may be assumed that the owner could have other intentions for the property. The uncertainty as to ease of acquisition by HRM resulted in a 10 point deduction as part of the Risk Factor assessment.</p>

Saint Mary's University - Site #4

38.48 rated 6 th	13.48 rated 7 th	The Saint Mary's site was heavily discounted due to insufficient size. While a 10,000-seat venue might fit onto the property available, a 20,000-seat venue is not possible. The site scored the lowest of all evaluated in terms of accommodating the requirements of the FIFA event. The objective of using the stadium as a possible stimulant for future recreation development is not possible. Expanding the seating capacity on site is hampered by the close proximity of existing adjacent buildings.
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Saint Mary's University scored well in the area of single ownership, possible benefits for the neighbourhood beyond the borders of the campus, and the ability as a site to be a community destination in Legacy mode. A significant Risk Factor deduction was applied to Saint Mary's University due to inadequate site size relative to the FIFA event.

Shannon Park - Site #5

80.18 rated 1 st	60.18 rated 3 rd	A master plan is critical for such an under-developed piece of valuable waterfront property. There is potential in Shannon Park for both a stadium and extensive complimentary development.
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The Evaluation Matrix is focused on the ability of a site to be acquired and developed in time to host the 2014 U-20 and 2015 Women's World Cup and this timing was one of the fundamental issues that emerged in the scoring. Shannon Park was the highest-scoring site prior to the application of the Risk Factor. Strengths included the opportunity for environmentally sensitive development, it's ability to be a major community destination in Legacy mode, and its location with the HRM Regional Centre. The idea of a major assembly space on or near the waterfront is a compelling one. While environmentally sensitive development opportunities were seen as a strength, the existing environmental site condition and the acquisition and development process were seen as major risk factors. Development of Shannon Park requires an appropriate overall master plan and this, along with the site remediation issues may result in a protracted development process.

The Shannon Park site was also scored with an intermediate scenario where the land became quickly available to HRM and Council was committed to developing it as a parcel. In this instance the score for Shannon Park increases to 60.18 and with a revised rating of 2nd, Shannon Park becomes a viable and attractive option.

Aerotech Business Park - Site #6

25.83 Rated 8 th	15.83 rated 6 th	The Aerotech site scored well in terms of overall ability to accommodate the space requirements of the new stadium as well as additional recreational development. Ownership and proximity to a major highway were also strengths. It rated poorly in stimulating further development, being a community destination, and leveraging additional sources of funding.
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Summit Rock - Site #7

25.58 rated 9 th	5.58 rated 8 th	The Summit Rock submission is close to the Aerotech site and its score was similar. Its only strength was being large enough to accommodate a new stadium. The distance from HRM Regional Centre, and a protracted development process resulted in a very low score before the Risk Factor and after the Risk Factor.
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Lake Loon Golf Centre - Site #8

36.03 rated 7 th	31.03 Rated 5 th	A protracted acquisition process caused a slight deduction in the final scoring of this site. The property is isolated, unlikely to stimulate further development, and unlikely to leverage additional sources of funding.
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Cogswell Interchange - Site #9

40.10 rated 5 th	5.10 rated 9 th	The Cogswell Interchange roadway system makes development a long-term initiative. Countering the uncertainties in terms of a timeline for development, this site has real opportunities inherent in an urban location. For the development opportunities the site ranked 5th overall prior to the Risk Factor assessment. A 10,000-seat stadium is considered an inappropriate use of such an important location while a professional 25,000+seat venue is seen as more appropriate.
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The Cogswell Interchange site represents a large opportunity in the downtown business core. However it is inadequate in size for a stadium. The initial rating of 40.10 reflected the opportunities of an urban location but the downgrading to 9th place is due in large part to the inadequate size of the site.



The Public View – Voting with your feet

Public engagement sessions were held on October 12th and 13th, the latter dealing with site and design issues. All of the sites were presented at this session along with planning and financial commentary. At the end of the evening the audience of over 100 was asked to vote by walking to the poster of their preferred site. This straw poll suggested that the overwhelming preference was split between Shannon Park and the Dartmouth Crossing precinct that, for this event, was grouped into a single site category with no distinction between public and private ownership. A small group found its way to the Cogswell Interchange poster.

The results of the “vote with your feet” process are consistent with the overall rating of the Evaluation Matrix prior to the application of the Risk Factor criteria and suggest there is an overall logic and preference coming from the community that is supported by the findings and evaluation of the Consulting Team.

A Detailed Assessment

The Consulting Team conclusion was that the most appropriate site for the new stadium was within the Dartmouth Crossings Precinct. The real differentiator was the relatively high likelihood of meeting the schedule mandated by FIFA and the Canadian Soccer Association for both the 2015 Women’s World Cup and the 2014 FIFA U-20 Women’s World Cup. At this time there is an expectation that only 4 Canadian venues will be used for the 2014 U-20 Women’s World Cup. In a scenario where Halifax hosts only the 2015 event the window of opportunity for masterplanning, design and construction (these are separate phases) is expanded and consideration for the development of Shannon Park as a venue may become an attractive option.

The Evaluation Matrix Scores

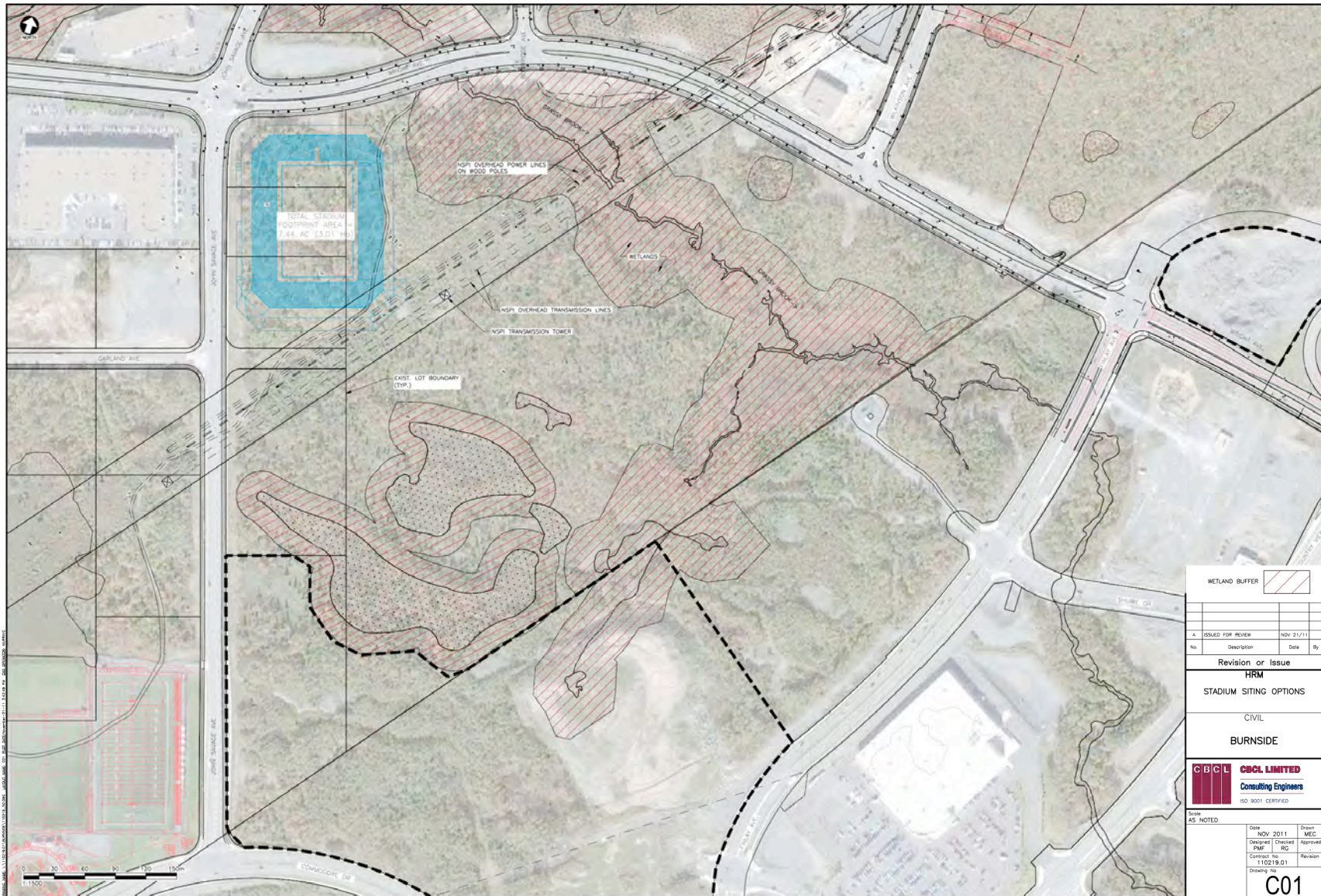
Site Evaluation Matrix - HRM STADIUM PROJECT

		actual factor		actual factor		actual factor		actual factor		actual factor		actual factor		actual factor		actual factor		actual factor		actual factor	
		Burnside		DC-Quarry		DC-Commodore		St Mary's U		Shannon Park		Aerotech		Summit Prop		Lake Loon		Cogswell			
		#1		#2		#3		#4		#5		#6		#7		#8		#9			
1	Ease of land acquisition/consolidation/development	10%		0.675		0.725		0.97		0.62		0.645		0.61		0.6		0.71		0.525	
a	Is the land owned by a single or public sector entity?	40%	10	4	10	4	10	4	10	4	10	4	10	4	10	4	10	4	10	4	
b	Is the site free of existing buildings or obstacles that inhibit immediate construction?	15%	5	0.75	10	1.5	10	1.5	0	0	0	10	1.5	10	1.5	10	1.5	0	0	0	
c	Is a stadium facility an appropriate use of the site vis-à-vis development approvals?	15%	0	0	5	0.75	8	1.2	8	1.2	10	1.5	2	0.3	2	0.3	2	0.3	5	0.75	
d	Does immediate development have an impact on the project or construction cost?	10%	5	0.5	2.5	0.25	10	1	0	0	0	0	0	0	0	5	0.5	0	0	0	
e	Does current land ownership provide additional development opportunities?	10%	10	1	2.5	0.25	10	1	0	0	7.5	0.75	3	0.3	2	0.2	0	0	5	0.5	
f	Is the site likely in relative terms to generate extra-ordinary site development costs?	10%	5	0.5	5	0.5	10	1	10	1	2	0.2	0	0	0	8	0.8	0	0	0	
				6.75		7.25		9.7		6.2		6.45		6.1		6		7.1		5.25	
2	Ability to physically accommodate the requirement of the 2015 FIFA event	10%		0.53		1.00		1.00		0.08		0.93		1.00		1.00		1.00		0.14	
a	Is there space for a 20,000-seat spectator facility?	50%	5	2.50	10	5	10	5	0	0	10	5	10	5	10	5	10	5	0	0	
b	Is there space for stand-alone broadcasting pavilions?	10%	5	0.50	10	1	10	1	0	0	10	1	10	1	10	1	10	1	0	0	
c	Is there an area for support space?	10%	0	0.00	10	1	10	1	0	0	10	1	10	1	10	1	10	1	0	0	
d	Is the overall site secure?	15%	10	1.50	10	1.5	10	1.5	5	0.75	10	1.5	10	1.5	10	1.5	10	1.5	5	0.75	
e	Is there appropriate opportunity for parking on site? In the neighbourhood?	15%	5	0.75	10	1.5	10	1.5	0	0	5	0.75	10	1.5	10	1.5	10	1.5	4	0.6	
				5.25		10		10		0.75		9.25		10		10		10		1.35	
3	Stimulate further complementary development in the surrounding area	10%		0.60		0.60		1.00		0.51		0.90		0.00		0.00		0.35		0.22	
a	Does the neighbourhood or context benefit from the stadium development?	15%	5	0.75	5	0.75	10	1.50	10	1.50	10	1.50	0	0.00	0	0.00	10	1.50	4	0.60	
b	Does the neighbourhood or context benefit from the legacy configuration?	20%	5	1.00	5	1.00	10	2.00	10	2.00	10	2.00	0	0.00	0	0.00	6	1.20	4	0.80	
c	Does this development align with an existing HRM vision or consideration?	30%	5	1.50	5	1.50	10	3.00	0	0.00	10	3.00	0	0.00	0	0.00	0	0.00	0	0.00	
d	Does current land ownership likely provide additional incentive to develop a stadium?	20%	10	2.00	10	2.00	10	2.00	8	1.60	5	1.00	0	0.00	0	0.00	0	0.00	0	0.00	
e	Does development at this site encourage additional infrastructure?	15%	5	0.75	5	0.75	10	1.50	0	0.00	10	1.50	0	0.00	0	0.00	5	0.75	5	0.75	
				6.00		6.00		10.00		5.10		9.00		0.00		0.00		3.45		2.15	
4	Allow for environmentally sensitive development	5%		0.30		0.29		0.38		0.36		0.50		0.29		0.29		0.32		0.10	
a	Can development of the site be done in a way that supports sustainable construction practices?	40%	7.5	3.00	10	4.00	10	4.00	10	4.00	10	4.00	10	4.00	10	4.00	10	4.00	0	0.00	
b	Are there unique opportunities that offer sustainable operating options?	25%	5	1.25	0	0.00	0	0.00	0	0.00	10	2.50	0	0.00	0	0.00	0	0.00	8	2.00	
c	Would development of the site be consistent with HRM's own targets for sustainable development?	35%	5	1.75	5	1.75	10	3.50	9	3.15	10	3.50	5	1.75	5	1.75	7	2.45	0	0.00	
				6.00		5.75		7.50		7.15		10.00		5.75		5.75		6.45		2.00	
5	Be a community destination in legacy mode	10%		0.79		0.47		0.91		1.00		0.93		0.00		0.00		0.25		0.34	
a	Does the community see the site as an appropriate destination for recreation experiences?	50%	7.5	3.75	5	2.50	10	5.00	10	5.00	10	5.00	0	0.00	0	0.00	5	2.50	0	0.00	
b	Are the other community/recreation/cultural developments in the area that potentially offer synergy?	15%	10	1.50	5	0.75	10	1.50	10	1.50	5	0.75	0	0.00	0	0.00	0	0.00	6	0.90	
c	Would the site be considered an appropriate place for multi and intergenerational gatherings/events?	35%	7.5	2.63	4	1.40	7.5	2.63	10	3.50	10	3.50	0	0.00	0	0.00	0	0.00	7	2.45	
				7.88		4.65		9.13		10.00		9.25		0.00		0.00		2.50		3.35	
6	Allow for future expansion (additional seating, facilities, benefits)	10%		0.13		0.68		0.90		0.20		0.61		0.25		0.25		0.35		0.00	
a	Can the site accommodate possible seating beyond 20,000 (max of 30,000 fixed)?	35%	0	0.00	10	3.50	10	3.50	0	0.00	7.5	2.63	0	0.00	0	0.00	0	0.00	0	0.00	
b	Is there an opportunity for additional sports recreation and leisure outdoor components?	25%	5	1.25	5	1.25	10	2.50	0	0.00	0	0.00	10	2.50	10	2.50	10	2.50	0	0.00	
c	Is there an opportunity for additional sports recreation and leisure indoor components?	20%	0	0.00	10	2.00	10	2.00	0	0.00	10	2.00	0	0.00	0	0.00	5	1.00	0	0.00	
d	Is there an opportunity for partnership with the universities given their locational preferences?	20%	0	0.00	0	0.00	5	1.00	10	2.00	7.5	1.50	0	0.00	0	0.00	0	0.00	0	0.00	
				1.25		6.75		9.00		2.00		6.13		2.50		2.50		3.50		0.00	

