



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner, Community Services

Meeting Date: May 4, 2026

Report: Next Steps - Multi-Use Sport and Event Centre, Report CSD26-002

Subject

A report to provide options for the next steps towards the approval and construction of a Multi-use Sport and Event Centre (“MUSEC”).

Recommendations

That Council approve the recommendations outlined in Report CSD26-002, dated May 4, 2026 of the Commissioner of Community Services as follows:

- a) That the presentation from the Commissioner of Community Services be received for information; and
- b) That Council direct staff on next steps respecting a Multi-use Sport and Event Centre by approving one of the six options listed in Report CSD26-002.

Executive Summary

- Various reports have provided Council with the scope of work completed to date for a new Multi-Use Sport and Event Centre (MUSEC).
- Council has previously approved the preferred location of the MUSEC being the existing City bus garage site on Townsend Street
- This report provides financial analysis of the implications of various financing scenarios to facilitate the development of the MUSEC

- A number of options related to the approval and construction of the MUSEC are provided for consideration. These options range from not proceeding, partial financing approval, and full financing approval.

Background

The Multi-Use Sport and Event Centre (MUSEC) project was initiated in 2018 and originally divided into two phases. [Report CSAD18-003](#), Major Sport and Event Centre Feasibility Study Phase One, Executive Summary and Presentation detailed the Phase One Feasibility Study, which included stakeholder and community consultation to determine market and community needs to justify a MUSEC for the City and broader region beyond what is provided currently in the existing Peterborough Memorial Centre (PMC). Analysis and highlights included:

- Proposed capital costs with seating expected to be 5,800 in an approximate 155,000-square-foot overall building;
- Expected project timeline;
- Functional assessment of the PMC along with a cost benefit analysis of upgrades to the PMC versus a new building and when construction should occur;
- Market definition, current status of the market and future market opportunities;
- Potential components of a new facility;
- Existing financial performance of the PMC versus a new facility's potential financial performance; and
- Locational considerations for a new facility and potential economic impacts.

[Report CSAD18-005](#), Major Sport and Event Centre Feasibility Study Phase Two Final Report and Presentation detailed the Phase Two Business Case and provided specific recommendations on the requirements for a new Major Sport and Event Centre based on the information gathered in Phase One including the development of location criteria and an assessment of possible site options for further consideration in Phase Three. The Locational Analysis in this phase included a long list of candidate sites.

The work involved to advance the MUSEC has been supported by several additional reports that are provided here for reference to reflect the full scope of work undertaken to date on this project:

- [Report CSD15-004, Arena Development Update](#)
- [CSAD18-001 Major Sport and Event Centre Feasibility Study Presentation](#)
- [CSAD19-001 Major Sport and Event Centre Project Evaluation](#)

At the June 19, 2023 meeting, [Report CSACH23-002](#) provided an update for Council on the history of the project and the following motion was passed:

That Council approve the recommendations outlined in Report CSACH23-002, dated June 19, 2023, of the Commissioner, Community Services as follows:

- a) That an update on the status of the Multi-Use Sport and Event Centre Study Project be received for information.
- b) That the preferred location of a Multi-Use Sport and Event Centre shall be in the Central Area in accordance with the "Downtown First" public investment strategy described in Section 4.3.1 x. of the Official Plan.
- c) That a reassessment of the original September 2018 Feasibility Study be undertaken to include:
 - i. Updating capital works completed and providing new estimates of future capital needs that will be required at the Peterborough Memorial Centre;
 - ii. A review of the changing landscape of competitive venues with a smaller project scope given a community ice pad is no longer necessary;
 - iii. Review and revisions of financial operating projections;
 - iv. An update to the economic impact model of operations and spending multipliers to the regional economy; and
 - v. Revisiting the scope of the project and updating the current cost analysis.
- d) That Council approves the award of a single source consulting assignment for the next phase of the Multi-Use Sport and Event Centre to Sierra Planning and Management, 206 Laird Avenue, Suite 200, Toronto, Ontario within the preapproved budget of \$353,000.

At the meeting of June 26, 2023, Council added item e) as follows:

- e) That land assembly options be considered.

