

City of Peterborough Multi-Use Sport and Event Centre Phase III-A

ANALYSIS OF PROSPECTIVE SITES

OCTOBER, 2020

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Executive Summary

Introduction & Purpose of Phase 3

In September 2018, Sierra Planning and Management reported on the overall feasibility of investment in a new Multi-Use Sport and Event Centre (MUSEC) in the City. This comprises a detailed assessment of the viability of a new facility from a number of perspectives: relative need for a new facility; market opportunity, design and capital cost, operational performance and locational options.

Comprised in two phases –

Phase 1 drilling down on problems associated with the Peterborough Memorial Centre (PMC) and opportunity to further develop the events market in the City;

Phase 2 establishing the required scale and capital cost of the facility, prospective locations, and an order of magnitude assessment of operational costs and revenues; and

As part of Phase 2, a detailed locational assessment designed to objectively shortlist candidate sites for further consideration in Phase 3.

The comparison of benefits and costs (the Benefit-Cost Ratio) firmly indicated that the status quo (retaining not replacing the PMC) results in a net cost to the City compared to embarking on an implementation plan to replace the PMC.

The Locational Analysis forms one distinct, but complementary element of the multi-faceted feasibility study. It screened a number

of sites and provided greater assessment of a shortlisted group of sites. The locational analysis report undertaken as part of the Phase 2 work should be read in conjunction with this report for full context and an understanding of the methodology employed to identify, screen and evaluate alternative sites.

This analysis has led to narrowing the site search to Morrow Park and a site in the Downtown. With City approval to proceed, a new Phase 3 work plan was developed.

Phase 3 Process Steps

In total, Phase 3 comprises an incremental series of steps which result the selection and acquisition (if necessary) of the site on which the new event centre is to be built and the establishment of an implementation plan for the full design, construction, funding/financing, and operation of the new facility. It also includes a recommended plan for the medium and longer-term future of the PMC.

Incremental in nature, Phase 3 comprises a first phase (3a) of site-focused analysis for candidate sites. These sites are further explained in the body of this report. Phase 3a comprises the following tasks:

- Site analysis, review of ownership and encumbrances, constraints and appropriateness of the sites under review to meet the goals of the City to leverage the PMC replacement project to achieve greater benefits for downtown and waterfront renewal;
- Hazard, environmental and geotechnical review at a high level to distinguish between sites (the larger work program

for environmental and geotechnical assessment is reserved for the site which is eventually selected). At this stage, the purpose of this type of site-specific review is to identify risks which can be expected to impact both capital costs and timing of development;

- Land use planning review – the Official Plan review process in progress is directly relevant not only to the choice of site for the new event centre but how such public infrastructure can be expected to contribute to the goals of Central Area planning established in the new Official Plan;
- Further design concept testing on sites. Although the Phase 2 report included site-fit testing for a proposed building footprint, further work was necessary to fully understand the potential of candidate sites. In the case of the public works garage site, under direction from Council, this site was expanded to include a larger assembly of land for consideration. In addition, new sites have been identified for further review;
- Capital Cost updates to include not only the escalated cost since the time of last reporting but to include the option for a reduced scale of building.
- Impacts of site conditions on capital costs;
- Assessment of the relative potential of sites to support broader regeneration of the Central Area of the City of Peterborough;

- Reporting and recommendations for Phase 3b.

Final decision-making for the replacement of the PMC including the timing of this project builds upon each of the stages of work. The recommendations arising from this report are presented as the proposed work program for Phase 3b at the end of this report.

Future Contribution to Downtown Regeneration

Factors Determining Success

The economic impact of sports and entertainment facilities varies widely by venue and is highly dependent on a range of contextual factors, including the surrounding economic region, physical linkages and connections with surrounding development as well as the intensity of use of the building. If these facilities are built in the downtown core, the decision to build in this location is firmly rooted in a policy decision to promote reinvestment in downtown.

Much of the skepticism over the magnitude of economic growth that is generated is that sports/entertainment development projects generate only a small increase in economic activity and simply serve to redirect spending from one activity to another and from one location to another – in this case Downtown rather than other growing areas of the city. However, the information tends to focus on only the visitor spending-related economic benefits of these multi-use centres, often discounting the non-quantifiable outcomes.

There is evidence to suggest that MUSECs can act as anchors for regeneration efforts – destination centres around which a broader plan for economic activity is created. This is based not only on the ability to draw a critical mass of visitors to the area for events,

which can help support restaurants and retail shops, but the capacity of the area to become a centre of commerce and a desirable area in which to live. These large-scale projects can stimulate infrastructure investment in the district and attract other development projects.

In Canadian cities, the investment in multi-use sports and entertainment centres has often been part of continued efforts (both before and after) to regenerate economically challenged areas. The capacity of the arena to promote urban regeneration through surrounding property redevelopment is not only a function of proximity to the urban core, but the existence of lands which can be redeveloped, where additional density is economically achievable, and where property owners are willing participants.

These broader regenerative impacts are of course difficult to predict but based on case examples, **there is a reasonable expectation that a new MUSEC as part of a more comprehensive development framework for Peterborough can effect change. That is the primary reason for investing in the complicated process of developing a site in Downtown** Peterborough; If that rationale does not exist, choosing a downtown location will simply delay the replacement of the PMC, at higher cost, and with a likelihood of some degree of compromise in the functionality of the building in order to “fit” it on a site in downtown, potentially without access to significant parking.

If, in fact, there is very little opportunity for private investment to be leveraged by the development of major public infrastructure, this flies in the face of an accepted reality of public land use planning – the concept of “planning gain”. Planning gain or as it is also referred to as land value betterment, is a rise in value of land for development as a direct result of investment of public funds in

community infrastructure – be it facilities, transit infrastructure, major public realms or financial incentives to private development. It is important therefore to achieve a site in Downtown that has the best potential to stimulate future investment by the private sector.

Very often this means a site that is highly complicated, contaminated and at a scale that constrains the private market from taking on the risk. The delta between a site with a high degree of site-related development costs and environmental liability and one that is fully built-out at high density is of course greatest for those larger underdeveloped parcels, often located on the edge of downtowns and along transportation corridors. A clear example of this is the Toronto CN Rail Lands that remained undeveloped for decades until land values made clean-up and development feasible for the private sector. In the case of a major public infrastructure projects, site assembly, clean-up and infrastructure investment can be the catalyst to unlock progressive rates of privately funded real estate investment.

The City has the opportunity to internalize this accrual of value to assist in funding the project. “Value capture” is an essential part of the funding justification for a project in Downtown and can be further developed in subsequent reports in order to implement the project should the City choose a downtown location rather than the Morrow Park site. **The Morrow Park site does not, by comparison to a downtown site, have anything like the same opportunity to spur surrounding development outside of the public park.**

For purposes of this report it is important to recognize through meaningful examples that development can be promoted in Downtown as a direct result of the decision to invest in a new event centre. We also go further and have attempted to indicate the potential degree of difference between a Morrow Park location and

the preferred downtown location in terms of the capacity for surrounding properties to be intensified. This is not the same as predicting a certain scale or pace of such development, but it is to acknowledge the potential associated with the downtown site.

The analysis outlined later in this report which addresses a quantification of future development potential is the starting point for a future phase of work to consider the funding model and potential partnership with the private sector to achieve privately financed development in Downtown.

The Contribution to Urban Regeneration of a Downtown versus Morrow Park Location

The following sections address the relative potential of a downtown site to generate a significant increase in property assessment in the surrounding area. This is not intended to amount to a precise prediction of assessment gains over the next 10 to 20 years. Nor is it possible to forecast how quickly such development and growth in assessment will occur, although development partnership agreements orchestrated by the City can influence the form and timing of subsequent development.

The following analysis is indicative only but demonstrates how a redevelopment plan for an identified district in Downtown can potentially yield real benefits in the form of new property assessment and taxation. Not all downtown sites have this capability because of the nature of surrounding land uses and property fabric. The City-owned lands in the southern part of Downtown, centered on the City Works Garage, offer potential in this regard.

A property-related impact zone for each of the Morrow Park and Market Plaza Sites was developed under the following general parameters:

- Establishment of a zone in or around a 400 m radius from the proposed facility location
- Exclude existing residential from redevelopment or enhanced assessment.

Morrow Park

The total assessment valuation of all the properties in the Morrow Park Impact Zone was nearly \$368 million in 2020. Under the baseline scenario with no MUSEC, that assessment valuation is estimated to increase to \$574 million in 2035 (55% increase).

Under the redevelopment scenario with a MUSEC, the 2035 valuation is estimated at \$622 million (69% increase).

Based on zoning data provided by the City and an evaluation of the likely candidate sites for redevelopment, we analyzed the potential for enhanced municipal property tax revenue from redevelopment and enhanced valuation of the surrounding properties. The 2019 tax rates for residential and commercial properties are carried forward for the purpose of this exercise.

22 parcels were identified for potential redevelopment and seven were identified for enhanced assessment associated with their proximity to the redevelopment sites. The total estimated redevelopment and enhanced assessment potential is \$48.2 million.

The estimated potential increase in annual tax revenue from redevelopment based on 2019 rates is \$856,337.

The site is limited in its redevelopment potential by the large amount of residential nearby, as well as the distance from central Downtown.

Downtown Assembly Site

The total valuation of all the properties in the Market Plaza Impact Zone was nearly \$263 million in 2020. Under the baseline scenario with no MUSEC, that valuation is estimated to increase to \$561 million in 2035 (113% increase). Under the redevelopment scenario with a MUSEC, the 2035 valuation is estimated at \$754 million (a 186% increase).

Based on zoning data provided by the City and an evaluation of the likely candidate sites for redevelopment, we analyzed the potential for enhanced municipal property tax revenue from redevelopment and enhanced valuation of the surrounding properties. The findings are shown in the map below. The 2019 tax rates for residential and commercial properties are carried forward for the purpose of this exercise.

28 parcels were identified for potential redevelopment and 13 were identified for enhanced assessment associated with their proximity to the redevelopment sites. The total estimated redevelopment and enhanced assessment potential is \$193 million.

The estimated potential increase in annual tax revenue from redevelopment based on 2019 rates is \$3,154,050.

There is more than triple the redevelopment and enhanced assessment potential on the Market Plaza-City Works-George Street Site compared with Morrow Park.

Consulting Team Recommendations and Next Steps

Site Pursuit Recommendations

The following is recommended:

1. That the City undertake next stage planning for a **Downtown** Location based on the results of this report, to include discussions with land ownership and developer interests. While the preferred site is identified as the Market Plaza-City-Garage-George Street site, the City should continue to assess necessary contingency options for a building developed elsewhere in Downtown. This may include a building of a different scale, cost and exclude a second ice surface.
2. Based on the quality of existing information and analysis for development at the Morrow site, further analysis of the Morrow Park location for a new MUSEC should be held in abeyance pending the outcomes of the continued assessment of a downtown location. The downtown locations have less certainty and greater risk and therefore require greater assessment at this time.
3. That the City and consultants consider the potential for reducing the scale of the proposed new MUSEC in terms of

its range of spaces and overall GFA while maintaining the intended seat count of 5,500 to 5,800 fixed seats.

Work Plan 3(b) Next Steps

Based on the findings of the consultant's report on Work Program 3a (Current Report), re-orient the work program for Phase 3b) to include the following specific actions:

1. Undertake necessary discussions with relevant landowners and potential development interests for land on or surrounding the selected site in Downtown;
2. Reassess and propose alternative building and functional space program options and develop scaled-back estimates of capital costs;
3. Finalize the business objectives of the City in respect of the development of the new facility, establish a new timeline for completion of the project, and complete a full business case for the design, development and operation of a new facility in the downtown area; and
4. Develop a Funding Strategy based on increasing certainty of site-related costs, a range of potential funding sources, and necessary risk analysis of the funding sources to determine potential impact to the tax base.

Work Plan 3(c) Next Steps

Subsequent steps include further design, costing, implementation planning and finalization of funding. Implementation planning would also comprise an agreed delivery strategy for the project; that is the method of achieving the detailed design, construction, funding/financing and operational management of the facility. This is informed by the work in Phase 3b regarding possible public-private partnerships (P3). There are a number of ways to transfer risk to the private sector in a partnership and this is a principal reason for developing a P3 approach. In order to best understand the nature of possible P3 arrangements, it is imperative that a site is selected in advance of this work.

If the City determines that operations should involve a third-party management company, the process to secure this firm should occur prior to finalizing the design-build competition or other method of delivering the building. This is because a professional event centre operator can provide considerable assistance in establishing the functional and design specifications of the building as well as the approach to concessions, tenant lease and facility licensing agreements and pre-opening business planning including the transition of functions from the PMC to the new building

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1.1 Previous Reports to Date

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- Reporting and recommendations for Phase 3b.

Final decision-making for the replacement of the PMC including the timing of this project builds upon each of the stages of work. The recommendations arising from this report are presented as Phase 3b at the end of this report.

1.3 Limitations and Disclaimer

The contents of this report and its analysis is based, in part, upon a range of primary and secondary sources. Sierra Planning and Management is responsible for the accuracy of primary sources of information and data and endeavours to ensure the accuracy of all secondary sources of information. However, secondary source information and data cannot be warranted for its accuracy. In the event that secondary source information is inaccurate or incomplete, Sierra Planning and Management, DIALOG, International Coliseums Company (ICC), Perkins & Will, and Cambium Consulting & Engineering will not be held liable for original errors in data.

The report and the information contained within it is prepared specifically for the purposes as laid out in this report. Reliance on information and opinion contained in this report for other purposes is not recommended. The contents of this report should not be extracted in part from the entire report without the permission of Sierra Planning and Management.

This report identifies a number of properties for which a range of site-related information is collected and opinion provided regarding the suitability of the lands for development. All such statements are based on professional opinion exercised by Sierra Planning and Management acting in its capacity as advisors to the City of Peterborough in respect of the planning for a new Multi-Use Sport and Event Centre. The opinion contained in this report is limited strictly to site suitability for the subject development and is not to be further interpreted as commentary on the unrestricted development potential of the lands. Accordingly, Sierra Planning and Management will not be held liable for such misrepresentation.

For further clarity, the information presented for each site is for the sole purpose of conducting a high-level assessment of locational merits as it pertains to an appropriately scaled Multi-Use Sport and Event Centre. This analysis is not valid for the consideration of the land uses and does not imply the relative value, utility, worth or future potential of any of the sites identified for either their existing use or future land uses. Accordingly, this report does not prejudice the rights and objectives of any landowners, tenants, licensee, assignee or user of the lands in question.

2 Summary of Phase 2 Future Event Centre Location Analysis

2.1 Primary Goal of Downtown Location

In Canadian cities, the investment in multi-use sports and event centres has often been part of continued efforts (both before and after) to regenerate economically challenged areas.

The capacity of the facility to promote urban regeneration through surrounding property redevelopment is not only a function of proximity to the urban core, but the existence of lands which can be redeveloped, where additional density is economically achievable, and where property owners are willing participants. It can also be influenced dramatically by the willingness of the public sector to support redevelopment efforts through intervention in the land market and partnerships with the development community.

The complexities of downtown redevelopment, in particular where this involves site assembly, can delay the build-out around the arena. We have witnessed this in a number of centres, where densification of development around the facility has occurred only gradually because of the general complexities of downtown land development. This also includes the persistence of uses which no longer represent the highest and best use of sites in the vicinity of the arena, but which remain viable.

2.2 Key Constraints Limiting Choice

Information proformas were prepared so that shortlisted candidate sites could be appraised and compared on a like-for-like basis, using a wide range of criteria.

Most proforma information was obtained via online resources (e.g. the City's website for the Official Plan and Zoning By-law, maps etc.). However, City staff also provided site-specific information, including details on occupational tenancies for City-owned sites and clarification on land-use planning matters.

Consideration	Detail
Site Characteristics	<ul style="list-style-type: none"> ▪ Site Description (and uses) ▪ Vehicular access ▪ Site area ▪ Ownership ▪ Leases/tenancies (and terms, where known) ▪ Restrictive covenants ▪ Proximity to railway tracks/requisite setbacks
Land Use Planning	<ul style="list-style-type: none"> ▪ Inside or outside Central Area (Schedule J) ▪ Official Plan Designations ▪ Zoning By-Laws (including land use and design restrictions)
Environmental Constraints	<ul style="list-style-type: none"> ▪ Flooding and Wetlands ▪ Contamination ▪ Heritage
Site Prospects (Pros and Cons)	<ul style="list-style-type: none"> ▪ Site Characteristics, Location & Transportation ▪ Cost and Ease of Acquiring Development Land ▪ Urban Context / Physical Elements ▪ Economic Impact / Synergies

2.3 Baseline Option of Morrow Park

Based on the evaluation undertaken as part of the Locational Assessment work, Morrow Park has been assessed as being the lowest risk site. As part of the current Phase 3 work, the question is whether it is also the “biggest reward” site – a reference to its contribution to Central Area development.

This question is answered in this report subject to the next phase of work which comprises a full understanding of the actual costs of acquiring a downtown site versus Morrow Park as the fall-back option. Net costs versus benefits of the preferred downtown site compared to Morrow Park will then be understood. The current phase of work does not include discussions with landowners.

At this time the pros and cons of the Morrow Park site include:

Key Advantages

- All city-owned: No third-party negotiation and acquisition. Agricultural Society’s tenancy includes specific provisions allowing for vacant possession (subject to relocation payment);
- A recognized gateway to Downtown, elevated in importance as a gateway under draft policies of the Official Plan update;
- Recognized existing recreational hub – PMC & Agricultural Society – a significant opportunity to create a state-of-the-art civic campus at the site involving re-investment in the park and its maintenance as a fully accessible public space;

- Likelihood of manageable environmental constraints: Not in floodplain, and no heritage buildings.
- Large and flexible site: Demonstrated that it can accommodate a second rink and civic spaces without encroaching on area reserved for Exhibition Use.
- Under Draft Official Plan Update, Morrow Park forms the southern boundary of lands designated as within the Central Area (OP Land Use Schedule C).

Key Challenges/Risks

- Relocating Agricultural Society: Expectation that Society is assisted by City to find a new location – unclear if there is a suitable alternative location(s) for existing activities.
- City of Peterborough Act: In addition to the provisions of the Agricultural Society’s Licence Agreement, other extant conditions built into the City of Peterborough Act may place limitations on development at Morrow Park and will require careful consideration.
- Notwithstanding the extension of the Central Area land use designation in the draft Official Plan to encompass Morrow Park, this site, by virtue of both its park setting and the nature of surrounding development, has limited redevelopment potential compared with a Downtown site.

2.4 Outcome of Phase 2 Locational Analysis

This Locational Analysis ranked six shortlisted candidate sites according to our preference based on a range of factors:

- Loblaws/No Frills
- City Works Garage and Mall
- James Stevenson Park
- Morrow Park
- General Electric
- Canadian Canoe Museum

Because of uncertainty around the criteria of cost and site assembly, any scoring of sites against these matters remained speculative. We therefore ran two scenarios – with and without these risk factors. By doing so, we are able to analyze the sites without overstating certain current risks.

Scenario 1: In this scenario, all risks attached to timing and ease and cost of site acquisition were included and recognized.

SCENARIO 1		
Ranking (1 = highest)	Location	Weighted Score (152 maximum)
1	Morrow Park	121
2	James Stevenson Park	101
3	Loblaws/No Frills	98
4	City Garage and Mall	98
5	Canadian Canoe Museum	96
6	General Electric Site (in part)	72

Scenario 2: Stripped out criteria relating to land acquisition and assembly. This allowed the sites to be scored against design, environmental and economic impact criteria only.

SCENARIO 2		
Ranking (1 = highest)	Location	Weighted Score (128 maximum)
1	Loblaws/No Frills	98
2	Morrow Park	97
3	City Garage and Mall	89
4	James Stevenson Park	77
5	Canadian Canoe Museum	75
6	General Electric Site (in part)	72

Summary of Results

- Morrow Park is a leading site in both scoring scenarios.
- The differentials between Morrow Park and Loblaws / No Frills are site conditions (together with potential mitigation requirements), and the risk associated with acquiring and assembling land for the latter.
- The Canadian Canoe Museum and General Electric sites perform poorly relative to the other shortlisted sites.
- When the benefits of City ownership and site size are stripped out of the criteria, the principal constraints of James Stevenson Park – flood risk and physical detachment

from the Downtown – are disadvantages which weigh heavily against it.

2.5 Subsequent Changes to City-Works Garage Site

The City Works Garage and Mall

- This site performed poorly in the Phase 2 work because of the irregular shape and size of the site limited as it was by the presence of Townsend Street.
- **Important: That site is now part of a larger site that has been identified which includes the Market plaza block to the south. In design and planning terms this changes the suitability of this site dramatically such that it is now a candidate for review in this current phase of work.**

2.6 Discounting G.E. Lands & No Frills Location

The decision was taken to remove this site from further consideration because of very significant risks which limit the value of further expense in site investigation.

As with the City Works Garage and Mall, this site's principal benefit is its downtown location. However, in design terms, the site has little flexibility (rail track setbacks and George St), resulting in not being able to deliver a second pad. It performed better than the City Works Garage and Mall because of the limits of the City owned site – but that has now changed with the consideration of a large assembly to the south of Townsend Street.