Site Evaluation Matrix - HRM STADIUM PROJECT

		Burnside	DC-Quarry	DC-Commodore	St Mary's U	Shannon Park	Aerotech	Summit Prop	Lake Loon	Cogswell
7 Appropriate adjoining infrastructure/services	10%	0.57	0.68	0.71	0.45	0.53	0.38	0.38	0.45	0.57
a Is there good vehicular access to the site?	20%	10 2.00	10 2.00	10 2.00	4 0.80	7 1.40	10 2.00	10 2.00	10 2.00	5 1.00
b Can 5,000 - 8,000 cars access this site and more importantly, leave this site easily?	20%	2.5 0.50	9 1.80	10 2.00	0 0.00	3 0.60	8 1.60	8 1.60	8 1.60	5 1.00
c Is vehicular access convenient for Metro HRM?	10%	8 0.80	8 0.80	8 0.80	4 0.40	7 0.70	2 0.20	2 0.20	2 0.20	5 0.50
d Does the site have adequate power/energy for a legacy field?	10%	6 0.60	6 0.60	6 0.60	6 0.60	5 0.50	0 0.00	0 0.00	2 0.20	6 0.60
e Is the sanitary system appropriately sized for 30,000 people?	10%	6 0.60	6 0.60	6 0.60	7 0.70	5 0.50	0 0.00	0 0.00	0 0.00	6 0.60
f Is there, or would there be appropriate transit service to the site in legacy?	10%	10 1.00	10 1.00	10 1.00	10 1.00	10 1.00	0 0.00	0 0.00	5 0.50	10 1.00
g Is, or can this site be accessed through a pedestrian network system?	10%	2 0.20	0 0.00	1 0.10	10 1.00	6 0.60	0 0.00	0 0.00	0 0.00	10 1.00
h Will this site eventually have the ability to be a complimentary gathering place to Halifax Commons?	10%	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00
		5.70	6.80	7.10	4.50	5.30	3.80	3.80	4.50	5.70
8 Relationship to growth areas in HRM	5%	0.23	0.22	0.24	0.19	0.47	0.02	0.00	0.05	0.325
a Is the site well located relative to future growth in the HRM?	30%	2 0.60	2 0.60	2 0.60	0 0.00	10 3.00	0 0.00	0 0.00	0 0.00	10 3.00
b Would a sports-recreation destination suit the surrounding community(s)?	30%	3 0.90	3 0.90	3 0.90	6 1.80	8 2.40	1 0.30	0 0.00	3 0.90	5 1.50
c Does the location fit (or could it fit into) a long term planning and development vision for HRM?	20%	7.5 1.50	6 1.20	8 1.60	0 0.00	10 2.00	0 0.00	0 0.00	0 0.00	0 0.00
d Is development within or close to HRM Regional Centre ?	20%	8 1.60	8 1.60	8 1.60	10 2.00	10 2.00	0 0.00	0 0.00	0 0.00	10 2.00
		4.60	4.30	4.70	3.80	9.40	0.30	0.00	0.90	6.50
9 Appropriateness of land use - should it be used more purposefully?	5%	0.38	0.26	0.38	0.00	0.50	0.00	0.00	0.00	0.13
a Is the development of this site seen by the residents as very appropriate for a spectator destination?	30%	7.5 2.25	5 1.50	7.5 2.25	0 0.00	10 3.00	0 0.00	0 0.00	0 0.00	2.5 0.75
b Is the legacy configuration deemed by the public to be an appropriate investment?	30%	7.5 2.25	5 1.50	7.5 2.25	0 0.00	10 3.00	0 0.00	0 0.00	0 0.00	2.5 0.75
c Is the site potentially a gathering and celebratory area for the HRM?	40%	7.5 3.00	5 2.00	7.5 3.00	0 0.00	10 4.00	0 0.00	0 0.00	0 0.00	2.5 1.00
		7.50	5.26	7.50	0.00	10.00	0.00	0.00	0.00	2.50
10 Ability to leverage multiple sources of capital dollars	10%	0.35	0.30	0.40	0.25	0.60	0.00	0.00	0.00	0.40
a Is there something implicit in this site that would encourage additional revenue/funding sources?	50%	0 0.00	0 0.00	0 0.00	5 2.50	2 1.00	0 0.00	0 0.00	0 0.00	0 0.00
b Through site acquisition are there opportunities for complementary development and revenue?	50%	7 3.50	6 3.00	8 4.00	0 0.00	10 5.00	0 0.00	0 0.00	0 0.00	8 4.00
		3.50	3.00	4.00	2.50	6.00	0.00	0.00	0.00	4.00
11 Relative likelihood to maximize long term economic impacts	5%	0.25	0.08	0.25	0.08	0.46	0.04	0.04	0.10	0.46
a Enhancement of existing urban fabric (street vitality, walkability etc.)	60%	3 1.80	0 0.00	3 1.80	2.5 1.50	10 6.00	0 0.00	0 0.00	2 1.20	10 6.00
b Potential to attract additional commercial, hotel or other recreation development in the medium term?	40%	8 3.20	4 1.60	8 3.20	0 0.00	8 3.20	2 0.80	2 0.80	2 0.80	8 3.20
		5.00	1.60	5.00	1.50	9.20	0.80	0.80	2.00	9.20
12 Ability to generate community/political support	10%	0.45	0.33	0.58	0.12	0.95	0.00	0.00	0.03	0.82
a Would development of this site create a sense of pride within HRM?	30%	5 1.50	3 0.90	7.5 2.25	4 1.20	10 3.00	0 0.00	0 0.00	1 0.30	8 2.40
b Would development of this site act as a catalyst for future politically supportable development?	25%	2.5 0.63	0 0.00	2.5 0.63	0 0.00	10 2.50	0 0.00	0 0.00	0 0.00	8 2.00
c Would hosting the FIFA World Cup on this site enhance HRM nationally?	20%	6 1.20	6 1.20	7 1.40	0 0.00	10 2.00	0 0.00	0 0.00	0 0.00	9 1.80
d Would hosting the FIFA World Cup on this site enhance HRM internationally?	20%	6 1.20	6 1.20	7.5 1.50	0 0.00	10 2.00	0 0.00	0 0.00	0 0.00	10 2.00
		4.53	3.30	5.78	1.20	9.50	0.00	0.00	0.30	8.20
TOTALS PRIOR TO RISK FACTOR plus RATING		4th 52.40	3rd 56.21	2nd 77.05	6th 38.48	1st 80.18	8th 25.83	9th 25.58	7th 36.03	5th 40.10
Deduct for environmental issues associated with the site a maximum of 20 points		0	0	0	0	10	0	0	0	0
Deduct for inadequate site size associated with the 2015 FIFA Women's World Cup a max of 25 points		10	0	0	25	0	0	0	0	25
Deduct for protracted acquisition process a maximum of 10 points		0	0	10	0	10	0	10	0	0
Deduct for a protracted development process a maximum of 10 points		0	0	0	0	10	10	10	5	10
SCORING AFTER RISK FACTOR plus RATING		4th 42.40	2nd 56.21	1st 67.05	7th 13.48	3rd 50.18	6th 15.83	8th 5.58	5th 31.03	9th 5.10
POSSIBLE RISK FACTOR CORRECTION IF 2014 EVENT NOT HELD IN HALIFAX (add back)		0	0	0	0	10	0	0	0	0
SCORING AFTER CORRECTION IF 2014 EVENT NOT HELD IN HALIFAX plus RATING		4th 42.40	3rd 56.21	1st 67.05	7th 13.48	2nd 60.18	6th 15.83	8th 5.58	5th 31.03	9th 5.10

Burnside – Site #1



Burnside - Site #1

Score before Risk Factor – 51.95 (ranked 4th)

Score after Risk Factor – 41.95 (ranked 4th)

The Burnside site is located at the southeast corner of John Savage Avenue and Wright Avenue. The original review of this site saw the hydro easement as being problematic. However, it was determined that this element could be easily relocated, providing additional opportunity for planning a stadium on the site.

The Burnside site has a significant wetland component that limits flexibility with regard to locating the facility on the site. It does however, provide some advantages or opportunities in terms of outdoor recreational space. Specifically, the site was seen as an excellent area for the development of trails, skateboarding, mountain bikes, and smaller less formal outdoor play and socializing areas.

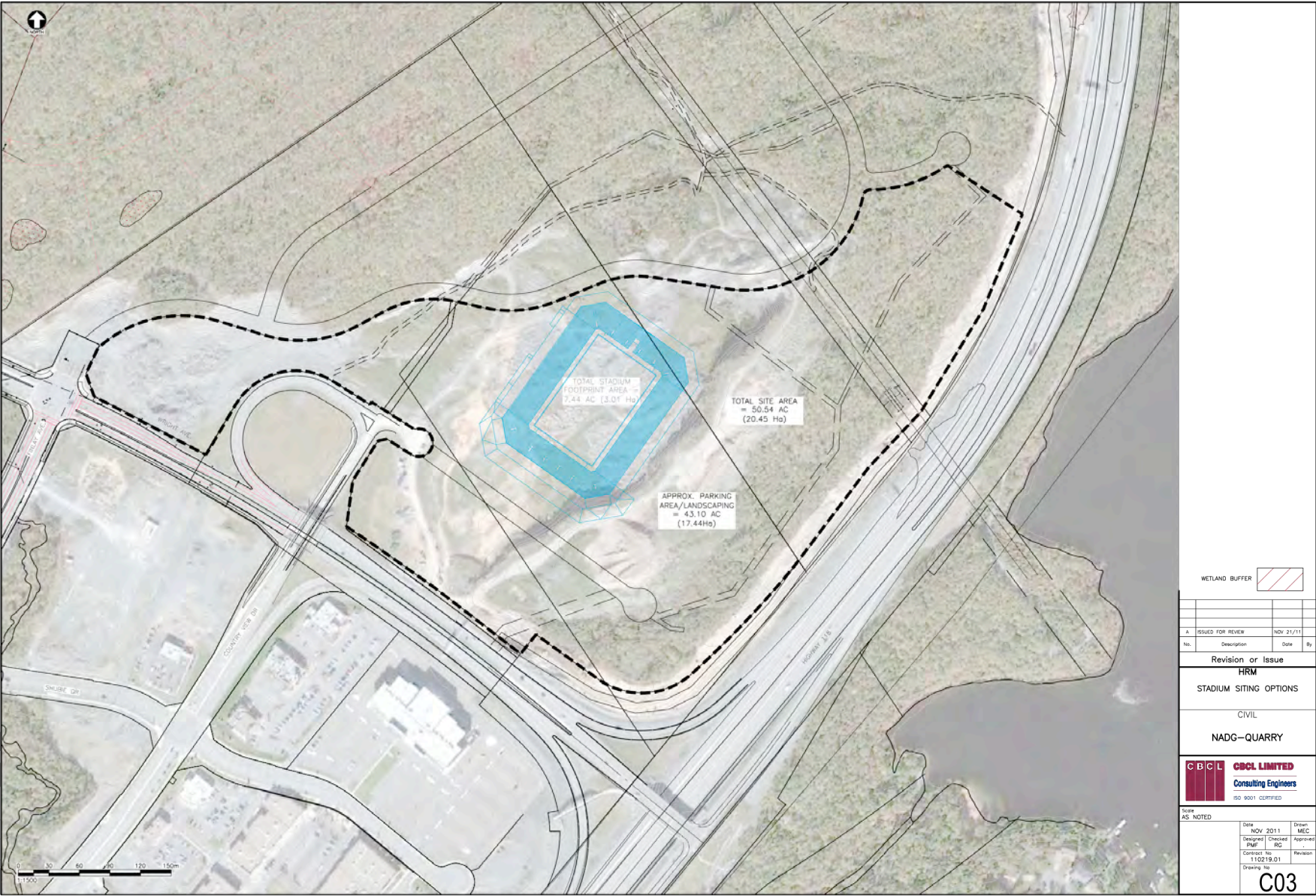
Advantages

- The site is in close proximity to the existing artificial turf fields creating both an operational synergy and enhancing the overall location as an outdoor sports destination.
- Additional HRM land to the south could allow the site to expand to a campus as envisioned in the Phase 1 report. This further reinforces the relationship with the existing artificial turf fields.
- The development of a sports and recreation facility on this part of the Burnside Park is appropriate.

Disadvantages

- The site, while adequate in size, does not allow for a great deal of flexibility in locating the stadium.
- The developable space meanders on the site due to the wetlands. For the FIFA event some of the complimentary temporary buildings would likely be located some distance from the stadium.
- The care required to protect the wetlands during construction could add to the overall project costs.
- The site is very appropriate for a community focus but may be too confined should the stadium be expanded to accommodate a professional sports franchise.
- Currently zoned in the “City of Lakes” Business Park. Re-zoning would be required.

Dartmouth Crossing / Quarry – Site # 2



Dartmouth Crossing / Quarry – Site # 2

Score before Risk Factor – 52.95 (ranked 3rd)

Score after Risk Factor – 52.95 (ranked 2nd)

Advantages

- Easy access from Highway 118,
- Cost of the land is possibly lower than other sites within the precinct.
- The site can be serviced with nearby power, water. Sanitary and storm sewer connections could be gravity connected if the stadium site would be elevated above existing street levels at the quarry area.
- Proximity to Dartmouth Crossing Lands (restaurants, commercial businesses).

This option locates the proposed stadium within a remaining rock quarry which would be leveled as part of the development. It is one of the last tracts of land within NADG's holdings has the capacity to accommodate the development of both a new stadium as well as other recreation-oriented facilities on site.

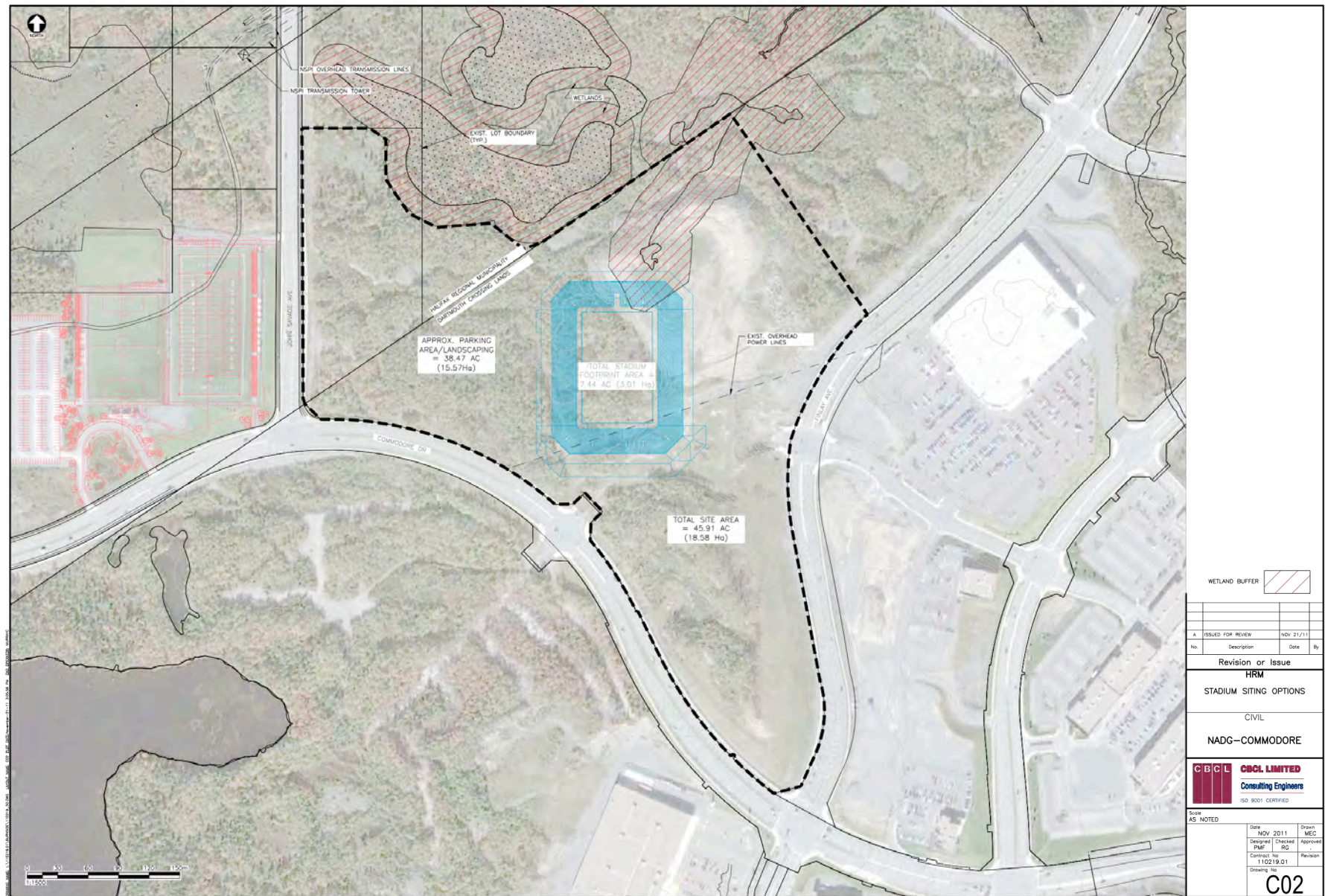
The existing condition of the site is misleading and should the Stadium be developed here the whole site would be leveled into two or more terraces to accommodate the overall development opportunities.

The following are the comments and observations of the Consulting Team regarding Quarry Site:

Disadvantages

- As a quarry the site is extremely rocky and the cost of providing underground services throughout the site could be costly,
- While close to the other sites being considered, this location is less engaged with the existing fields.
- The extreme topographical character of this site will result in adjacent development being in many cases significantly higher than the stadium and this could be an issue in planning a larger sports and recreation campus,
- The stadium footprint is located at lower elevations than surrounding lands. Significant cut/fill grading would be anticipated for this site.

Dartmouth Crossing / Commodore Avenue – Site #3



Dartmouth Crossing / Commodore Avenue – Site #3

Score before Risk Factor – 71.84 (ranked 2nd)

Score after Risk Factor – 61.84 (ranked 1st)

This location, also within the Dartmouth Crossing precinct was assessed with a very high score before the Risk Factor was applied, and scored highest of all sites after the Risk Factor. The site's adjacency to HRM land was seen as an asset, allowing the combination to provide an exception campus for sports facilities that would include the stadium and other potential sports and recreation facilities.

Advantages

- Good relationship with the existing artificial turf fields.
- Additional land for FIFA requirements available.
- Development would create a sports destination.
- Good vehicular access and egress.
- Configuration and access to site will work well with both community and FIFA event objectives.
- Well located to stimulate additional private and public sector growth.
- Proximity to Dartmouth Crossing Lands (restaurants, commercial businesses).

Disadvantages

- Not formally submitted for consideration. The owner may have other plans for the site.
- It is on the outer edge of the HRM Regional Centre. Location within the Regional Centre was one of the site selection criteria developed in the Phase 1 Business Plan.
- In terms of site contours there would be a requirement for excavation to level/grade the top of the elevations of local hill areas for both the stadium footprint and anticipated parking areas.

Shannon Park – Site #5



Shannon Park – Site #5

Score before Risk Factor – 72.20 (ranked 1st)

Score after Risk Factor – 42.20 (ranked 3rd)

Score after Correction if FIFA 2014 event not held – 52.20 (ranked 3rd)

The Shannon Park site was the highest scoring site prior to the Risk Factor assessment. Following the Risk Factor is moved to third place because of the schedule for the FIFA event.

There is considerable public support for this site for a number of reasons and to a large part these also form the benefits or advantages of this site as a venue for the FIFA stadium. It appears that there is a general feeling that Shannon Park should be developed into a major regional destination that could include either a community-scaled stadium or one that accommodates a professional sports franchise. The major issue is one of timing and its impact on developing a meaningful vision and master plan for this critically underutilized but very valuable piece of harbourfront property.

Advantages

- The site has the perception by the public as an appropriate stadium venue location.
- Shannon Park is large in size and needs to be redeveloped to realize its vast potential. This project could be the motivator.
- Shannon Park has the ability to be a major renewal initiative for Dartmouth extending the urban fabric of the HRM to the north side.
- The value of Shannon Park is in the implied benefits associated with a broad reconsideration of this potentially valuable and prominent piece of property.

Disadvantages

- Such a large and important site needs a thoughtfully developed master plan. A stadium of any size needs to fit within that master plan.
- There are significant environmental issues associated with the site. At least part of this will need to be remediated to allow for future development.
- Developing Shannon Park will not fit within the overall schedule for the 2014 FIFA U-20 Games 2014 and unless HRM moves quickly on acquiring the land, the development will not meet the timing of the 2015 Women's World Cup.
- Development of Shannon Park should be done as a comprehensive initiative and not solely focused on the stadium. HRM will likely need to invest significantly more than its current cost target.

