



Schooners Sports and Entertainment

**SCHOONERS SPORTS AND ENTERTAINMENT
MULTI-PURPOSE COMMUNITY STADIUM FACILITY**

***PLAY.
WATCH.
GROW.***

August 30, 2019

PRIVATE AND CONFIDENTIAL



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1.0 ABOUT THIS PROPOSAL

In their October 30, 2018 “CFL Stadium Proposal & Staff Direction” Council Report (the “**October 2018 HRM Staff Report**”), HRM staff stated that a “business case review and analysis is necessary to assess costs and risks of a stadium as well as to assess the viability and sustainability of a TIF funding model and other revenue streams that will finance the capital debt.”¹ The report goes on to describe the various pieces of information that would be required by HRM staff to complete this business case review. Our organization, Schooners Sports and Entertainment (“**SSE**”), has engaged numerous third-party advisors and consultants to pull together the required information. This proposal, among other things, details all of the information to be provided by SSE for HRM to complete its business case review and analysis.

2.0 EXECUTIVE SUMMARY

“Expansion only works if it serves not just the CFL, but the local community. Having a world-class facility for CFL game day is important, but it’s even more crucial to have an open, accessible space to serve the community where they can grow, watch and play sports.”

– Randy Ambrosie, Commissioner, Canadian Football League

Play. Watch. Grow. These core tenets guide this proposal. Halifax has the opportunity to create a multi-use, year-round community stadium that meets HRM Council priorities and policies.

Play: An accessible and affordable hub for youth and adult football, soccer, rugby, lacrosse and athletics, open over 300 days a year for community recreational use with more than 1,500 hours and 25 weeks guaranteed for youth sport and school athletics.

Watch: A functional, community facility—built incrementally, modestly and economically—to host Atlantic Schooners football; local, regional and national tournaments and championships; and internationally acclaimed music artists.

Grow: A multi-use community facility—as an anchor in a new mixed-use master-planned community at Shannon Park—to meet the increased recreational and cultural demands of a growing population, and drive regional, national and international sport, entertainment and cultural tourism.

This key piece of community infrastructure will:

- Provide both an immediate benefit and a lasting legacy to local and regional youth sport.
- Be seamlessly and thoughtfully integrated into a new mixed-use, master-planned community at Shannon Park, producing an incremental lift on real estate sales absorption, sales prices, commercial lease rates and annual municipal property tax generation within the development (as compared to the 2016 “Preferred Development Concept Plan (April 2016)”)².
- Serve as Atlantic Canada’s epicentre for world-class entertainment and cultural events.

¹ CFL Stadium Proposal & Staff Direction Council Report – October 30, 2018 (page 6).

² See section 4.5 and the Colliers Report (attached here as Schedule A).

- Boost community sport and recreation participation, healthy active living and the accompanying positive social outcomes in our community.
- Generate direct, indirect, and induced economic activity and driving annual federal/provincial income taxes and sales and excise taxes.³
- Drive regional, national and international tourism.
- Provide HRM with full access to the community stadium for up to one day per month, per year, at no, or minimal, cost,⁴ and provide free access to the community stadium parking facilities for use by Shannon Park Elementary School and HRM (for city vehicles or other community purposes) during off-peak hours.

The result is a community stadium funding model that produces a key piece of legacy infrastructure built on the following fundamental principles:

1. Partnership with Sport Nova Scotia, whereby the facility will be used primarily by community sport and recreation organizations and schools at no, or minimal, cost (i.e. programmed year-round by provincial sports organizations).
2. To ensure the viability and sustainability of the “tax increment financing” (“**TIF**”) funding model, the community stadium will be thoughtfully integrated into a larger, mixed-use, master-planned community at Shannon Park.
3. A TIF funding model would be implemented by HRM to generate revenue to support the annual payments on community stadium construction debt, with HRM receiving the continued benefit of the increased property tax base for the surrounding Shannon Park development on a continuing basis beyond the term of the any debt repayment period.⁵
4. Once built, all operational risks and costs associated with the community stadium—the largest and most significant risk for such projects—will be borne entirely by SSE. **No public sector monies or contributions will be used to cover or recover operational risks, costs and losses of operating the community stadium.**⁶
5. The community facility will be built in a modular, economical and phased approach, with phase 1 consisting of:
 - Approximately 24,159 seats.
 - A permanent community complex along the west side of the facility with capacity for approximately 12,000 permanent seats. This west side permanent complex includes all of the aspects required of a facility to host community sport, recreation and cultural events. **Any public sector monies will be earmarked exclusively to support the “community aspects” of the stadium** (such “community aspects” include the land acquisition costs, the permanent community complex along the west side of the facility, the field of play and the inflatable winter sports dome).