Council reviewed Closed Report CSAC24-004 Site *Selection for Multi-Use Event Centre* (MUSEC), which identified the preferred location for the project supported by the consultant team, advisory committee, and City staff as the City's Public Works/Bus Garage site on Townsend Street. Following Council's review of the Report, staff undertook further due diligence on the preferred site and undertook to report back to Council on a revised timeline and project next steps.

[Report CSD25-008](#) dated August 25, 2025 provided Council with an overview and recommendations on next steps in the approval process. This report provided significant background on the preferred site at 182 Townsend Street and its status, including site contamination, remediation, risk and benefits to the downtown. Due to the significant budgetary and long-term capital debt implications of this large project and the identified interest of the development community in the project, it was recommended to alter from

the original work plan process and timeline. The work plan was recommended to be amended to instead do a two-stage Request for Qualifications (RFQ) and Proposals process. This was recommended for the following objectives:

- Stage 1 RFQ to further define the City's interests and options regarding funding, delivery method, and risk transfer through partnerships;
- Opportunity of alternative partnerships with private sector risk involved in actual funding and operations of the MUSEC;
- Seek out private sector strategy for delivery associated with real estate development of the surrounding district;
- Determination of how the private sector would leverage use of associated municipal properties in a real estate backed partnership including 182 Townsend Street, municipally owned property on Wolfe Street, Townsend Street right of way, and the Peterborough Memorial Centre property east of Roger Neilson Way;
- The first stage would not involve any detailed design specifications for the MUSEC; and
- An RFQ process is used to understand the market and to identify potential partners but is not binding.

The following recommendations outlined in Report CSD25-008, dated August 25, 2025 of the Commissioner of Community Services were approved by Council as follows:

- a) That the presentation from Sierra Planning and Management be received for information;
- b) That Council approve the use of the property located at 182 Townsend Street as the preferred location of a future Multi Use Sport and Event Centre;
- c) That Council direct staff to undertake a multi-phased RFQ and REP process as described in this report to facilitate the next step in this process; and
- d) That the RFQ include not only 182 Townsend Street but also;
 - i. the portion of the Townsend Street right of way between Aylmer and George Streets,
 - ii. municipally owned properties on Wolfe Street; and
 - iii. the existing Memorial Centre property east of Roger Neilson Way as described further in the report

The RFQ was publicly issued on November 19, 2025 as directed with the results received on January 27, 2025. The results of the RFQ are included within the associated Closed Report CSD26-003. Depending on the option chosen by Council,

staff would evaluate how the results of this RFQ process can be used for the next steps of the project and how it can conform to the City's procurement bylaw.

Strategic Plan

Strategic Pillar: Growth & Economic Development

Strategic Priority: Leadership in effective and sustainable growth that supports Peterborough's current as well as future economic, physical, and social needs. Proactively supporting and encouraging business development to boost the local economy, provide new work opportunities, and improve the quality of life for the entire community. Facilitate diversified economic growth through innovative and sustainable policies, practices, and partnerships

Strategic Pillar: Community & Well-being

Strategic Initiative: Foster community resiliency, neighbourhood identity, civic pride, sense of belonging, and intercultural harmony. Provide robust, affordable accessible sports, recreation, wellness, the arts, and social programs for people of all ages

Engagement and Consultation

A project Steering Committee has been in place since the inception of this project providing valuable input and was comprised of staff and representatives from the Peterborough Petes, Peterborough Lakers, Economic Development staff and the Downtown Business Improvement Area. This Committee has gone through a number of iterations of membership. It would be expected as part of any design process that significant public consultation would be included.

Budget and Financial Implications

Financial Implications

This section provides Council with an analysis of the financial implications to the City of Peterborough should Council wish to proceed with the complete development design and construction of a Multi-use Sports and Entertainment Complex (MUSEC) with an estimated total project cost of \$170 million.

Specifically, this report evaluates the potential impacts on:

- Debt capacity and compliance with Council-approved and Provincial limits
- The City's ability to finance its ongoing capital program

- Financial flexibility during the 2027–2031 capital window
- Long-term financial risk and sustainability
- Municipal tax rate implications
- The City's credit rating

Three financing scenarios are analyzed:

1. Determining the maximum amount the City can reasonably afford within the City's current debt capacity and seeking funding partners for the balance;
2. Financing the full project cost by increasing debt issuance up to the Provincial Annual Repayment Limit; and
3. Funding \$100 million through the sale of City assets and debt financing the remaining \$70 million.