Despite scoring highly in Scenario 2, the No Frills site has since been discounted because of the constraints imposed by limited size, its

river front location and inability to form part of a wider assembly of land. Its occupancy by a large Downtown grocery store represent a considerable risk in terms of land acquisition which (as borne out by scoring results) weighs against it.

The grocery store represents an important commercial land use and local amenity which would need to be relocated locally if it is not to be lost from Downtown.

Additionally, in design terms, the site has little flexibility (rail track setbacks and George St), resulting in not being able to deliver a second pad.

The G.E. site was the lowest scoring option in both scenarios. This was due to the following factors as identified in the Phase 2 Locational Report:

- Outside Central Area where there is a critical mass of commercial uses, thereby reducing potential benefits an arena would bring regarding footfall/patronage for local businesses.
- Likely that the process to acquire, clean and sever the site would potentially open-up a broader discussion on the entire GE landholdings, resulting in significant project delay.
- Experience suggests that large multi-national landowners will often seek to have full clean-up of their lands to remove any potential for future liability (e.g. this is why so many former gas stations remain undeveloped). This can add time and cost to the project if the owner is unwilling to sell unless lands are unencumbered by contamination.

- The process of studying environmental problems and create resulting remediation strategies for a site of this size and nature can be measured in years.
- Feasibility of removing/allowing for existing rail track unclear.
- Potential operational and design friction between arena and industrial uses (if site severed), and with surrounding residents.

Since the time of the last report, Peterborough & the Kawarthas Economic Development has initiated a future use visioning exercise for the GE property. We understand that:

- The process of releasing portions of the site for development by GE would only occur after a process of full decommissioning by the company that may take a number of years;
- There remains an interest to protect a majority of the lands for employment land uses;
- The consideration of the site for a sport and entertainment campus was not considered as part of the visioning; and
- The active presence of other non-GE owned industrial uses on the site may further influence both the nature and timing of site redevelopment.

Because of this level of uncertainty and because this independent visioning study was underway at the same time as our own work, the GE lands were not actively pursued as part of the Phase 3

investigations. However, should executing a plan to replace the PMC be delayed by a number of years, we can expect a more certain picture of GE Land redevelopment potential by then. Accordingly, while it is not an active site for consideration now, that could change in the future.

2.7 Remaining Sites Under Investigation & Remaining Questions

Excluding the No Frills site, the highest scoring sites remaining are **Morrow Park** and the City Garage and Mall Site, which has been expanded to include properties to the south of Townsend and is now referred to as the **Market Plaza-City Works-George Street** Site. These two sites are the primary focus of Phase 3.

While Market Plaza is the Downtown site given the most consideration in this analysis, other options under investigation are a site **North of the CN Rail tracks** and a smaller site at **Aylmer and Simcoe** on the site of a former cold storage facility.

For all sites other than the Morrow Park site, there is a need to consider the results of the updated floodway modelling exercise being undertaken by ORCA, and any possible subsequent changes to the Jackson Creek Special Policy Area. These findings are not yet available although ORCA is aware of the need to provide more definitive assessment as a result of its floodway modelling.

For Morrow Park, other specific site actions would be required, including revisiting the 2010 Master Plan; progress talks with the Agricultural Society on their future requirements; and the future of the PMC – and in particular the effect this may have on the phasing/incremental development of a MUSEC on this site.

3 Phase 3: Specific Goals & Reviewed Outcomes

3.1 Introduction

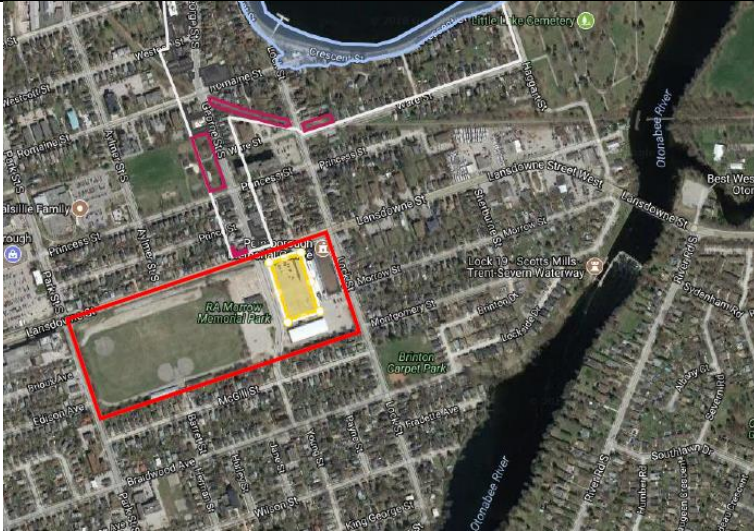
The balance of the report addresses the merits of the alternative sites based on a number of variables including researched site conditions, existing and emerging land use policies, restrictions on use, environmental and land use hazards, other planned public infrastructure projects, implications of site complexities on capital costs and potential benefits of development at each site for economic development. The analysis is a mix of qualitative and quantitative assessment.

The analysis specifically excludes consideration of the capital costs associated with purchase of lands necessary for site assembly or indeed the likelihood of securing such properties. These unknowns are a critical piece of the overall site selection process. However, it is essential prior to any discussions with landowners to understand whether one site over another represents the right choice for the City's investment in a new 50-year building. This building will draw significant pedestrian traffic, will occupy a footprint of several acres, will be a very large massing which requires careful architectural treatment and is likely to have a height of some 75 feet above grade. It is a major destination anchor and maximizing the value from such investment is fundamental to site choice.

As such, first and foremost is the selection of a site which maximizes the value of the building in its operation over the next half century and which can help stimulate renewed investment in the surrounding area.

3.2 Updated Site Proformas

3.2.1 Morrow Park

Land Parcel – Core Details	
Civic Address	Morrow (Memorial Park), KN9J 0A4
Aerial photograph	 <p>MUSE footprint in yellow notional only</p>
Site Description	<p>The site is to the south of the Central Area (pending the finalization of the Official Plan review), within an area characterized by residential development.</p> <p>The site's two principal components are the existing PMC and a large area of open space (known as Morrow Memorial Park) – the latter is used for both formal and informal recreation and events, including as the venue for the annual Peterborough exhibition.</p>

These two principal components are delineated by a road which dissects the site north-south (Roger Nielson Way). The site's other buildings and uses include:

East of Roger Nielson Way

- Morrow Building and parking lot (used for markets, special events, and as part of the annual Peterborough Exhibition)

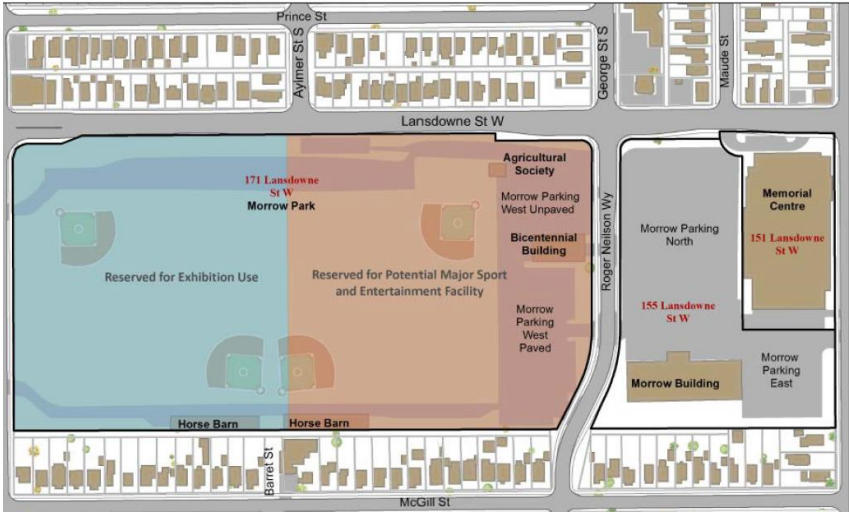
West of Roger Nielson Way

- Bicentennial Building (host of Kawartha Gymnastics Club)
- Offices and meeting rooms for Peterborough Agricultural Society members
- Linear storage buildings/horse barns
- Four ball diamonds

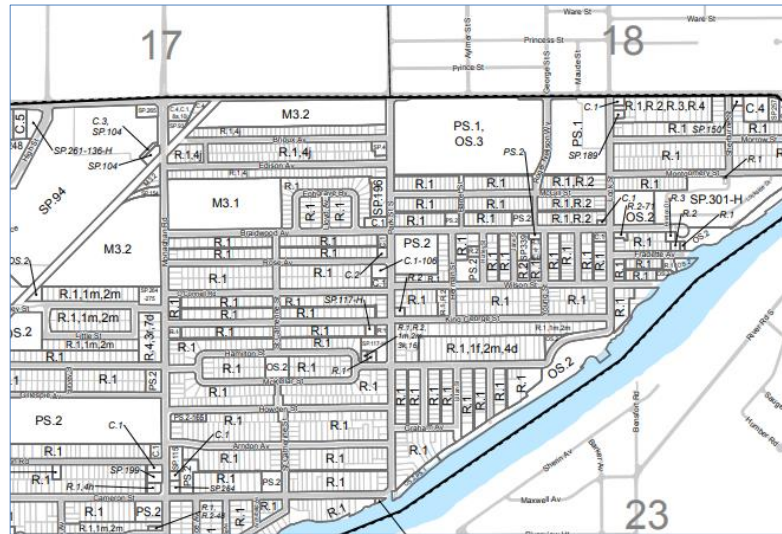
A Master Plan for Morrow Park has been consulted on in detail and was presented to Council in Fall 2011 but is yet to be formally approved. The Masterplan includes a new public square, comprehensive improvements to park and outdoor recreation provision, enhanced landscaping and pathways, and improved public facilities for the various stakeholders in the park: the Agricultural Exhibition, the Kawarthas Gymnastics Club (now planning on moving to another location in 2022), and the Farmers Market. The masterplan assumes the PMC will be retained, with the opportunity to developed additional recreation and civic-type uses buildings on the land to the east of Roger Nielson Way.



Vehicular Access	<ul style="list-style-type: none"> • Access to the parking lot serving Morrow Park, the Agricultural Society's offices and the Bicentennial Building is taken from two principal points off Roger Nielson Way. • There are multiple access points for the parking lot serving the PMC and the Morrow Building: two accesses from Roger Nielson Way, one from Lansdowne Street, and one from Lock Street. 	
Ownership	No. of lots	3 (three)
	City or Privately Owned?	All 3 lots: City
Occupation/tenancies	<p>East of Roger Nielson Way</p> <ul style="list-style-type: none"> • <u>Peterborough Petes (Hockey) and Lakers (Lacrosse)</u>: Principal tenants of the PMC, whose future occupancy would be addressed as part of the MUSEC • <u>Peterborough Farmers' Market Association</u>: The PMC parking lot and the Morrow Building is rented by the Association to host the weekly Farmers market, with all rent being paid directly to the City <p>West of Roger Nielson Way</p> <p><u>Agricultural Society</u>: Occupy a small building on the site, and hosts the annual Peterborough Exhibition. Currently subject of a 7-year lease terminating 30 June 2024, including the following clauses relevant to the site's potential redevelopment for a MUSEC:</p> <ul style="list-style-type: none"> - Termination without cause by the City, subject to a payment to the Society of \$500,000 to fund relocation; or - In the event the site is chosen for a MUSEC, the Society's lands are to be the portion highlighted blue and labelled 'Reserved for Exhibition Use' at Schedule A of the lease (as shown below) 	

	 <ul style="list-style-type: none"> • <u>Kawartha Gymnastics Club</u>: Tenant of the Bicentennial Building
<p>Land Use Planning (as per City Official Plan, consolidated 31 December 2017)</p>	
<p>Inside or outside Central Area?</p>	<p>Outside (albeit immediately adjacent to southern edge on George St) based on Schedule J of current Official Plan, inside the Schedule C of draft Official Plan.</p>
<p>Official Plan Land Use Designations</p>	<p>Major Open Space</p>
<p>Zoning By-Law</p>	<ul style="list-style-type: none"> • <u>Morrow Park and Gymnastics Club (West of Roger Nielson Way)</u>: <ul style="list-style-type: none"> - PS.1 (Public Service District) – allows for a range of indoor and outdoor recreation and civic facilities - OS.3 (Open Space District) – allows use as a fairground, in addition to a park • <u>PMC and Farmers Market (east of Roger Nielson Way)</u>: <ul style="list-style-type: none"> - PS.1 (as above) • PS.1 (amongst other provisions) sets min and max requirements in respect of development form, including a maximum building coverage of 40%
<p>Surrounding Designations and Zoning</p>	<ul style="list-style-type: none"> • <u>North of Lansdowne Street West</u>: Residential (R1 – R4), interspersed with SP and C4 zoning (for commercial uses, including shop units) • <u>East of Lock Street</u>: Residential (R1), with C1 & SP zoning opposite PMC

- Southern boundary: Residential (R1 & R2)
- West of Park Street South: Residential (R1), with M3.2 (Enhanced Service Industrial) for the site of a former industrial building on corner of Park St South and Lansdowne St West




Environmental Constraints		
Flooding & Wetlands	<ul style="list-style-type: none"> ▪ The site is not within the ORCA floodplain or wetlands extent 	
Contamination	<ul style="list-style-type: none"> ▪ No information regarding ground conditions is available. A survey would need to be undertaken to ascertain whether the site is contaminated and what (if any) remediation is required. 	
Heritage	<ul style="list-style-type: none"> ▪ There are no Designated Heritage Properties or Heritage Register Properties within or adjacent to the site. 	
Scoring Matrix and Prospects		
Site Characteristics, Location & Transportation	Pros	<ul style="list-style-type: none"> ▪ Recognized existing recreational hub – location of PMC, park, ball diamonds and outdoor event space ▪ On a main vehicular approach road in to City (Lansdowne St)
	Cons	<ul style="list-style-type: none"> ▪ Not in the Schedule J Central Area (but within draft Schedule C)

Cost and Ease of Acquiring Development Land	Pros	<ul style="list-style-type: none"> ▪ All land parcels within the site are within the City's ownership, thereby no land acquisition requirements ▪ The Agricultural Society's tenancy includes specific provisions allowing for vacant possession to be secured in the case of development for the MUSEC, OR for exhibition use to be safeguarded on western third
	Cons	<ul style="list-style-type: none"> ▪ Termination of the Agricultural Society's tenancy for the site 'without cause' would require a \$500,000 payment to fund their relocation. ▪ Exercising this clause would also represent a political challenge unless the Society is not also assisted in finding a new location – unclear at this stage whether there is a suitable and feasible alternative location(s)
Urban Context / Physical Elements	Pros	<ul style="list-style-type: none"> ▪ Not in flood plain ▪ No heritage constraints ▪ Generally flat and open site which provides design and layout flexibility ▪ Ample land to include potential second ice rink and/or additional community uses and would not encroach on safeguarded area for Agricultural Society's exhibition use (as per Agr. Society Agreement, Schedule A)
	Cons	<ul style="list-style-type: none"> ▪ Not physically in the Downtown ▪ Notwithstanding openness of site, site bordered on all four sides by residential properties, requiring careful consideration of layout
Economic Impact / Synergies	Pros	<ul style="list-style-type: none"> ▪ Arena would provide the opportunity for a more significant commercial/recreational/civic hub to provide a southern anchor to the George Street Commercial district
	Cons	<ul style="list-style-type: none"> • Not in the Downtown commercial core

3.2.2 Market Plaza-City Works Garage-George Street Site Assembly

Land Parcel – Core Details	
Civic Address	<ul style="list-style-type: none"> • City Works Garage and Mall ,182 Townsend Street, K9J 2K3 • Market Plaza, 125 George Street North, K9J 3G3

<p>Aerial photograph</p>	
<p>Site Description</p>	<ul style="list-style-type: none"> • The site is located within the City's Downtown area and comprises three principal components: <ul style="list-style-type: none"> - A triangular land parcel located between the rail tracks to the north and Townsend St to the south, occupied by the City's Public Works department (garages, storage and ancillary offices); and - A rectangular land parcel with frontage onto George Street North occupied by a retail mall and separate Tim Hortons restaurant - Four parcels to the south of Townsend St containing a retail mall comprised of two structures - The original site area also includes an auto service centre and 12 residential properties to the west of the Market Plaza Mall, but based on the design work completed to date, it does not appear that these properties will be necessary for the project.


Vehicular Access	<ul style="list-style-type: none"> • The Public Works land is accessed from two points on Townsend St • The retail mall is accessed from three points on George Street North, and one point at the intersection with Townsend St. • The Market Plaza Mall is accessed from three points on Rink Street, one point on Townsend St, and two points on George Street North. 	
Ownership	No. of lots	19 (including the 12 residential properties and 1 commercial property that may not be required)
	City or Privately Owned?	<ul style="list-style-type: none"> • Public Works: 1 ownership: City • North of Townsend Mall: 2 ownerships: Private (Tim Hortons in separate ownership to balance of mall) • Market Plaza Mall: 1 ownership: Private • South east parcel at George and Townsend Streets: 1 ownership: City • Parcels to the west of Market Plaza: 2 ownership: 1 City and 1 Private • 12 residential properties
Occupation/tenancies	<ul style="list-style-type: none"> • It is understood that the Public Works parcel does not include any tenants - only City staff. • Multiple tenants of commercial premises fronting George Street and in the Market Plaza Mall (in private ownership, so tenancy provisions/lease terms unknown) 	
Land Use Planning (as per City Official Plan, consolidated 31 December 2017)		
Inside or outside Central Area?	<ul style="list-style-type: none"> • Inside 	
Official Plan Land Use Designations	<ul style="list-style-type: none"> • Waterfront Commercial Area (Schedule J) • Supports same uses as found in the adjacent Commercial Core Area (major concentration of retail, office, entertainment and service commercial uses, reinforcing 'main street' setting) but with additional design requirements in acknowledgment of its visibility from the waterfront and river, e.g. <ul style="list-style-type: none"> - adhering to high standards of urban design including building design which maintains the openness of the area and views to the water; - providing enhanced landscaping, particularly in areas adjacent to public open space; - providing strong pedestrian linkages with the waterfront 	
Zoning By-Law	<ul style="list-style-type: none"> • Public Work: C6 (Commercial District) • Mall (majority) SP.131 (Special District 131) – <i>allows for range of commercial uses with restrictions on built form, including max of 4-storey height;</i> • Tim Hortons: C6 (Commercial District) • Market Plaza: C6 (Commercial District) 	

		<ul style="list-style-type: none"> ▪ The nearest buildings/structures on the Heritage Register are located on the intersection of Dalhousie Street and Aylmer Street north (circa 200m north-west of the site)
Scoring Matrix and Prospects		
Site Characteristics, Location & Transportation	Pros	<ul style="list-style-type: none"> ▪ Within the existing Schedule J Central Area in a Downtown location and within proposed Schedule C
	Cons	<ul style="list-style-type: none"> ▪ Operational rail tracks run across George St (for freight) directly to the north of the site, with potential to cause disruption and delay for visitors to the arena (pedestrian and cars).
Cost and Ease of Acquiring Development Land	Pros	<ul style="list-style-type: none"> ▪ City owns approximately half of the site (and other small pockets of land within close proximity)
	Cons	<ul style="list-style-type: none"> ▪ The land parcels on the site's eastern boundary fronting George St and the Market Plaza Mall are in separate private ownerships which may present challenges
Urban Context / Physical Elements	Pros	<ul style="list-style-type: none"> ▪ Within existing commercial area, close to existing services, retail, and transit ▪ Redevelopment presents opportunities to create new, attractive civic piazzas in the Downtown area. ▪ Offers opportunity for rehabilitation of former industrial site, and to introduce new active frontages to Townsend Street
	Cons	<ul style="list-style-type: none"> ▪ Rail tracks on northern boundary assumed to be fixed constraint, however the prominence of this feature is less relevant with the expansion of the site to include the Market Plaza area. ▪ Sub-optimal visibility and access due to principal access points being from Townsend St. was a concern when the facility was limited to the Public Works Garage, but this is now a minor issue with the inclusion of the Market Plaza into the site.
Economic Impact / Synergies	Pros	<ul style="list-style-type: none"> • Within the Downtown area, thereby with the potential to maximize footfall/patronage for local business in the Commercial Core
	Cons	<ul style="list-style-type: none"> • Would result in the loss of a small amount of retail commercial uses on the south side of Townsend.

3.2.3 Aylmer/Simcoe

This site was not part of the previous round of sites identified in 2018. Since then, the site, which comprises a small block within the inner zone of the Central Area, has commenced clearing of its former land uses. As such, this block is now a theoretical possibility, however the question is whether this site represents the most appropriate site for development of the proposed event centre.

An initial proforma of site statistics and information is provided below.