Recommendations

A recommendation regarding a preferred site needs to consider the following:

- The site needs to have sufficient space to accommodate all of the requirements of the FIFA 2014 and 2015 events,
- Since time is an issue, land acquisition should be achievable in a relatively short period of time,
- The overall target budget for the project requires that site acquisition and preparation costs be held to a reasonable minimum,
- In Legacy mode, after the FIFA events are done, the site continues to resonate with the community as an appropriate one.

The Consulting Team recognizes that ultimately the highest scoring site either before or after the Risk Factors have been applied may not be available within the project schedule. This report notes that while the four finalist sites may vary in score and community support, each of the sites would be appropriate to varying degrees as a location for the new HRM Stadium and accompanying recreational development. Time constraints associated with the delivery of the FIFA stadium may affect the ease of acquisition in terms of the ultimate site negotiated. The Consulting Team is recommending the Commodore Drive site in Dartmouth Crossing. This location is seen as the most appropriate choice in delivering a stadium able to meet the objectives of developing a major and important community facility, accommodating the requirements of the FIFA 2015 Women's World Cup, and expanding in the future to become a major sports and recreation campus within the region.

Shannon Park was ranked first prior to the Risk Factors and continues to be an exceptional site. However the time constraints associated with a FIFA event make appropriate timely development of this site difficult. Shannon Park requires a level of public input, master planning, and environmental remediation before construction of a new stadium could commence. This represents an obstacle in terms of developing a stadium in time to host the 2015 FIFA Women's World Cup. Should HRM decide to build a new stadium some time beyond 2015, the Shannon Park site would need to be reconsidered.

5.0 Program of Spaces

The proposed new HRM Stadium will be both a major spectator venue in FIFA “Event Mode” and a 10,000-seat community scaled facility in “Legacy Mode”. There is a complexity in integrating the two functions and while the requirements of FIFA are temporary, they have an effect on the overall program of spaces for the building. While many of the FIFA spaces can be converted to other uses after the World Cup, there are necessary components such as showers and washroom facilities that are permanent. As a result, the development of a program of spaces that satisfies basic community requirements needs to easily and economically accommodate the 2015 Women’s World Cup. It is critical that first and foremost the design meets the needs of the community and in the process satisfies FIFA.

The FIFA Program

The requirements for hosting a World Cup are identified by FIFA and described in some detail in their publication entitled “Football Stadiums – Technical recommendations and requirements”. The 5th edition of this manual published

in 2011, has been taken into account in the planning and concept design for the proposed HRM Stadium.

An international sports event requires a significant number of temporary enhancements associated with the hospitality aspect of the business. Beneficiaries of these enhancements are the athletes, the sports organization(s) and the business sponsors of the event. The latter group are particularly important in terms of maximizing the revenue potential from the event. The hospitality requirements are identified in the FIFA technical documents and are included in this section as “Temporary Facilities”.

The approach to planning the HRM Stadium is to focus on the specific needs of the community and to use those spaces where appropriate to accommodate the FIFA requirements. This requires a slightly different approach to the overall planning of the facility. This section will list the specific permanent components of the FIFA manual, followed by a detailed list of spaces to be provided in the Legacy format.

FIFA Spaces that will transition to Legacy

Area Description

FIFA description

Legacy commentary

Players and Match Officials

Team’s Areas		4 preferred to suite FIFA Halifax schedule	2 maintained in Legacy and 2 re-purposed.
Dressing Rooms	80m ²	With bench seating for 25 plus amenities.	Used after World Cup as premier dressing room.
Massage Rooms	40m ²	A treatment area with 3 massage tables.	Maintained as part of the premier dressing room.
Toilets and Sanitary Facilities	50m ²	This is the “wet” portion of the Dressing Room.	Maintained as part of the premier dressing room.
Coaches’ Offices	30m ²	Adjacent to Dressing Rooms with seating for 5.	Re-purposed into small office/dressing room?
Referees’ Area			
Referees’ Change Room	24 m ²	Able to accommodate 5 referees.	Used after World Cup as Referees’ Room #1.
Referees’ Change Room	18m ²	Able to accommodate 2 female referees.	Used after World Cup as Referees’ Room #2.

Warm-Up Areas**Outdoor warm-up area****Indoor warm-up area**100m²
/team

Artificial grass turf incorporated into the field.

Close to the team's Dressing Room.

As part of legacy it will simply be part of the field.
May be difficult to provide the complete amount of
space. Any space provided will be re-purposed.

Players' Medical Room50m²

Dividable room with one bed per side.

Will be designed as a Community Dressing Room #1
and used temporarily as the Players' Medical Room.

Doping Control36m²

Requires a washroom area and shower.

Will be designed as a Community Dressing Room #2
and used temporarily as the Doping Control Centre.

Event Management Offices20m²

Small office for 3 plus washroom facilities.

Will be designed as Community Dressing Room #3 and
used temporarily as Event Management Office.

Dressing Room for Ball Kids40m²
/room

Separate rooms for girls and boys complete with
washroom and showers.

Community Dressing Rooms #4 and 5 will be
programmed as Ball Kids Dressing Rooms.

The Legacy Program

The review of FIFA requirements, particularly as they pertain to the Players and Match Officials impacts the overall legacy program. The objective is to meet FIFA's requirements based on an appropriate outline of spaces for community programs and events. While the various support spaces within the Players and Match Officials area have inconsistent sizes, the overall approach for the long -

term Legacy Program is to use Community Dressing Rooms as the basic response to the FIFA requirements.

The Legacy Program is outlined below. Two FIFA Dressing Rooms will be maintained in Legacy and two will be converted to smaller dressing rooms. The majority of other spaces will revert back to Community Dressing Rooms.

GROUND LEVEL

Players and Match Officials

Major Dressing Room – 2 provided as a legacy of the 2015 FIFA event

Dressing Room	80m ²	<p>Dressing Rooms will stay in the same format as World Cup.</p> <p>Floor Sports flooring specifically for soccer and football.</p> <p>Walls Concrete block – painted.</p> <p>Ceiling Underside of structure – painted.</p> <p>Mechanical Appropriate air changes for a dressing room.</p> <p>Electrical Lighting fixtures to be vandal resistant.</p> <p>Electrical outlets in 4 corners of room as well as the coach's game plan area.</p> <p>Hard-wired internet and telephone outlets.</p> <p>Notes Benches to be moulded plastic. Clothing hooks to be steel.</p>
Massage Room		May be repurposed along with the Coaches' Office. All finishes should allow for easy renovation.
Toilets and Sanitary Facilities	30m ²	<p>This area includes the toilets, urinals and lavatories.</p> <p>Floor Sports flooring.</p> <p>Walls Concrete block – painted.</p> <p>Ceiling Underside of structure – painted.</p> <p>Mechanical Appropriate air changes for a dressing room.</p> <p>Electrical Lighting fixtures to be vandal resistant.</p> <p>Electrical outlets at each lavatory.</p>
Showers	20m ²	<p>The shower area is separate from the Toilets and Sanitary Facilities. There will be provision for 4 shower heads.</p> <p>Floor Non-slip unglazed ceramic tile.</p> <p>Walls Glazed ceramic tile.</p> <p>Ceiling Suspended ceiling – painted.</p> <p>Mechanical Appropriate for shower area.</p> <p>Electrical All lighting moisture-resistant recessed.</p>

Community Dressing Rooms – 6 Required plus 4 will be added as part of the post-games renovations to the 2 additional FIFA Dressing Rooms

Dressing Room Area	45m ²	The Community Dressing Rooms will be design recognizing that during the FIFA event they will be put to other purposes. This will impact the electrical requirements in particular.
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		Floor Sports flooring. Walls Concrete block – painted. Ceiling Underside of structure – painted. Mechanical Appropriate air changes for a dressing room. Electrical Electrical outlets at 5m o/c. Hard-wired internet and telephone outlets.
Washroom	18m ²	The Washroom area will include a water closet designed for the disabled, a urinal and a single lavatory. Floor Sports flooring. Walls Concrete block – painted. Ceiling Underside of structure – painted. Mechanical Appropriate air changes for a dressing room. Electrical One outlet near lavatory.
Showers	14m ²	The Showers area is directly adjacent to the Washrooms. Floor Non-slip unglazed ceramic tile. Walls Glazed ceramic tile. Ceiling Suspended ceiling – painted. Mechanical Appropriate for shower area. Electrical All lighting moisture-resistant recessed.
Referees' Change Rooms – 2 Required		
Change Room	20m ²	Each Referee Change Room should accommodate a maximum of 5 individuals. A Change Room is provided for each sex. Floor Sports flooring Walls Concrete block – painted Ceiling Underside of structure – painted Mechanical Appropriate for dressing rooms Electrical Provide hard-wire internet, telephone. Electrical outlets at 5m o/c.
Washroom / Shower	15m ²	The Washroom / Shower area will have a water closet, a urinal and a shower. Floor Sports flooring except non-slip unglazed ceramic tile in shower. Walls Concrete block painted except glazed ceramic tile in shower. Ceiling Underside of structure – painted.

Mechanical	Appropriate for dressing rooms.
Electrical	Provide one electrical outlet by lavatory.

Main Public Area – Ground Level

Main Entry Lobby	150m ²	The Main Entry Lobby should provide direct and easy access to all components in the building. It should also have access to stairs and the elevator to the Skybox level.
Floor		Sports flooring particularly if the dressing rooms are also used for adjacent outdoor fields.
Walls		Concrete block – painted or stained/sealed plus enhancements appropriate to a main lobby space.
Ceiling		A combination of exposed structure – painted plus decorative suspended acoustic ceiling.
Mechanical		Appropriate for a dressing room.
Electrical		Electrical outlets at 5m o/c. Some feature and specialty lighting.

CONCOURSE LEVEL (+14')

Public Concourse

Front West Concourse (over Dressing Rooms)		This concourse is more complete than the others. In both FIFA and legacy it will be the main access point by spectators to the overall concourse circulation.
Floor		Concrete with hardener/sealer
Walls		Minimal walls depending on the final design. Walls around concessions and washrooms to be concrete block stained/sealed or painted.
Concessions		Concessions will service the 5,000 permanent seats accessed by the Front West Concourse. The recommendation is to provide one large concession on the Front West Concourse with 6 cashiers.
Floor		Non-slip epoxy coating
Walls		Concrete block - painted
Ceiling		Painted (membrane roof above)
Counters		Solid counter-top material, not plastic laminate on wood core – counters designed so all are accessible.
Mechanical		As required for the specific food offered.
Electrical		As required for the specific food offered.

Washrooms	<p>The number of washroom fixtures will be determined by code. The assumption should be that 60% of spectators are women and 60% are men.</p> <p>Floor Non-slip epoxy coating</p> <p>Walls Concrete block – painted</p> <p>Ceiling Painted (membrane roof above)</p>	
Opposing East Concourse	<p>The Opposing Concourse is directly opposite the Front Concourse and feeds the other permanent seating grandstand. It will be at grade rather than elevated. The recommendation is that washrooms be provided on the Opposing Concourse but no concessions.</p> <p>Floor Concrete with hardener/sealer only under the washrooms strip of space. All other flooring to be asphalt paving.</p> <p>Walls Minimal walls depending on the final design.</p> <p>Walls around washrooms to be concrete block painted or stained/sealed.</p>	
Washroom	<p>The number of washroom fixtures will be determined by code. The assumption should be that 60% of spectators are women and 60% are men.</p> <p>Floor Non-slip epoxy coating</p> <p>Walls Concrete block – painted</p> <p>Ceiling Painted (membrane roof above)</p>	
End Concourses (at End Fields)	<p>The End Concourses will be constructed at grade or slightly above. The proposed finish of the End Concourses will asphalt paving. These concourses serve temporary seating and in the event where the stadium is expanded to 20,000+ permanent a new concourse structure, along with the permanent seating would be constructed.</p>	

SEATING – Commentary on permanent and temporary seats

General Seating

Seating off elevated Front West Concourse	5,000	<p>Lower seating is almost exclusively the structural type with steel raker beams and columns. There is an opportunity to construct the first 4-5 rows in the less expensive temporary or scaffolded construction. Upper seating construction is the structural type with steel raker beams and columns.</p>
	Riser/Run	Extruded interlocking aluminium system (regardless of whether the system is a structural or scaffolded one)
	Seating	Moulded plastic exterior type, riser-mounted with flip-up seats.

Seating off opposing at-grade East Concourse	5,000	The Opposing East Concourse seating will be the structural type with steel raker beams and columns. As with the West Concourse there is an opportunity to construct the first 4-5 rows in the less expensive temporary or scaffolded construction.
		Riser/Run Extruded interlocking aluminium system (regardless of whether the system is a structural or scaffolded one)
		Seating Moulded plastic exterior type, riser-mounted with flip-up seats.
Seating off End Concourses Temporary Seats	10,000 in total	All seating accessed from for the End Concourses will be the scaffolded type.
		Riser/Run Extruded non-interlocking aluminium system.
		Seating Moulded plastic exterior type, riser-mounted bench type with continuous backs.
		Riser/Run Extruded non-interlocking aluminium system.
		Seating Moulded plastic exterior type, riser mounted with flip-up seats.
SKYBOX LEVEL		The intent is not to provide Skyboxes as part of the Legacy configuration. However the stadium should be designed with usable open space at this level for the possibility of skyboxes and lounges for the FIFA event as well as future use as a media and multi-purpose level. Basic power and lighting should be provided to this level.
		The Skybox Level will require the following
	Stair access	A pair of steel stairs with some level of access control. The stairs will not be enclosed as a heated space.
	Roof	Some level of weather protection. This does not imply that it extends over the upper seating but something should be provided for the specific Skybox Level in both Legacy and Event configurations.
	Floor	Concrete with sealer.

6.0 Planning and Design Commentary

The overall approach to the planning and design of the proposed new HRM Stadium encompassed a number of long and short terms objectives. These included designing a facility that would:

- Provide an exceptional 20,000-seat venue for both the 2014 U-20 FIFA World Cup and the subsequent 2015 Women's World Cup.
- Be designed so that in its Legacy configuration, whether 10,000 or 14,000 seats, would be a multi-purpose outdoor entertainment and sports venue.
- Meet the regional needs for community sports and recreation programs without appearing to be overbuilt – avoiding the “white elephant” syndrome.
- Appropriately balance value for money so that the resulting facility will be easy to operate, attractive for both the user and spectator, economical to build and maintain, and create a positive legacy for the HRM.

The Planning Team developed a number of options for organizing 10,000, 14,000 and 20,000 seats around a field-of-play. Through dialogue with the community the following design principles and objectives were developed or confirmed:

- The field-of-play would mean both soccer and football as a minimum. No planning or design approach would be allowed to interfere with the ability to host both predominant sports within the stadium.
- Seating would be as intimate as possible which means in particular that seating at the ends of the stadium should be as close as possible to the edge of the field-of-play.
- The end of the bowl opposite the back-of-house end should be designed so that in legacy configuration it is a sloped grass viewing area that is family-friendly, capable of accommodating picnics and informal gatherings as part of the spectator and event experience.
- Based on the previous point, no end-zone seating should be fixed or permanent. Fixed end-zone seating for football would compromise the

spectator experience for watching soccer because of the distance from the seating to the end edge of the soccer pitch.

- Permanent seating should be designed to avoid the look of a large monolithic bleacher system. In this regard the Planning Team prefers permanent seating with an elevated concourse that feeds both upper and lower seating units. While this ideally would apply to both the east and west sides, at a minimum it should be considered for the west Concourse. Upper seating units would start at roughly 8 – 10' above the concourse allowing spectators on the concourse to have views of the field-of-play.
- Permanent seating should be restricted to the sides of the field-of-play, preferably equally divided on both sides. This applies to both a 10,000 and 14,000-seat Legacy consideration.
- One side of the stadium should be designed to incorporate all of the permanent indoor spaces including dressing rooms, administration spaces, multi-purpose rooms and any commercial space.
- Private suites should not be designed as part of the legacy configuration although space needs to be allowed for them as part of the FIFA requirements.
- Enclosed spaces, particularly the dressing room area should be designed to easily accommodate the specific requirements of the FIFA event without compromising the efficiency or logic of the Legacy layout.
- If possible, weather protection should be considered for a portion of the permanent seats.
- The legacy configuration should be designed to be expandable to 25,000+ in the case where a CFL franchise moves to Halifax.
- The planning team to work closely with specialist manufacturers and suppliers in the stadium industry to achieve the highest value for the funds available.

The Field of Play

The HRM Stadium will be organized around both a Canadian football field and a recommended FIFA soccer pitch. The field of play provided has a width of 80m and comfortably accommodates both football and soccer. The length of the soccer pitch and surrounding buffer is 120m or approximately 131 yards while the length of the football field with the surrounding buffer is 160 yards. Maintaining a level of intimacy between the spectator at the end zones and the action on the field suggests re-locatable seating for this particular area.

There is some flexibility in orienting the field of play and while tradition suggests a north-south orientation an orientation of north-north-east / south-south-west may in fact work better for a venue where spectator oriented games are scheduled for the afternoon. This applies to the Women's World Cup and FIFA recognizes and accepts this deviation away from a strictly north-south orientation. Final orientation will be dependant in part on maximizing the development of the site for both the stadium and adjacent outdoor support space.

The field of play will be a synthetic turf with the final specification identified during the construction process. There are numerous "Turf Summits" held annually throughout Europe and Asia and the ongoing development of this product means that in another year or two there will likely be a new generation of synthetic turf. The final selection will be based on FIFA's technical requirements as well as the specific programming needs of HRM in maximizing use of the site in Legacy configuration.

The Spectator Experience in Event mode – 20,000 Seats

The 20,000-seat spectator bowl will be a combination of fixed and temporary seating units. Since this configuration will have its inauguration at either the 2014 U-20 or 2015 Women's World Cup, the ability of the bowl to present an image as an exceptional soccer venue is an important consideration. As with the world's best permanent soccer venues the objective is to create a bowl that intimately wraps the soccer pitch with seating equally distributed on all four sides. While the difference between temporary versus permanent seating will be obvious when looking at the stadium from the exterior, once inside the bowl it will in fact be impossible to differentiate. The seating bowl of the HRM

Stadium in FIFA or Event mode will likely be one of the most favoured by both players and the media because of its intentional similarity to the European model.

