



City of
Peterborough



**City of Peterborough & Peterborough Petes
Facility Agreement Re-Negotiation Summary**
December 20, 2016

The City of Peterborough and Peterborough Petes have enjoyed a long-standing working relationship, and it is the shared opinion of the staffs of the Peterborough Memorial Centre and Petes Business Operations department that this relationship has never been on more solid footing.

This sentiment was put to the test during facility agreement re-negotiations, and it is clear that the City and Petes have a shared interest in working together to maximize revenues for both parties while providing Petes hockey to this community indefinitely.

The renegotiation includes several areas of revenue relief:

- Five areas where the Petes can retain earnings, including a waiver of suite lease fees and the Alumni Room lease, in addition to receiving a portion of suite license fees, seat premiums and food and beverage revenues, totaling an estimated \$201,838 in 2016/17
- Three items that have been revised to allow the Petes to retain more earnings, including a modified sharable advertising agreement, an increase in the comp ticket game average limit, and an alteration and simplification of the current game-day expenses agreement, totaling an estimated \$54,716 in 2016/17
- Four new considerations that will allow the Petes (and in some cases the City) to earn and retain more revenue, including increased share of the score clock advertising revenue, a waiver of the commissions paid on Family Zone, child, student, and group tickets, and future consideration of new revenue including facility naming rights and external illuminated signage, totaling an estimated \$37,000 in 2016/17
- Four one-time capital enhancements, including new videoboard screens in the summer of 2017, a new skate sharpener in 2016, improved in-arena technology in early 2017, and office and player area improvements in January 2018
- One in-kind increased revenue activity: City program sponsorships valued at an estimated \$25,000 annually beginning in 2017/18

The several points of the agreement amount to an estimated relief totaling \$313,554 in 2016/17, \$408,138 in 2017/18, \$358,138 for years 2018/19 through 2020/21, \$307,138 in 2021/22 and \$303,738 in 2022/23.

Items that are not considered in the valuations above and on the attached spreadsheet, but that have been agreed by both parties to be pursued in the short-term, include:

- Council vote on staff investigation of the sale of sharable facility naming rights advertising for the Peterborough Memorial Centre and the installation of player advertising signage on the Centre's exterior West wall (February 6, 2017 Committee of the Whole meeting)
- Advance the OHL Facility Study as a priority project (2017)
- Investigation into City grants supporting the Petes Education Fund (2018 budget)

In the spirit of good faith and only in the event of major and unexpected market changes deemed by both parties to challenge the agreement's relevance, the parties will work to modify the agreement as necessary and in the best interests of the relationship. It is also understood that, when negotiations take place for future new or amended agreements, the final two years (2021/22 and 2022/23) of this agreement will not be used as precedent.

The City and Petes will reconvene to confirm the specifics of the facility agreement amendment before it is finalized, approved, and implemented.