Land Parcel – Core Details	
Civic Address	375 Aylmer Street North, K9H 3V9
Aerial photograph	
Site Description	<p>The site is within the Commercial Core Area of the Central Area (Schedule J).</p> <p>The majority of the site is comprised of the former Baskin-Robbins ice cream plant on the north side of Simcoe in between Aylmer Street and Bethune Street. The remainder of the site is a small stretch of retail and one residential property.</p>

Vehicular Access	<ul style="list-style-type: none"> There are three parking lots on the site, one south of the Baskin-Robbins plant, one to the north east, and one to the north west. 	
Ownership	No. of lots	4 (four)
	City or Privately Owned?	All four lots: Private
Occupation/tenancies	<ul style="list-style-type: none"> The Baskin-Robbins plant is being demolished by the owner 	
Land Use Planning (as per City Official Plan, consolidated 31 December 2017)		
Inside or outside Central Area?	Inside	
Official Plan Land Use Designations	Commercial	
Zoning By-Law	<ul style="list-style-type: none"> Baskin-Robbins plant: <ul style="list-style-type: none"> M3.2 (Industrial) C.6, 5d (Commercial) Retail on south side of Hunter Street: <ul style="list-style-type: none"> C.6 (Commercial) 	
Surrounding Designations and Zoning	<ul style="list-style-type: none"> <u>North of Hunter Street</u>: Commercial (C6, 15f-291), and Special Policy (SP.244-276-F) <u>East of Aylmer Street</u>: Commercial (C6) <u>Southern of Simcoe</u>: Commercial (C6) <u>West of Bethune Street</u>: Open Space (OS.2), Residential (R4, R5, R6), and Special Policy (SP.241) 	




Environmental Constraints		
Flooding & Wetlands		<ul style="list-style-type: none"> A small part of the site in the north east is part of the ORCA floodplain
Contamination		<ul style="list-style-type: none"> Unknown at this time. A phase 1 ESA should be conducted or the owner approached for this information if already on file
Heritage		<ul style="list-style-type: none"> There are no Designated Heritage Properties or Heritage Register Properties within or adjacent to the site.
Scoring Matrix and Prospects		
Site Characteristics, Location & Transportation	Pros	<ul style="list-style-type: none"> Within Schedule J Central Area
	Cons	<ul style="list-style-type: none"> Site is too small to accommodate a second pad
	Pros	<ul style="list-style-type: none"> Only four parcels needed for site development

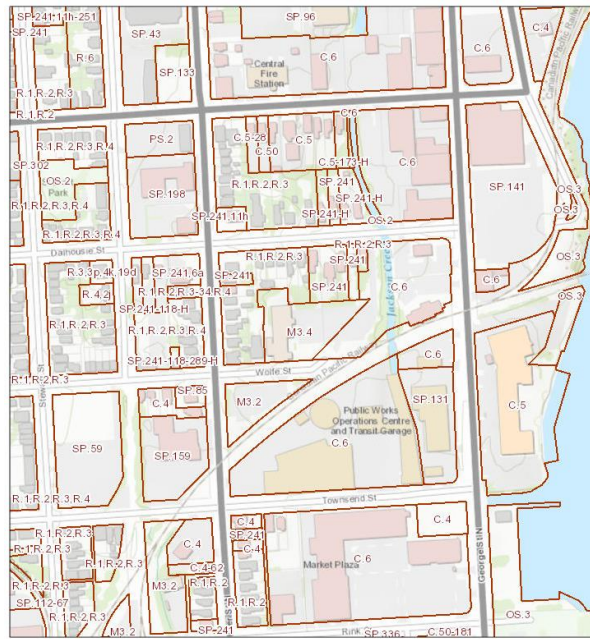
Cost and Ease of Acquiring Development Land	Cons	<ul style="list-style-type: none"> ▪ All properties are privately owned
Urban Context / Physical Elements	Pros	<ul style="list-style-type: none"> ▪ No heritage constraints ▪ Within existing commercial area, close to existing services, retail, and transit ▪ Offers opportunity for rehabilitation of former industrial site
	Cons	<ul style="list-style-type: none"> ▪ Size limits flexibility in terms of arena footprint
Economic Impact / Synergies	Pros	<ul style="list-style-type: none"> ▪ Within the Downtown area, thereby with the potential to maximize footfall/patronage for local business in the Commercial Core
	Cons	<ul style="list-style-type: none"> • Neighbouring park, residential, and library limit immediate redevelopment potential • Located in an area of the City with less visibility and distant from the City's waterfront. Thereby losing the potential of signature site value as may be afforded other sites including Morrow Park. Visibility and view corridors to these large structures are important elements in framing downtown civic precincts.

3.2.4 North of CN Rail Tracks

This site, detailed in the proforma below, leverages the value of the existing City-owned properties on Wolfe Street as a part of an assembly that could either extend to the entire block between Aylmer and George Street south of Dalhousie, or a smaller portion of that block if a smaller building is considered. The main challenge to the site is the presence of Jackson Creek in the eastern portion of the block which would prevent the use of the George Street frontage for the building. As with the assembly south of the tracks, the swath of land from Jackson Creek to George Street would most reasonably be developed as a combination of civic and commercial space framing an entrance to the event centre public forecourt.

Land Parcel – Core Details		
Civic Address	210 Wolfe Street, K9J 2K9	
Aerial photograph		
Site Description	<ul style="list-style-type: none"> • The site is located within the City’s Downtown area and comprises three principal components: <ul style="list-style-type: none"> - Three parcels owned by the City, the majority of which is occupied by parking; and - A rectangular land parcel with frontage onto George Street North occupied by retail and the Peterborough Chamber of Commerce - Single family residential occupying the northwestern quadrant of the site 	
Vehicular Access	<ul style="list-style-type: none"> • Vehicle access into the interior of the site is available through Wolfe Street and Dalhousie Street 	
Ownership	No. of lots	56 (fifty-six)
	City or Privately Owned?	53 properties: Private 3 properties: City-owned

Occupation/tenancies	Unknown but likely to be considerable. Likely to comprise a high degree of owner-occupied housing.
Land Use Planning (as per City Official Plan, consolidated 31 December 2017)	
Inside or outside Central Area?	Inside
Official Plan Land Use Designations	Commercial
Zoning By-Law	<ul style="list-style-type: none"> • City owned properties: <ul style="list-style-type: none"> - M3.2 (Industrial) - M3.4 (Industrial) - C.6 (Commercial) • Retail on west site of George Street and south side of Sherbrooke Street: <ul style="list-style-type: none"> - C.6 (Commercial) - C.5 (Commercial) • Residential on northwest quadrant: <ul style="list-style-type: none"> - R.1 – R.3 (Residential) - SP.241 (Special Policy)
Surrounding Designations and Zoning	<ul style="list-style-type: none"> • <u>North of Sherbrooke Street</u>: Commercial (C6), and Special Policy (SP.96) • <u>East of George Street</u>: Commercial (C6) and Special Policy (SP.141) • <u>Southern of rail tracks</u>: See zoning for Market Plaza Site • <u>West of Aylmer Street</u>: Public Space (PS.2), Residential (R1, R2, R3, R4), and Special Policy (SP.241, SP.198, SP.159, SP.85), Commercial (C.4)



Environmental Constraints		
Flooding & Wetlands	<ul style="list-style-type: none"> ▪ The eastern half of the site is within the ORCA floodplain 	
Contamination	<ul style="list-style-type: none"> ▪ Phase 1 ESA complete for City owned lands at 210 Wolfe Street and the 2 other City owned parcels on this block. See ESA report on file with City 	
Heritage	<ul style="list-style-type: none"> ▪ The Canadian Pacific Railway Station at 175 George Street North has been designated to be of historical or architectural value under the Ontario Heritage Act. 	
Scoring Matrix and Prospects		
Site Characteristics, Location & Transportation	Pros	<ul style="list-style-type: none"> ▪ Within Schedule J Central Area
	Cons	<ul style="list-style-type: none"> ▪ Operational rail tracks run across George St (for freight) directly to the south of the site, with potential to cause disruption and delay for visitors to the arena (pedestrian and cars).

Cost and Ease of Acquiring Development Land	Pros	<ul style="list-style-type: none"> ▪ The City owns three parcels comprising a significant fraction of the combined assembly south of Dalhousie.
	Cons	<ul style="list-style-type: none"> ▪ There are 53 privately owned properties under separate ownerships that would need to be acquired.
Urban Context / Physical Elements	Pros	<ul style="list-style-type: none"> ▪ Within existing commercial area, close to existing services, retail, and transit. ▪ Redevelopment presents opportunities to create new, attractive civic piazzas in the Downtown area.
	Cons	<ul style="list-style-type: none"> ▪ Size and shape of site limits flexibility in terms of arena footprint. ▪ Rail tracks on southern boundary assumed to be fixed constraint (potential to close rail corridor or introduce underpass/overpass unknown – and associated cost – unknown at this time, but assumption is that negotiations could significantly protract program).
Economic Impact / Synergies	Pros	<ul style="list-style-type: none"> ▪ Within the Downtown area, thereby with the potential to maximize footfall/patronage for local business in the Commercial Core.
	Cons	<ul style="list-style-type: none"> • Could potentially result in the loss of a small amount of retail commercial uses the west side of George Street. • Would result in loss of residential.

3.3 Ownership & Legal Factors

3.3.1 Morrow Park Site

The three parcels comprising Morrow Park and the existing PMC are now all owned by the City.

Morrow Park was established by businessman Harold Morrow 82 years ago. The R.A. Morrow Memorial Park Trust gave control of the 24-acre site to the agricultural society, conditional on the society continuing to run an agricultural fair on the property.

In 1983, the park was conveyed to the city from the R. A. Morrow Memorial Park Trust, under the condition that the Agricultural Society be allowed free use of the space for the Exhibition and all other activities.

3.3.1.1 License Agreement

The Agricultural Society's License Agreement with the City includes specific provisions allowing for vacant possession to be secured in the case of development for the MUSEC, or for exhibition use to be safeguarded on the western third.

Our interpretation of the lease suggests land on the eastern half of the site is given over to non-Agricultural Society use and could therefore in theory accommodate the MUSEC without impinging on the lease. Termination of Agricultural Society's License Agreement 'without cause' would require \$500,000 relocation payment.



In addition to the provisions of the Agricultural Society's License Agreement, other extant conditions built into the City of Peterborough Act may place limitations on development at Morrow Park and will require careful consideration, such as the provision that if it is no longer used for the Exhibition it will be preserved as park.

3.3.1.2 1984 Bill PR 42 (City of Peterborough Act)

With regard to the conveyance of the Park to the City, the City of Peterborough Act (1984) maintains restrictions on the use the Park for parks and recreation purposes according to the original intent of the trust established for the Park. At the same time as the Act provides for the dissolution of the Trust, it also provides for the revival of the Trust should parks and recreation operations cease at the Park.

There are a number of questions arising from the existing Act and agreement, not the least of which is whether the current provisions of this statute will allow for the development of a new municipal capital facility such as a multi-use sports and event centre on the site. Does an interpretation of this facility as being for parks and recreation purposes place limits on the kinds of activities in the building or prevent the greater involvement of the private sector in partnering with the City to operate the venue?

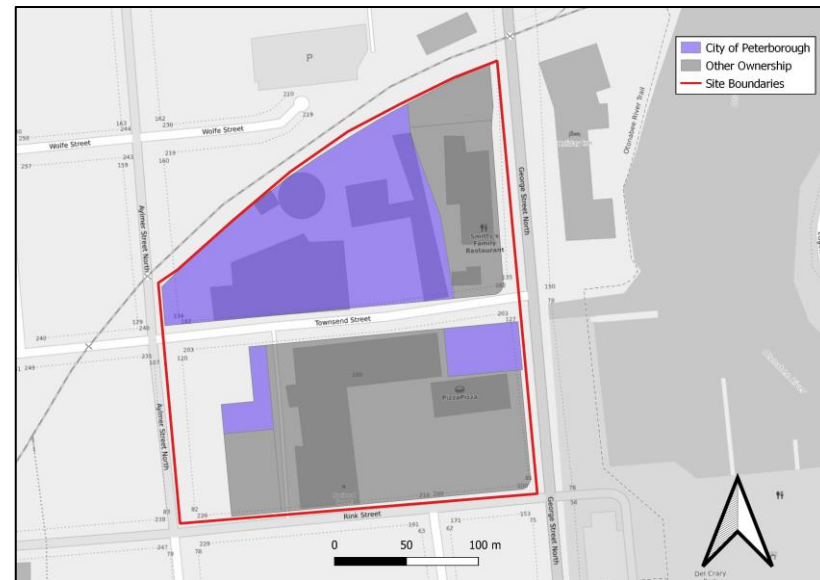
Moreover, the status of the Morrow Park Trust is also a question of governance of the property and therefore relevant to decisions regarding both a new facility and the future of the PMC.

Our understanding is that the City is aware of the need to clarify governance matters and development restrictions regarding Morrow Park, before any decision could be taken to site the replacement event centre in the Park.

For purposes of our analysis, it is assumed that even if relief from the development restrictions were to occur, the Park would remain in public ownership and for the development of civic uses such as parks and recreation including the potential for additional public facilities up to and including a new event centre. Accordingly, the balance of the lands *within* the Park are not considered as having commercial development potential by the private sector.

3.3.2 Downtown Site Assembly

A Downtown site will have additional costs and complexity associated with land assembly. On the Market Plaza-City Works-George Street site, there are four commercial properties that would need to be purchased. The City is already in possession of the three remaining properties.



A smaller facility confined to the City Works Garage site would not require land assembly but would be significantly reduced in terms of the scope of operations and could not support a community ice pad.

3.3.3 Lands North of CN Rail Lands

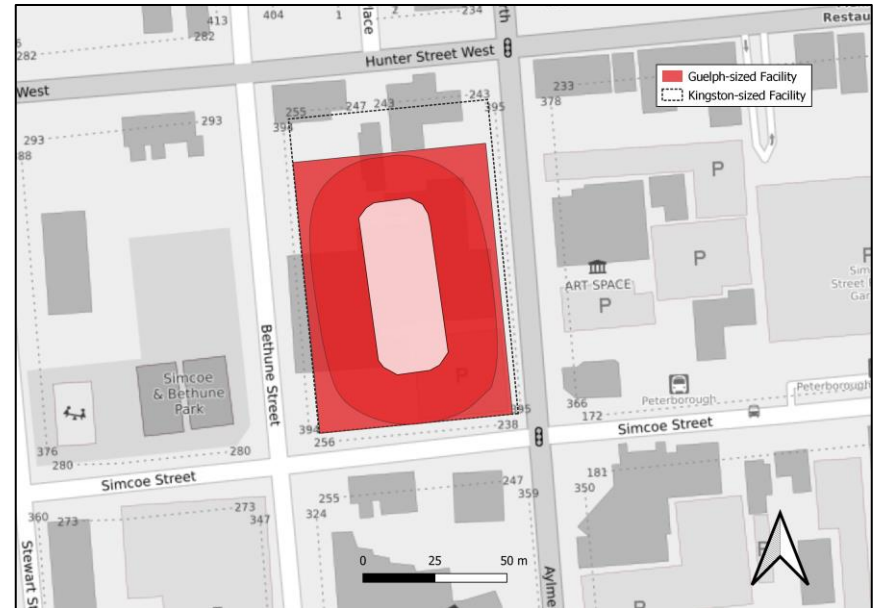
The site north of the CN Rail lands is comprised of 56 properties, three of which are owned by the City. The majority of the remaining properties are single family residential, with the exception of the strip of commercial properties fronting George Street and the Peterborough Chamber of Commerce.



3.3.4 Aylmer/Simcoe Block

The smaller Aylmer/Simcoe Block would require less assembly, as it is dominated by one property in the south, which is the site of the former Baskin-Robbins ice cream plant. It is currently being demolished. However, it would only permit a smaller facility. For reference, a footprint of a small facility similar to the Sleeman Centre in Guelph is shown in relation to the Aylmer-Simcoe Site. This facility is 94.5m x 67.25. That facility has 4,800 fixed seats.

In our view, that represents a level of constraint that significantly limits the value of this site. A facility of the scale of 5,200 seats (Kingston) would also fit but at 109 m in length would take a sizeable amount of the block limiting the capacity for efficient loading functions on site. At a scale of building proposed in the current report (5800 seats) this site is not large enough.



3.4 Next Level Design Testing

As part of a renewed focus on design options was undertaken in order to achieve the following:

- Ensure that the replacement facility can minimize the land-take requirement on sites which involve private ownership;
- Maintain the commitment to the recommended 5,800 seat (150,000 – 160,000 sq. ft.) model for purposes of site testing;
- Determine whether there are ways to include a second ice pad to maximize the use of land and avoid unnecessary use of commercial frontage lands for a community arena; and

- In the case of Morrow Park, provide a more informed design approach as a way to guide the conversation regarding the build-out of the park for public use purposes.

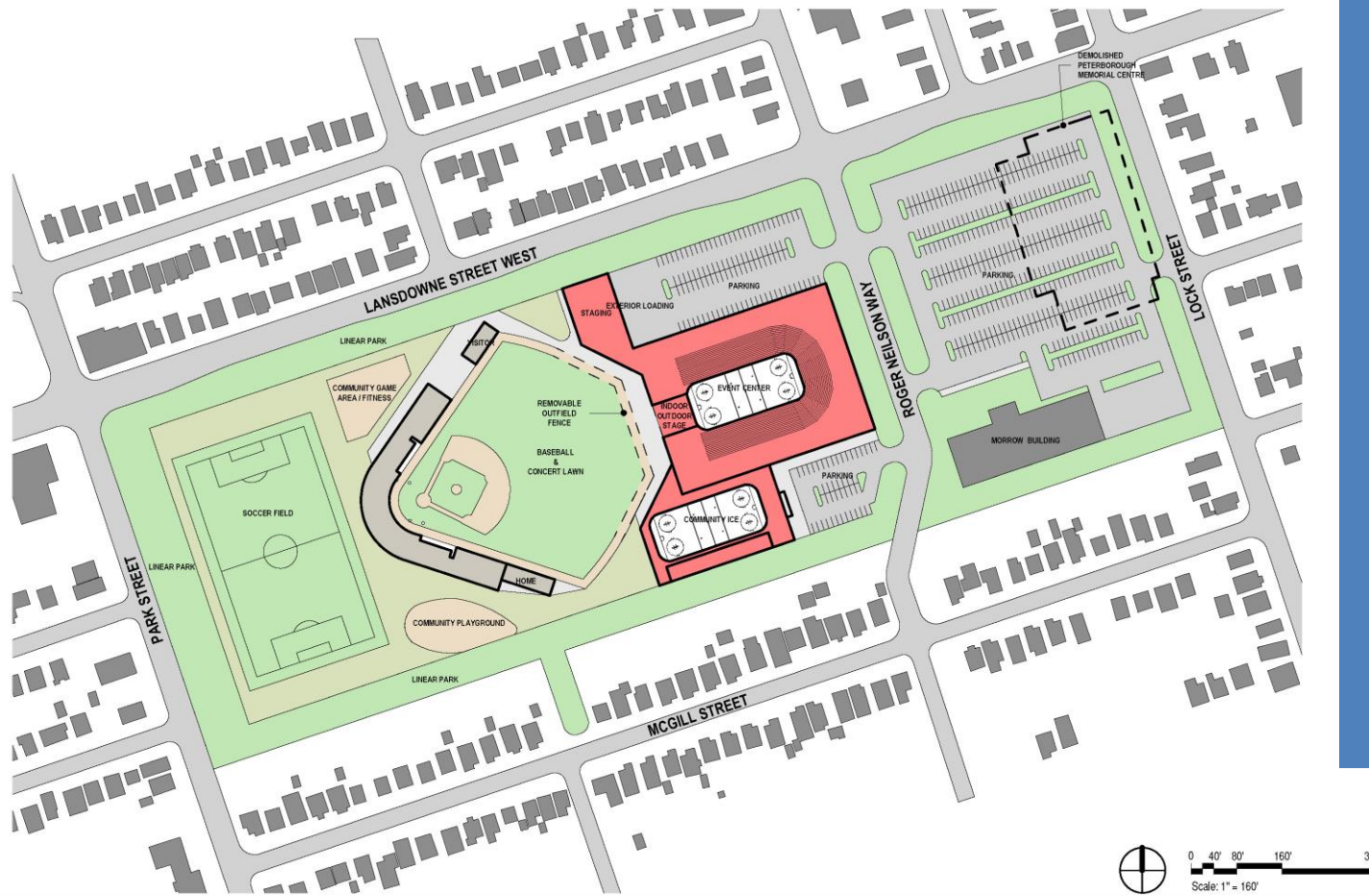
The design ideas are not the final depictions – they represent ideas which take into account a wide range of considerations including the presence of important commercial frontage, access/egress, loading, presence of natural features and so forth.