The Spectator Experience in Legacy mode – 10,000 Seats

Once the FIFA event is over the HRM Stadium reverts to Legacy mode, which is how it will function for most of the year. The 10,000 permanent seats will be distributed roughly equally on both sides of the field of play although the western side will be the front or welcoming side of the stadium. In developing the design of this major component of the stadium the Planning Team reviewed a number of seat arrangements. These included:

- An option where both the west and east concourses were elevated above the field of play by roughly 14'. Dressing rooms, permanent support space and possible commercial areas were located at grade beneath the west concourse while an open storage area was provided under the elevated east concourse. There were two alternates to this option, one where the concourse was open – in this option there is a lower seating portion accessed directly off the concourse, and upper seating which is accessed by stairs intermittently located on the concourse. This allows spectators on the concourse to see the field of play and the opposing concourse, a very attractive feature. The alternative considered was a closed concourse where spectators would move through vomitories or gates into the mid-level of the bowl. In this scenario there are no views from the concourse to the field of play.
- An option where the west concourse was elevated above the field of play but the east was at grade. The west concourse can be either open or closed while the east concourse would be a closed concourse with no direct views to the field of play.
- An alternate of 14,000 fixed seats and 6,000 temporary seats. One way of achieving this was to simply increase the permanent side seats from 10,000 to 14,000. The alternate was to maintain 5,000 fixed seats on either side and provide permanent lower seating at the ends for 6,000. The Planning Team however felt that any permanent seating at the end would need to be organized around a football field and seriously compromise a soccer-oriented spectator event. Ultimately the ability to

consider the additional 4,000 seats will be based on the impact on the overall budget.

The Spectator Experience – 25,000+ Seats

The HRM Stadium would only grow to 25,000+ permanent seats if a professional sports franchise came to Halifax. As a result of this development the design of the stadium would focus completely on football and the permanent seating on the sides could be extended. In the initial Legacy and Event formats the permanent side seats are governed by the length of the soccer field rather than the football field. If the stadium grows in its permanent length to accommodate a CFL franchise the extension of the permanent side seats creates on the west side the opportunity to increase the number of private suites.

The 25,000+ seat venue would have approximately equal numbers of rows of seats on all four sides with the possible exception of the east side which may gain additional rows to fine-tune the ultimate seating capacity. Permanent concourses, complete with washrooms and concessions would be required on all four sides of the football field.

The 10,00-seat Legacy configuration does have the ability to grow to 25,000 seats for football with the use of 15,000 temporary seats. This would be an appropriate short-term option should Halifax acquire a CFL franchise.

The Public Domain

Any spectator facility has a “public domain” which typically includes concessions, washrooms, vending or small commercial areas, and circulation that takes you to your seat. The concourse is the core piece of the public domain and typically works best when at least a portion of it is elevated, allowing for the development of support and back-of-house spaces below.

The public domain must be totally accessible and provide for disabled seating with exceptional sightlines especially when spectators are standing from excitement rather than sitting. The public domain, if elevated, must have elevators and ramps as required for universal accessibility.

The number of permanent washroom fixtures is governed by local or provincial building and plumbing codes and is based on the permanent seat count. The objective is to provide a fixture count based on 60% men and 60% women. This approach recognizes that generally there are more men than women at sports events so the 60% is appropriate. Women justifiably comment that there are never enough washrooms so the 60% ratio allows for increasing the number of fixtures on a pro-rated basis.

Concession numbers for professional venues is based on one permanent point of sale (POS) for each 175 spectators. However, for the seasonal use of the HRM Stadium the Planning Team is suggesting one POS for each 250 patrons and that this ratio be applied only to the main (west) concourse. This equates to 20 POS where the west seating is 5,000 (for a total of 10,000 fixed seats). Should the west side seating increase to 7,000 to accommodate 14,000 fixed seats, the Planning Team is suggesting that the 20 POS not be increased.

Community Components

The Legacy aspect of the HRM Stadium is primarily about community usage with the occasional ticket sports or entertainment event. The two major community elements in the facility are the dressing rooms and the field of play. Ideally there is a direct and enclosed connection from the suite of dressing rooms to both the facility front door and the field of play. Considering that there will be an air-supported roof or bubble over the field of play during the winter, the direct enclosed connectivity between the dressing rooms and the field is extremely desirable.

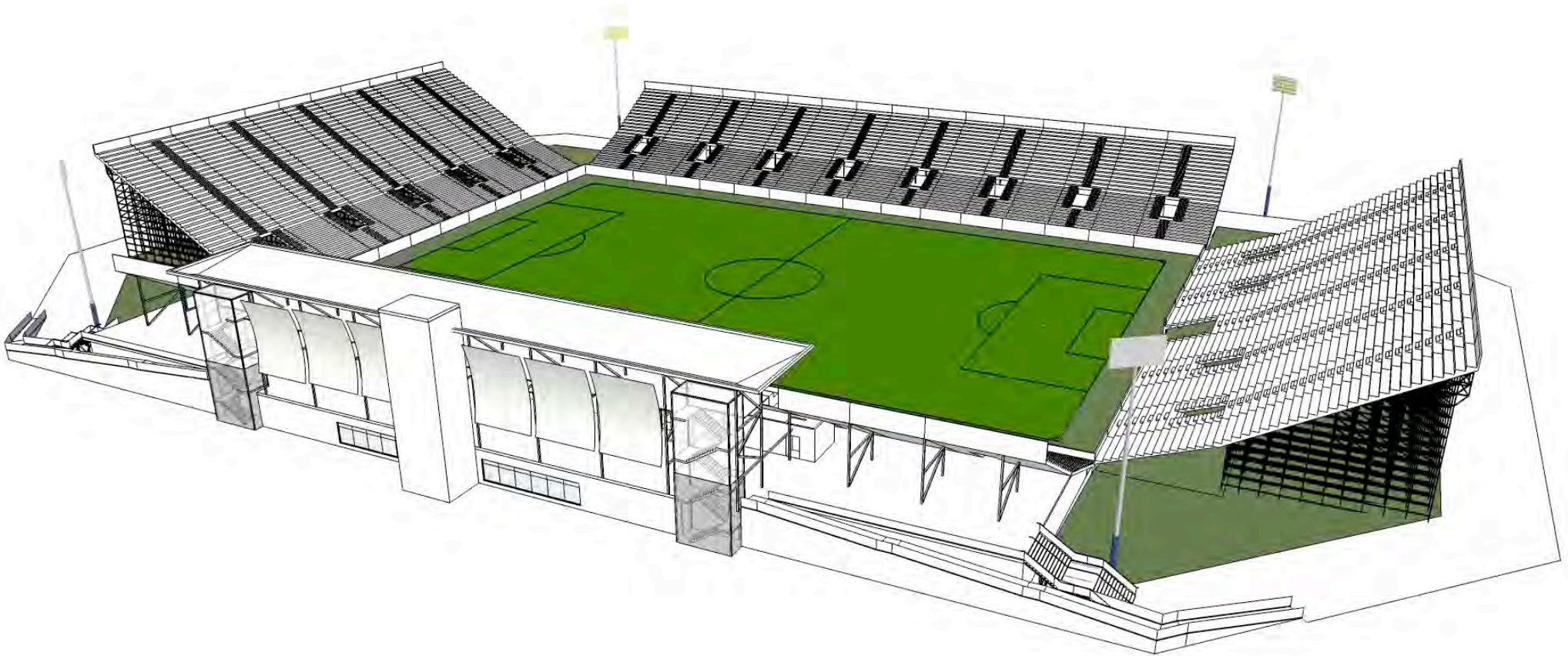
There are a total of 8 dressing rooms, two of which are major FIFA-compliant legacies from the 2015 Women’s World Cup. The remaining 6 are smaller in scale and ideally suited to community-oriented sports programs. There are two additional FIFA-compliant dressing rooms required for 2014 and 2015 but the Planning Team is suggesting that these be designed as temporary and get repurposed after the games to a commercial revenue-generating purpose.

The VIP Potential

Community stadiums typically do not have a private suites or skybox level. This type of space is usually leased to corporate customers for terms varying from 3 to 7 years. There is no rationale for skyboxes or an intent to lease unless there is a professional sports franchise resident in the stadium. However, the FIFA requirements for the 2015 venues require significant hospitality and VIP areas and while some of these may be housed in temporary structures adjacent to the stadium, the skyboxes need to be incorporated into the stadium and located at or near the top of the west seating bowl.

The Planning Team is suggesting a permanent skybox level comprised of a concrete floor slab, two rows of elevated dedicated seating, an access/egress stair at either end of this level, a centrally located elevator connecting the dressing room, concourse, and skybox levels. A small roof would be built over the skybox level. Suites would be temporary so that this level in the future could be repurposed for media, multi-purpose rooms and other community oriented areas.

The Drawings



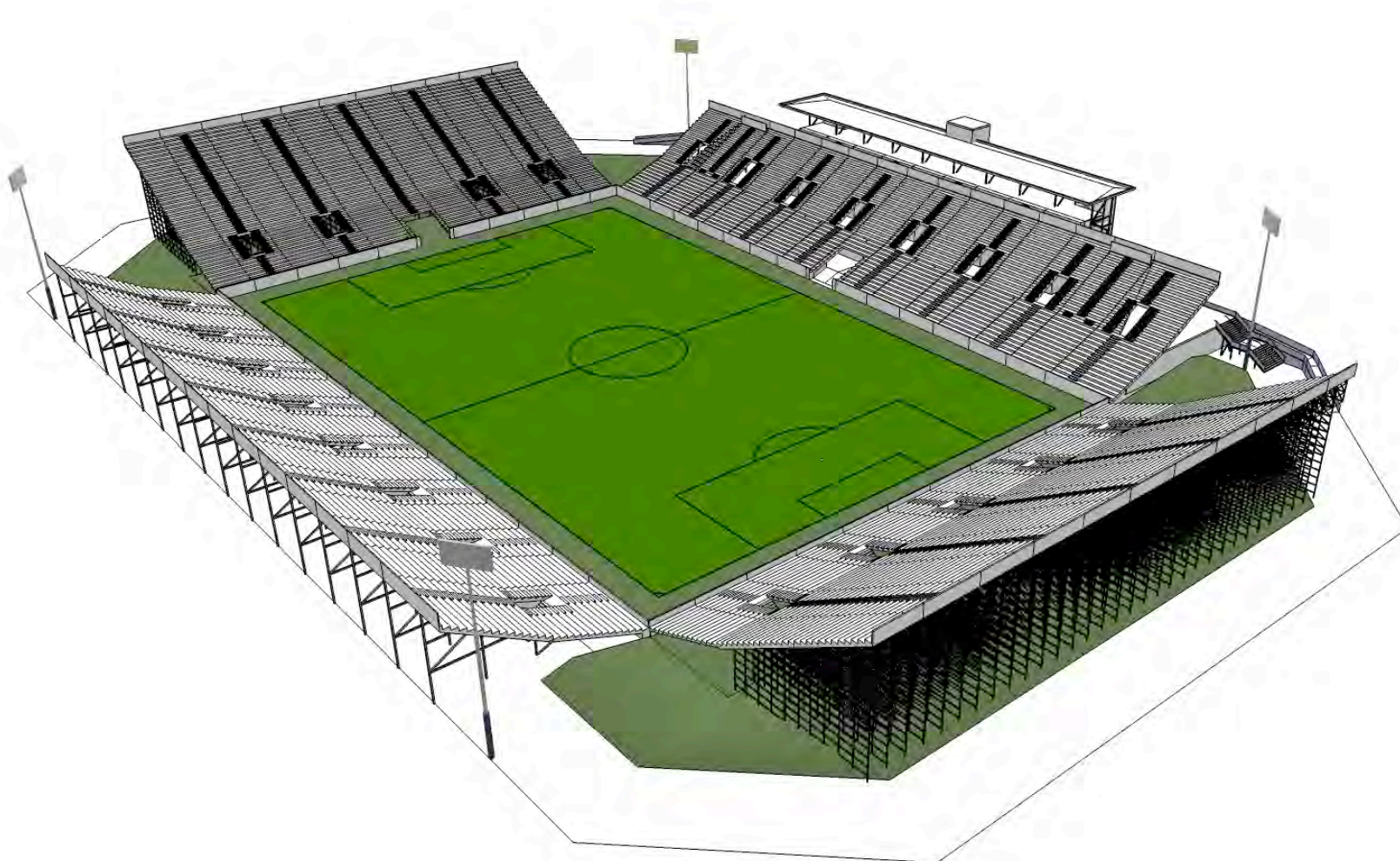
Perspective 1

A view illustrating the west side of the stadium with the temporary seats in place.



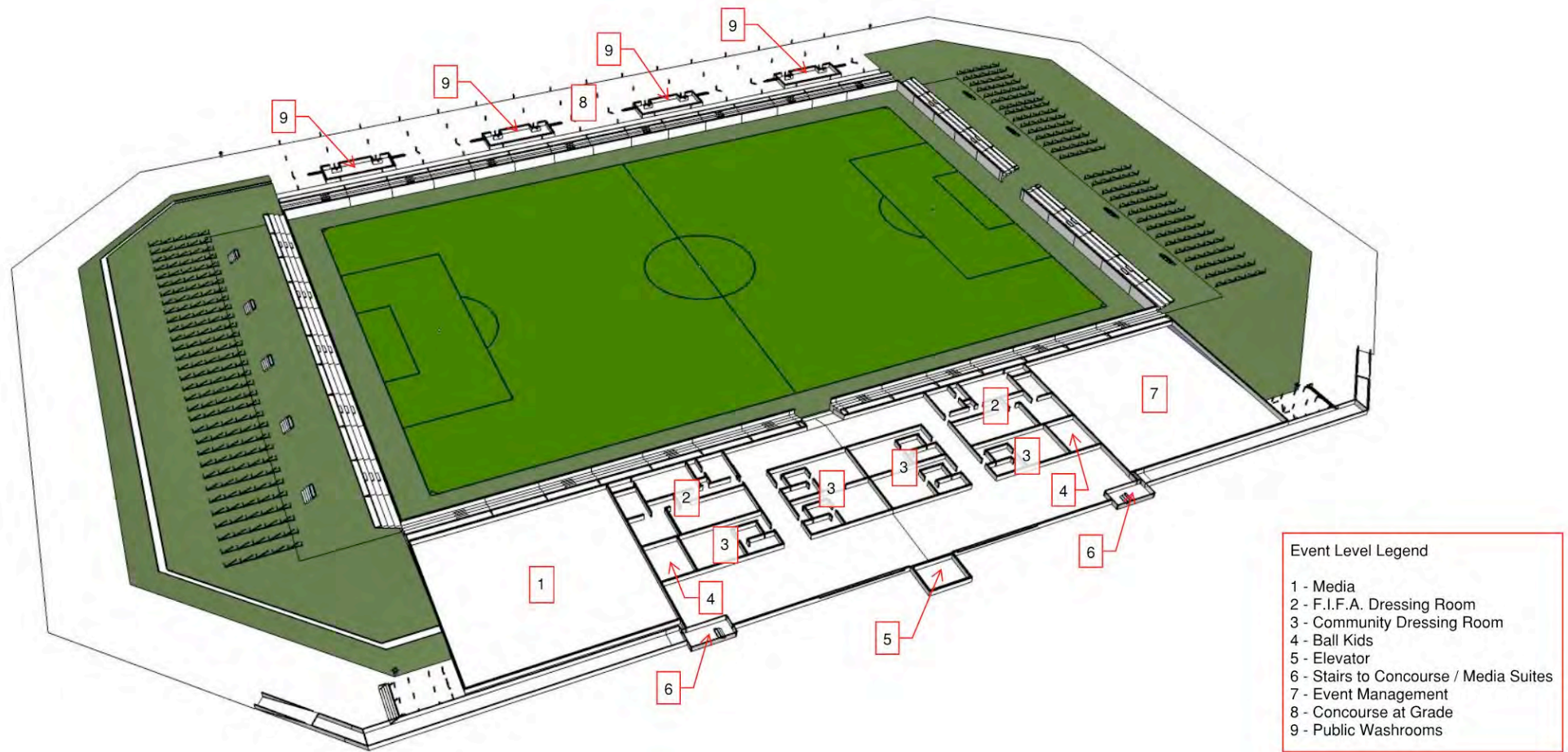
Perspective 2

A view showing the east side of the stadium and the at-grade concourse.