This report is intended to provide Council with an order-of-magnitude financial assessment and does not constitute approval to proceed with the project or any specific financing strategy. Further information on the positive assessment impacts of the projects that would be used to offset tax increases can be found following the Financial Implications section.

Background – Budget and Financial Implications

Council has previously considered the development of a new sports and entertainment complex to replace the Peterborough Memorial Centre and to support economic development, tourism, and community recreation objectives. Preliminary estimates indicate a total project cost in the order of \$170 million, inclusive of construction, soft costs, and contingencies.

The City's current approach to debt issuance and capital financing is governed by the Debt Management and Capital Financing Plan, which was most recently updated through Report CLSFS23-033, dated August 23, 2023. That policy establishes an internal Annual Debt Repayment Limit (ARL) of 20% of consolidated own source revenues, which is below the Provincial limit of 25%, as set out in Ontario Regulation 403/02.

Despite maintaining an internal ARL policy below the Provincial limit, the 2025 BMA Municipal Study shows that the City's outstanding debt as a percentage of own source revenues is high compared to other municipalities. This would suggest that the City is already carrying high debt levels compared to other municipalities.

The City's 2026 Budget identifies a significant and ongoing capital program focused on asset management, state of good repair, growth-related infrastructure, and legislated requirements. Through the 2026 Budget, Council approved \$139.3M in capital expenditures, financed partially with \$72M in debt. Even so, a significant number of priority capital projects were deferred to future years, in part due to the scarcity of capital funding. The City's capacity to take on new debt must therefore be considered in the context of existing and forecast capital commitments. The existing 2027 and 2028 pre-commitments are \$25.9M and \$38.3M, respectively, primarily for the Police Station Renovations and Transit Garage.

Financial Considerations Common to All Scenarios

Regardless of the financing approach selected, the following considerations apply:

- Any increase in tax-supported debt will result in higher annual debt servicing costs funded through the operating budget.
- Under the City's Capital Management Policy, the annual impact of new debt on the all-inclusive tax rate has historically been constrained to approximately **2% per year**.
- Increased debt levels will reduce flexibility within the capital program by limiting the City's ability to issue debt for other priority projects until existing debt matures.
- Credit rating agencies, including Standard & Poor's, closely monitor debt levels relative to operating revenues, overall debt burden, and financial flexibility. A lower credit rating may result in higher financing costs in the open market.

The analysis presented in this report does not include future operating costs of the facility, which could include staffing, maintenance, lifecycle replacement, utilities, and event programming. Comparable facilities in Ontario typically require annual municipal operating subsidies, depending on utilization levels and revenue generation. These operating implications would require separate analysis and could further affect long-term affordability.

Large-scale recreation and entertainment facilities have historically experienced construction cost escalation during the design and procurement phases. Should project costs exceed the assumed \$170 million estimate, additional debt financing or partner contributions would be required, further increasing the financial impacts described in this report.

Base Financial Assumptions and Methodology

The analysis presented in this report is based on the following confirmed assumptions, unless stated otherwise:

1. The MUSEC project period is assumed to be 2027–2031.
2. Project cash flow assumes:
 - 5% of total cost in 2027 (pre-construction), and
 - 95% spread evenly over 2028–2031, consistent with the Miskin Law Community Complex.
3. The MUSEC debt is issued for a 30-year term at 4.53%, which is the current Infrastructure Ontario interest rate
4. Available debt capacity is calculated using a 10-year term at 3.57%, consistent with the 2026 Budget methodology, with the exception of Scenario 3
5. Consolidated own-purpose revenues are assumed to grow at 3% annually, consistent with historical debt capacity modeling practice.
6. \$24 million debt for 1190 Hilliard St. Affordable Housing project has been included, financed over 50 years at 5%.

Important Sensitivities:

Both the assumed borrowing rate and revenue growth rate materially affect affordability. Changes to either assumption will significantly alter the City's debt capacity.

Scenario 1 - Maximum Affordable City Contribution within City's current debt limits requiring significant Funding Partnership

Description

Under this scenario, staff determined the maximum level of MUSEC debt the City can reasonably afford while maintaining some capital investment in other priority capital projects, albeit less than recent historical levels. Funding partners to contribute to the balance of the MUSEC project cost would need to be sought.