3.4.1 Morrow Park

Exhibit 1: Morrow Park Option 1

OUTLINE

1. Main access at Roger Neilson offers George Street vista
2. Parking on-site is a reality for this site – the question is the scale necessary to meet basic needs without dominating the park
3. A retained PMC could share parking (PMC footprint shown in dotted outline)
4. Event centre could incorporate outward stage capability for outdoor concerts
5. Field sports use versus other options for the balance of civic parklands can be subject to community-led input
6. Second pad



PETERBOROUGH EVENT CENTER

MORROW PARK SITE PLAN OPTION 1

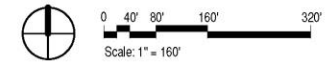
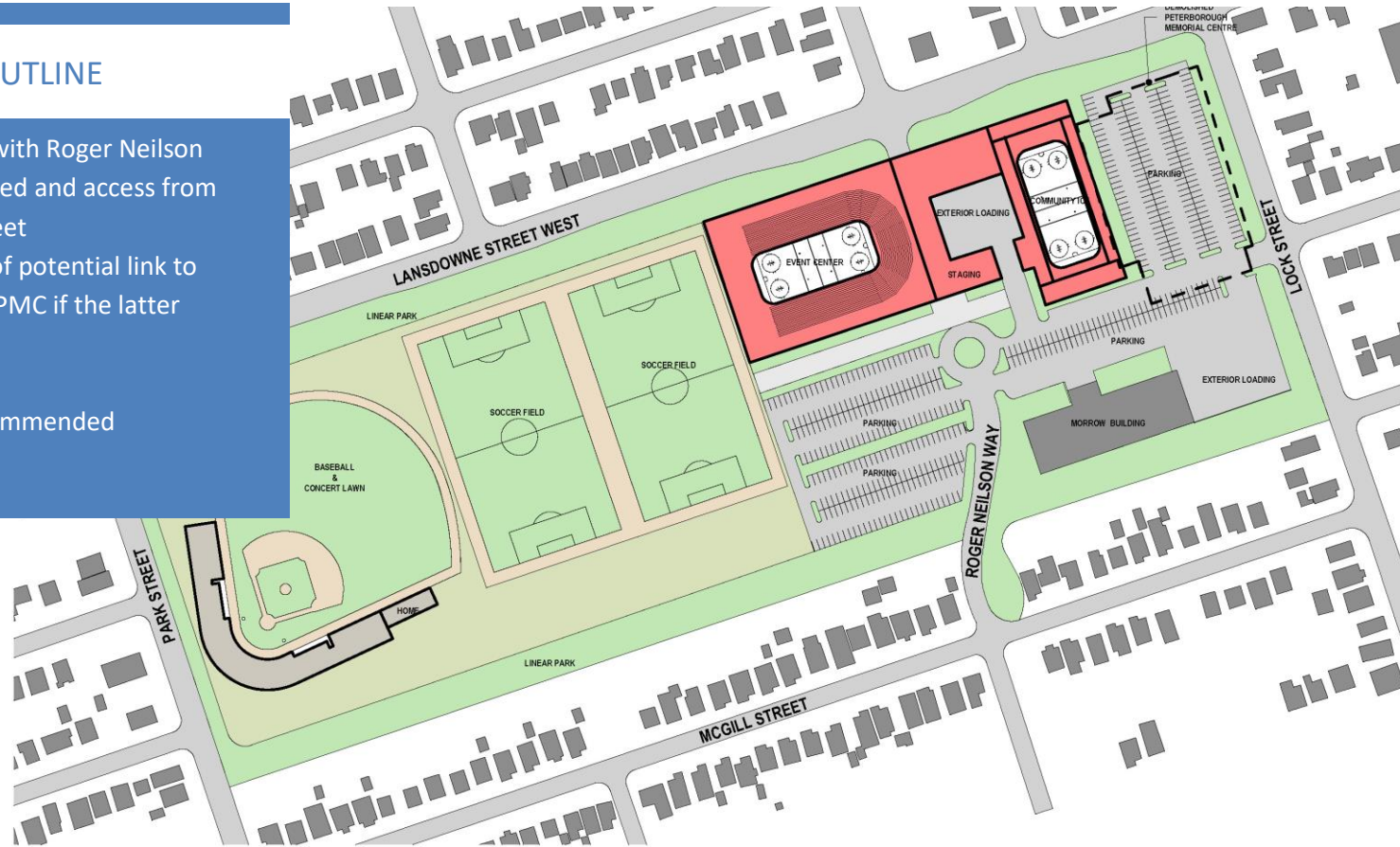
PERKINS+WILL

Exhibit 2: Morrow Park Option 2

OUTLINE

1. Variant with Roger Neilson terminated and access from Lock Street
2. Benefit of potential link to existing PMC if the latter retained

Not recommended



PETERBOROUGH EVENT CENTER

MORROW PARK SITE PLAN OPTION 2

PERKINS+WILL

Morrow Park Option 1 – More details

- Roger Nielsen kept open, parking on east block
- Existing arena demolished, option to retain existing Expo Building
- Event centre located to the west of Roger Nielson with community ice centre to the south
- Loading and support functions to the north
- Elevated concourse building with 360-degree seating bowl
- Stage is reversible to allow indoor concerts using arena or outdoor concerts with seating on the baseball lawn
- Also includes playground and game areas
- Complex wrapped in linear landscaped park with jogging/walking path and seating
- An airplane hangar door would open up the stage to the outside allowing summer concerts and events like fireworks shows.

3.4.2 Market Plaza

The essential aim of this design concept is to accurately portray the site opportunities taking into account the reality of conditions as well as the functional design requirements of the building. The City has previously seen concepts developed by the Downtown Business Improvement Association (Lett Architect renderings). These are important contributions to the discussion. However, the designs considered as part of our work provide an expert focus on the

design requirements of a sport and event centre. In this case, with the potential for a properly scaled and accessed community ice pad as well.

Parameters guiding design include the following:

- The rail corridor will include an overpass or underpass – should a station be developed directly on the north side of the CN tracks, this assumption would be removed and a pedestrian connection to the rail services and parking north of the tracks would be expected;
- The creek cannot be built upon;
- the requirements for effective building loading and back of house infrastructure are pre-eminent in the effective site planning for these facilities – failure to plan for efficient operations will result in a loss of market for events.

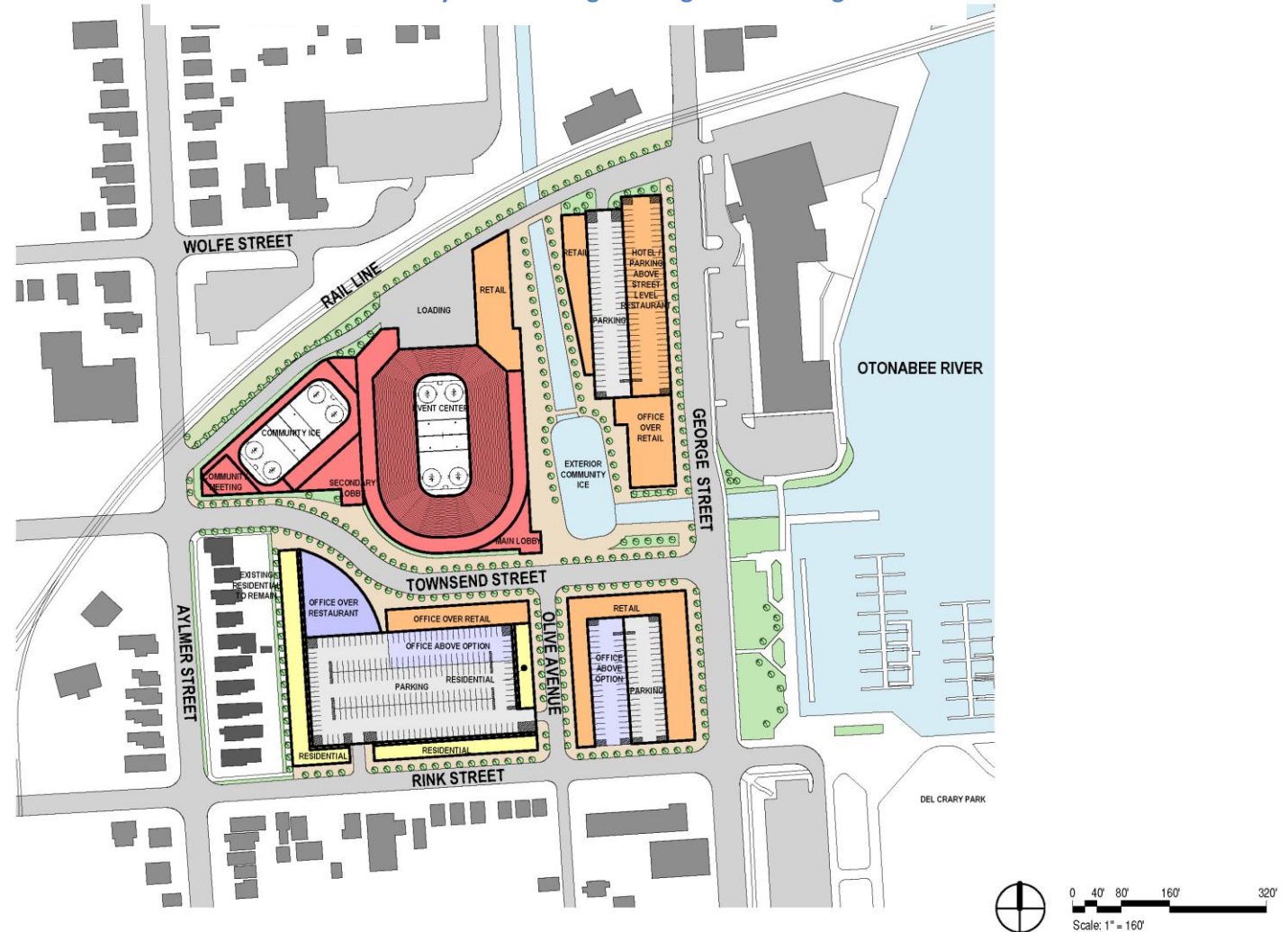
Market research as part of Phase 2 does not point to the benefit of a public investment in convention centre on site nor does it suggest an overly complicated development scheme for the balance of the lands. However, the remaining balance of the lands should consider a range of public and private market opportunities.

An ambitious development on the balance of the site and on adjacent sites is warranted and should be the subject of partnership modelling wherein the City can establish the development framework, control the sale of parcels and set expectations on required density and timing of development.

OUTLINE

1. Land assembly is a significant site creating massive potential to reframe the commercial, mixed-use and civic realm of George Street in proximity to existing public assets and waterfront
2. Second pad maximizes use of awkward site dimensions close to rail line
3. Re-alignment of Townsend Street or pedestrianization possible depending on build-out options for the balance of site
4. Significant density anticipated

Exhibit 3: Market Plaza-City Works Garage- George Street Design



PETERBOROUGH EVENT CENTER

DOWNTOWN SITE PLAN

PERKINS+WILL

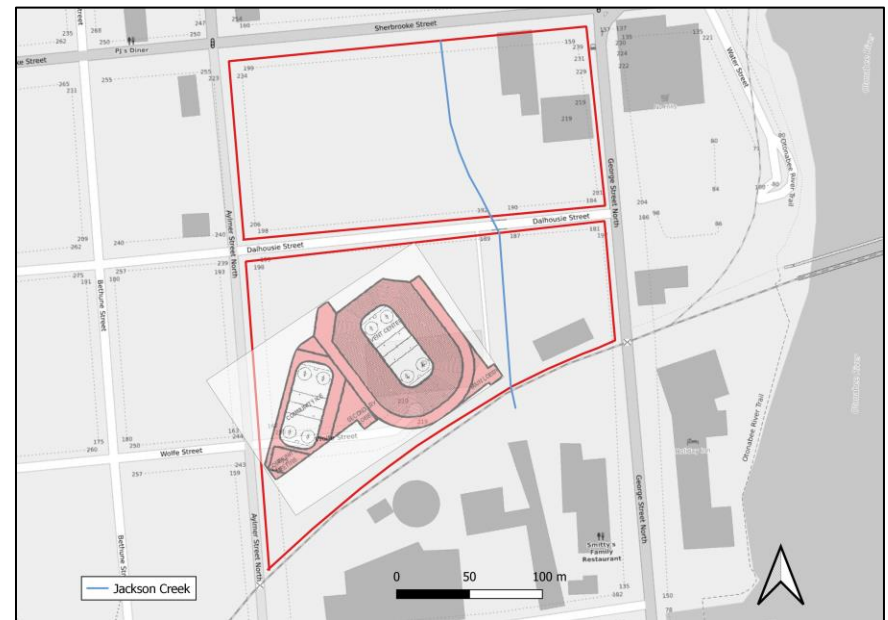
3.4.3 North of CN



The North of CN site is similar in size to the Market Plaza-City Works Garage-George Street site and could accommodate the design and scale of development that had been prepared for the Market Plaza-

City Works Garage- George Street site. Separate design work has not been done to date for this site.

The actual footprint of the building and the second ice pad can be accommodated on the mix of City-owned and private lands north of the tracks and south of Dalhousie Street. This does not achieve the same level of opportunity for surrounding development except for the development opportunities on the City Works Garage itself which could include a potential VIA station and a range of mixed use in the absence of the arena itself.



3.5 Market Plaza Geotechnical

Cambium provided an opinion letter on the geotechnical features and potential geotechnical consideration for design and

construction of a MUSEC on the Market Plaza-City Works Garage-George Street Site.

In general, the bearing capacity of subsurface soils at the site is best in the northwest corner of the site and significantly decreases to the south and east. Overall, for any large structures, deep foundations such as piles or caissons will be required and can be founded on or in bedrock that will range in depth from approximately 10 m to 13 m.

Groundwater is shallow, ranging from approximately 2.5 m in the northwest portion of the site to less than 2 m at George Street. Excavations below this depth for foundations or services will require advance dewatering and a PTTW and/or registration in the EASR. Any basements or underground parking will be below the water table and construction and maintenance costs of such structures should be considered prohibitive.

Finally, chemical testing for disposal options will be required for all soil removed from the site given the potential mixed nature of the fill soils at the Site and the rail line along the northern boundary of the Site

With regard to Jackson Creek, this building footprint would not be sited in such a way as to have the creek run under it – hence the site plan we have which places the building west of the creek.

3.6 The Route of Floodway Mapping

Background

The PPS 2020 builds on the core framework of the PPS 2014 policies with enhancements to address Special Advisor recommendations made in November 2019. The Special Advisor's Report confirmed support for the PPS policies of Section 3.0 regarding natural hazards

and included several recommendations to better plan for and reduce the impacts of flooding. The Special Advisor's report also had several complementary recommendations including the need for updates to MNRF's technical guidance related to hazard policies.

Protecting People and Property: Ontario's Flooding Strategy, released March 9, 2020, outlines steps the government will take with partners to help Ontarians to be better prepared for flooding events.

Page 20 of the Strategy sets out updates to the PPS, 2020 that respond to the recommendations of the Special Advisor recommendations:

- Added reference to the "impacts of a changing climate" in the Section 3.0 Preamble to highlight the unknown realities of our changing climate and the need to consider heightened awareness of these realities in natural hazard planning decisions;
- Acknowledged in the Section 3.0 Preamble, the role conservation authorities play in preparing and protecting against the risk of natural hazards;
- Added a reference in the infrastructure policy section (1.6.4) to ensure the natural hazard policies are considered when locating infrastructure and public service facilities;
- Strengthened the linkage between the Provincial Policy Statement natural hazard policies and the provincial technical guides, which outline direction set by the province for implementing the natural hazard policies; and
- Enhanced existing stormwater management policies to support commitments in the government's Made-in-Ontario

Environment Plan to protect water and support climate resilience.

Protecting People and Property sets out a range of actions, including updates to technical guidance supporting implementation of the natural hazard policies, including evaluating existing Special Policy Area policies and procedures (page 22).

ORCA and the City of Peterborough Positions on Development

During the development of the Locational Analysis report, we received the following guidance from the Otonabee Region Conservation Authority (ORCA):

- ORCA's approval is required before development within or affecting the floodplain can be permitted by the City.
- ORCA applies a 'one-zone' concept to floodplain management for land in Peterborough whereby all the floodplain is defined as 'floodway' (no delineation of floodway and flooding fringe).
- Most forms of development (including a MUSEC) are not normally permissible in a floodway, in alignment with the Provincial Policy Statement (PPS) 2014.

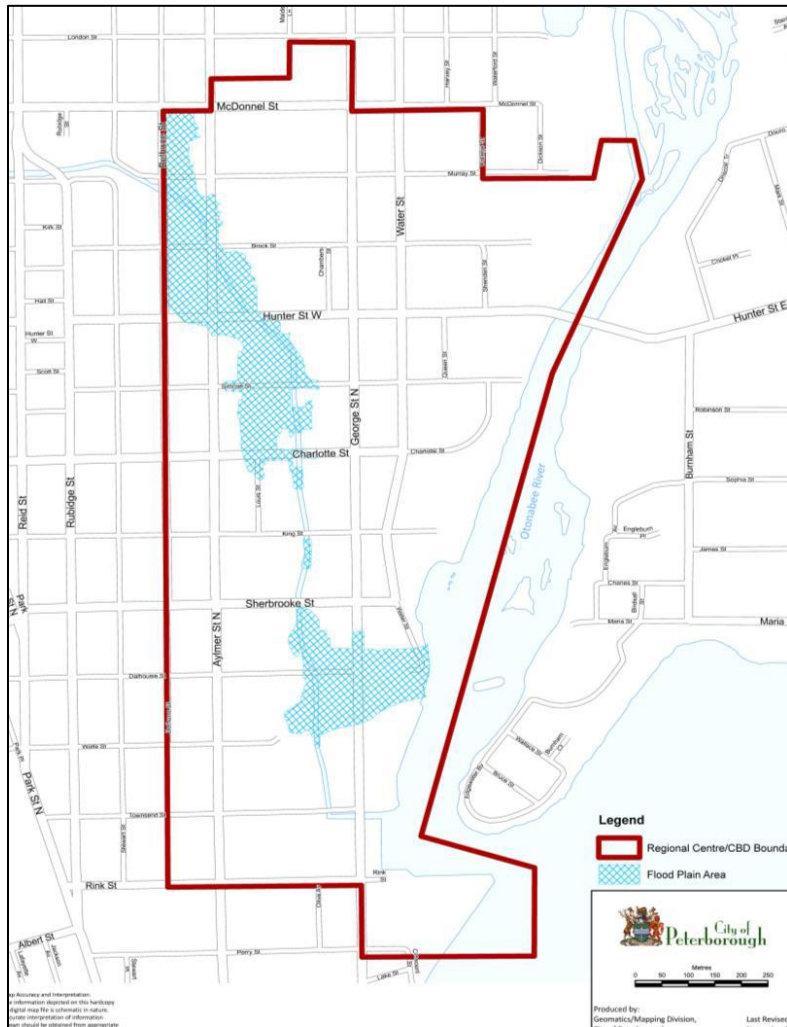
All of the Downtown sites are partially within the existing floodplain. The North of CN Site has the largest area within the floodplain, and the Aylmer/Simcoe Site has the least.

Whilst susceptible to flooding, the Official Plan acknowledges that land in the Jackson Creek Special Policy Area (SPA) forms part of the City's 'historic' centre where continued economic and social viability is to be promoted. The SPA includes the Market Plaza-City Works

Garage-George Street Site, the North of CN Site and the Aylmer/Simcoe (both of which fall partly within the flood plain).

Both ORCA and the City identify that an exception to this in principle presumption against development in the floodplain (floodway) will be made in the SPA.

Exhibit 4: Jackson Creek Special Policy Area



The City's Official Plan identifies that in this SPA permissible uses will continue to be those shown at Schedule J, but will be subject to the following engineering-led criteria and restrictions:

General Policies

3.4.5.3.1: All buildings will be flood proofed to the Regulatory Flood level where practical. Where it is not technically or economically feasible or practical to flood proof to the Regulatory Flood level, the minimum flood proofing level will be the average of the 100 Year Flood level and the Regulatory Flood level.

* *'Regulatory Flood': means the flood resulting from the Timmins Storm centred event, or the 1:100 Year Flood, whichever is greater, as determined by the Conservation Authority*

3.4.5.3.2: Any building or structure shall be designed such that its structural integrity is maintained during a Regional Storm.

3.4.5.3.3: Flood storage loss compensation for all development/redevelopment within the Special Policy Area will not be required, however, new development/redevelopment must not adversely impact existing properties upstream or downstream as a result of increasing flood levels and/or velocities.

Commercial and Non-Residential Uses

3.4.5.4.1 Development and redevelopment of commercial and non-residential structures shall be permitted provided:

- a) the minimum lowest opening elevation shall be the Regulatory Flood elevation;
- b) where (a) is not feasible because of technical or legal reasons or would cause major disruption in the streetscape, flood proofed doors or shields or other solutions acceptable to the City of Peterborough and the Conservation Authority may be utilized;

c) new mechanical, electrical, heating and air conditioning equipment will be located above the Regulatory Flood level or flood proofed to the Regulatory Flood level.

These policies are reaffirmed in ORCA's Watershed Planning and Regulation Manual, 2015

In April 2018, SPM met with a representative of ORCA to test how floodway and SPA policy would be applied in practice:

Key takeaways:

- Advised that ORCA and partner authorities will be remodeling the floodplain to reflect the impact of flooding events, and the effect of attenuation measures which have or are to be implemented. At the time of the meeting, the work had yet to be commissioned.
- Should remodeling result in the floodway extents exceeding the existing SPA it cannot at this stage be assumed/guaranteed that this extra area will be included in the SPA. Indeed, it is understood that ORCA has not created new SPAs for some considerable time.

In a follow up discussion with a representative from ORCA in early 2020, ORCA confirmed that its remodeling of the floodplain was to be completed by March 31st, 2020 (we assume that was not possible due to the Provincial State of Emergency). We received the following guidance regarding the potential outcomes of the update:

- The existing pipe under the City Garage is too small and will need to be expanded in conjunction with any redevelopment

- The possibility of daylighting (re-opening the creek) will need to be discussed and may have benefits for other properties by improving flow through the construction of a larger channel
- Floodproofing around the rail line will be necessary
- The update may change the Special Policy Area (SPA) boundary
- The SPA is not intended for intensification but for redevelopment
- Above a foot of flooding there is a presumption against development in the planning process

A further update indicates that the new draft floodplain mapping for Jackson Creek will increase in the floodplain area substantially, particularly in the southern reaches. The majority of the former Public Works yard and the Market Plaza are likely to be within the new floodplain.