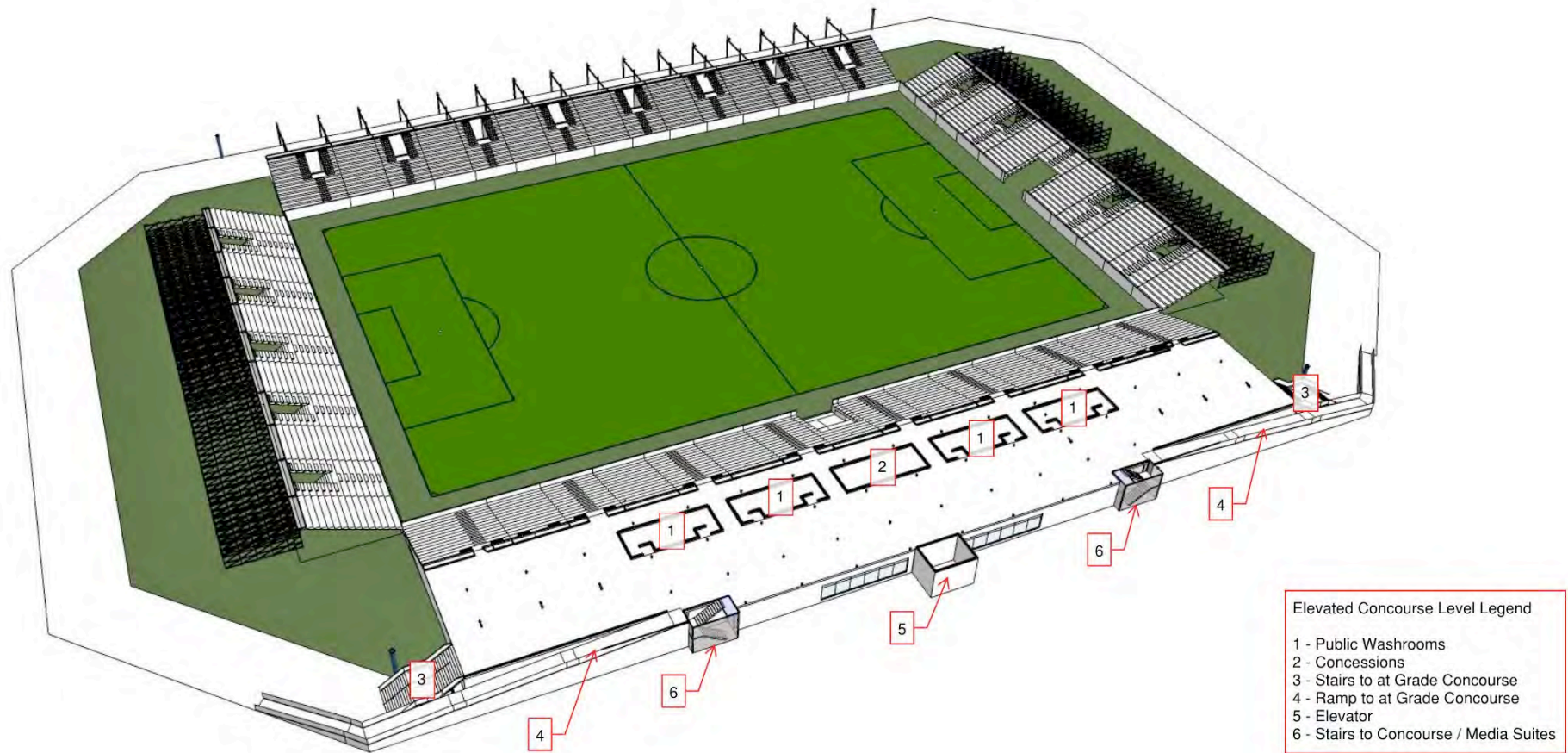
Perspective 3

An aerial view showing the overall development.



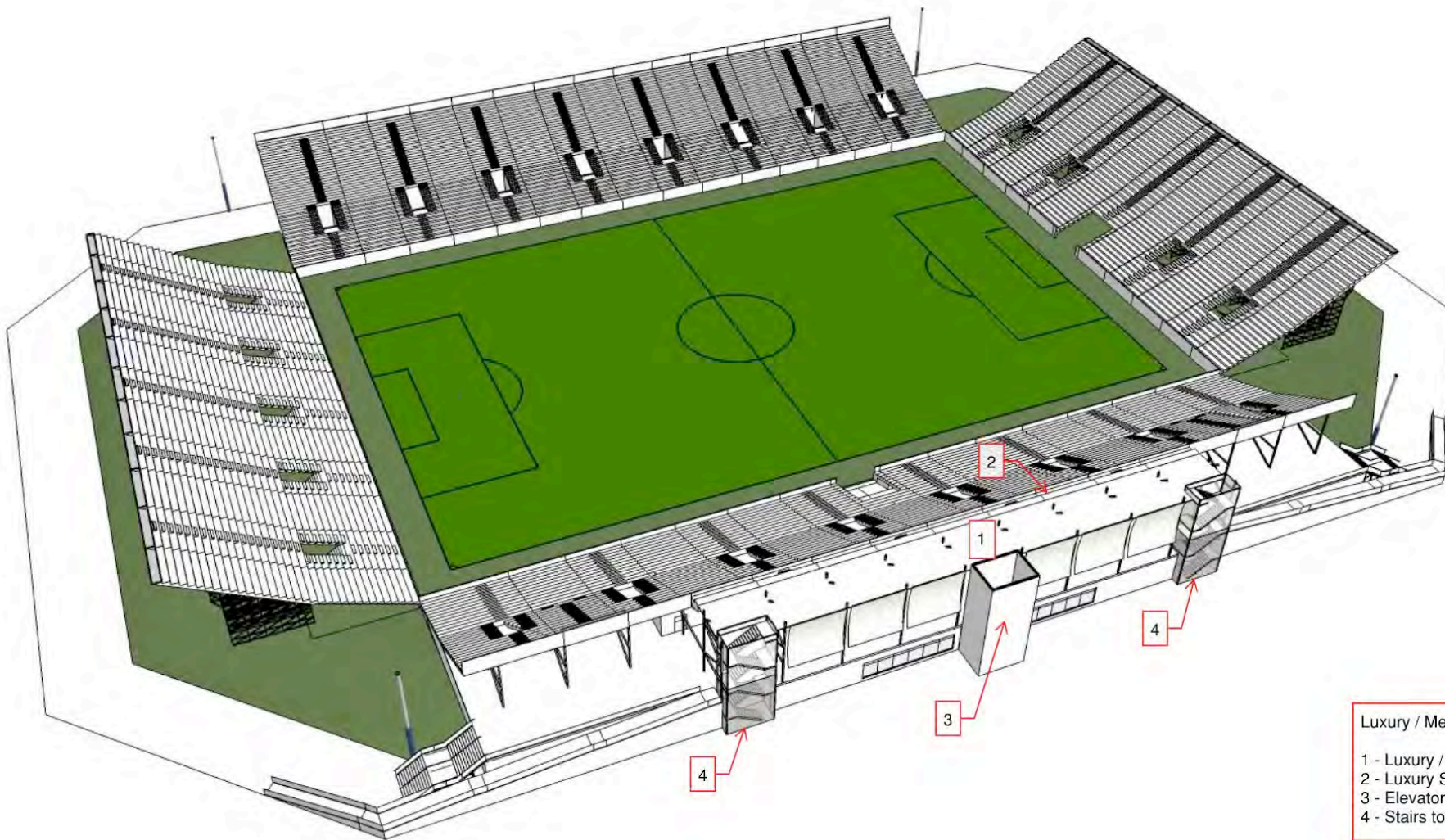
Ground Floor Plan in 20,000-seat configuration

A view of the Dressing Rooms and commercial space at grade on the west side of the stadium. Note that only the bottom portion of the portable seating is shown.



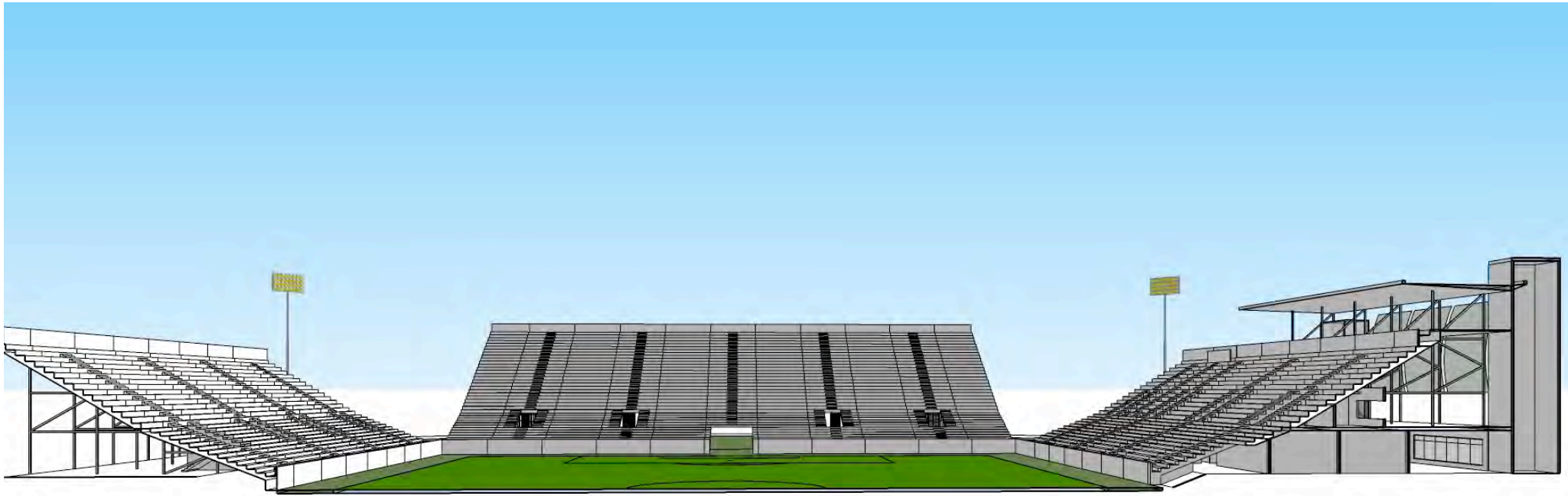
Elevated Concourse Floor Plan in Legacy mode

A view of the West Concourse above the Dressing Rooms and commercial space below.



Skybox Level Plan – shown in 20,000-seat configuration

A view of the Skybox Level which will be an open space in Legacy and divided as appropriate for the FIFA event.



Stadium Section

A view cut through the centre of the field. The Dressing Rooms on the west side, the concourse above them, and the elevated suites level are shown.

7.0 Capital Cost Estimate

The development of the overall project cost for the new HRM Stadium was developed through the efforts of the following groups:

- Davis Langdon, specialist Quantity Surveyors specializing in sports venues,
- Dant Clayton, a manufacturer of permanent stadium building components,
- Nussli, a manufacturer of permanent and temporary stadium building components,
- The architectural team of Fowler Bauld Mitchell and CEI Architecture,
- CBCL Engineering Ltd.

Efforts were made to bring the total capital project costs in line with the targets identified in the Capital Cost Estimate Report submitted to Regional council on October 18, 2011. The Consulting Team developed a number of different design variations and provided an additional pricing option in terms of renting temporary seating.

Option 1 – Not priced

This option included a large private-suites level and a more complicated, mitred arrangement of temporary seating options. As it was being developed it became clear that this option would not meet the cost target submitted to Regional Council. For this reason Option 1 was not priced.

Option 2

This option has a ground level floor plan that allows for over 1,600m² of commercial or lease space adjacent to the dressing rooms. There is an unfinished private suite level in anticipation of the FIFA requirements. Temporary seating is included in the price with the units being rectangular in shape rather than the mitred version in Option 1.

Option 2 appears to be the best value for money. It was the version presented at sessions 3 and 4 of the Public Engagement process..

Option 3

This option is similar to Option 2 but has no commercial space and the private suites level is smaller. The lack of commercial space is seen as problematic from an operational perspective.

A final variation provides a credit to the project if HRM rents the 10,000 temporary seats rather than purchase them.

The final Conceptual Cost Plan is based on the Davis Langdon report and assumes the following:

- The final design of the stadium will include 10,000 fixed seats and 10,000 temporary seats.
- There are certain assumptions that need to be made. Land costs are not part of the Davis Langdon report although servicing and clearing are.
- In the Conceptual Cost Plan an allowance has been made for providing a 14,000-fixed seat option.

The Conceptual Cost Plan identifies an additional cost for a 14,000 fixed-seat stadium. This cost assumes a lower number of temporary seats. The Plan also identifies a credit if 10,000 temporary seats are rented rather than purchased by HRM.

Summary

The following provides an overview of the anticipated project costs for the new HRM Stadium. A 15% design contingency has been provided in the figured develop by Davis Langdon.

Costing Item	Burnside Site #1 – Ranked 4 th	Quarry Site #2 – Ranked 3 rd	Commodore Site #3 – Ranked 1 st	Shannon Park Site #5 – Ranked 2 nd
Land purchase	\$5,227,200	\$4,197,645	\$6,644,037	\$3,746,160
Siteworks	\$6,554,045	\$9,326,000	\$8,622,008	\$11,476,325
Stadium	\$36,847,000	\$36,847,000	\$36,847,000	\$36,847,000
Parking	\$1,650,000	\$1,650,000	\$1,650,000	\$1,650,000
FF&E allowance	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000
Soft cost allowance	\$6,930,000	\$6,930,000	\$6,930,000	\$6,930,000
TOTAL PROJECT COST	\$58,258,245	\$60,000,645	\$61,743,045	\$61,699,485
 Deduction if 10,000 seats are rented	 (\$3,381,000)	 (\$3,381,000)	 (\$3,381,000)	 (\$3,381,000)
TOTAL PROJECT COST with rental seats	\$54,877,245	\$56,619,645	\$58,362,045	\$58,318,485
 4,000 fixed seat premium	 +\$9,399,000	 +\$9,399,000	 +\$9,399,000	 +\$9,399,000
TOTAL PROJECT COST WITH 14,000 SEATS Including 6,000 purchased temp seats	\$67,657,245	\$69,399,645	\$71,142,045	\$71,098,485
 Deduction if 6,000 seats are rented	 (\$2,028,600)	 (\$2,028,600)	 (\$2,028,600)	 (\$2,028,600)
TOTAL PROJECT COST with rental seats	\$65,628,645	\$67,371,045	\$69,113,445	\$69,069,885

The Consulting Team is recommending that as a minimum a 10,000-seat stadium be constructed as described in Option 2. The Consulting Team is also recommending that, while there may be some value in HRM owning the portable seating system, it may be more advantageous for the project to redirect those funds to the additional 4,000 fixed seats.

The Davis Langdon report summarizes construction costs for a project starting in July of 2012. The construction cost is only a part of the overall project cost developed by the Consulting Team. The table is based on Design Option 2 as noted in the Davis Langdon Conceptual Cost Plan.

The option of providing 14,000 fixed seats provides an opportunity for additional revenue generation and was seen as a desirable option during the Public Engagement events. However, the additional cost is significant and will not be covered by increased revenues.

The full Davis Langdon document is included in Appendix II of this report.

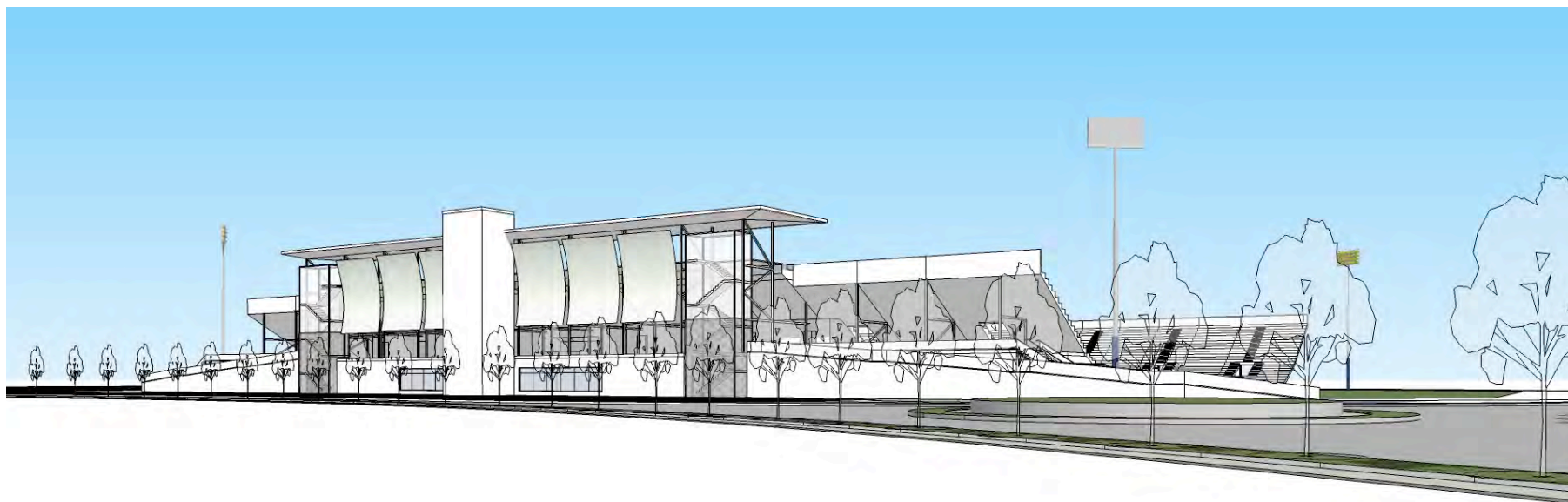
8 Stadium Financial Projections

8.1 Debt Schedule for HRM Capital Contribution and Impact

8.1.1 Debt Schedule and Impact

Based on an assumed project capital cost of \$60 million, the contribution of the HRM would amount to \$20 million. At prevailing interest rates for long term debentures by HRM, the schedule of debt amortization of the full amount is illustrated on the following page.

Assuming that 100% of the HRM contribution is secured via a debenture and carried by the tax base as opposed to alternative sources of revenue, an average annual debt service payment of \$1.4 million would add \$6.40 to the average single family home property tax bill in year 1. This equates to an increase of 0.4% on the estimated average single family home property tax liability of \$1,605. As property taxes rise over time due to inflation, the % of the existing tax bill accounted for by the Stadium debt will decline from 0.4%.