³ See section 6.2 and Deloitte Economic Impact Analysis, May 2018, attached here as Schedule N.

⁴ Any incremental stadium costs that are incurred by SSE as a result of an event by HRM, other than those costs incurred by SSE as a result of HRM’s simple use and occupancy of the stadium, shall be borne by HRM. Examples of such incremental stadium costs are special lighting or audio/visual for particular events, special event space requirements, etc.

⁵ Tax increment financing dedicates tax increments within a certain defined district to finance the debt that is issued to pay for a project (in this case, the community stadium). The TIF model is based on establishing a “TIF district” (in the case, the new Shannon Park development) to provide the needed borrowing capacity for a project (in this case, the community stadium). The borrowing capacity is established by committing the normal yearly future real estate tax increases—as a result of the inclusion of the project in the TIF district—from the TIF district (generally for 20–25 years, or more), along with the anticipated new tax revenue eventually coming from the project itself. The completion of the project can also result in an increase in the value and absorption of surrounding real estate (generating additional tax revenue), increased sales tax revenue and incremental job creation.

⁶ Note that the “operational risks, costs and losses of operating the community stadium” does not include the capital expenses for the annual upkeep/maintenance of the community stadium. As discussed in Section 5.0, it is expected that both HRM and SSE will invest in this public infrastructure’s maintenance and improvements over time.

- A “semi-permanent” bleacher seating structure on the east-side of the facility, which would accommodate approximately 9,000 seats. The “semi-permanent” east-side structure is required to bring the facility from “community” to “CFL grade” (i.e. will permit the facility to host CFL games). All risks, costs and expenses to construct the “semi-permanent” east-side structure is SSE’s sole responsibility. **No public sector monies or contributions will be used for this purpose.**

3.0 BACKGROUND

Since 1986, Halifax has studied the feasibility of building a stadium five times in anticipation of bidding for international sporting events. The most recent of these studies, completed in 2011, was commissioned in anticipation of Canada hosting the 2015 FIFA Women’s World Cup. The 2011 report recommended city staff proceed to site selection and preliminary design of a 10,000–14,000 permanent seat multi-use stadium, expandable to 20,000+ seat capacity for major events.⁷ As in the four preceding studies, the 2011 study was undertaken with no confirmation of an anchor tenant. This has changed.

After a detailed and exhaustive exercise with the Canadian Football League (“CFL”), which included a variety of personal reference inquiries on each member of the ownership group, a prolonged negotiation, a detailed review of SSE’s business plan and a significant franchise deposit, SSE secured a conditional CFL expansion franchise for Atlantic Canada.

SSE is led by Bruce Bowser, a Halifax-raised and educated President and CEO of AMJ Campbell Van Lines; Gary Drummond, a lawyer, entrepreneur and former National Hockey League (“NHL”) owner and executive from Western Canada; and Anthony LeBlanc, the former owner and CEO of an NHL franchise with roots in New Brunswick. Among other extensive business experience, two members of the leadership group have a proven track record of running and operating a major professional sports franchise (the Arizona Coyotes of the NHL), and the group holds expertise in promoting and hosting a successful large-scale Atlantic region sporting event (the recent Touchdown Atlantic game in Moncton on August 25, 2019).

SSE’s original concept was to build a stadium similar to Tim Horton’s Field in Hamilton, budgeted between \$170M and \$190M. On October 30, 2018, HRM council received a public update from HRM’s CAO Jacques Dube, which included the above referenced costing. During that session, HRM Mayor Mike Savage asked whether SSE had explored the concept of building the stadium in a “phased” approach. He also indicated that Halifax does not need a “Cadillac” of stadiums, and that the focus should be on a functional, acceptable facility. Further engagement with the public (and public advocacy groups, including the Canadian Taxpayers Federation) ensued, in which SSE received the same message: a functional, community facility—built modularly, modestly and economically—is what serves HRM and the Atlantic region best.

We listened. SSE immediately re-engaged its third-party advisors to explore the feasibility of a phased, community facility for the region, partnered with Sport Nova Scotia and developed the following axiom to guide all future aspects of the project: **any investment by government must represent a low-risk investment in the future of HRM and Nova Scotia, both from a social and economic standpoint.**

⁷ Halifax Stadium Analysis – Phase 1 Final Report (July 18, 2011).

The result is a truly community-use facility, operated at the exclusive risk of the private sector, with public sector monies used only to support the community elements of the facility that the public will use and enjoy. Under this model, the community stadium will not only be the stage for national and international events and the home for Atlantic Canada's CFL team, it will also serve as a sustainable community resource.