The existing debt capacity would allow for an average of \$36 million debt financing available annually over the next five years. Taking into account the existing 2027 and 2028 pre-commitments and a minimum requirement of \$30 million debt financing to fund other capital projects annually over the next five-years, a \$30 million maximum City contribution could be made to the MUSEC, representing 18% of the total project cost. This effectively means the City could only fund the pre-commitments in 2027 and 2028, with approximately \$30M in each year for 2029-2031. This level of investment enables the City to continue to invest in previously committed projects and a minimum state of good repair projects before fully exhausting the City's debt capacity.

Potential funding partners could include other municipalities within the region, private sector or institutional partners, or senior levels of government. Senior levels of government have not historically provided funding for semi-professional sports facilities; however, the unique aspects of this project and its importance to the community may allow for such opportunities. The MUSEC itself would not be eligible for the City's existing long-term sustainable capital funding sources including the Canada Community Building Fund and the Ontario Community Infrastructure Fund; however individual elements of the project such as environmental remediation or public space elements could be eligible for some funding programs.

Impact on Debt Capacity and Capital Program

Limiting the City's contribution would:

- Maintain alignment with the current Debt Management Policy
- Preserve capacity to fund other priority capital projects
- Reduce exposure to interest rate and refinancing risk

Impact on Operating Budget and Tax Rate

Based on a City contribution of \$30 million in debt, annual debt servicing costs are estimated at approximately \$1.85 million per year, representing slightly less than a 1% tax rate impact, depending on future assessment growth and levy changes.

Credit Rating Considerations

This scenario presents the lowest risk to the City's credit rating, as debt levels remain manageable and financial flexibility is preserved.

Summary of Scenario 1

While this approach introduces uncertainty regarding the timing and availability of partner funding, it represents the most financially sustainable option and best aligned with the City's long-term fiscal strategy.

Scenario 2 – Full Debt Financing by increasing the ARL to the 25% Provincial Annual Repayment Limit

Description

Under this scenario, the City would finance the full \$170 million project cost through long-term debenture issuance by increasing its use of debt capacity up to the Provincial Annual Repayment Limit of 25% of own-purpose net revenues, rather than the City's current internal limit of 20%.

Impact on Debt Capacity and Capital Program

Based on current estimates, issuing \$170 million in new tax-supported debt has the following impacts:

- Increasing the internal ARL to 25% materially increases available debt capacity and allows the City to finance the MUSEC, cover the \$64.2 million pre-commitments in 2027 and 2028 and have a nominal amount in remaining debt capacity to fund other projects between 2027-2031
- There is very little debt capacity remaining (\$55.6 million total over 5-years, not annual) to fund the City's capital program on a go forward basis.
- Operating at the Provincial limit significantly reduces financial flexibility and increases long-term risk exposure, particularly in periods of rising interest rates or stagnating revenue growth.
- Exceeding the City's current internal debt limit requires a formal amendment to the Debt Management Policy. Once the City increases the debt limit beyond 20%, it is very difficult to move back down. It represents a structural change to the City's long-term financial policy and may reduce Council's flexibility to manage future infrastructure pressures.

Impact on Operating Budget and Tax Rate

Annual debt servicing costs are estimated at approximately \$10.5 million per year, which would translate into an estimated tax rate impact of approximately 4.5%–5%.

This level of increase would materially exceed the historical guideline of limiting debt-related tax increases to approximately 1% per year.

Credit Rating Considerations

Standard & Poor's has previously indicated that the City's AA credit rating could be pressured if tax-supported debt were to exceed approximately 60% of operating revenues. Under this scenario, that threshold would likely be approached or exceeded, increasing the risk of a credit rating downgrade and higher borrowing costs.

Summary of Scenario 2

While technically permissible under provincial legislation, this scenario presents the highest financial risk to the City, with significant implications for the tax rate, capital program flexibility, and credit rating.

Scenario 3 – City Asset Sale (\$100M) and Debt Financing (\$70M), increasing internal ARL to 24%, with \$50M investment in other capital**Description**

Under this scenario, the City would generate approximately \$100 million through the sale of selected City assets and finance the remaining \$70 million through long-term debt by raising the current debt capacity limits to 24%. Also, to create additional capacity, all City debt approved in 2027 to 2031 would be issued at a 15-year term, not the traditional 10-year term. This would in turn allow the City to fund other capital projects at over \$50 million annually over 2027-2031.