20 Year Amortization Schedule				
Interest Rate: 3.74%		Principal Amount: \$20,000,000		
Year	Principal Pymt	Interest Pymt	Total Pymt/Year	Balance
1		\$374,000		\$20,000,000
	\$1,000,000	\$374,000	\$1,748,000	\$19,000,000
2		\$355,300		\$19,000,000
	\$1,000,000	\$355,300	\$1,710,600	\$18,000,000
3		\$336,600		\$18,000,000
	\$1,000,000	\$336,600	\$1,673,200	\$17,000,000
4		\$317,900		\$17,000,000
	\$1,000,000	\$317,900	\$1,635,800	\$16,000,000
5		\$299,200		\$16,000,000
	\$1,000,000	\$299,200	\$1,598,400	\$15,000,000
6		\$280,500		\$15,000,000
	\$1,000,000	\$280,500	\$1,561,000	\$14,000,000
7		\$261,800		\$14,000,000
	\$1,000,000	\$261,800	\$1,523,600	\$13,000,000
8		\$243,100		\$13,000,000
	\$1,000,000	\$243,100	\$1,486,200	\$12,000,000
9		\$224,400		\$12,000,000
	\$1,000,000	\$224,400	\$1,448,800	\$11,000,000
10		\$205,700		\$11,000,000
	\$1,000,000	\$205,700	\$1,411,400	\$10,000,000
11		\$187,000		\$10,000,000
	\$1,000,000	\$187,000	\$1,374,000	\$9,000,000
12		\$168,300		\$9,000,000
	\$1,000,000	\$168,300	\$1,336,600	\$8,000,000
13		\$149,600		\$8,000,000
	\$1,000,000	\$149,600	\$1,299,200	\$7,000,000
14		\$130,900		\$7,000,000
	\$1,000,000	\$130,900	\$1,261,800	\$6,000,000
15		\$112,200		\$6,000,000
	\$1,000,000	\$112,200	\$1,224,400	\$5,000,000
16		\$93,500		\$5,000,000
	\$1,000,000	\$93,500	\$1,187,000	\$4,000,000
17		\$74,800		\$4,000,000
	\$1,000,000	\$74,800	\$1,149,600	\$3,000,000
18		\$56,100		\$3,000,000
	\$1,000,000	\$56,100	\$1,112,200	\$2,000,000
19		\$37,400		\$2,000,000
	\$1,000,000	\$37,400	\$1,074,800	\$1,000,000
20		\$18,700		\$1,000,000
	\$1,000,000	\$18,700	\$1,037,400	\$0
	\$20,000,000	\$7,854,000	\$27,854,000	

8.1.2 Development, Design and Construction Risks

All construction projects involve risk in their design, development and construction. These risks relate to a range of factors including the following principle elements:

- Insufficient detail in design leading to scope creep to meet anticipated functional requirements - there is significant risk in a project failing to meet its functional program requirements through insufficient definition of these functional requirements and their translation into program design and performance specifications. This translates into longer timeframes for completion and often increases in capital costs as well as insufficiencies in design and layout of buildings;
- Design errors and omissions – this is the risk associated with building features and requirements being either underrepresented or absent and necessitating attached design and construction solutions and potential cost additions in addition to usual project delays associated with such changes in scope. Additionally, there is an ultimate risk in any development project that the intended design is not fulfilled due the failure of the constructor to build the facility to specified design;
- Procurement risks – these risks pertain to problems which arise between prospective contractors and the procurement agencies (e.g. the Municipality). If drawings or other specifications are inadequate, this creates additional delays as constructors will require clarification and further specifications. This can result in an extended procurement process which may lead to delay in meeting the deadline in project completion as well as higher capital costs;
- Construction delays – from a variety of potential sources related to overall management, individual trades, materials or unforeseen site-related matters; and
- Cost overruns – for a variety of reasons, there is a risk associated with the capital cost as estimated in the design stage. The risk is that the total construction costs and the site development costs may exceed those estimates due to extraordinary costs which were unforeseen (this may include site related costs) as well as other factors which become known during site development and building construction process. Cost escalation as a result of higher cost of materials, labour costs due to inflationary pressures or shortage of trades are also factors which also affect cost increases.

8.2 Basis of Projections – Key Assumptions

The projections of financial performance of the Stadium are based on the adherence to the general guiding principles to development outlined at the beginning of this report and contained in further detail in the Phase 1 Report. The full scope of assumptions which inform the financial analysis summarized here are contained in Appendix 1 – Financial Assumptions.

Key parameters of the financial analysis include:

- The financial feasibility assessment remains an analysis of Stadium operations – the debt attributed to HRM is shown in the financial analysis as part of a complete assessment of likely annual costs;
- The scenarios developed test a variety of detailed as well as strategic organizational assumptions – from the scale of winter field use rentals to the existence or otherwise of agreements with concessions vendors to distribute income and risk between the facility and the concession operator(s). Each scenario is based on a range of conditions;

- Scenarios do not adjust operating expenses except in regard to labour required for a larger facility and more events. This is because operating expenses – both fixed and variable are more predictable relative to the revenue potential of the facility. Hence our scenarios address variability in revenue as a series of risk adjustments necessary for establishing worst case, best case and moderate forecasts.
- The analysis continues to employ a conservative approach to the entertainment event market with few events assumed to occur at the Stadium;
- The capital reserve and management fees are held constant in all scenarios even though they represent cost items with some degree of flexibility in terms of scale and application. Capital reserve varies between the 10,000 and 14,000 seat facilities but is held constant between the scenarios for each scale of facility; and
- The analysis conducted as part of Phase 2 suggests that the level of funding attributed to naming rights in Phase 1 was potentially lower than may be achievable, particularly if a larger stadium is contemplated. The locational options presented as part of Phase 2 also suggest that higher funding from naming rights may be achievable. Notwithstanding, the scenarios vary the scale of naming rights revenue to account for downside risk.

8.3 Phase 1 Results and Additional Scenarios Contemplated

The Phase 1 analysis of operating performance was based on the recommended Stadium concept as outlined in the Phase 1 summary and fully explored in the Phase 1 Report. The analysis was based on a generic concept, without a specified location.

As outlined in detail in Phase 1, the financial analysis is undertaken based on risk-adjusted assumptions of market demand, operating costs and expected operating revenues. Broadly speaking, this equates to a conservative analysis which takes into account the potential risks which exist to meeting desired revenue targets, and the potential for operating expenses to exceed expectations.

Two scenarios were developed: Scenario 1 (Base Case) representing a highly conservative estimate of revenue potential, with heavily discounted revenues. The resulting estimate of net operating income (NOI) before debt service and capital reserve contribution is a deficit of \$190,000. With the addition of capital reserve contribution (some \$300,000), the amount of which is discretionary but is assumed to be set at its full annual rate in Year 1, the deficit under Scenario 1 for the 10,000 permanent seat legacy facility is \$475,000.

Scenario 2 represented a more reasonable appreciation of risk associated with revenues – the resulting estimate of NOI was revenue neutral; with capital reserve, the deficit was projected at just under \$300,000 annually. Should the capital reserve schedule be phased in over time to reflect the need for greater contributions in later years, the annual deficit can be further moderated.

As reference regarding impact of a projected annual deficit, it is estimated that as of 2011, a \$500,000 per year operating deficit arising from the Stadium amounts to an addition of \$2.20 on the average single family home property tax bill in HRM. This represents an increase of some 0.4% on a base of \$1,605 (estimated average single family home tax liability for 2011).

The Phase 2 analysis includes further confirmatory research with respect to the key operating expense and revenue assumptions, including the assessment of building program opportunities and revenues which are impacted by potential location of the Stadium. Additional scenarios are developed for operating performance of a facility with 10,000 permanent seats and a venue with 14,000 permanent seats.

Based on our estimates to date for the 10,000 permanent seat facility viz-a-vis the likely range of market opportunities for spectator events, this report does not include operating proformas for a 25,000 seat permanent facility as we do not estimate significant market opportunity for events requiring such a large stadium exist. Accordingly, while additional operating expenses associated with the higher seat count will be incurred, corresponding revenue increases are unlikely. Both on operating grounds, as well as the reality of capital costs for 25,000 seat facility, there is no viable development option for such a large facility.

8.4 Operating Projections for 10,000 Permanent Seat

A comparison of scenarios are presented for years 1 to 3. The results assume normalized operations from year 1 – this is a simplifying assumption for purposes of comparing between options on the basis of normalized income. Assuming that the revenues streams of the venue require 1 or 2 years to develop in full, the annual deficit of the stadium in the first year may be higher as a result of not maximizing revenue in year 1. However, the capital reserve contribution, which represents a discretionary fund allocation from operating revenues can be moderated in years 1 and 2, as it typically done by municipalities for a wide range of new capital facilities.

The difference between the lower to higher scenarios (1, 2 and 3) can be summarized as follows (detailed reference can be found in the appendices):

- Scenario 1 and 2 broadly reflect the options presented in the Phase 1 report but are subject to further drill-down and analysis;
- Scenario 1 has the lowest revenues from events and field usage but all building-related (including concession) revenues are assumed to accrue in full to HRM as the owner of the stadium, along with the risk associated with any underperformance of these revenue streams;
- Scenario 2 has progressively higher revenues, considered to be modest and reasonable. However, the building-related revenues are based on the introduction of third party concession operators and the allocation of risk between the owner (HRM) and the operators of the concessions. Accordingly both cost of sales and net revenues from concession-is lower compared to Scenario 1.
- Scenario 3 represents a more aggressive revenue assessment. This is achievable in part, but unlikely to be achievable in whole, in each year of operations. It is predicated on certain staple sources of higher revenue such as winter bubbling of the stadium at higher rates in response to evident demand for winterized playing fields in HRM. It is also based on achieving higher numbers of ticketed events (by a factor of 2 additional events each year).

The resulting annual income projections for years 1 to 3 are presented below.

	Year 1			Year 2			Year 3		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
Revenue									
Field Revenue									
Field Revenue - Spring- Fall Prime time	\$210,188	\$218,595	\$218,595	\$216,493	\$225,153	\$227,339	\$222,988	\$231,907	\$236,432
Field Revenue - Spring- Fall Non-Prime time	\$55,200	\$57,408	\$57,408	\$56,856	\$59,130	\$59,704	\$58,562	\$60,904	\$62,092
Field Revenue - Winter Bubble - Prime time	\$162,000	\$291,600	\$373,200	\$166,860	\$300,348	\$388,128	\$171,866	\$309,358	\$403,653
Field Revenue - Winter Bubble - Non-Prime time	\$112,600	\$112,600	\$112,600	\$115,978	\$115,978	\$117,104	\$119,457	\$119,457	\$121,788
Annual Ticketed Events	\$443,125	\$603,125	\$623,125	\$456,419	\$621,219	\$648,050	\$470,111	\$639,855	\$673,972
Total Field Related Revenue	\$983,113	\$1,283,328	\$1,384,928	\$1,012,606	\$1,321,828	\$1,440,325	\$1,042,984	\$1,361,483	\$1,497,938
Building-Related									
Event Related Concessions (Gross)	\$315,000	\$170,000	\$182,500	\$324,450	\$175,100	\$189,800	\$334,184	\$180,353	\$197,392
Merchandising and Novelties (Gross)	\$112,500	\$56,250	\$56,250	\$115,875	\$57,938	\$58,500	\$119,351	\$59,676	\$60,840
Other F&B - Daily use (Gross)	\$73,800	\$36,900	\$36,900	\$76,014	\$38,007	\$38,376	\$78,294	\$39,147	\$39,911
Advertising	\$67,500	\$90,000	\$112,500	\$69,525	\$92,700	\$117,000	\$71,611	\$95,481	\$121,680
Naming Rights	\$75,000	\$100,000	\$200,000	\$75,000	\$100,000	\$200,000	\$75,000	\$100,000	\$200,000
Lease Space Net Rent	\$108,000	\$108,000	\$108,000	\$109,080	\$109,080	\$109,080	\$110,171	\$110,171	\$110,171
Total Building Related	\$751,800	\$561,150	\$696,150	\$769,944	\$572,825	\$712,756	\$788,611	\$584,828	\$729,994
Total Revenue	\$1,734,913	\$1,844,478	\$2,081,078	\$1,782,550	\$1,894,652	\$2,153,081	\$1,831,595	\$1,946,310	\$2,227,932
Direct Expenses (cost of sales incl. ticketing service)	(\$333,851)	(\$184,679)	(\$192,804)	(\$343,867)	(\$190,219)	(\$200,516)	(\$354,183)	(\$195,926)	(\$208,537)
Gross Margin	\$1,401,061	\$1,659,799	\$1,888,274	\$1,438,683	\$1,704,433	\$1,952,565	\$1,477,412	\$1,750,385	\$2,019,395
Facility Expenses									
Payroll (Labour)	(\$651,630)	(\$686,940)	(\$722,250)	(\$671,179)	(\$707,548)	(\$751,140)	(\$691,314)	(\$728,775)	(\$781,186)
Utilities	(\$334,625)	(\$334,625)	(\$334,625)	(\$344,664)	(\$344,664)	(\$348,010)	(\$355,004)	(\$355,004)	(\$361,930)
Operating, Maintenance and Repair (incl. purchased supplies)	(\$209,600)	(\$209,600)	(\$209,600)	(\$215,888)	(\$215,888)	(\$217,984)	(\$222,365)	(\$222,365)	(\$226,703)
Marketing	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,600)	(\$20,600)	(\$20,800)	(\$21,218)	(\$21,218)	(\$21,632)
Insurance	(\$50,000)	(\$50,000)	(\$50,000)	(\$51,500)	(\$51,500)	(\$52,000)	(\$53,045)	(\$53,045)	(\$54,080)
Winterization of Stands and Set-Up/Take-Down of Bu	(\$110,000)	(\$110,000)	(\$110,000)	(\$113,300)	(\$113,300)	(\$114,400)	(\$116,699)	(\$116,699)	(\$118,976)
Professional Development and Travel	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,600)	(\$20,600)	(\$20,800)	(\$21,218)	(\$21,218)	(\$21,632)
Realty Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses (Excl. Management Fee and Capital R	(\$1,395,855)	(\$1,431,165)	(\$1,466,475)	(\$1,437,731)	(\$1,474,100)	(\$1,525,134)	(\$1,480,863)	(\$1,518,323)	(\$1,586,139)
Net Income (NOI) Before Management Fee and Capital Reserve	\$5,206	\$228,634	\$421,799	\$952	\$230,333	\$427,431	(\$3,451)	\$232,062	\$433,256
Management Fee	(\$200,000)	(\$200,000)	(\$200,000)	(\$206,000)	(\$204,000)	(\$202,000)	(\$212,180)	(\$208,080)	(\$204,020)
Capital Reserve	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)
NOI after Capital Reserve	(\$494,794)	(\$271,366)	(\$78,201)	(\$505,048)	(\$273,667)	(\$74,569)	(\$515,631)	(\$276,018)	(\$70,764)
Annual Debt Repayment	(\$1,748,000)	(\$1,748,000)	(\$1,748,000)	(\$1,710,600)	(\$1,710,600)	(\$1,710,600)	(\$1,673,200)	(\$1,673,200)	(\$1,673,200)
Net Income After Debt Servicing	(2,242,794)	(2,019,366)	(1,826,201)	(2,215,648)	(1,984,267)	(1,785,169)	(2,188,831)	(1,949,218)	(1,743,964)

8.5 Operating Projections for 14,000 Permanent Seats

Operating assumptions for the 14,000 permanent seat option include the estimated increase in the number and scale of events which are possible at the Stadium:

- Scenario 1 represents the worst-case scenario wherein additional operating costs are incurred over and above a 10,000 seat venue (Scenario 1) yet no additional events are achieved – the result being a worsening of the annual loss (deficit). As for the 10,000 seat configuration, all building-related revenues accrue to the facility;
- Scenario 2 is based on the estimated 15% increase in operating costs offset by additional events achieved reflective of the potential of a modestly larger venue to capture more regional and national scale events. As with the 10,000 seat configuration, building-related revenues are assumed to be shared between the venue owner and third party operator(s) of concessions.
- Scenario 3 builds on Scenario 2 by increasing the number of potential events secured at the facility – the result of which is a more aggressive assessment of revenue potential, and a resulting healthy NOI (still operating in deficit but marginally so). As with the 10,000 seat configuration, this statement of improved revenues is attainable but given the nature of the events market, sustained capture of the same number and scale of events each year is less certain than for Scenario 2.

The resulting projections of annual income are presented below.

	Year 1			Year 2			Year 3		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
Revenue									
Field Revenue									
Field Revenue - Spring- Fall Prime time	\$210,188	\$218,595	\$218,595	\$216,493	\$225,153	\$225,153	\$222,988	\$231,907	\$231,907
Field Revenue - Spring- Fall Non-Prime time	\$55,200	\$57,408	\$57,408	\$56,856	\$59,130	\$59,130	\$58,562	\$60,904	\$60,904
Field Revenue - Winter Bubble - Prime time	\$162,000	\$291,600	\$373,200	\$166,860	\$300,348	\$384,396	\$171,866	\$309,358	\$395,928
Field Revenue - Winter Bubble - Non-Prime time	\$112,600	\$112,600	\$112,600	\$115,978	\$115,978	\$115,978	\$119,457	\$119,457	\$119,457
Annual Ticketed Events	\$443,125	\$893,125	\$893,125	\$456,419	\$919,919	\$919,919	\$470,111	\$947,516	\$947,516
Total Field Related Revenue	\$983,113	\$1,573,328	\$1,654,928	\$1,012,606	\$1,620,528	\$1,704,576	\$1,042,984	\$1,669,144	\$1,755,713
Building-Related									
Event Related Concessions (Gross)	\$315,000	\$200,000	\$232,500	\$324,450	\$206,000	\$239,475	\$334,184	\$212,180	\$246,659
Merchandising and Novelties (Gross)	\$112,500	\$75,000	\$93,750	\$115,875	\$77,250	\$96,563	\$119,351	\$79,568	\$99,459
Other F&B - Daily use (Gross)	\$73,800	\$36,900	\$36,900	\$76,014	\$38,007	\$38,007	\$78,294	\$39,147	\$39,147
Advertising	\$67,500	\$90,000	\$112,500	\$69,525	\$92,700	\$115,875	\$71,611	\$95,481	\$119,351
Naming Rights	\$75,000	\$100,000	\$200,000	\$75,000	\$100,000	\$200,000	\$75,000	\$100,000	\$200,000
Lease Space Net Rent	\$108,000	\$108,000	\$108,000	\$109,080	\$109,080	\$109,080	\$110,171	\$110,171	\$110,171
Total Building Related	\$751,800	\$609,900	\$783,650	\$769,944	\$623,037	\$799,000	\$788,611	\$636,547	\$814,788
Total Revenue	\$1,734,913	\$2,183,228	\$2,438,578	\$1,782,550	\$2,243,565	\$2,503,575	\$1,831,595	\$2,305,690	\$2,570,501
Direct Expenses (cost of sales incl. ticketing service)	(\$333,851)	(\$214,491)	(\$245,929)	(\$343,867)	(\$220,926)	(\$253,307)	(\$354,183)	(\$227,554)	(\$260,906)
Gross Margin	\$1,401,061	\$1,968,737	\$2,192,649	\$1,438,683	\$2,022,639	\$2,250,269	\$1,477,412	\$2,078,136	\$2,309,595
Facility Expenses									
Payroll (Labour)	(\$812,130)	(\$847,440)	(\$847,440)	(\$836,494)	(\$872,863)	(\$872,863)	(\$861,589)	(\$899,049)	(\$899,049)
Utilities	(\$374,625)	(\$374,625)	(\$374,625)	(\$385,864)	(\$385,864)	(\$385,864)	(\$397,440)	(\$397,440)	(\$397,440)
Operating, Maintenance and Repair (incl. purchased supplies)	(\$219,600)	(\$219,600)	(\$219,600)	(\$226,188)	(\$226,188)	(\$226,188)	(\$232,974)	(\$232,974)	(\$232,974)
Marketing	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,600)	(\$20,600)	(\$20,600)	(\$21,218)	(\$21,218)	(\$21,218)
Insurance	(\$75,000)	(\$75,000)	(\$75,000)	(\$77,250)	(\$77,250)	(\$77,250)	(\$79,568)	(\$79,568)	(\$79,568)
Winterization of Stands and Set-Up/Take-Down of Bu	(\$115,000)	(\$115,000)	(\$115,000)	(\$118,450)	(\$118,450)	(\$118,450)	(\$122,004)	(\$122,004)	(\$122,004)
Professional Development and Travel	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,600)	(\$20,600)	(\$20,600)	(\$21,218)	(\$21,218)	(\$21,218)
Realty Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses (Excl. Management Fee and Capital R	(\$1,636,355)	(\$1,671,665)	(\$1,671,665)	(\$1,685,446)	(\$1,721,815)	(\$1,721,815)	(\$1,736,009)	(\$1,773,469)	(\$1,773,469)
Net Income (NOI) Before Management Fee and Capital Reserve	(\$235,294)	\$297,072	\$520,984	(\$246,763)	\$300,824	\$528,454	(\$258,597)	\$304,667	\$536,126
Management Fee	(\$200,000)	(\$200,000)	(\$200,000)	(\$206,000)	(\$204,000)	(\$202,000)	(\$212,180)	(\$208,080)	(\$204,020)
Capital Reserve	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)
NOI after Capital Reserve	(\$785,294)	(\$252,928)	(\$29,016)	(\$802,763)	(\$253,176)	(\$23,546)	(\$820,777)	(\$253,413)	(\$17,894)
Annual Debt Repayment	(\$1,748,000)	(\$1,748,000)	(\$1,748,000)	(\$1,710,600)	(\$1,710,600)	(\$1,710,600)	(\$1,673,200)	(\$1,673,200)	(\$1,673,200)
Net Income After Debt Servicing	(2,533,294)	(2,000,928)	(1,777,016)	(2,513,363)	(1,963,776)	(1,734,146)	(2,493,977)	(1,926,613)	(1,691,094)

8.6 Impacts of Choice of Site Location on Operating Performance

The assessment of financial performance of the Stadium addresses two general locational alternatives:

- A location at Shannon Park, assumed to be as part of a master planned development proceeding at the same time as the Stadium (or at least development servicing and infrastructure renewal occurring concurrent with the Stadium project); and
- A location within the general area of Dartmouth Crossing at the eastern fringe of the Burnside Industrial Park.