4.0 PLAY

The facility will be an accessible and affordable hub for youth and adult football, soccer, rugby, lacrosse and athletics, open over 300 days a year for community recreational use with more than 1,500 hours and 25 weeks guaranteed for youth sport and school athletics.

We have spent the better part of two years engaging with local stakeholders on our proposal to bring the CFL to Atlantic Canada. Through this engagement, it became clear that the success of our vision depends on it being a community driven initiative. Consultation and community engagement is important to us. We've listened. We've heard from HRM council and the community that this needs to be about more than just football. We've heard that there is a need for a multi-use, sports and recreation venue in the HRM that is open to the broader public for amateur and recreational sport—all year round. We agree—it needs to be the community who will reap the greatest benefit from the community stadium. Our stadium design and community-use plans reflect this. Please see the "Stadium Site Planning Assumptions and Site Plan Revisions" (attached here as Schedule B) and "Community Stadium – Phase 1 Design and Capital Cost" (attached here as Schedule C).

4.1 THE CASE FOR SPORT

If there is to be public monies used to build a community stadium, then there must be a clear public benefit. The stadium's operating model—which would see the facility used and programmed, year-round, primarily by youth and provincial sports organizations at no, or minimal, cost—provides this public benefit.

Sport and recreation infrastructure plays a critical role in the development of vibrant communities, provinces and territories, and indeed nations. However, a lack of affordable access to facilities is one of the most significant barriers to allowing people to take part. Studies and surveys show that the lack of suitable facilities is a problem across the country, and a problem that is even more acute in Nova Scotia. The lack of facilities is particularly noticeable in the HRM. According to Sport Nova Scotia and its membership (please see Schedule F for the letters of support that we have received to date), it is a challenge for Nova Scotia youth and amateur sport and community organizations to get access to adequate field times at reasonable costs. The development of this community stadium provides an excellent opportunity to address this issue in a positive, low risk manner.

Research illustrates the positive impact sport and physical activity has on those who take part. Not only are people involved in sport and physical activity more likely to live healthy lives, students who take part are more likely to do well in school and youth are less likely to come into contact with the criminal justice system. In 2005, a United Nations task force published a report⁸ that spoke to the impact sport can have on development and peace, an impact which is currently being felt through the success of national sport and

⁸ "Sport as a Tool for Development and Peace: Toward Achieving the United Nations Millennium Development Goals," UN Inter-Agency Task Force on Sport for Development and Peace (2005): <https://www.un.org/sport2005/resources/task_force.pdf>.

recreation programs developed to assist new immigrants in becoming more involved in their communities. These impacts generate significant social benefits, including reducing the burden on our healthcare system caused by conditions stemming from inactivity and lifestyle choices. Accordingly, the inclusion of a community stadium at Shannon Park represents a much larger investment in health and wellness within the HRM.

In line with promoting the health and wellness benefits that can be derived from the community stadium, SSE has recently begun exploratory discussions with Dr. Ivan Wong centered around the concept and potential of creating a center of excellence on site at the community stadium that focuses on innovation in sports medicine. Dr. Wong is an Associate Professor at Dalhousie University, and an Orthopaedic Surgeon at the QEII Health Sciences Centre in Halifax, specializing in hip, knee and shoulder arthroscopy. While these discussions are in the early stages, similar concepts in the US such as the UPMC Rooney Sports Complex in Pittsburgh, Pennsylvania⁹ are being examined as potential models for partnership between sports organizations and medical organizations.

These vital social benefits compliment the positive economic impact sport has on communities, with sport tourism recognized as one of the largest segments of the tourism industry in Canada (a \$6.8 billion industry as of 2015¹⁰) and household spending on sport totaling more than one percent of Canada's GDP, a percentage that is continuing to grow.¹¹ Indeed, a functional and accessible community sports stadium will allow Atlantic Canadian youth and amateur sport and community organizations to host an array of national and international events that they would not have otherwise been able to host, but for having access to the stadium. Schedule D sets forth an illustrative annual list of potential events that the community stadium can attract to the region.¹²

The intangible benefits and civic pride that sport provides to a community, including the power of sport to unite people of diverse backgrounds and social groups, should also not be overlooked. The recent Toronto Raptors playoff run and, to a lesser extent, the excitement surrounding the Halifax Mooseheads' 2019 playoff run (including the 2019 Memorial Cup) and early success of the HFX Wanderers FC, are a great reminder of the ability of sport to unite communities, whether they be on a regional or national scale. The unique ability of sport to cut across such a wide-ranging demographic allows it to serve as one of the most effective tools for fostering community building and regional pride. In doing so, sport fosters a communal experience like no other, uniting people of diverse backgrounds and social groups across Atlantic Canada and generating significant, long-lasting societal impacts. For more on this, see Section 6.0.