The specific assets to be sold are not identified in this report; however, this scenario assumes the availability of non-tax-supported assets capable of generating a one-time cash infusion of this magnitude.

Impact on Debt Capacity and Capital Program

Financing \$70 million through debt has the following impacts:

- Increasing the ARL to 24% and issuing 15-year debt going forward, materially increases available debt capacity and allows the City to finance the MUSEC, and have \$50 million debt towards the capital program in each of 2027 to 2031
- Operating close to the Provincial limit reduces financial flexibility and increases long-term risk exposure, particularly in periods of rising interest rates or stagnating revenue growth.
- Exceeding the City's current internal debt limit, requires a formal amendment to the Debt Management Policy. Once the City increases the debt limit beyond 20%, it is very difficult to move back down. It represents a structural change to the City's long-term financial policy and may reduce Council's flexibility to manage future infrastructure pressures.
- The sale of income-generating assets may reduce future non-tax revenues available to support operations or capital financing.

Impact on Operating Budget and Tax Rate

Annual debt servicing costs for \$70 million are estimated at approximately \$4.3 million per year, resulting in a projected tax rate impact of approximately 2%. This impact is materially lower than Scenario 2 and consistent with historical debt affordability thresholds. This option is affordable but restrictive and would require deferral for other capital priorities.

Credit Rating Considerations

While debt levels would remain within Provincial limits, the credit rating may be downgraded due to lack of continued flexibility. Credit rating agencies would also assess the long-term financial impact of disposing of revenue-producing assets, particularly if those assets currently support operating or capital budgets.

Summary of Scenario 3

This scenario introduces debt-related risk and introduces other strategic and financial considerations related to asset divestiture.

Table 1- Summary Comparison of Financial Scenarios

Scenario	Debt Issued	Estimated Tax Impact	Capital Program Flexibility	Credit Risk	Strategic Complexity
1. Maximum Affordable Contribution (20% ARL)	\$30M	~1%	High – maintains capacity for other priorities	Low	Moderate – requires securing funding partners
2. Full Debt Financing (25% ARL)	\$170M	~4.5-5%	Very low-minimal remaining capacity	High	Low- simplest to execute
3. Asset Sale + Debt (24% ARL)	\$70M	~2%	Moderate-approximately \$50M annual debt capacity	Moderate to High	High – requires asset identification, valuation and sale

Table 2- Capital Program Capacity Impact (2027-2031)

Scenario	Estimated Annual Debt Capacity for Other Capital Projects	Implication for Capital Program
1. Maximum Affordable Contribution (20% ARL)	~\$30M per year	Maintains minimum state-of-good-repair investments
2. Full Debt Financing (25% ARL)	~\$11M per year (approx. \$55.6M total remaining)	Significant deferral of infrastructure and capital priorities
3. Asset Sale + Debt (24% ARL)	~\$50M per year	Moderate flexibility maintained but dependent on successful asset sale

Financial Implications Summary

The construction of a \$170 million sports and entertainment complex would represent one of the largest single capital investments in the City's history. The analysis demonstrates that:

- Financing the project entirely through debt would place significant pressure on the tax rate, capital program, and credit rating and limit the City's ability to manage its existing infrastructure and future capital needs. This option is not recommended.
- A blended approach involving asset sales reduces debt exposure but carries long-term revenue implications.
- Determining an affordable City contribution and securing external funding partners offers the most financially prudent path forward.

The above analysis only summarizes the financial implications and must be considered along with the below sections that speak to the relative value of such a facility to the community as well as the net impact related to the future costs of maintaining the PMC.

Existing Budgetary and Capital Risks Related to the Peterborough Memorial Centre

The primary purpose of the MUSEC is the replacement of the PMC, which is 70 years old. Previous reports referenced in the Background section of this report have undertaken to review the possibility of renovating the PMC. These reports conclude that the budgetary requirements necessary to meet both the building condition assessment requirements and updates to bring the facility into modern usage requirements do not make financial sense compared to a new facility over the long term.