Currently, there is a peer review process underway process to evaluate the detailed engineering. Once the process is complete and approved there will need to be an update to the Special Policy Area.

4 Official Plan Review Process & Downtown Planning

4.1 Vision for Downtown (Official Plan Review)

The City of Peterborough is in the process of preparing a new Official Plan, which is a document that sets the vision and direction for growth and development of the City to the year 2041. A Draft was released in June 2019, showing the Central Area expanded to include Morrow Park, more development potential to east and west of the park than in old OP.

The Vision and Guiding Principles Survey Summary Report identified the following with regard to Downtown:

- *“Support **downtown as the city’s economic, social, and cultural hub** and enhance its distinct character.*
 - *Many participants raised investment and active transportation connections as priorities to draw people to the downtown.*
 - *Others already viewed the downtown as a social and cultural hub and indicated that attention should also be given to creating multiple hubs across the city.*
 - *Participants sought more support to retain small, family businesses in the downtown and increase the affordability of housing and commercial space (e.g., live-work units, student housing).*

- *Participants envisioned new development that blends into the downtown, preserves historic buildings, and maintains the existing historic feel.”*

Section 2.2.3 of the Draft Official Plan call for “Supporting a **vibrant, multi-functional Downtown Area as the civic, cultural, entertainment and economic heart of the City.**”

4.2 Key Nodes for Density Enhancement

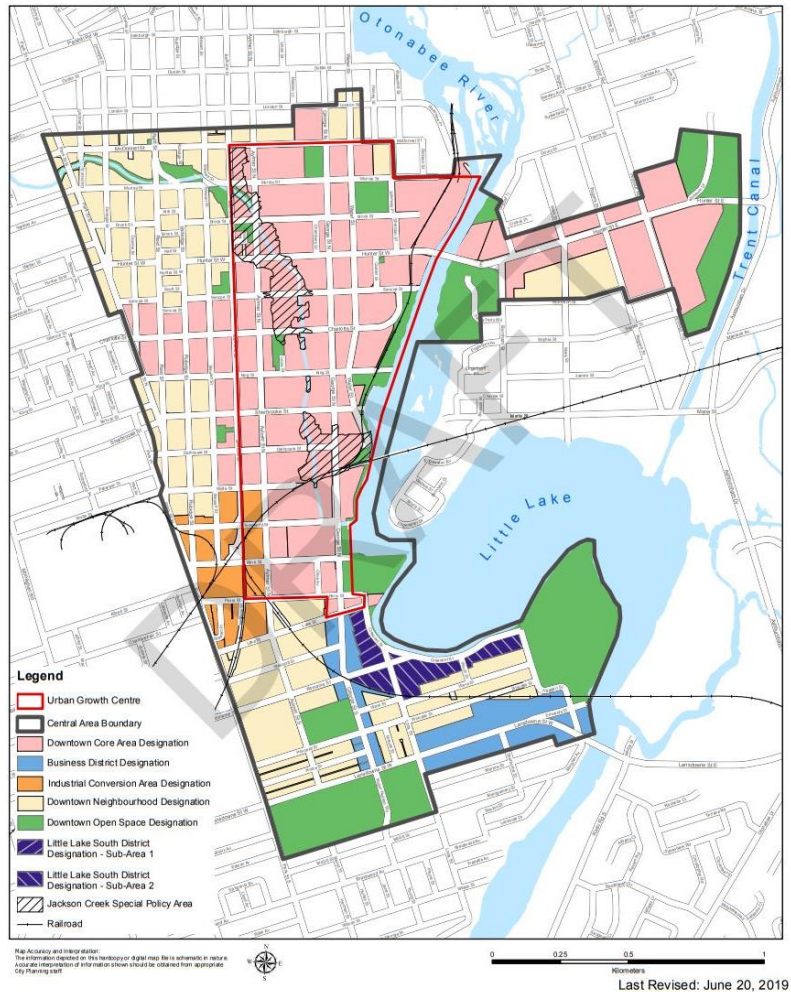
Section 3.4.2 of the Draft Official Plan states that

“Higher density forms of intensification shall be primarily focused in the Strategic Growth Areas, and particularly in the Urban Growth Centre, identified on Schedule A: Urban Structure. These areas will accommodate mid and high-rise forms of housing, as well as an array of population-related employment opportunities. The Central Area shall also accommodate Major Office employment opportunities.”

As shown below, this potential for enhanced density includes Downtown, but not Morrow Park.

Exhibit 5: Schedule C - Central Area Plan

Schedule C: Central Area Plan



In the 2018 Nodes, Corridors & Downtown Urban Design Guidelines identified nodes that are important to consider in relation to the sites that have been identified:

Lansdowne and George (Morrow Park)

“There are a number of parcels along Lansdowne that have the potential to transform the character of the street over time. New buildings should define the street edges, not parking. Where there are larger redevelopment sites, or several adjacent sites, ensure there is a comprehensive approach to planning for access and shared laneways.”

“Building height along Lansdowne should generally be up to 6 storeys, provided an appropriate transition to existing neighbourhoods is established with an angular plane (see below). New development behind Lansdowne should have a general transition to lower buildings, being up to 3 storeys tall where directly adjacent to existing neighbourhoods.”

South Downtown (Market Plaza-City Works Garage- George Street)

“South Downtown is an area with a more fragmented character as a result of low scale, automobile oriented commercial/ industrial sites interspersed with low rise neighbourhoods. The large, single use commercial/industrial sites have tremendous capacity to accommodate growth and change, and building heights in the 6 to 8 storey range are considered appropriate, with potential for taller buildings. New streets and pedestrian connections should reinforce the finer grained block pattern elsewhere in the downtown. This area benefits from proximity and access to the river, where building heights should be 4 storeys. George Street should be extended south as a main street with retail uses at grade. Stitching together several major trail systems is an important goal for this area.”

4.3 Specific Policies

Policies related to redevelopment Downtown include:

- f. The Urban Growth Centre, as identified on Schedule C: Central Area Plan will be planned to achieve a gross density of 150 residents and jobs combined per hectare by 2031 or earlier.
- g. In most instances, lands within the Central Area will be pre-zoned to permit the full range of uses contemplated for various areas subject to site plan approval and other implementation processes. This Plan promotes developments that are mixed-use, either a mixture of permitted uses on an individual site, or within individual buildings.

Policies specific to Morrow Park include:

4.3.6 Downtown Open Space Designation:

Permitted uses within the Downtown Open Space Designation may include:

- i. Active and passive recreational uses;
- ii. Horticultural uses including community gardens, garden plots, nursery gardening;
- iii. Cemeteries;
- iv. Community or recreational centres; and,
- v. Conservation, forestry and wildlife management uses.

4.4.2 Major Mixed Use Corridors [relevant to Lansdowne west of Morrow Park]:

- a. The lands within the Major Mixed-Use Corridor Designation are intended to represent a key commercial component of the Urban Structure, and will be designed as focal points for major retail and other associated commercial development. This Plan focuses on broadening the mixture of land uses within the Major Mixed-Use Corridor Designation, and promoting good urban design and high quality architecture and landscapes. Lands within the Major Mixed-Use Corridor Designation are considered to be key destinations for the existing and planned transit system.
- b. Permitted uses on lands designated as Major Mixed-Use Corridor, as identified on Schedule B: Land Use Plan, may include:
 - i. Retail, service commercial uses and restaurants of all types and scales;
 - ii. Auto-focused uses such as gas bars, car wash facilities and vehicle repair shops, but not including vehicle rental or sales facilities;
 - iii. Commercial, medical, social service, administrative, government and institutional office uses of all types;
 - iv. Mid-rise and high-rise residential uses, including live-work units and communal or special needs housing;
 - v. Hotels and motels, including ancillary uses;
 - vi. Convention/conference facilities;

- vii. Recreational facilities, including private athletic clubs;
 - viii. Places of worship;
 - ix. Day care facilities;
 - x. Public service facilities;
 - xi. Home occupations;
 - xii. Funeral homes; and,
 - xiii. Parking facilities at-grade and/or in structure.
- f. Within the Major Mixed-Use Corridor Designation, the minimum building height shall be 2 storeys and the maximum building height shall be 8 storeys. Notwithstanding the identified maximum height limit, additional building height may be considered by the City on a site by site basis, to a maximum total building height of 12 storeys, subject to the height bonus provisions of this Plan and where community benefits have been secured in exchange for additional height. Further, the City may focus its use of the height bonus provisions of this Plan on locations where additional building height may enhance the distinction and landmark quality of corner buildings or visual terminus sites or may accentuate the visual prominence of a site.

5.4.6 Policies for Local Food Production:

The City will encourage increased production and access to local food sources through the following means:

- ii. Supporting the continued operation of the farmers markets in the Central Area and Morrow Park and the creation of food hubs that will enable people of all incomes and abilities to meet and to access nutritious food.

A Master Plan for Morrow Park has been consulted on in detail and was presented to Council in Fall 2011 but is yet to be formally approved. The Masterplan includes a new public square, comprehensive improvements to park and outdoor recreation provision, enhanced landscaping and pathways, and improved public facilities for the various stakeholders in the park: The Agricultural Exhibition and the Farmers Market. The masterplan assumes that the PMC will be retained, with the opportunity to develop other recreation and civic- uses in the building and on the site.

4.4 Aligning Plans with Key City Infrastructure Projects

There are a number of ongoing projects whose outcomes will shape and be shaped by the decision of where to locate the MUSEC:

Transit Study

The City of Peterborough is undertaking a study that will include a Transit Route Review, a Long-Term Growth Strategy for the Transit System, and a plan for the Downtown Transit Terminal.

The first part of the study, the Transit Route Review, is now underway. A report to Council on the recommendations of Phase 1 - Route Restructuring was originally expected by the end of 2019.

Reporting timelines for Phase 2 and Phase 3 (the Downtown Terminal component) are subject to confirmation.

The implications for the MUSEC would be significant if the Townsend site is selected to serve as a new downtown transit terminal, which could be part of a bigger complex with no garage. The triangular site at Wolfe and Aylmer has also been suggested as a potential site.

Public Works Yard Relocation

The public works yard has been relocated to a new site on Webber Avenue. This has included the fleet maintenance facility, but not the bus storage garage, which remains at the Townsend Street Property. A site location study to identify a preferred location for this new facility is underway. The best-case scenario would be occupancy of a new facility by the end of 2025.

An Expression of Interest underway to seek other potential partners or property owners that want to be considered as part of this project. The City has contracted IBI Group to identify potential sites for a new Transit storage facility.

The project requires a property that is at least five acres of developable land, has enough street frontage for two access points, is relatively flat and relatively square in shape, is close to municipal sewer and water services, and is within six kilometres of 182 Townsend St.

Via Rail Station/Corridor

Via Rail has plans for high-frequency rail with a station serving Peterborough. The station will likely be situated either to the north of the existing tracks or near the Shorelines Casino. In June 2019, the Canada Infrastructure Bank announced \$71 million in funding largely to be used for environmental assessment, consultations with Indigenous communities, and a technical and financial review.

There is understood to be significant due diligence to be conducted, largely focusing on engineering issues, before the plan can be presented to Cabinet for approval. In November 2019 it was reported that Canada Infrastructure Bank and Via Rail were looking to hire a team of engineers by December 2019. More recent media reports suggest that progress is being made on developing the final route with recommendations to the Federal Government targeted for the end of 2020.

It was also reported that one of the first tasks of this engineering team will be to determine the final route by March 31, 2020. An advocacy group has stated work could be completed by 2022.

It is unclear if this project will change the rail setback requirements that currently exist along the two of the Downtown candidate sites. Currently those requirements, based on discussions with CP Rail are as follows:

- Setback: 15 metres from the property line for the event centre, anything else can be constructed within the setback.
- Berm: 1 metre berm, to be erected on adjoining property, parallel to the railway right-of-way.
- Fencing: 1.83 metre fence along property line.
- Drainage: No changes to CP's drainage pattern.
- Utilities: any proposed utilities under or over railway property need prior approval.

The former rail station location (and by extension one or both of the City owned adjacent properties at Townsend Street or Wolfe Street) are possible locations for a future Via Rail station. In that event, this may influence the recommendations on the Phase 3 component of our Transit Route Review Study.

Reconstruction of Lansdowne in the vicinity of Morrow Park

No conceptual or preliminary works have been completed to date. The project is primarily a sewer replacement project but will look at intersection traffic improvements as well if possible as part of the restoration works. Lansdowne Street has a very narrow right of way width (approx. 18 metres) in front of Morrow Park in the block between Park Street and George Street. Table 2 in the Official Plan indicates a 36-metre requirement for Lansdowne Street. As a result, it would be recommended to allow for an approximate 9 metre right of way widening in this block at the narrow point. It would be anticipated that a pedestrian sidewalk or multi-use trail would be installed within this widening as part of the reconstruction.

Central Area (Bethune Street) Flood Reduction Project

Creating a major storm sewer that would divert storm water from Jackson Creek around the downtown to Little Lake was the largest single project in the recommendations from the Flood Reduction Master Plan.

The project includes:

- Installing a major storm sewer to divert high water flows from Jackson Creek to mitigate potential flood damage in the central area,
- Reconstructing Bethune Street from Dublin Street to Townsend Street,
- Increasing the sanitary sewer capacity to support growth in the north end of Peterborough.

In September 2019, the contract for the first phase for the construction of the diversion sewer outlet at George and Townsend

streets as well as the rehabilitation of the bridge under George Street at that location was awarded.

It was anticipated that the tender for the second phase would be issued in April 2020 for the construction of the inlet into the storm sewer as well as sanitary and storm sewers along Townsend and Bethune streets.

The project needs to be substantially completed by October 31, 2021 to meet the funding agreement timelines.

The new 1,600-metre-long box culvert sewer will connect Jackson Creek north of Brock Street to Townsend Street following the Bethune Street right-of-way to Townsend Street and then to the Otonabee River. Flow constraints from Jackson Creek running under George Street will be removed.

The City will take the opportunity to upgrade the streetscape along Bethune Street. Reconstruction will occur from Dublin Street to Townsend Street with provision of cycling and pedestrian facilities as well as intersection controls. A north-south walkway/cycling corridor will be established to serve the City of Peterborough's Central Area connecting three major city trails which will converge on Bethune Street.

5 Future Contribution to Downtown Regeneration

5.1 Factors Determining Success

The economic impact of sports and entertainment facilities varies widely by venue and is highly dependent on a range of contextual factors, including the surrounding economic region, physical linkages and connections with surrounding development as well as the intensity of use of the building. If these facilities are built in the downtown core, the decision to build in this location is firmly rooted in a policy decision to promote reinvestment in downtown.

Much of the skepticism over the magnitude of economic growth that is generated is that sports/entertainment development projects generate only a small increase in economic activity and simply serve to redirect spending from one activity to another and from one location to another – in this case Downtown rather than other growing areas of the city. However, the information tends to focus on only the visitor spending related economic benefits of these multi-use centres, often discounting the non-quantifiable outcomes.

There is evidence to suggest that MUSECs can act as anchors for regeneration efforts – destination centres around which a broader plan for economic activity is created. This is based not only on the ability to draw a critical mass of visitors to the area for events, which can help support restaurants and retail shops, but the capacity of the area to become a centre of commerce and a desirable area in which to live. These large-scale projects can stimulate infrastructure investment in the district and attract other development projects.

In Canadian cities, the investment in multi-use sports and entertainment centres has often been part of continued efforts (both before and after) to regenerate economically challenged areas. The capacity of the arena to promote urban regeneration through surrounding property redevelopment is not only a function of proximity to the urban core, but the existence of lands which can be redeveloped, where additional density is economically achievable, and where property owners are willing participants.

It can also be influenced dramatically by the willingness of the public sector to support redevelopment efforts through intervention in the land market and partnerships with the development community. Scale is also important – the example of the Ice District in Edmonton’s Downtown Northside is at the scale of an NHL facility, but the potential for regeneration is also apparent at a smaller scale, as the Avenir Centre in Downtown Moncton exemplifies.

Ice District Metrics – Edmonton

- 35 acres of downtown land assembly;
- \$604 million project;
- \$180 million City contribution, backed by a Community Revitalization Levy (CRL) – a tax increment finance measure – estimated to generate \$500 million over 20 years from the baseline assessment year of 2014;
- 2,200 space parkade;
- 2 major office towers (City of Edmonton as major tenant in one; Stantec in other; residential above office);
- Hotel: existing Delta revamped to JW Marriott with 350 rooms on 25 floors – 30 floors of Condo (360+ units) above hotel;

- 1400 residential units planned on nearby site within Downtown Community CRL District;
- CRL has significantly exceeded original estimates as of both scale of assessment growth and pace of development.

Downtown Centre (Avenir Centre) Moncton – Metrics by 2020

- Analysis by Sierra Planning and Management 2011 predicted significant growth in assessment surrounding site for the new event centre (400 m radius).
- Investment by City in complicated, contaminated site in Downtown and \$113 million project inclusive of land cost, clean-up and civic plaza development; Venue opened Sept 2018.
- Target of \$83 million in assessment growth by 2023; currently at approximately \$65 million assessment growth.



Other Comparable Scenarios

Two decades ago, the City of London was in the midst of its Millennium Plan – the regeneration of Downtown for the turn of the Century. The development of the Budweiser Gardens (formerly John Labatt Centre (JLC)) on Talbot Street in Downtown London, along with the Covent Garden Market, and a range of residential developments spurred by tax incentives has measurably improved the investment profile and economy of Downtown.

The complexities of downtown redevelopment, in particular where this involves site assembly, can delay the build-out around the arena. We have witnessed this in a number of centres, where densification of development around the arena has occurred only gradually because of the general complexities of downtown land development. This also includes the persistence of uses which no longer represent the highest and best use of sites in the vicinity of the arena, but which remain viable.

For example, in Kingston, Ontario, the Leon's Centre was the first development of the run-down North Block and has since anchored plans for broader redevelopment on the north side of Kingston's downtown.

- Downtown has witnessed some impressive development including the development of the Block D lands on the southern Waterfront, helped by continued improvement of the public realm.
- The Leon's Centre itself was development atop the remnants of part of Fort Frontenac, retaining the archeological heritage beneath the slab. Development of the North Block has been slowed by archaeological heritage (including parts of the North Wall ramparts on the major

development site adjacent to the event centre. The City is actively considering the development of conference-style facilities as a public investment on this site as a means of bringing development to fruition and improving the hosting capacity of the City.

- Existing food retail use east of the site remains a viable and important local service which prevents densification of this site for higher order use – not dissimilar to the waterfront grocery site on George Street in Downtown Peterborough.
- Overall, Kingston has seen considerable investment in downtown density – the development of the event centre on a tight site close the downtown has helped frame the opportunity for continued private investment in central Kingston. This significant investment of nearly \$50 million in the mid-2000s, coupled with investments in public realm on the Waterfront and stimulating environmental clean-up of key brownfields elsewhere in the downtown-waterfront corridor represents a comprehensive, if incremental, approach to downtown planning.
- Investment of this kind can change perceptions of the downtown property market for investors, businesses and residents alike. It can drive a change in behaviour, and shepherd additional investment – public, private and institutional-because it improves certainty for the future of the local area.
- MUSEC projects offer potential to showcases urban regeneration involving the redevelopment of derelict and/or contaminated sites. Public infrastructure projects can more readily carry the cost associated with site clean-up which can be more problematic for private capital.
- Allied to other major public projects, development can represent a strong commitment toward change as illustrated by the redevelopment of the Downtown Northside in Edmonton, the smaller development in Oshawa (arena and consolidated courthouse close by) and in Moncton.

Benefits of Investing in a Downtown Location

These broader regenerative impacts are of course difficult to predict but based on case examples, **there is a reasonable expectation that a new MUSEC as part of a more comprehensive development framework for Peterborough can effect change. That is the primary reason for investing in the complicated process of developing a site in Downtown** Peterborough; If that rationale does not exist, choosing a downtown location will simply delay the replacement of the PMC, at higher cost, and with a likelihood of some degree of compromise in the functionality of the building to “fit” it on a site in downtown, potentially without access to significant parking.

If, in fact, there is very little opportunity for private investment to be leveraged by the development of major public infrastructure, this flies in the face of an accepted reality of public land use planning – the concept of “planning gain”. Planning gain or as it is also referred to as land value betterment, is a rise in value of land for development as a direct result of investment of public funds in

community infrastructure – be it facilities, transit infrastructure, major public realms or financial incentives to private development. It is important therefore to achieve a site in Downtown that has the best potential to stimulate future investment by the private sector.

Very often this means a site that is highly complicated, contaminated and at a scale that constrains the private market from taking on the risk. The delta between a site with a high degree of site-related development costs and environmental liability and one that is fully built-out at high density is of course greatest for those larger underdeveloped parcels, often located on the edge of downtowns and along transportation corridors. A clear example of this is the Toronto CN Rail Lands that remained undeveloped for decades until land values made clean-up and development feasible for the private sector. In the case of major public infrastructure projects, site assembly, clean-up and infrastructure investment can be the catalyst to unlock progressive rates of privately funded real estate investment.