The financial projections summarized above and contained in the appendices to this report are calibrated to reflect a location in the Dartmouth Crossing commercial area. In considering the potential impacts on operations and operating performance that a location in Shannon Park may create, the following assumptions are made:

- While it is intended to develop Shannon Park by creating and implementing a long term development strategy, the Stadium will operate initially as a stand-alone development within a larger brownfield site; and
- All necessary infrastructure and accessibility improvements will likely not occur immediately.

The following factors were taken into account in relative terms to provide an estimate of how the financial performance of the facility in its initial years may be impacted by the choice of location. It is important to note that these comparisons are based on current conditions and land use mix in each location and are not based on the full build out of Shannon Park which represents a long term opportunity.

DARTMOUTH CROSSING	SHANNON PARK
Regional Accessibility across HRM improves community use revenue potential relative to other sites	Relatively greater challenges in maximizing HRM resident access to the Stadium
Location in Dartmouth Crossing limits the viable opportunities for significant on-site restaurant given range of existing food and beverage establishments. However, depending on location within Dartmouth Crossing, on-site restaurant could capture sufficient market share. Current functional program excludes a significant restaurant on-site; However, RFP for design-build could include restaurant as a value –addition.	Limited general demand for commercial lease space until Shannon Park is more comprehensively developed. Opportunity for an on-site restaurant and specialized retail (stadium and sport related) given the relative current isolation of Shannon Park from principal commercial nodes (such as Dartmouth Crossing and Downtown Halifax and Dartmouth).

DARTMOUTH CROSSING	SHANNON PARK
<p>Demand for commercial lease space at the facility can also likely be accommodated elsewhere in the business park; Demand for commercial space at the stadium can be expected from sports-industry related service providers, equipment providers or general retailers – achievement of this depends on building program. At present, building program excludes commercial lease space, representing a lost revenue opportunity.</p>	<p>Limited opportunity/reduced lease rate for commercial lease space at the site (until master plan for site identifies future potential).</p>
<p>Naming rights maximized by location/likely visibility and community access to the Stadium.</p>	<p>Naming rights significant given the visibility of the site and its potential as part of a master planned waterfront complex.</p>
<p>Sports tourism potential is significant – capacity to host tournaments and larger events with proximity to hotels, restaurants, and access to additional playing fields close by (Harbour East turf fields and Burnside Sports Field).</p>	<p>Limited ancillary services immediately close by compared to Dartmouth Crossing. Lower tournament potential unless additional lands developed for sports fields and other recreation facilities as part of the Stadium project. (Note this analysis assumes no ancillary sports facilities are developed with the Stadium at this time due to capital budget constraints).</p>
<p>Potential for outdoor entertainment and cultural events exists</p>	<p>Potential for outdoor entertainment and cultural events exists</p>
<p>Potential operating synergies with existing sportsfields located in close proximity. (Potential for operating synergy with future recreation facilities co-located with Stadium is NOT included in financial analysis).</p>	<p>No operating synergies apparent at present.</p>

The resulting comparisons represent a “what if” illustration only, focused on *local* locational dynamics, and should not be read as a precise determination of the annual net operating position of the Stadium at one or other location. The operational performance of the Stadium will be impacted by a wide range of factors, some of which are unrelated to location of the facility.

Locational Comparison of 10,000 Permanent Seats

	Year 1		
	Scenario 1	Scenario 2	Scenario 3
Dartmouth Crossing			
Total Revenue	\$1,401,061	\$1,659,799	\$1,888,274
Total Expenses (Excl. Management Fee and Capital Reserve)	(\$1,395,855)	(\$1,431,165)	(\$1,466,475)
Net Income (NOI) Before Management Fee and Capital Reserve	\$5,206	\$228,634	\$421,799
NOI after Management Fee and Capital Reserve	(\$494,794)	(\$271,366)	(\$78,201)
Shannon Park			
Total Revenue	\$1,288,284	\$1,527,224	\$1,722,599
Total Expenses (Excl. Management Fee and Capital Reserve)	(\$1,395,855)	(\$1,431,165)	(\$1,466,475)
Net Income (NOI) Before Management Fee and Capital Reserve	(\$107,571)	\$96,059	\$256,124
NOI after Management Fee and Capital Reserve	(\$607,571)	(\$403,941)	(\$243,876)

8.7 Value for Money Considerations Regarding Permanent Seat Count

The value for money assessment of developing 10,000 permanent seats (and purchasing 10,000 temporary seats for the FIFA event) and 14,000 permanent seats (and purchasing 6,000 temporary seats) is described below.

The capital cost of building 4,000 additional seats and purchasing fewer temporary seats was compared to the expected operational revenues and expenses associated with a legacy mode 14,000 seat operation versus 10,000 seats. In both cases, it is assumed that once annually (and for comparative purposes only), there is a potential need for 20,000 seats and the costs of set-up/take down of the temporary seats (fewer with 14,000 permanent seats) is also factored into the value for money assessment. A 20,000 seat event every year is not likely; rather this assumption is simply to test the relative operating costs associated with less versus more temporary seats. While the likelihood of 20,000 seat events is limited, events (matches) with between 10,000 and 15,000 spectators are more likely, even if unlikely to occur every year. In these cases, the 10,000 seat venue will require temporary seating for the balance of seating required.

A 14,000 seat facility can be expected to attract additional events over and above our conservative assessment of opportunities for a 10,000 permanent seat facility. Should the events materialize based on opportunity, the net result of higher capital costs and debt service (assuming the incremental costs are financed) is corresponding revenues over expenses¹. The results indicate that developing 14,000 permanent seats, while utilized very infrequently (as is the

¹ The 14,000 seat option is estimated to incur annual operating costs 15% higher than for the 10,000 seat venue.

case for 10,000 permanent seats), has little or no impact on the financial performance of the facility in the short term – in the long term following the repayment of debt on the additional seats, there would, *ceteris paribus*, be a potential net financial benefit to the higher seat count.

By comparison, a second scenario demonstrates the net incremental loss associated with developing a higher number of seats if, as a result, there are no additional events attracted to the venue. The impact, if incremental debt is included, could be significant.

Based on this comparison, the recommendations of the Phase 1 report remain relevant – that the additional permanent seating capacity is relevant from a market opportunity perspective and does not generate a pro-rata increase in operating costs. Capital costs aside, the operational impacts of additional seating range from strongly positive (+\$180,000 net operating gain) if several additional events are secured each year to moderately negative (\$86,000 in net operating decline) if only 1 additional event each year is secured. In operating terms, the addition of the seats is warranted.

However, the additional seats should only be contemplated if the overall capital resources exist to fund, rather than finance the addition. Given the reality of competing cost centres within a development project, it is not solely a question of how many seats to construct, but also a question of the quality of the construction and the level, range and quality of amenities, materials and overall site development.

In our opinion, the Halifax Stadium should, as a minimum, be scaled on the basis of the market-based recommendation of a 10,000 seats (or more) permanent seat count plus the addition of at least one of the grandstands with a roof structure. The level of finishing should be at a level which enables expansion of the facility rather than replacement, should a professional franchise opportunity emerge. The option of additional seating to create a stadium with a maximum permanent seating capacity of 14,000 has a favourable risk assessment and significant long term advantages, both in terms of net revenue gain as well as expandability to accommodate a professional franchise with a required seating capacity of between 25,000 and 30,000 seats.

8.8 Operating Risks

Facilities, and in particular public sector municipal capital facilities have a number of operating risks related to revenue generation, operating costs and expense management, effective programming and facility utilization. Principle operating risks for this facility include:

- *Revenue Risk* – The Phase 2 analysis undertakes additional analysis of operating proformas as the design and functional program of the facility is further specified, and locational choices are more clearly known. Further refinements should occur as funding partners are confirmed, final site selection occurs and as facility pre-opening marketing plans are implemented. Notwithstanding, as the stadium operations are based on competitive bidding for major events, there is a higher level of risk associated with the operating returns. As discussed, significant discounts have therefore been applied to the event calendar as well as revenues generated by each event;
- *Operating costs risk* – there is a risk that the operating cost would be higher than projected due the range of factors some of which can be estimated and some of which are difficult to estimate in advance. Items such as increased utility costs, unforeseen repairs and maintenance cost, higher management costs and a range of other factors which can affect the financial performance of large scale facilities. The operating model for the stadium links event revenues to operating event costs such that a reduction in event revenues will result in the reduction of event related operating costs; and

- *Management performance* – the management performance is a significant risk and can often be the difference between revenue growth and revenue attrition. The approach of the management team to operating the facility and all respects relating to marketing and services provided to both patrons and suppliers, and the overall environment in which the facility is marketed and positioned is of significance to the success of any facility.

Risk mitigation strategies include the following:

- Securing revenue sources through achieving anchor tenants, rental agreements with user groups and multi-year revenue agreements with regard to both participatory sports and acquisition of major events at the facility;
- High quality management of the facility – a key feature of risk mitigation which is based on utilization of industry expertise to maximise the revenue to the facility, ensure efficient operation and reduction in operating expenses;
- Minimize lifecycle costs through lifecycle cost planning – this can include the provision of capital reserve budget to meet facility cost in future years; and
- Pre-opening business planning –create the necessary departmental operating cost budgets, marketing resource requirements, and fund preopening expenses to ensure that the facility operating plans and forecasts are as rigorous as possible and are aligned with the actual facility that has been designed and built.

8.9 Recommendations

Based on the financial risk analysis undertaken, the following is recommended as the preferred scenarios for adoption as ongoing planning for the operation of the Stadium:

- Scenario 2 under the 10,000 permanent seat configuration, with an estimated NOI after management fee and capital reserve of approximately (\$270,000) (deficit);
- Under the 14,000 permanent seat configuration, the achievement of at least Scenario 2 with a projected normalized operating deficit of approximately (\$250,000) after management fee and capital reserve.
- Recognize that there is potential to achieve an improved operating position relative to Scenario 2 but unlikely to achieve the projected NOI in Scenario 3 on a sustained basis in the short to medium term.

Based on the analysis conducted, there is significant potential associated with achieving a permanent seat count of 14,000 seats; the risks attached to the higher seat count are diminished if seats are developed as part of the original construction and if the capital costs associated with the additional seats are part of the proposed capital funding model for the stadium project.

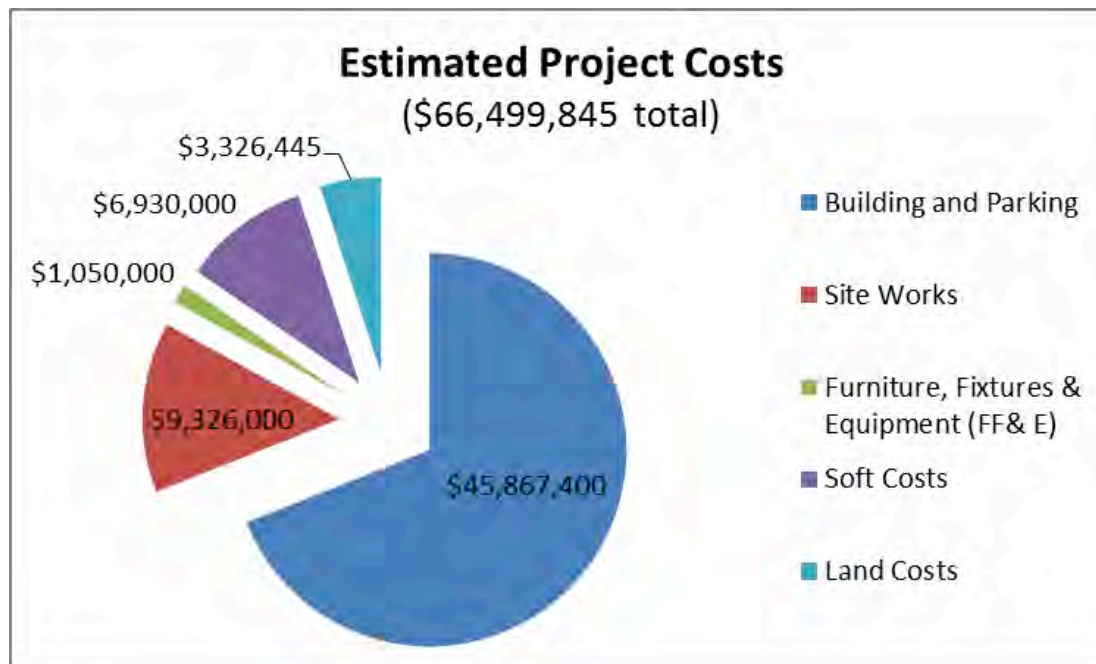
9 Economic Impact Estimates

The following quantitative analysis of economic impact has been undertaken:

1. Estimating the economic impact of construction of the facility in terms of a range of measures: Gross Domestic Product (GDP), capital spending, income, employment, as well as income taxes generated locally, provincially and nationally;
2. The impacts of spending at the stadium – this represents a direct impact on an ongoing basis and is therefore an estimate of economic impact in its own right;
3. The impact of spending off-site by visitors attending events at the stadium.
4. The analysis focuses on those impacts which most likely to be net additional to the regional economy, as well as the provincial economy. (Appendix II contains more details on the economic impact analysis and our method with regard to addressing net incremental benefits at different geographic scales.)
5. Economic Impacts of Stadium Construction

9.1 Economic Impact of Stadium Construction

For purposes of illustrating the potential economic impacts from construction of a stadium in HRM, the analysis assumes the development of a 14,000 seat facility. A more detailed breakdown of the estimated capital costs is contained in Section 7 and Appendix IV.



9.1.1 Gross Domestic Product (GDP) Impacts from Construction Activity

The following estimates of GDP as a measure of impact of the construction of the facility include direct impacts, in-province impacts and “rest of Country” indirect impacts:

Exhibit 1

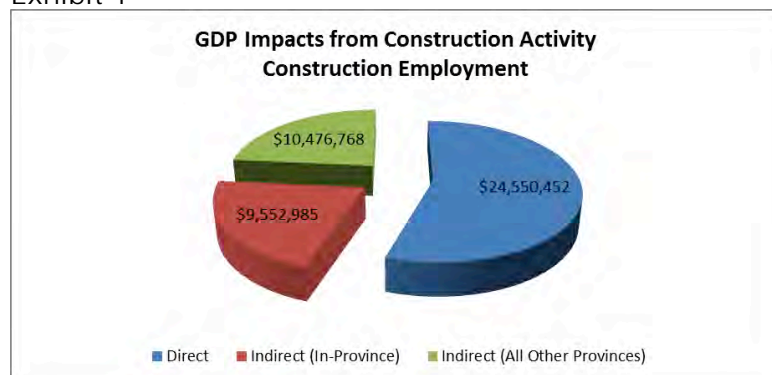
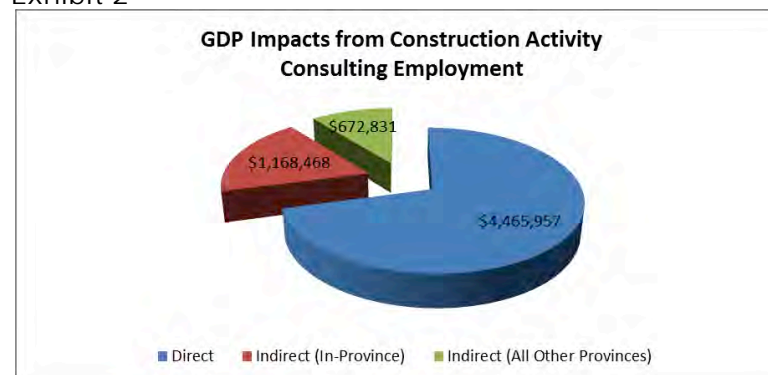


Exhibit 2



Source: Sierra Planning & Management Economic Impact Model, utilizing Statistics Canada Industry Accounts Division, System of National Accounts, Input-Output Tables, 2007, Province of Nova Scotia

Total direct and indirect GDP Impacts from construction activity in-Province are estimated to total over \$39M. The figures include GDP impacts from both construction related costs as well as consulting related or soft costs.