The City's current building condition assessment analysis of the PMC identifies \$22.4M in necessary repairs and maintenance over the next 15 years beginning in 2027. Capital repairs in the approved 2026 Capital budget of \$1.5M are currently underway. The future budget amounts do not include additional capital improvements to the building structure that would be required to increase the loading capacity to hang rigging for concerts and other events which has become an industry norm and is currently not permitted due to loading capacity constraints. The structural analysis report for rigging capacity support is planned in 2026 and expected to be a multi-million dollar capital project as a separate budget request in future years following a due diligence analysis on return on investment. A preliminary analysis by the City's structural engineering consultant estimated this project could cost between \$3M and \$5M depending upon the solution chosen.

In addition to these normal repairs and maintenance, if the existing PMC were to be upgraded to a modern facility in terms of amenity spaces, concessions and

improvements to the structural load capacity the building would need to be taken offline for a period of time and affect existing tenants.

It should also be noted the significant operating deficit in the range of \$500,000 per year that the PMC causes to the City's budget. While most large event centres operate in a deficit as a community benefit, the age of the facility means that it is an extremely inefficient building to operate.

The risks to not moving forward with a replacement for the PMC can be summarized as follows:

- Jeopardizing the City's ability to function in the events market and an inability to provide large scale concerts and other events to the community
- Jeopardizing the City's ability to be a destination market from a tourism perspective
- Possible loss of the Petes as not having a facility capable of hosting OHL events and generating sufficient revenues to maintain their operations.
- Declining operating performance of the PMC negatively impacting the PMC's operating budget, adding increasing difficulty to maintaining the facility and its operations, and adding overall operational risk to partner tenants and users
- Escalation of capital costs
- Escalation of net operating costs as concert and event opportunities decline and general building costs increase

Economic Development

Major sport and event facilities of this nature can act as anchors for broader downtown revitalization, drawing consistent foot traffic on event nights and weekends, supporting existing hospitality businesses, and creating the conditions that attract new investment. The concentration of municipally owned properties surrounding the site further amplifies this potential, creating conditions for coordinated district-level development rather than isolated building investment.

Over time, a facility of this calibre can also strengthen Peterborough's profile as a regional destination, helping attract businesses and talent who value quality of life amenities when making location decisions. Though these benefits are inherently difficult to quantify with precision, the experiences of similarly sized Ontario cities suggest a positive multiplier effect on surrounding commercial activity and assessed property values.

Real Estate Development Related Funding

The preferred site has been selected because of its capacity to generate significant real estate development in the surrounding area. The impact of a large municipal capital facility project of this nature is to be a catalyst for additional development in the

surrounding area as well as redevelopment and improvement of existing neighbourhoods and housing stock. This additional assessment uplift is one of the main financial justifications used by municipalities to justify the debt servicing costs of this type of arena.

Appendix A is the preliminary funding strategy from Sierra Planning and Management June 2025 which includes a detailed analysis of the potential assessment uplift that could be expected in the surrounding area. This analysis included low, base and high scenarios. Using the base scenario, by 2040 the assessment uplift expected would be a net increase of \$271.5M. This would translate to \$7.4M in annual additional taxes paid to the City annually. If this build out and assessment valuation came to full fruition it would cover approximately two thirds of the annual debt payments in the full \$170M financing scenario and over a 30 year time period would cover close to the full amount of debt payments.

Other Funding Opportunities

Appendix A documents other funding options beyond debt for this type of project. These would include things like the Municipal Accommodation Levy, ticket surcharges, sale of assets, and naming rights. All of these options would need to be considered in the formal funding plan once the project was approved to proceed and costs for operations with an operator are more fully known. Many of the funding options such as naming rights or ticket surcharges are typically used towards operational costs of the facility not the capital costs.

Many of the other funding options identified in Appendix A used in other municipalities are not relevant as those funding sources are already being used towards other capital projects and the capital budget.

One of the options presented is to seek funding from other levels of government. This would require specific lobbying for senior government to fund this unique and generational project that is necessary for regeneration of this part of the City but also to continue to position Peterborough as a regional destination and provide residents with quality entertainment options.