The City has the opportunity to internalize this accrual of value to assist in funding the project. “Value capture” is an essential part of the funding justification for a project in Downtown and can be

further developed in subsequent reports in order to implement the project should the City choose a downtown location rather than the Morrow Park site. The Morrow Park site does not, by comparison to a downtown site, have anything like the same opportunity to spur surrounding development outside of the public park.

For purposes of this report it is important to recognize through meaningful examples that development can be promoted in Downtown as a direct result of the decision to invest in a new event centre. We also go further and have attempted to indicate the potential degree of difference between a Morrow Park location and the preferred downtown location in terms of the capacity for surrounding properties to be intensified. This is not the same as predicting a certain scale or pace of such development, but it is to acknowledge the potential associated with the downtown site.

The analysis outlined later in this report which addresses a quantification of future development potential is the starting point for a future phase of work to consider the funding model and potential partnership with the private sector to achieve privately financed development in Downtown.

City of Kingston

- The Leon's Centre (renamed from Rogers K-Rock in June of 2018) opened in 2008; Its impacts on downtown are gradual.
- Since 2008, retail and hotel development has continued to occur on the edge of town while investment in downtown is also apparent; the event centre is not the driver for hotel development on the waterfront that has occurred or residential intensification which is occurring in the central and downtown city areas. However, the event centre is the anchor in the long-planned North Block development and is an important contributor to the long-term plans for renewal of that area.



Block 4: Existing Condition



Block 4: Proposed Development

City of London

- Public investment in John Labatt Centre (now Budweiser Gardens) was sizable as it was considered an integral part of its downtown revitalization strategy (The Millennium Plan).
- The JLC is credited with playing a significant role in London's downtown regeneration.
- Between 2002 to 2009, current value assessment (CVA) in London's downtown core increased by 22%.
- High rise residential growth was spurred by development incentives under Community Improvement Plans – an example of taking a multi-sectoral approach to downtown regeneration.
- From 2001 to 2006, the downtown population increased by 22.5% and dwelling counts grew by 19%.
- Public realm enhancements leveraged the capacity of the City to co-ordinate the looks and ambience of redevelopment areas: e.g. Forks of the Thames Park.



Budweiser Gardens



Forks of the Thames Park

City of Edmonton: Rogers Place

- Although of a different scale and located in a provincial capital, the \$500 million Rogers Place Arena is a relevant example of integrated downtown planning, part of a comprehensive and on-going redevelopment of the north side of downtown Edmonton.
- Public investment including supporting transit infrastructure, office development backed by public sector leases, and a commitment to public space is expected to transform the previously derelict and under-developed northside.
- Property value enhancements in the hundreds of millions in a 2km radius around the arena and significant high-rise residential development are expected which will help fund the city's original investments through the Community Revitalization Levy (CRL).



Renewed Economic Activity



Design Innovations



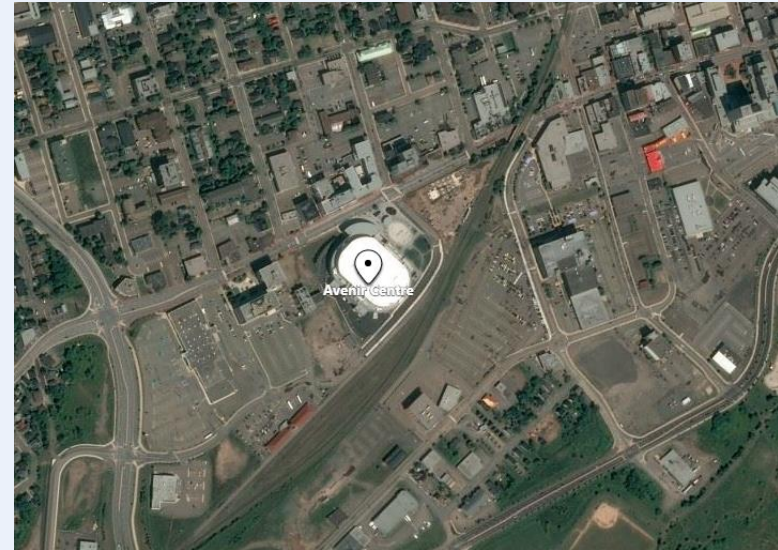
Comprehensive Redevelopment Takes Time



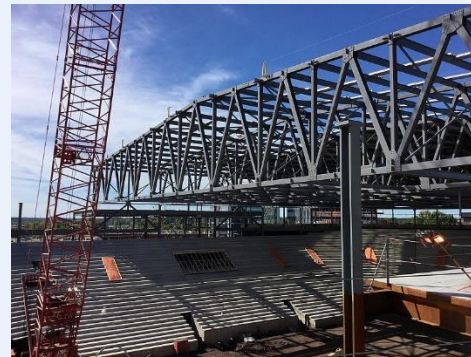
"Ice District" Branding

City of Moncton

- Moncton's new downtown Events Centre (Avenir Centre) is a vital component of the city's downtown revitalization plan and will be a significant economic driver for the Greater Moncton area.
- The venue is envisioned to attract more than half a million people per year with an adjacent outdoor plaza acting as a key focal point for resident's social, cultural and economic prosperity in the future.
- The events centre is estimated to stimulate between \$8 - 20M in building permits within the business improvement area each year after the facility is operational and accelerate new development opportunities for integrated downtown living. This is anticipated to result in an increase of \$83M in downtown tax assessment by 2023.



Development Close by - 2020



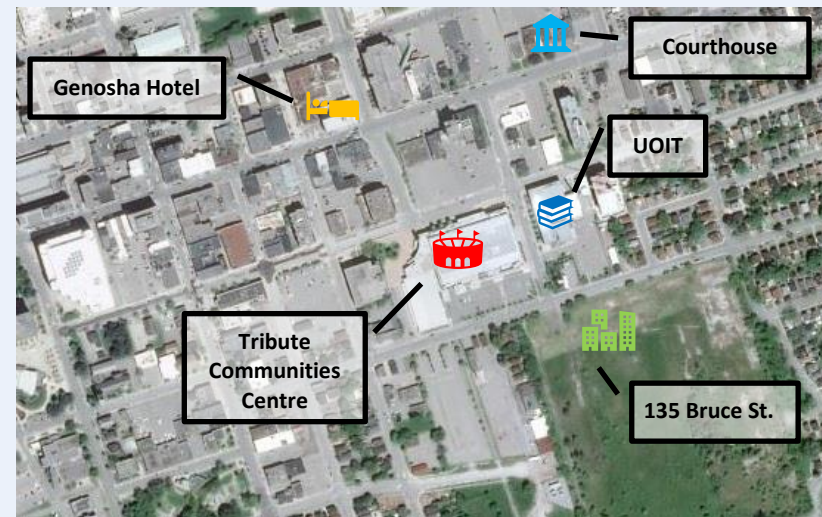
Avenir Centre Under Construction



Outdoor Plaza

City of Oshawa

- Revitalization of Oshawa's downtown was kick-started with the opening of the General Motors Centre (now the Tribute Communities Centre) in 2006. Since then, other important contributors include and the University of Ontario Institute of Technology (UOIT) beginning its downtown campus project in 2008 and the Durham Region courthouse being built in 2010 on former industrial lands.
- Downtown Oshawa is now experiencing record levels of growth, including residential, commercial and mixed-use land uses. Planning continues with new mixed-use neighbourhoods being planned within the downtown core.
- Proposed downtown developments represent nearly 10,000 residential units for 20,000 residents, and the potential creation of over 4,000 jobs.



Planned Development at 135 Bruce St.



Revitalized Historic Genosha Hotel

Quebec City

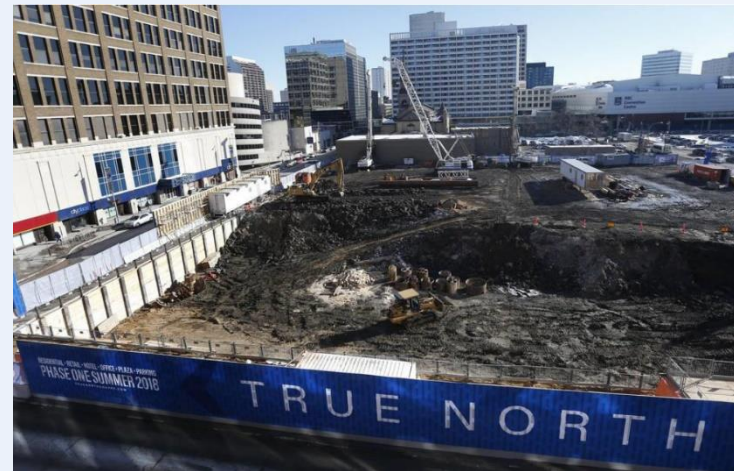
- While not a downtown location, the Videotron Centre was sited in La Cité-Limoilou, the most densely populated borough within the city when it was built in 2015.
- The area surrounding the Centre is now going through a revitalization, with a variety of restaurants and hotels having opened. This has spurred residential development and the area is quickly becoming a neighbourhood of choice.
- The city has invested in infrastructure in the area also with the opening of a new farmer's market building next to the Centre.



Videotron Centre

City of Winnipeg

- The MTS Centre (home to the Winnipeg Jets), constructed in 2004 by True North, was central to downtown renewal in the city and led to other nearby developments, including a large office and retail building.
- Today, True North are developing a \$400 million development that emphasizes “live, work and play” in Winnipeg’s downtown core, adjacent to the arena. It is planned to include 1-million square feet of a luxury hotel, class-A office, residential and retail space, much like Maple Leaf Square in Toronto.



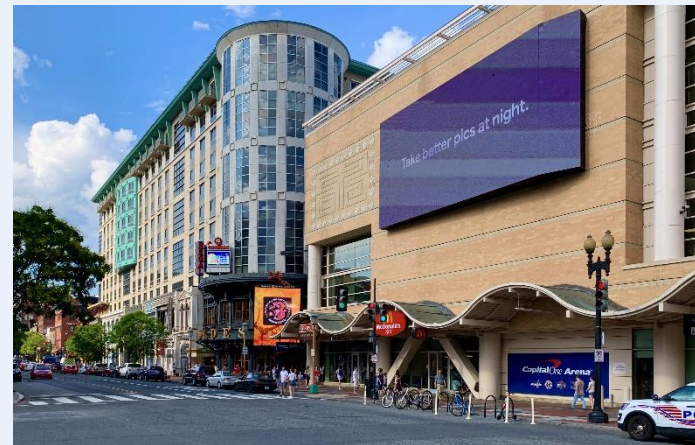
True North Square Under Construction

Washington, D.C.

- The Capital One arena, home to 4 major sports teams, was built in a largely vacant and long-neglected area of the downtown (Chinatown District) in 1997.
- In the 10 years after it opened, developers invested more than \$5 billion within a 6-block radius of the arena, with 10 million square feet of office space, as well as new restaurants, theatres, and museums. This represents more than \$1 billion in additional tax revenue and 41,000 new jobs.
- The city contributed towards major infrastructure improvements near the arena, including a large expansion of the Metro system.
- The Centre alone is not to be credited with the revitalization, but coupled with government assistance, bold developers, low interest rates on real estate, and an overall improving economy, it played an important role in allowing development to accelerate in the area.



Development within Chinatown District



Capital One Arena and Adjacent Development

Columbus, Ohio

- Nationwide Arena, home to the Columbus Blue Jackets (NHL), is in downtown Columbus, was the central feature for the Arena District with the overarching goal of revitalizing an under used area of the city.
- Beyond what was planned as part of the Arena District development, growth beyond the area has continued, with an additional \$406.5 million being further invested focused on residential and commercial uses. The ratio of private to public investment for the project was significant (14:1).
- The continuing success of this District has resulted in assessed property values increasing considerably, by approximately 267%. This resulted in increased property tax collected by the city, going from virtually nothing to over \$4 million in 2006 (arena opened in 2000).



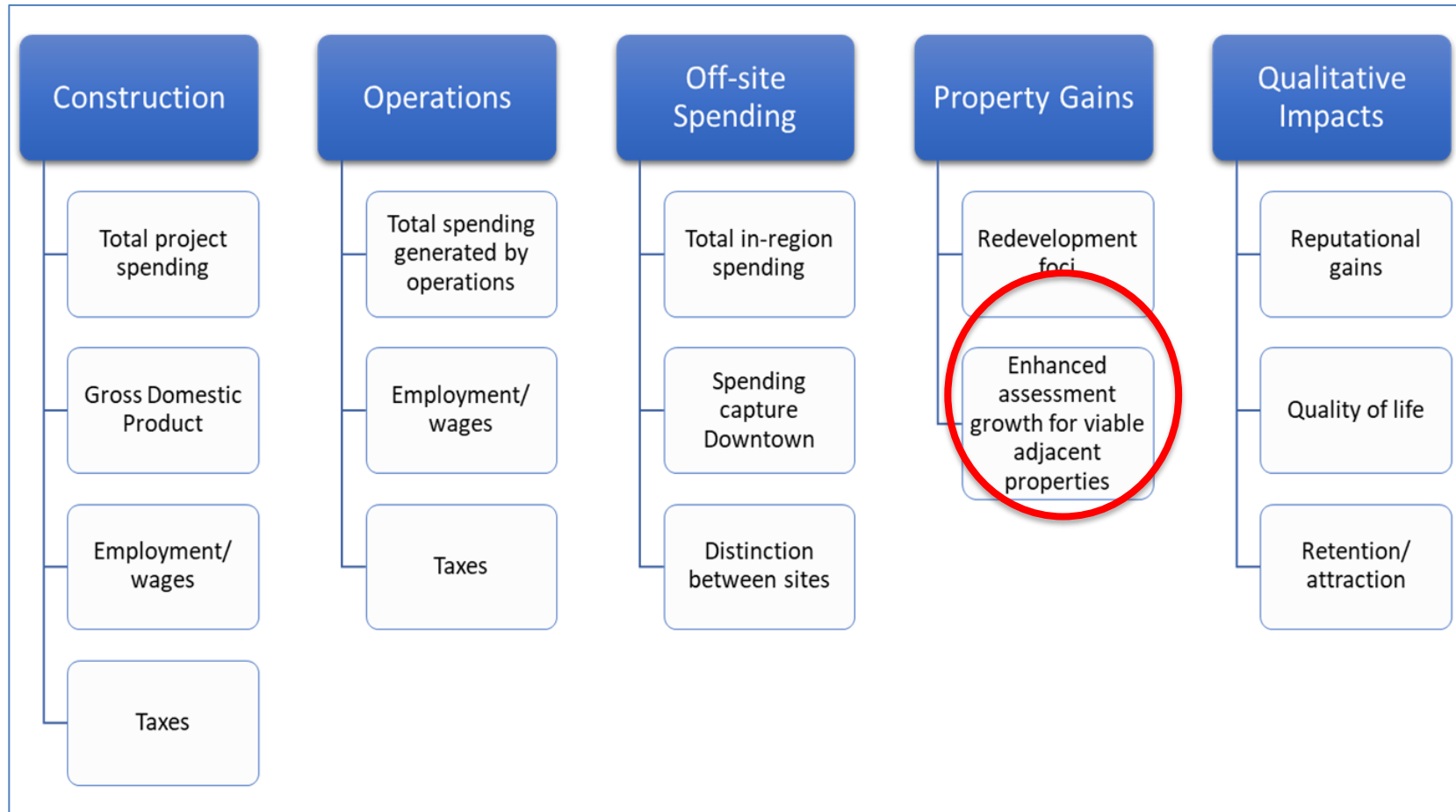
Aerial View of Arena District



Private Development and Adjacent Public Open Space

6 Cost-Benefit Analysis of Morrow Park and Downtown Site Assembly

Impacts include the following.



Our focus in this report is on the potential of a location in the core of downtown compared to Morrow Park.

6.1 Capital Cost Update and Mitigation Opportunities

6.1.1 Range of Facility Scale Possible

The consulting team has prepared a sequence of revised project cost estimates as an update to those provided as part of the Phase 2 report in September, 2018.

- The revised estimate is based on the original design model of a 5800 fixed seat event centre with the optional inclusion of a 500 seats community ice arena contained within the overall footprint of the design. Options are provided with and without the second ice surface.
- In addition, we have prepared a subsequent estimate for a reduced capacity event center with a fixed seat capacity of 5,000 seats. This option does not include a second ice surface.
- The lower seat model is likely the bare minimum option for the City based on its future needs and a more likely option would be in the range of 5,500 as the lower seat option. However, given the need to consider the full range of

capital cost options from minimum to maximum, we provide this lower seat count option as an appropriate bookend. Regardless of the which option, all of the design elements of the larger facility are included such as the center hung scoreboard, 360' inner bowl ribbon board, dressing rooms, catering kitchen and concession operation, luxury suites, loge boxes and club seats.

- The lower capacity model removes approximately two complete rows of fixed seating from the main bowl of the facility while reducing the overall span of the building slightly.
- This project cost estimate also assumes that the facility will be constructed at grade on a “pad ready” site¹. The project costs include normal site development requirements. The foundations are assumed to be spread footings. Specifically, this facility will require minimal excavation as patrons will enter the facility at ground level (concourse) and enter the lower bowl of the venue through a series of vomitory entry points. The vomitory entrances will allow the patron to either proceed down to his/her seat or go upwards to their selected seat. All concessions, including a catering kitchen/commissary, restrooms, customer service areas,

¹ Defined as being a site with services provided to the site boundary, and removal of all structures or encumbrances that would otherwise be required to be removed or ameliorated. This also assumes that any

remediation requirements are addressed prior to delivery of the site for development.

dressing rooms, and the facility box office will be located on this level.

- An upper level, premium seat level, will be accessible from the concourse via multiple stairways and elevators. This level features numerous private suites, loge boxes and club seats as well as restrooms, lounge/bar and pantry locations in addition to team and building management offices.

6.1.2 Limitations

Our estimates are based upon construction market conditions as of March 2020 and prior to the advent of the Coronavirus 19 outbreak. These estimates have been verified through peer review by GCs with expertise in event centre construction. At this point, we cannot predict how the market will react relative to competitive subtrade bidding.

We have included an industry standard construction contingency for both the 5800 seat and the 5000 seat facilities but have not shown any design contingency nor any allowance for an owner's contingency. Such contingencies are provided when costs estimates are based only on the proposed scale of the facility and with either limited information as to design specifications or no concept design at all. In our methodology, we have based our costs on a more detailed specification of spaces, overall scale and inclusions through direct reference to comparable projects. As such the costs estimates are based on a greater level of detail.

6.1.3 Accounting for Complicated Site Conditions

It will be the decision of the City as to whether to budget another order of magnitude contingency in addition to the estimates

provided, but we do not consider this to be necessary for illustrating the likely cost of the building itself. This is not the case for extraordinary site development costs which may be anticipated:

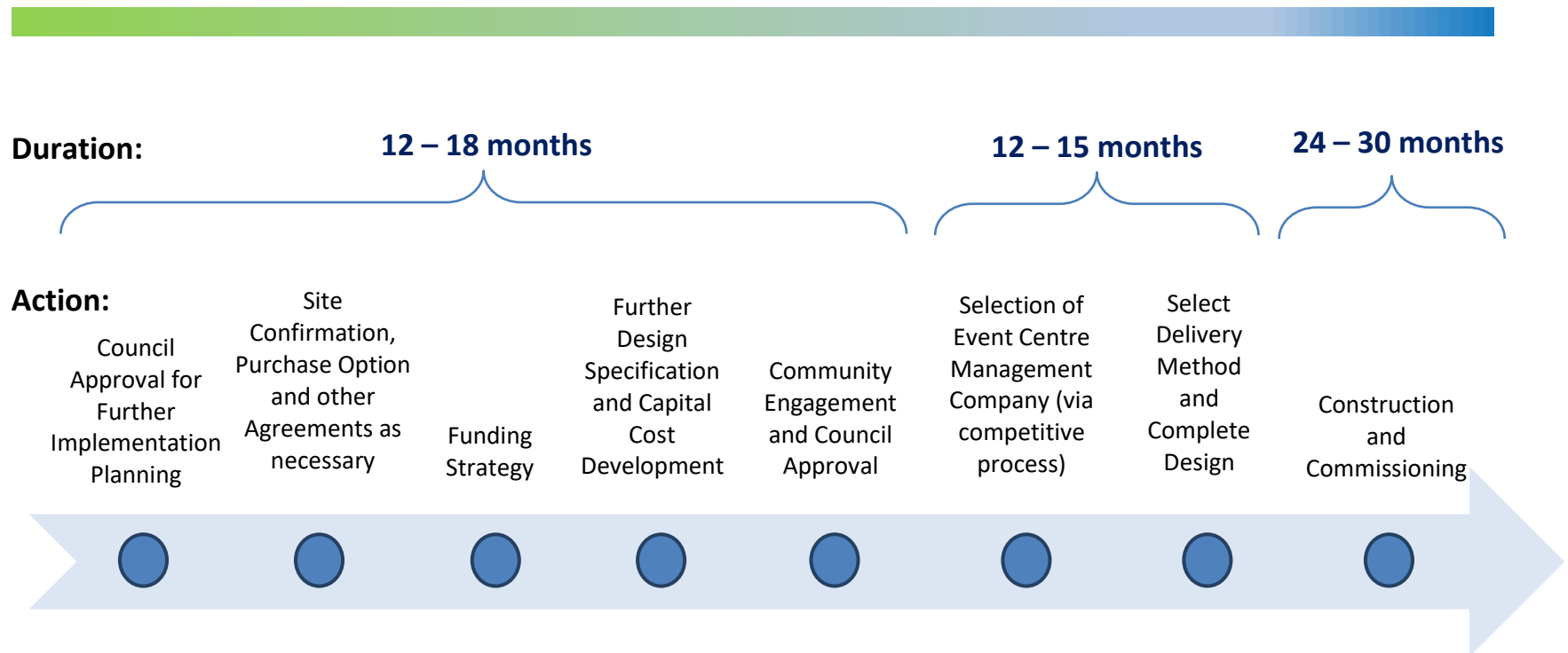
- Our baseline cost estimates for each option include an estimate for site development necessary for the building itself. The estimates do not include any provision for extraordinary site development costs related to environmental remediation or significant earthworks (the latter, above and beyond that needed for the building). The resulting estimate is applicable to the Morrow Park site.
- To account for the likely site-related complexities of a downtown site, we have provided an additional premium associated with the assumed need for a more engineered foundation and building base solution. This is applicable to any site that cannot simply be built as a traditional foundation, slab on grade building. In so doing we accommodate the risk of an increase in construction costs for the building.
- It is important to note that we cannot at this stage estimate the costs associated with any requirement for environmental contamination remediation or earthworks necessary to ensure site stability or grading to reduce risk of flooding. For this to be provided, a site needs to be selected and more detailed Phase 2 ESA and geotechnical studies undertaken.