9.1.2 Construction Related Employment Impacts and Labour Income

The employment generated during the design and construction phase of the project represents a one-time impact arising from the capital expenditures on development. Irrespective, the combined effect of the design and construction is highly significant – about 492 person years of employment in-Province. The estimated direct and indirect labour income is also reflected in the table below.

Summary Table of Construction Related Impacts

	In-Province	Out of Province	Total
Construction GDP	\$34,103,437 (Direct and Indirect)	\$10,476,768 (Indirect)	\$44,580,205
Consulting GDP	\$5,634,425 (Direct and Indirect)	\$672,831 (Indirect)	\$6,307,256
Facility Construction Labour Costs	\$22,778,577		\$22,778,577
Employment (Construction and Consulting related)	492 (Person Years of Employment)	98 (Person Years of Employment)	590 (Person Years of Employment)
Income (Direct and Indirect)	\$34,052,997		\$34,052,997

9.1.3 Federal and Provincial Income Tax Impacts

The following estimates of income tax generated by the employment in the design and construction of the potential new stadium facility are based on marginal tax rates in effect for 2011, and the latest available rates for non-refundable tax credits in Nova Scotia. The estimates are highly conservative.

Exhibit 3: Combined Federal and Provincial Tax Impacts - Construction

2010 Income Tax Estimate - Construction							
	FTE	Estimated Federal Tax/FTE	Estimated Federal Tax	FTE	Estimated Provincial Tax/FTE	Estimated Provincial Tax	Total Taxes
Direct							
Construction	327	\$4,402	\$1,438,537	327	\$3,903	\$1,275,535	\$2,714,072
Consulting/Other	53	\$5,553	\$293,754	53	\$4,685	\$247,840	\$541,594
Sub-Total	380		\$1,732,291			\$1,523,375	\$3,255,666
Indirect							
Industry Aggregate	210	\$2,239	\$470,549	88	\$2,293	\$201,784	\$672,333
Total	590		\$2,202,840			\$1,725,159	\$3,927,999

Note 1: Tax estimates are reduced by the amount of basic personal allowance and non-refundable tax credits

Note 2: Industry aggregate is an aggregate estimate of employment income in all industries that supply the construction and the design/consulting firms engaged directly on the project

Note 3: Indirect tax impacts are calculated for in-Province in direct employment (Nova Scotia) only

Source: Sierra Planning & Management Economic Impact Model, utilizing Statistics Canada Industry Accounts Division, System of National Accounts, Input-Output Tables, 2007, Province of Nova Scotia

The municipal taxes generated for HRM is estimated to be \$886,400 and \$1,259,553 for the Province.

9.2 Operations

The following table shows the annual estimated employment impacts resulting from Year 1 operations:

Exhibit 4: Annual Employment Impacts From Operations: Detailed Schedule for Assumed Normalized Operations in Year 1

Staffing Descriptors	Number of Direct Employment (FTE)	FTE Salary	Total Salaries	Multiplier (In Province)	Indirect Employment (FTE) In Province	Sub- Total	Multiplier (Out of Province)	Indirect Employment (FTE) Out of Province	Total FTE	Total Income
Central Services										
Facility Manager	1	\$100,000	\$100,000	0.29	0.29	1.29	0.13	0.13	1.42	\$142,220
Assistant Manager/Administrator	1	\$65,000	\$65,000	0.29	0.29	1.29	0.13	0.13	1.42	\$92,443
Facility Operations and Maintenance	4	\$40,000	\$160,000	0.29	1.17	5.17	0.13	0.52	5.69	\$227,551
Event Services/Sales	1	\$30,000	\$30,000	0.29	0.29	1.29	0.13	0.13	1.42	\$42,666
Event Staff¹	50	\$3,300	\$165,000	0.26	13.19	63.19	0.09	4.69	67.88	\$224,015
Concessions + Restaurant Service										
Concessions ²	40	\$2,062.50	\$82,500	0.16	6.44	46.44	0.16	6.59	53.03	\$109,383
Restaurant Service	0	\$0	\$0	0.16	0.00	0.00	0.16	0.00	0.00	\$0
Corporate Boxes	0	\$0	\$0	0.16	0.00	0.00	0.16	0.00	0.00	\$0
Weighted Multiplier				0.27			0.13			
Total	97		\$602,500	\$160,271	21.67	118.67	\$75,506	12.20	130.87	\$838,277

¹Calculated as 25 per event day, 10 hour shifts

²Calculated as 1 Concession (cash register) per 200 spectators / seats - Concessions are not FTE

Source: Sierra Planning & Management Economic Impact Model, utilizing Statistics Canada Industry Accounts Division, System of National Accounts, Input-Output Tables, 2007, Province of Nova Scotia

It should be noted that part-time staff at spectator events (all of whom are likely to be local residents) earn little and so are not taxed, but in reality this income may represent additional personal taxable income that is taxed at the appropriate marginal tax rate.

The following table illustrates the estimated tax impacts for operations:

Exhibit 5: Combined Federal and Provincial Tax Impacts – Operations

2010 Income Tax Estimate - Operation						
	FTE	Average Federal Tax/FTE	Estimated Federal Tax	Average Provincial Tax/FTE	Estimated Provincial Tax	Total Taxes
Direct - Central Services	7.0	\$4,698	\$32,885	\$4,104	\$28,728	\$61,613
Direct - Other	90.0	\$0	\$0	\$0	\$0	\$0
Indirect - In Province	22	\$2,239	\$48,513	\$2,293	\$49,687	\$98,201
Total	118.7		\$81,399		\$78,415	\$159,814

Note 1: These tax estimates include the impact of basic personal allowance and non-refundable tax credits

Note 2: Tax estimate excludes out of province employment income tax

9.3 Visitor Spending Impacts

9.3.1 Annual Direct Impacts

The following analysis provides an estimate of the total off-site spending expected to be generated by events hosted at the new facility for select categories of expenditure (retail, food and beverage and accommodation) All other expenditures are excluded. It is important to note that the economic impacts related to visitor spending are not simply limited to the Halifax Region, but will be experienced in other parts of the Province as well, in addition to the normal spread effect of economic impact – progressively weaker impacts felt over the rest of the Atlantic Region and beyond to the rest of Canada.

The analysis makes key assumptions with regard to the different per capita spending estimates between 1) residents/same day spectators and participants and 2) visitor/overnight spectators and participants. As well, the proportion of patrons and participants categorized as same day versus overnight differs by scale of event, with larger, national events able to claim a far larger proportion of overnight visitor patrons compared to more localized and regional events.

Key Assumptions with Regard to Event Spectators:

- A lower range of 60,000 – 90,000 spectators and a higher possibility of 90,000 to 120,000 spectators are expected annually;
- 40% of annual spectatorship will be attributed to regular events, while 60% of spectatorship will be attributed to special events (national and international events);
- Regular event spectators will comprise 95% same day trips and 5% overnight trips; and
- Special event spectators will comprise 50% same day trips and 50% overnight trips.

Key Assumptions with Regard to Event Participants:

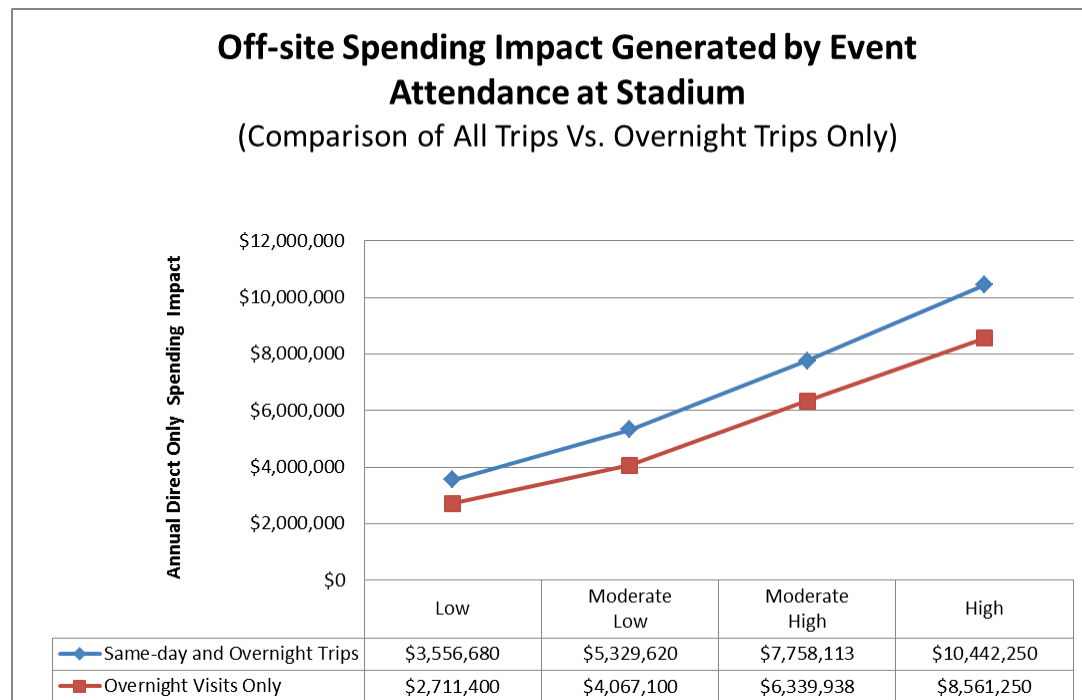
- A low range of 4,000 – 6,000 participants and a high of 23,000 – 35,000 are expected annually;
- The majority of annual participants and families are expected to attend regular events (local, Provincial and regional in nature), while the balance are attendees of special events (national and international events);
- Regular event participants are estimated to comprise 80% same day trips and 20% overnight trips; and
- Special event participants are estimated to comprise 25% same day trips and 75% overnight trips.

The number of event spectators and participants can be expected to vary from these estimates year to year, as for example, a reduction or increase in the number of international events will have significant impacts on the number of visitors and their spending characteristics. For this reason a range of levels of spectators and participants is utilized with likely impacts represented somewhere between the lower and upper estimates. This broad range is necessary because the annual market for events is potentially variable year to year.

The estimates presented here exclude the impact of so-called one-off events such as FIFA 2015. The analysis of economic impact fully recognizes the significance of international tournament events in terms of positive economic impacts and reputational benefits to the City; however, these events are very infrequent and highly competitive. In order to provide a balanced assessment of on-going impact from visitation, this analysis excludes these types of events. The resulting impacts therefore do underestimate the overall long term cumulative impact of the facility.

Direct visitor spending is estimated on an annual basis to range from \$3.5M TO \$10.4M and is graphically shown below. Based on our assessment, it is most likely that the level of direct annual spending will typically range between \$5.3M (moderate low estimate) and \$7.7M (moderate high estimate).

Exhibit 6 – Estimated Annual Impact



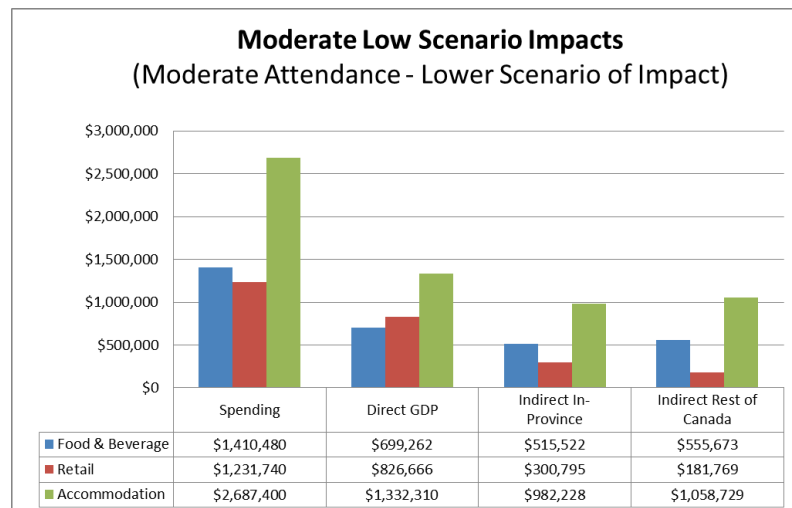
Source: Sierra Planning & Management

Overnight visits are more likely than same day visits to represent net additional spending to the HRM and to the Province as a whole and minimize the extent to which spending represents a diversion from other potential discretionary consumer spending.

9.3.2 Indirect Impacts

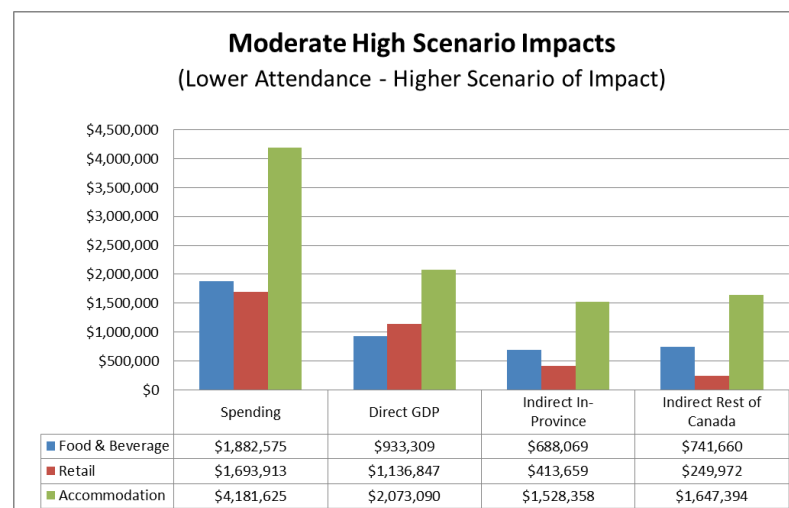
The direct spending above will have corresponding multiplier impacts locally, regionally, and provincially, as well as nationally. The two moderate scenarios below demonstrate the following multiples of GDP impact.

Exhibit 7: GDP Multiplier Impacts



Source: Sierra Planning & Management Economic Impact Model, utilizing Statistics Canada Industry Accounts Division, System of National Accounts, Input-Output Tables, 2007, Province of Nova Scotia

Exhibit 8: GDP Multiplier Impacts



9.3.3 Federal/Provincial/Municipal Tax Impacts

Visitor spending generates tax impacts both directly and indirectly for the province and HRM as well. Much of this impact can be expected to be net additional benefit rather than a diversion of spending due to the lack of existing similar spectator events and venues, and the capacity of the facility to draw in visitors from outside of Nova Scotia to a greater degree than would have occurred without the development of the stadium. The following table and graphs illustrate the Federal, Provincial and Municipal tax impacts that are generated in a moderate high scenario.

Moderate High Scenario

	Total Nova Scotia			Local Area Halifax (HRM)			Rest of Nova Scotia		
	Regional Event	National Event	Total	Regional Event	National Event	Total	Regional Event	National Event	Total
Direct Taxes									
Federal	\$75,758	\$612,256	\$688,014	\$75,758	\$612,256	\$688,014	\$0	\$0	\$0
Provincial	\$97,592	\$788,718	\$886,310	\$97,592	\$788,718	\$886,310	\$0	\$0	\$0
Municipal	\$30,926	\$249,939	\$280,865	\$30,926	\$249,939	\$280,865	\$0	\$0	\$0
Total	\$204,276	\$1,650,914	\$1,855,190	\$204,276	\$1,650,914	\$1,855,190	\$0	\$0	\$0
Indirect Taxes									
Federal	\$77,035	\$622,583	\$699,618	\$36,244	\$292,914	\$329,158	\$40,792	\$329,669	\$370,461
Provincial	\$70,884	\$572,864	\$643,748	\$33,438	\$270,236	\$303,674	\$37,446	\$302,628	\$340,074
Municipal	\$12,229	\$98,829	\$111,058	\$5,600	\$45,259	\$50,859	\$6,629	\$53,570	\$60,199
Total	\$160,148	\$1,294,275	\$1,454,423	\$75,282	\$608,407	\$683,689	\$84,866	\$685,867	\$770,733
Total Taxes									
Federal	\$152,793	\$1,234,839	\$1,387,632	\$112,002	\$905,170	\$1,017,172	\$40,792	\$329,669	\$370,461
Provincial	\$168,476	\$1,361,582	\$1,530,058	\$131,030	\$1,058,954	\$1,189,984	\$37,446	\$302,628	\$340,074
Municipal	\$43,155	\$348,768	\$391,923	\$36,526	\$295,198	\$331,724	\$6,629	\$53,570	\$60,199
Total	\$364,424	\$2,945,189	\$3,309,613	\$279,558	\$2,259,321	\$2,538,879	\$84,866	\$685,867	\$770,733

Source: Sierra Planning & Management based on STEAM Nova Scotia Model

Exhibit 9

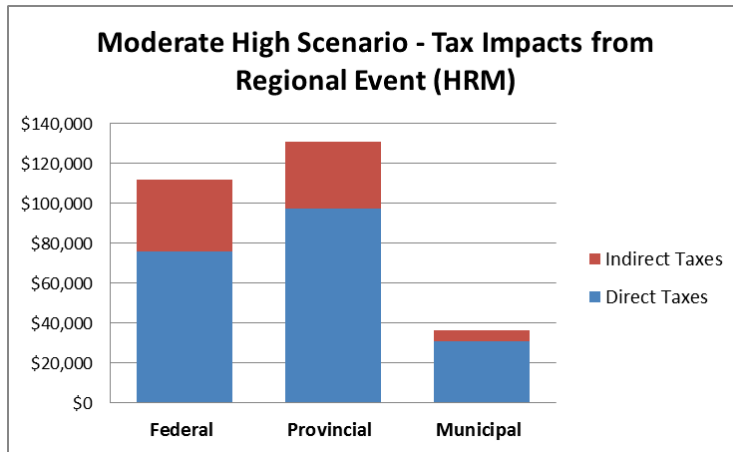


Exhibit 10