Options for Council Consideration

The following represent staff identified options for Council to consider to move the project forward. Recommendation clauses are included for each if council wishes to proceed with any of the below options:

Option 1: Approve the project moving to a Concept Confirmation and Further Site Development Phase

This option allows for the project to continue to move forward without a full commitment for the full project. This would entail funding the next phase of design specification (essentially functional space program needs, fixed seat count, capacity for multi purpose event hosting as well as the specific needs of key potential licenced facility

users such as the Petes and Lakers) and ongoing estimation of anticipated construction costs, project soft costs, site related costs and any extra ordinary site related costs (e.g. as a result of remediation of contaminated land) . It would entail funding in the 2027 budget for a project manager position, supported with ongoing consulting advice, to lead the design development process, a public consultation process, and capital cost estimation.

- *Motion – That Council approve the following:*
 - a) *That the Multiuse Sport and Event Centre project move to the Concept Confirmation and Further Site Development phase;*
 - b) *That Council approve the necessary additional work program to further confirm the appropriate remediation strategy for the contaminated lands at 182 Townsend Street; and*
 - c) *That the 2027 budget be pre-committed in the amount of \$1.7M to include a project manager position, site studies and preliminary consultant services as described in this report*

Option 2: Approve financing to the maximum of existing debt limit policy and seek partnerships

This option allows for the City to show commitment to this large project to the maximum of the existing City debt limit of \$30M that not only stays within the City's debt limit but allows for other capital projects to still be funded as well as pre committed projects in 2027 and 2028. The recommended motion would see the City go out to the private market to seek partnerships to finance the remaining portion of the building. Lands in the vicinity of the new arena included in the previous RFQ process would be included as well as the existing Memorial Centre property. It must be understood that while this is an option being put forward, staff are not confident that this option will lead to a positive result with a private sector partner but it could be pursued.

- *Motion: That Council approve the following:*
 - a) *That Council commit \$30M to the Multi-Use Sport and Event Centre project;*
 - b) *That staff be directed to undertake a procurement process to seek out private sector partnerships that could allow for the overall project to proceed and be fully funded. City-owned or controlled properties as included in the recent RFQ process can be considered; and*
 - c) *That staff be directed to bring to Council any viable partnership proposal*

Option 3: Approve financing for 33% of the project and seek remaining funding from other levels of government

This is a unique project that is a regional facility which will have significant implications on the City's financial status. Committing to fund a third of this project allows the project

to proceed to the full design phase and will result in a project that can be presented for funding opportunities to other levels of government. This could include the provincial, federal and also county governments. While this type of project would not be eligible for typical grant funding programs, it is a unique project that other levels of government could see the value to contribute to. As documented in the Financial section of this report, this option will require amendments to the City's debt limit.

- *Motion: That Council approve the following:*
 - a) *That council commit \$57M towards the Multi Use Sport and Event Centre project;*
 - b) *That staff be directed to provide a report identifying the funding plan to finance this \$57m commitment including amendments to the City's debt limit; and*
 - c) *That \$8.5M be pre-committed in the 2027 budget to include a project manager position, site studies and preliminary consultant services.*

Option 4: Financing of entire project through a combination of Asset Sales and debt servicing

Scenario 3 in the Financial Implications sections of this report provides for the scenario of financing this project through a combination of the sale of assets and debt. If Council wishes to pursue this option staff would provide a report to Council on asset sale options.

- *Motion: That Council approves the following:*
 - a) *That staff be directed to provide Council with a report on potential sale of City assets that could be used towards the costs of the MUSEC.*

Option 5: Full approval and financing of this project

This option simply gives approval for the project to proceed in its entirety and includes amending the City's debt limit to accommodate the full financing of the project.

- *Motion: That Council approves the following:*
 - a) *That Council approves the Multi Use Sport and Event Centre project;*
 - b) *That staff be directed to provide Council with a report outlining a financing plan for the entire \$170M project including amendments to the City's debt limit;*
 - c) *That staff be directed to provide Council with a report outlining the timeline and various phases necessary to complete the project; and*
 - d) *That \$8.5M be pre-committed in the 2027 budget towards the development of a full design of the facility along with a project manager position.*

Option 6: Do not proceed any further with this project

This option recognizes that this project has been ongoing for many years and would provide definitive direction that work should cease on furthering this project

- *Motion – That staff be directed to remove this project from further capital or operating budgets.*

Attachments

Appendix A: MUSEC Funding Gaps and Strategy, June 2025, Sierra Planning and Management

Submitted by,

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Commissioner of Community Services

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