- We are also unable to estimate the other constraints associated with a more complex downtown site which can range from the construction staging challenges of a denser urban fabric, the need for shoring, potential dewatering (a possible issue for any site), and so on. These costs can be estimated only after a site is selected so that detailed on-site investigations can be undertaken (assuming ownership permits this).
- It should be noted that a Phase 2 ESA and geotechnical work would be required for the Morrow Park site given the project in question.

6.1.4 No Escalation

Escalation of construction costs is generally only provided for the next 12 to 18 months based on the conditions of the current market. Notwithstanding the challenges to any short-term predictions due to the current economic challenges, the replacement of the PMC is a medium-term project at the earliest. The Phase 2 report lays out a timeline for development and this is updated below. We have not assigned a start date to this estimated duration of planning, constructing and commissioning of the building.

Potential Timing:



Accordingly, the costs provided herein can be expected to be revised in subsequent years based on the final design of the project, escalation (or de-escalation of costs) and greater certainty as to site- related costs.

6.1.5 Summary of Site Risk

The development of any site has three major areas of concern with regards to the overall costs to the project. The significance of these issues will depend on the site in question.

1. They are the bearing capacity of the subsurface soils;

2. the occurrence groundwater at shallow levels of the property; and
3. the possible environmental condition of the site.

While development at the Morrow Park site may appear to be less complicated in terms of these issues compared to a site closer to the Downtown core, this cannot be assumed outright at this stage – more significant investigation of the total range of costs associated with acquiring, remediating and developing a selected downtown site is required. Only then can the final comparison be made between the baseline Morrow Park site and the more ambitious and ultimately a more significant urban regeneration project in Downtown.

If soil condition is poor, the building may require enhanced foundations to be engineered. The foundation options would include the possibility of piers or caissons. Because of this, an additional cost for foundations, concrete and steel should be anticipated. Until a complete geotechnical report has been completed for the selected site, a firm cost estimate for the foundations cannot be estimated. At this time we have provided a general range.

With regard to any site with a shallow water table, the site may require dewatering and due to the flood plain, may require a lifting of the overall height of the property. An estimate for this work also requires a complete study to be performed and as with the soil conditions summary above, this will see an increase in our overall budget as a “pad ready” site was the basis of our estimate.

6.1.6 Maintaining Control of Capital Costs – Options for Value Engineering

The consulting team has been successful in working through budgetary constraints with various municipal clients to achieve an overall project cost that meets the clients funding capacity. The following are some of the areas that we have been able to work together to reach an agreed upon budget:

- 1) Structural
 - a. Reduction in span of the building (narrowing of concourses),
 - b. Only one rigging grid at stage end of facility,
 - c. Reduce size of upper concourse;
- 2) FFE reductions;
- 3) Retractable seating: all or partial;
- 4) Quality of finishes;
- 5) Concession/kitchen capital investment from management partner.

The current cost estimate is for a fully operable multipurpose event center which features maximum facility utilization through a flexible design. Structural reductions can produce significant savings to the overall budget but may affect both the customer experience and flexibility of the building for other events.

A reduction in the overall width span of the facility will have a positive impact on the cost of steel and an overall reduction in project costs. In doing so, the concourse level of the facility would see a reduction in the width of the concourse area itself; specifically, the width from the underside of the rakers and the concession and restroom area to the exterior wall would narrow the concourse accordingly. For events that reached near capacity

attendance numbers, a possible crowding of the concourse area might be experienced by the patrons.

The estimate provided assumes a full rigging grid that run the entire length of the hockey rink floor. This grid allows for the staging of concert events at multiple locations on the base floor. For example, this facility can rig concert equipment at a full house, three quarter house, half house and one quarter house points along the length of the trusses. These multiple rigging points gives the facility the flexibility to host a wider variety of concerts and performing arts productions. Costs can be reduced by simply providing a rigging grid that is positioned at the full house, however, in doing so the facility will limit is operational capacity.

A final point with regards to the structure involves reducing the size of the upper concourse/suite level. This second level houses twenty – four luxury suites along with loge and club seating areas. To attain a more achievable budget the number of suites could be reduced and positioned only on one side of the building thus reducing square footage of the upper concourse area.

The cost of furniture, fixtures and equipment (“FFE”) in both of the facilities is substantial and involves all sports related equipment, retractable seating, concession and kitchen equipment, suite furnishings and amounts to approximately 18% of the overall project budget. Numerous items can be either eliminated from the project cost or phased in a subsequent year when additional funding may be available. In most the performance of the facility will not be impacted with a reduction in FFE; however, the fan experience may not be as well defined.

Retractable seating, which we include in the FFE budget, comprises the first five rows of the lower bowl seating capacity and all of the “back of house” end of the facility. This enhancement allows for the

width of the floor to be increased beyond the 85’ x 200’ hockey floor to 110’ x 230’ allowing for the accommodation of a wide range of entertainment options. Specifically, this wider and longer floor size creates a much more functional trade show opportunity as well as more operating space for rodeos, car, home, RV and boat shows as well as providing for increased floor space to add multiple basketball, volleyball courts as well as wrestling mat surfaces.

The removal of retractable seating with fixed in place seating will save approximately \$900.00 per seat, however, it will reduce the operational flexibility of the events center. If the facility is meant to be more of a hockey specific facility, then this value engineering option might be worth consideration.

Although a final design for the facility has not been contemplated the cost estimate is based on what we consider to be relatively high-quality finishes. As a final design is commissioned, specific reference can be made to the quality of the finishes if overall price of the event center is evident.

One final opportunity to reduce the overall cost of completion is something that has become relatively common in the industry today; specifically, a capital contribution to the project from the facility management firm hired to operate and promote the event center.

The estimated cost for the purchase and installation of all concession and catering kitchen equipment is approximately \$2,000,000.00. Facility operators today will consider making a capital contribution towards the purchase of such equipment in return for a long-term management agreement contract. Should the city consider this option, it should be noted that the downside is that the contract period will likely be extended from an initial five-year term to at least a ten-year term. In addition, the percentage of

gross sales return to the city would be reduced albeit usually not more than ten points.

6.1.7 Accounting for Costs of Morrow Park Master Plan

The cost of development does not include the capital costs associated with a comprehensive development of the balance of Morrow Park lands to meet the goals of either a re-located Agricultural Fair Grounds or the provisions of the 2010 Morrow Park Landscape Design Plan.

Any development of the event centre in Morrow Park would need to include a commitment to the full redevelopment of the park for public use. Estimating these costs is not part of the scope of this exercise but should be subsequently estimated and carried as a Morrow site specific cost.

Exhibit 6: MUSEC Capital Cost Estimates



	Peterborough Event Center (2018) 5800 seats 190,000 sq.ft. w/ Community Rink	Peterborough Event Center (2020) 5800 seats 190,000 sq.ft. w/ Community Rink	Peterborough Event Center (2020) 5000 seats 160,000 sq.ft. No-Community Rink
Project Soft Costs, Professional Fees and Facility Start-Up			
A/E Design Fees & Reimbursables	3,539,712	3,801,600	3,421,440
ICC General Conditions & Fees	<u>1,930,752</u>	<u>2,073,600</u>	<u>1,866,240</u>
Total Project Soft Costs	5,470,464	5,875,200	5,287,680
Overall Construction Project Capital Costs			
2 SITEWORK (pad ready site)	1,210,710	1,300,285	1,170,257
3 CONCRETE	7,048,597	7,570,092	6,813,083
4 MASONRY	2,139,934	2,298,259	2,068,433
5 METALS	14,650,379	15,734,297	14,160,867
6 WOOD & PLASTICS	1,062,260	1,140,852	1,026,767
7 THERMAL/MOISTURE PROTECTION	2,556,504	2,745,648	2,471,084
8 DOORS & WINDOWS	3,215,091	3,452,962	3,107,666
9 FINISHES	5,225,889	5,612,530	5,051,277
10 SPECIALTIES	481,205	516,808	465,127
11 EQUIPMENT	41,654	44,735	40,262
12 FURNISHINGS	20,734	22,268	20,041
13 SPECIAL CONSTRUCTION	2,356,161	2,530,483	2,277,435
14 CONVEYING SYSTEMS	361,839	388,610	349,749
15 MECHANICAL	10,311,101	11,073,975	9,966,577
16 ELECTRICAL	<u>5,073,798</u>	<u>5,449,186</u>	<u>4,904,267</u>
SUBTOTAL - Main arena	55,755,856	59,880,991	53,892,892
Community Rink (Aprox. 300 seats)	Included above	Included above	NOT-Included
General Conditions	2,861,053	3,072,730	2,765,457
Sub Bonds	0	0	0
Contingency for Construction Costs	3,244,930	3,485,009	3,136,508
Builders Risk	97,242	104,437	93,993
General Liability Insurance	664,485	713,647	642,282
Performance and Payment Bond	486,207	522,180	469,962
Taxes	Not Included	Not Included	Not Included
Building Permits and Fees	By Owner	By Owner	By Owner
Construction Management Fee	<u>2,356,161</u>	<u>2,530,483</u>	<u>2,277,435</u>
Subtotal GC & Hard Construction Costs	65,465,934	70,309,476	63,278,528
Construction Cost Per SF	345	370	333
Construction Cost Per Seat	11,287	12,122	10,910

Estimated FF&E Costs

BUILDING SIGNAGE AND SCOREBOARDS	5,682,135	6,102,531	6,102,531
SPORTS RELATED EQUIPMENT	2,081,837	2,235,863	1,735,863
BUILDING SYSTEMS	592,659	636,507	636,507
FIXED AND PORTABLE SEATING	2,940,009	3,157,528	2,683,899
CONCESSIONS	1,719,998	1,847,253	1,847,253
SUITE FURNITURE & APPLIANCES	376,649	404,516	404,516
TICKETING EQUIPMENT	148,596	159,590	159,590
STAGE, ADA RAMPS AND INTERIOR EQUIPMENT	137,162	147,310	147,310
OFFICE FURNITURE AND EQUIPMENT	186,978	200,812	200,812
BACK OF HOUSE AND MAINTENANCE EQUIPMENT	477,872	513,227	513,227
DRESSING ROOMS, GREEN ROOMS, LOCKER ROOMS, ETC.	55,134	59,213	59,213
DECORATING SERVICES	235,784	253,229	253,229
CONTINGENCY	336,594	361,498	361,498
<u>Sales Tax on Furniture, Fixtures and Equipment</u>	Not Included	Not Included	Not Included
Total Project FF&E Costs	14,971,407	16,079,077	15,105,448

PROJECT COSTS**\$85.9M****\$92.3M****\$83.7M**

Total Project Cost Range: Subject to programming; alternates for interior finishes; adjustment to amenities; adjustment to exterior finishes and value engineering.

\$84M to \$88M**\$90M to \$94M****\$81M to \$85M***Assumptions***Special Foundations - Caissons****Possible De-Watering****Land not included****Taxes and building permits not included****Utilities on site****Stable soil with no contamination****\$1.0M to 2.5M
\$300k- 500k****\$1.0M to 2.5M
\$300k- 500k****Total Cost w/ special foundations and de-watering****\$91.3M to \$97M****\$82.3M to \$88M**

6.2 The Contribution to Urban Regeneration of a Downtown versus Morrow Park Location

The case studies of urban regeneration which involve the development of event centres on downtown redevelopment sites suggest that under the right conditions a larger development renaissance can occur. The degree to which this can happen varies and the report has indicated the variables which influence pace and scale of surrounding development. We are less interested in whether it is the event centre and the trade it draws that drives this change than we are with the fact that major public investment on derelict and underused sites, whether an arena, convention centre, stadium or some other institutional use, is followed by additional development. Sometimes, the public building is the centerpiece of a plan conceived from the outset to encourage redevelopment of a wider area including hotels, tourism, and commerce.

The City of Peterborough is at the outset of this process of determining if and how the selected site can contribute to a broader downtown strategy. The City can influence the range of possibilities by actively considering a broader real estate strategy with the development of the event centre as a central focus, with opportunities to partner with the private sector to realize new construction on surrounding lands as part of a master planned approach. By so doing, and potentially intervening in the land market by assembling lands, the City can also influence the pace of development.

Edmonton's Ice District development is a good example of a City-private sector partnership that held the private development interests to account through a development agreement which adhered to a predetermined timetable to achieve the commercial and residential development as part of the district. With penalties

for underperformance of the development schedule as part of the agreement, WAM (now One Properties) exceeded the milestones for generating the Community Revitalization Levy (CRL) fund (a portion of provincial taxes generated by the surrounding development) which was a foundational part of the overall funding package for the arena and infrastructure.

The following sections address the relative potential of a downtown site to generate a significant increase in property assessment in the surrounding area. This is not intended to amount to a precise prediction of assessment gains over the next 10 to 20 years. Nor is it possible to forecast how quickly such development and growth in assessment will occur, although as noted above development partnership agreements orchestrated by the City can influence the form and timing of subsequent development.

The following analysis is indicative only but demonstrates how a redevelopment plan for an identified district in Downtown can potentially yield real benefits in the form of new property assessment and taxation. Not all downtown sites have this capability because of the nature of surrounding land uses and property fabric. The City-owned lands in the southern part of Downtown, centered on the City Works Garage, offer potential in this regard.

A property-related impact zone for each of the Morrow Park and Market Plaza Sites was developed under the following general parameters:

- Establishment of a zone in or around a 400 m radius from the proposed facility location; and
- Exclude existing residential from redevelopment or enhanced assessment.

The following simplified approach to illustrating potential impacts was developed. The focus is solely on redevelopment potential and not on an unrealistic assumption of intensification.

Baseline Growth in Assessment Value

The determination of growth in assessment value relates to development potential on existing commercial and residential properties within each impact zone.

The methodology used in determination of baseline growth in assessment value is as follows:

- Determine historic growth rate in property assessment – given assessment data for all parcels within each impact zone for years 2012, 2016 and 2020.
- Carry this historic growth rate forward for each parcel to 2025 and 2035. It should be noted that for a number of sites, assessment has declined since 2012. The anticipation is that such decline will, in the aggregate, be reversed as a result of public investment.

Redevelopment Site Growth in Assessment Value

Redevelopment sites are those which represent a strong opportunity for significant redevelopment with the influence of a new MUSEC in proximity.

The methodology used in determination of redevelopment sites is as follows:

- Select adjacent or otherwise close sites which could reasonably be developed or enhanced by the presence of a major municipal capital facility and civic space;
- Exclude site area defined for facility development (including loading and civic space);
- Estimates of land area are made where potential for development applies only to a portion of a land parcel;
- Distinguish between higher and lower development potential by discounting the lower potential sites;
- Redevelopment is assumed to take place by 2035.

Enhanced Assessment Value Growth Potential

Properties determined as having potential for enhanced assessment growth are those commercial properties which by virtue of proximity may offer potential for capital improvement, or otherwise may see a growth in rental yields or value as income producing properties.

Determination of land parcels with an enhanced potential for growth in assessment is based on:

- Location relative to the sites undergoing redevelopment; and
- Existing residential development is not considered.

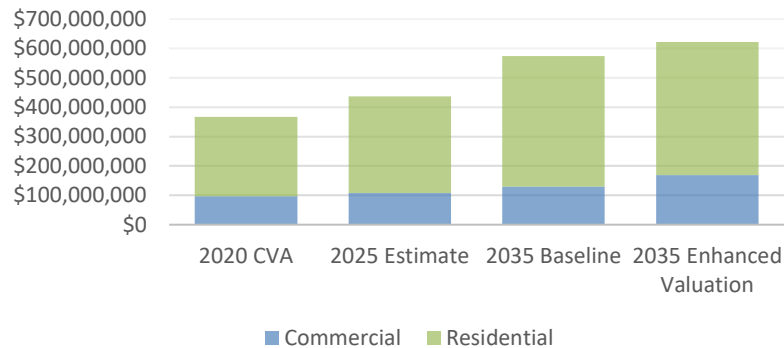
In calculating the enhanced growth potential out to 2035, the assessment growth rate was doubled from growth rate from 2012 – 2020 (the baseline) for parcels with positive growth.

6.2.1 Morrow Park

The total valuation of all the properties in the Morrow Park Impact Zone was nearly \$368 million in 2020. Under the baseline scenario with no MUSEC, that valuation is estimated to increase to \$574 million in 2035 (55% increase).

Under the redevelopment scenario with a MUSEC, the 2035 valuation is estimated at \$622 million (69% increase).

Exhibit 7: Morrow Park Impact Zone Valuations 2020-2035



Based on zoning data provided by the City and an evaluation of the likely candidate sites for redevelopment, we analyzed the potential for enhanced municipal property tax revenue from redevelopment and enhanced valuation of the surrounding properties. The findings are shown in the map below. The 2019 tax rates for residential and commercial properties are carried forward for the purpose of this exercise.

Exhibit 8: Morrow Park Redevelopment & Enhanced Assessment Sites

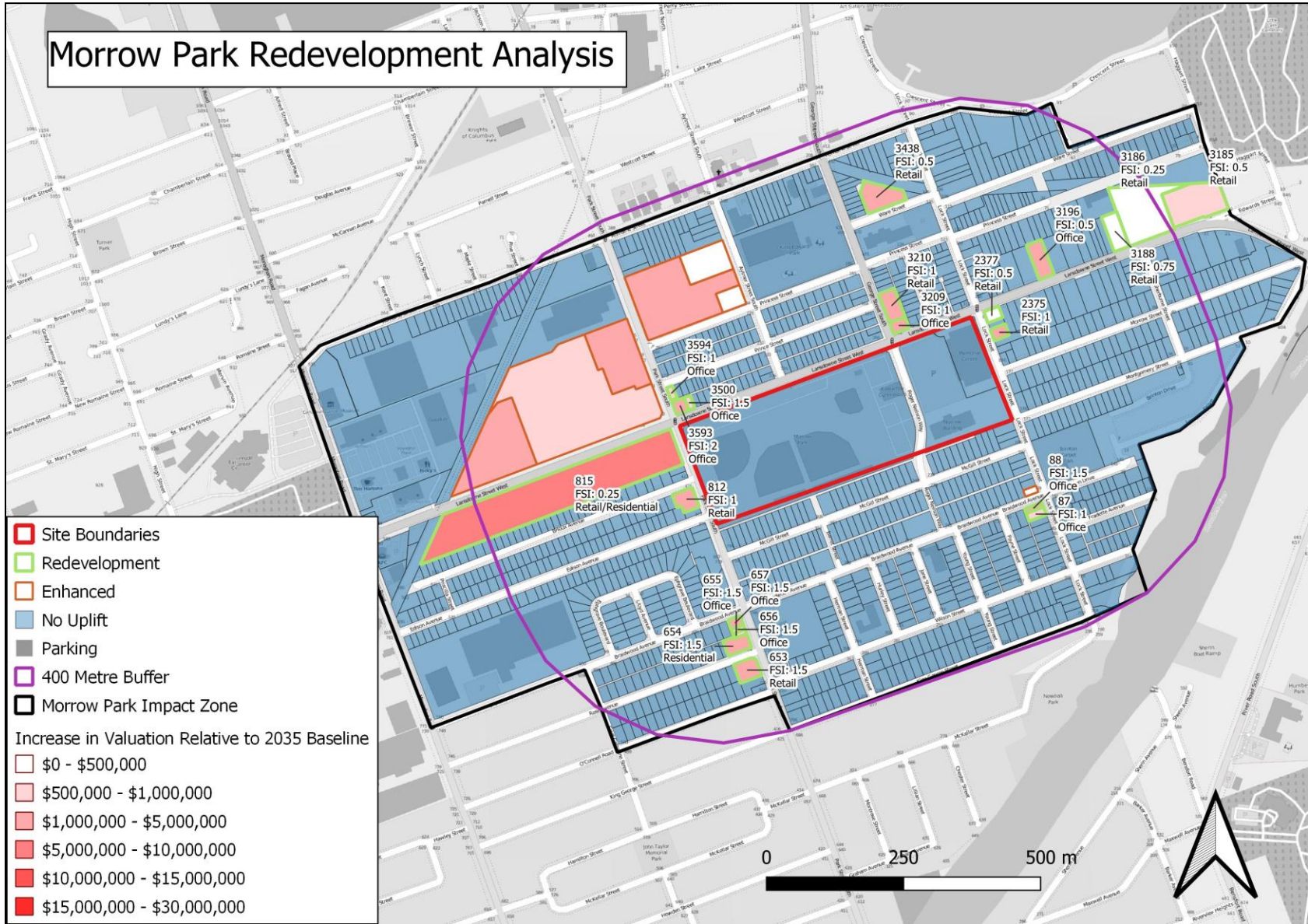


Exhibit 9: Morrow Park Impact Zone Valuation Scenarios

	Commercial Valuations	Commercial Tax Rate	Commercial Property Tax Revenue	Residential Valuations	Residential Tax Rate	Residential Tax Revenue	Total Tax Revenue
2020 CVA	\$96,800,000	1.90%	\$1,838,851	\$270,727,900	1.25%	\$3,383,400	\$5,222,251
2025 Estimate	\$107,557,702	1.90%	\$2,043,208	\$328,764,854	1.25%	\$4,108,712	\$6,151,921
2035 Baseline	\$130,048,926	1.90%	\$2,470,460	\$443,965,588	1.25%	\$5,548,424	\$8,018,885
2035 Enhanced Valuation	\$169,089,675	1.90%	\$3,212,093	\$453,143,756	1.25%	\$5,663,128	\$8,875,221
Difference between Baseline and Enhanced Scenarios							\$856,337

22 parcels were identified for potential redevelopment and seven were identified for enhanced assessment associated with their proximity to the redevelopment sites. The total estimated redevelopment and enhanced assessment potential is \$48.2 million.

The estimated potential increase in annual tax revenue from redevelopment based on 2019 rates is \$856,337.

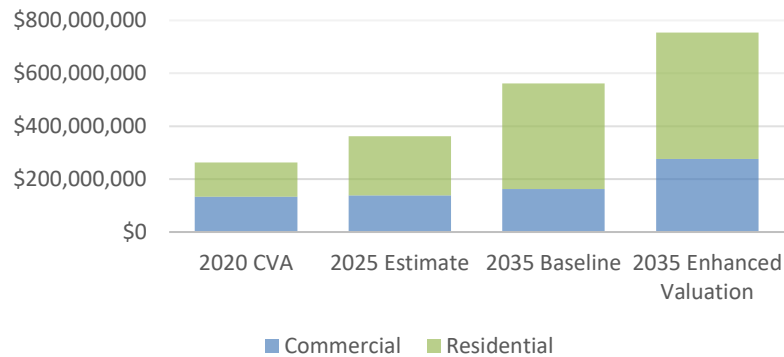
The site is limited in its redevelopment potential by the large amount of residential nearby, as well as the distance from Downtown.

6.2.2 Downtown Assembly Site

The total valuation of all the properties in the Market Plaza Impact Zone was nearly \$263 million in 2020. Under the baseline scenario with no MUSEC, that valuation is estimated to increase to \$561 million in 2035 (113% increase). Under the redevelopment scenario with a MUSEC, the 2035 valuation is estimated at \$754 million (a 186% increase).

Based on zoning data provided by the City and an evaluation of the likely candidate sites for redevelopment, we analyzed the potential for enhanced municipal property tax revenue from redevelopment and enhanced evaluation of the surrounding properties. The findings are shown in the map below. The 2019 tax rates for residential and commercial properties are carried forward for the purpose of this exercise.

Exhibit 10: Market Plaza Impact Zone Valuations 2020-2035



28 parcels were identified for potential redevelopment and 13 were identified for enhanced assessment associated with their proximity to the redevelopment sites. The total estimated redevelopment and enhanced assessment potential is \$193 million.

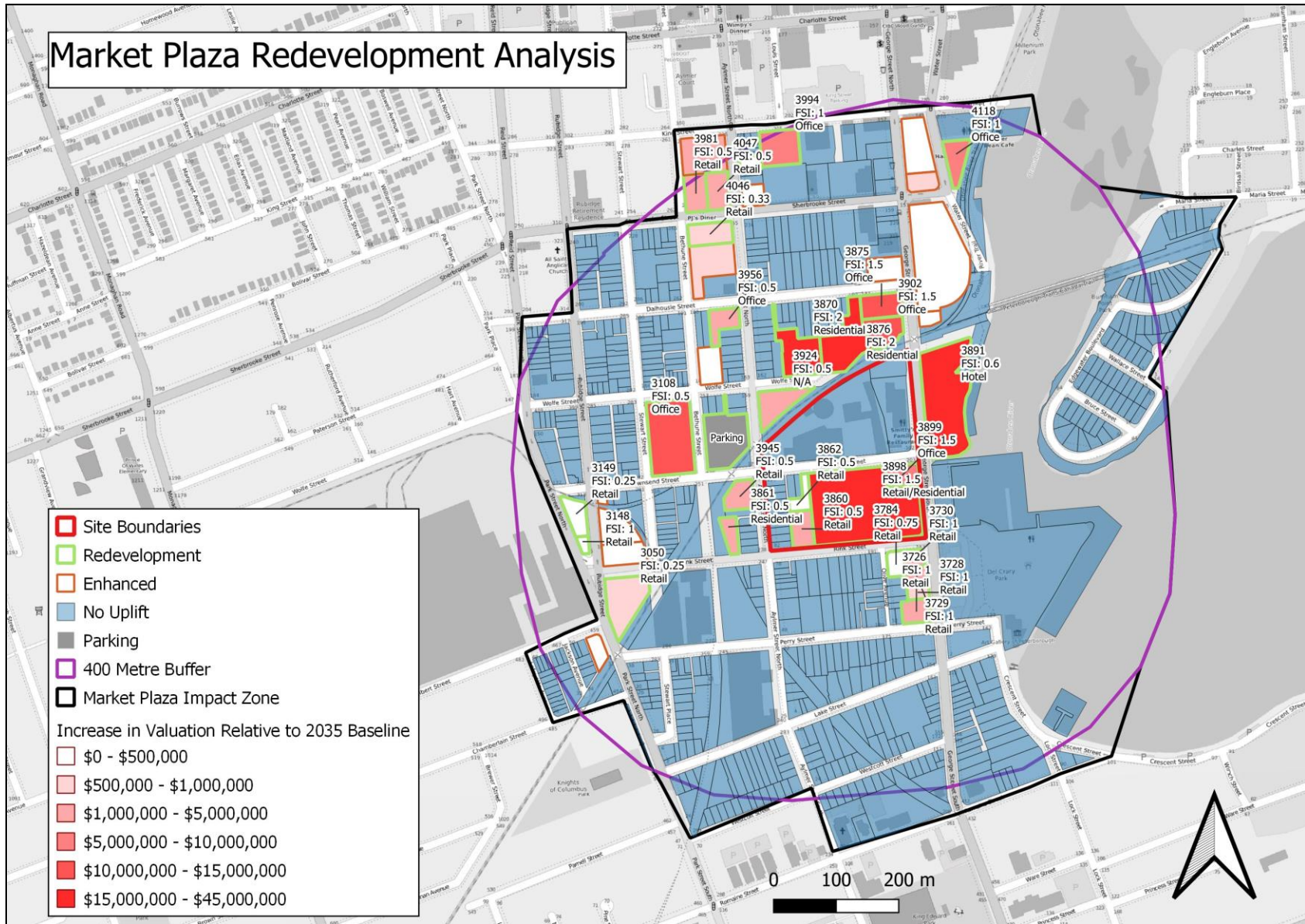
The estimated potential increase in annual tax revenue from redevelopment based on 2019 rates is \$3,154,050.

There is more than triple the redevelopment and enhanced assessment potential on the Market Plaza-City Works-George Street Site compared with Morrow Park.

Exhibit 11: Market Plaza Impact Zone Valuation Scenarios

	Commercial	Commercial Tax Rate	Commercial Property Tax Revenue	Residential	Residential Tax Rate	Residential Tax Revenue	Total Tax Revenue
2020 CVA	\$133,621,900	1.90%	\$2,538,334	\$128,910,700	1.25%	\$1,745,936	\$4,284,270
2025 Estimate	\$138,343,528	1.90%	\$2,628,028	\$223,853,474	1.25%	\$2,797,591	\$5,425,618
2035 Baseline	\$161,995,125	1.90%	\$3,077,323	\$399,349,263	1.25%	\$4,990,835	\$8,068,158
2035 Enhanced Valuation	\$276,332,168	1.90%	\$5,249,314	\$477,930,208	1.25%	\$5,972,895	\$11,222,208
	Difference between Baseline and Enhanced Scenarios						\$3,154,050

Exhibit 12: Market Plaza Redevelopment & Enhanced Assessment Sites



6.2.3 Elsewhere in Downtown

While an analysis was not conducted for the other candidate sites, the North of CN site may be expected to have a performance similar to that of Market Plaza-City Works Garage-George Street site as it is adjacent and within the Market Plaza Impact Zone. It should be noted that the facility would need to be located on properties that in the Market Plaza development scenario are identified as some of the most promising redevelopment opportunities. However, this could be offset by having the City Garage site available for redevelopment.

The Aylmer/Simcoe Site is closer to the heart of Downtown and may have fewer obvious redevelopment sites compared to the other Downtown locations, particularly as a result of the proximity to Simcoe & Bethune Park and to the Peterborough Public Library. However, a facility could still positively effect assessment values in the vicinity

6.3 Are there Differences Between Sites in Generating Off-Site Spending Impacts in Peterborough?

The analysis conducted as part of Phase 2 addressed the impacts of off-site spending from events held at the new venue compared to the existing PMC. The potential of each of the then candidate sites including those in Downtown and at Morrow Park to generate

benefits to the central area in terms of restaurant spending and hotel spending in the City as a whole, is likely to be similar. It is in the realm of contribution to a larger project of urban regeneration that the sites differ.

It is also not accurate to suggest that arena-related entertainment and hotel spending is the principal driver of regeneration. A site far from downtown (on the outskirts of the City) is less likely to draw trade to downtown but the Morrow Park site is not out-of-town; it is close to downtown, located on a major commercial thoroughfare and is arguably one of the City's major gateways to downtown. Moreover, development along George Street is bringing Downtown closer not farther away from Morrow Park. Sites in and around Downtown can be expected to generate the same spending impacts on the part of visitors to the event centre – a plus/minus equation in the final analysis influenced by the type of event, the seasons, the location of parking and overall ease of access to the arena.

Rather, it is the decision to invest in significant public infrastructure and tie the arena project to a larger planning strategy that is likely to pay dividends in terms of long-term economic impact - stimulating property development by boosting confidence in Downtown as a place to invest.

On this basis, a site in Downtown has greater potential to help stimulate a range of other commercial, residential, tourist, civic and mixed-use development.

Exhibit 14: Summary of Multiplier Impacts for the Central Area

Summary of Direct Spending by Site: Moderate Attendance Scenario										Total
	Total DIRECT Annual Spending by Category			Total Direct Annual Expenditure	Central Area	Total INDIRECT Annual Spending by Category			Total Indirect Annual Expenditure	
	Food & Beverage	Retail	Accom.			Food & Beverage	Retail	Accom.		
	\$3,012,320	\$1,201,557	\$825,769	\$5,039,646		\$2,094,112	\$689,175	\$574,060	\$3,357,347	\$8,396,993

Summary of Direct Spending by Site: Lower Attendance Scenario										Total
	Total DIRECT Annual Spending by Category			Total Direct Annual Expenditure	Central Area	Total INDIRECT Annual Spending by Category			Total Indirect Annual Expenditure	
	Food & Beverage	Retail	Accom.			Food & Beverage	Retail	Accom.		
	\$2,552,182	\$1,052,690	\$729,556	\$4,334,428		\$1,774,232	\$603,789	\$507,175	\$2,885,195	\$7,219,623

Note: indirect spending totals shown are for indirect spending impacts occurring in all provinces

In Facility Operations				\$3,200,000				\$1,835,417	\$5,035,417
Total Operational									
				Moderate Scenario	\$9,374,074				\$13,432,410
				Lower Scenario	\$7,534,428				\$12,255,041
Multipliers	F&B	Retail	Accom.						
	0.70	0.57	0.70						

Source: Sierra Planning and Management

7 Planning Implications for PMC

7.1 Capital Spending Policies

It is recommended that decisions regarding capital spending at the PMC take into account the need to maintain the function of the facility in the medium term (5 to 7 years) and potentially the longer term up to 10 years should the implementation of a new facility be deferred pending other investment priorities of the City.

Central to such decision-making is the identification of spending necessary to maintain the existing functionality of the building and the safety of operations. Beyond this, PMC capital investment decisions should be guided by the degree of progress toward developing a replacement event centre and the desire to invest in renovations only where these have value to a repurposed PMC once its primary spectator event functions are transferred to the new building.

The consulting report issued in September 2018 which addressed the feasibility of developing a new multi-use event centre in the City also answered the following question with respect to the PMC:

- **Is the Peterborough Memorial Centre (PMC) worth re-investing in as the City's sports and entertainment (event) centre?**

The recommendation of the report was that the City had, over the years, conducted appropriate investment in the facility to maintain and in some respects improve its functionality. This included the major renovation and seat expansion in 2003 at a cost of \$14 million (24 executive suites, restaurant, improved concessions, additional seating and entrances). Despite this, further investment in

improvements to the PMC was not recommended when compared to the option of developing a new modern spectator facility. In short, there is no value proposition associated with further investment in the PMC as the City's spectator event centre; rather, efforts should be made to plan for its replacement.

From the Phase 2 report there are several specifics that illustrate the need to focus on replacement and avoid unnecessary capital expenditures on the PMC:

- There is no capacity to add additional fixed seating to meet a modern standard of expectation for hosting major sporting events (5,000 seats +);
- The increasing lack of functionality of the PMC, relative to its competition, is the most significant future risk. The required investment to maintain the building in essentially its current functional state is not supportable and is made more apparent when considering the likely future subsidies required to support annual operations over and above the required capital expenditures to maintain it;
- A building condition assessment (undertaken in 2011) identified future lifecycle costs. As of the Sept 2018 Sierra report, this was likely to be in the order of \$26 million. Since then, approximately \$3.37 million was approved and committed within the 2019/2020 Capital Budget for the arena floor and plant replacement. As for the balance of deficiencies that require capital investment to solve, such spending does not improve the building in a materially

significant way or enable it to compete better against buildings in other centres in the region;

- When viewed against the amenities typically provided within a modern sport and event facility, the PMC is exhibiting a significant number of present-day challenges. These can generally be divided into two categories: functional challenges and building code challenges;
- Over time the facility has fallen behind modern building codes. Our understanding is that the following items may require building code upgrades if the facility were to undergo renovations of any kind:
 - Exiting and egress: occupant load, exit width, number of exits, travel distance, seating bowl, stair, hand & guardrail geometry;
 - Fire Protection: Sprinklers, fire resistance and flame spread ratings, location of fire rated assemblies, and extent of combustible finishes;
 - Washrooms: fixture and stall counts, sizing, distribution, and finishes;
 - Barrier free design: vertical conveying, access & egress;
 - Mechanical: Heating & cooling capacity, ventilation rates, smoke exhaust, plumbing system; and
 - Electrical: Primary distribution service, power condition assessment.

- If the City were to consider further renovations to the PMC in support of existing operations at the venue as well as those of any tenants, a detailed building code and life safety analysis is required to adequately determine where the existing Centre does not comply with existing regulations.

7.2 Supporting Tenant Operations

In light of the most probable timeline for the development and opening of a new home for the Peterborough Petes, it is important to maintain the strong support of the team during this transition period. That means that the upcoming renewal of the team license agreement should occur and reflect the ongoing commitment of the City to help incentivize the team to maximize attendance and revenue generation.

Needless to say, the impacts of social distancing measures and the potential short to medium term impacts on spectator events is of utmost concern and can be expected to frame a relationship of mutual support and assistance between the City and the team. The same comments are applied to the Peterborough Lakers and to all client that utilize the PMC, including the promotion of events.

Notwithstanding, any renewal or extension of the current licensing agreements should recognize the timeline to replace the arena and accordingly deliver a new license agreement at that time. The teams and the City should recognize that the specifics of these licenses will need to reflect the potential for revenue generation in a new facility, the reality of third-party professional management of the venue and the primacy of City in scheduling events. The renewal of the existing license agreement for continued licensing of the PMC while in use as the venue for OHL games should not, unless

agreed to by both sides, assume that this agreement is grandfathered to a new facility.

Renewal of the license agreement is recommended for a maximum term of 10 years with an assumption of its dissolution at the time of commissioning a new facility. It should also require that the City and the team be mandated to enter into negotiations for a new licensing agreement to be in force on opening of the new event centre.

7.3 Maximizing Event Market Opportunities in Short to Medium Term

It is important to maintain the City's presence in the market and achieve the best results possible so that there is a seamless transition to a new facility and the market opportunity for events in the City is not downplayed by an underperformance of the PMC.

If there are improvements that can be achieved on site to assist with events staging (and storage etc.) by reviewing the use of other buildings on site, the City should undertake these actions.

7.4 Planning for Replacement and Repurposing the PMC

Options for the long-term use of the PMC remain part of the work plan going forward. The City should consider the options put on the table in phase 2 report. Since that time, the plans for community rinks additions have been subject to ongoing revision.

The PMC with a newer ice plant, new ice slab, and significant investment in its maintenance in recent years remains valuable as a

community ice surface – a sunk cost and a potential addition to the inventory of community ice as needed.

Due to higher operating costs, that may not be the long-term goal. The Phase 2 report looked at a process to determine its future – recognizing that the seating in the venue is not structural in nature, and therefore can be removed, and that twinning the facility for community ice may not be the best solution from a building design perspective.

The new spectator centre downtown is not predicated on a second ice surface – and site location choice does not demand it. It remains an option for consideration if it represents the highest and best use option as part of the downtown site and can be accommodated with sufficient parking.

Nor is a second ice surface essential if built as a replacement facility on the Morrow lands, but it remains a strong advantage of that site to promote a second ice surface at reduced cost and better operating cost efficiency, similar to examples such as the Oshawa Downtown Event Centre and the South Okanagan Event Centre in Penticton. Maintenance of the PMC for community ice and any decision to build a second sheet as part of a new event centre can be expected to be determined by the City in due course as part of its long-term plan for community ice.

8 Consulting Team Recommendations and Next Steps

8.1 Site Pursuit Recommendations

The following is recommended:

1. That the City undertake next stage planning for a **Downtown** Location based on the results of this report, to include discussions with land ownership and developer interests. While the preferred site is identified as the Market Plaza-City-Garage-George Street site, the City should continue to assess necessary contingency options for a building developed elsewhere in Downtown. This may include a building of a different scale, cost and exclude a second ice surface.
2. Based on the quality of existing information and analysis for development at the Morrow site, further analysis of the Morrow Park location for a new MUSEC should be held in abeyance pending the outcomes of the continued assessment of a downtown location. The downtown locations have less certainty and greater risk and therefore require greater assessment at this time.
3. That the City and consultants consider the potential for reducing the scale of the proposed new MUSEC in terms of its range of spaces and overall GFA while maintaining the intended seat count of 5,500 to 5,800 fixed seats.

8.2 Work Plan 3(b) Next Steps

Based on the findings of the consultant's report on Work Program 3a (Current Report), re-orient the work program for Phase 3b) to include the following specific actions:

1. Undertake necessary discussions with relevant landowners and potential development interests for land on or surrounding the selected site in Downtown;
2. Reassess and propose alternative building and functional space program options and develop scaled-back estimates of capital costs;
3. Finalize the business objectives of the City in respect of the development of the new facility, establish a new timeline for completion of the project, and complete a full business case for the design, development and operation of a new facility in the downtown area; and
4. Develop a Funding Strategy based on increasing certainty of site-related costs, a range of potential funding sources, and necessary risk analysis of the funding sources to determine potential impact to the tax base.

8.3 Work Plan 3(c) Next Steps

Subsequent steps include further design, costing, implementation planning and finalization of funding. Implementation planning would also comprise an agreed delivery strategy for the project; that is the method of achieving the detailed design, construction,

funding/financing and operational management of the facility. This is informed by the work in Phase 3b regarding possible public-private partnerships (P3). There are a number of ways to transfer risk to the private sector in a partnership and this is a principal reason for developing a P3 approach. In order to best understand the nature of possible P3 arrangements, it is imperative that a site is selected in advance of this work.

If the City determines that operations should involve a third-party management company, the process to secure this firm should occur prior to finalizing the design-build competition or other method of delivering the building. This is because a professional event centre operator can provide considerable assistance in establishing the functional and design specifications of the building as well as the approach to concessions, tenant lease and facility licensing agreements and pre-opening business planning including the transition of functions from the PMC to the new building.