The case for sport is clear. It provides benefits in a number of different, and important areas that can help the HRM grow and prosper. For more on the critical role sport plays in communities, please see Schedule E – Sport Makes a Difference, Facts and Figures, 2005, and the letters of support attached as Schedule F. However, in order for people and their communities to truly experience the benefits derived from taking part in sport, there needs to be a place to play. As evidenced by the 2016 Halifax Community Facility Master Plan 2, playing surfaces in the HRM are at or over capacity.¹³ The letters of support that we have received to date (attached here as Schedule F) provide further evidence that an accessible community stadium is a key piece of public infrastructure that is missing in the HRM.

9 "UPMC Rooney Sports Complex", UPMC Sports Medicine: <<https://www.upmc.com/services/sportsmedicine/facilities/rooney-complex>>.

10 "Value of Sport Tourism in Canada," Canadian Sport Tourism Alliance (2015): <https://canadiansporttourism.com/sites/default/files/docs/value_of_sport_tourism_in_canada_2015_including_prov_-_march_2017.pdf>.

11 "Strengthening Canada: The Socio-Economic Benefits of Sport Participation in Canada," Conference Board of Canada (2005):<<https://www.conferenceboard.ca/temp/312f2b89-9567-4126-b6b8-d262bca4751f/035-06%20Sports%20Participation%20RPT.pdf>>.

12 This list was compiled based on Internet research and discussions with various sporting organizations. Please note that this list is not exhaustive.

13 Halifax Community Facility Master Plan 2 (May, 2016), Colliers Project Leaders Inc. <<https://www.halifax.ca/sites/default/files/documents/city-hall/standing-committees/170119cped1211appendices.pdf>>.

We believe that our proposal is a positive and important opportunity for HRM to address this, and produces a clear public benefit:

- A functional, community facility—built incrementally, modestly and economically.
- Any government contributions will be used exclusively to support only “community aspects” of the stadium—that will service all levels of participants in a myriad of sport and recreation activities—with no ongoing operational risk or liability.¹⁴
- All costs and expenses to bring the facility from “community” to “CFL grade” in Phase 1 of construction shall be SSE’s sole responsibility.
- A facility that will be used and programmed, year-round, primarily by youth and provincial sports organizations at no, or minimal, cost.

An investment by government in the community stadium represents a low-risk investment in the future of Nova Scotia youth and amateur sport, and in the HRM and Atlantic Canada community as a whole.

4.2 OPENING OUR DOORS

4.2.1 Partnership with Sport Nova Scotia

On March 30, 2019, SSE announced a strategic partnership with Sport Nova Scotia, a non-profit, non-government federated organization. Its membership is made up of over 60 sport governing bodies, as well as multisport organizations and other groups and individuals that share a mutual interest. Collectively, they are a voice for more than 160,000 Nova Scotians. The partnership will see Sport Nova Scotia members be the “anchor tenant” of a community facility from a usage perspective, and will see the opening of the facility to schools and community groups for daytime weekday use—all at no, or minimal, cost to such users.¹⁵

As many as 10 Sport Nova Scotia member organizations have already expressed interest in using this community facility, which will be open to amateur sports use 300 days a year. We already have early commitments from four Sport Nova Scotia members: Football Nova Scotia, Rugby Nova Scotia, Soccer Nova Scotia and the NS School Athletic Association for a total of 1,500 hours / year of facility use:

- Football – 600 hours per year
- Rugby – 200 hours per year
- Soccer – 500 hours per year
- NS School Athletic Association – 200 hours per year

We expect that the facility will be made available to such community organizations (at no, or minimal, cost) for approximately 60 hours per week (for weekday use—after school or work—and weekends). That’s more than 25 weeks per year of usage from these four groups alone.

¹⁴ Note that the “operational risks, costs and losses of operating the community stadium” does not include the capital expenses for the annual upkeep/maintenance of the community stadium. As discussed in Section 5.0, it is expected that both HRM and SSE will invest in this public infrastructure’s maintenance and improvements over time.

¹⁵ Pursuant to the partnership agreement between SSE and Sport Nova Scotia, any incremental stadium costs that are incurred by SSE as a result of an event by a provincial sport organization, other than those costs incurred by SSE as a result of such provincial sport organization’s simple use and occupancy of the stadium, shall be borne by that provincial sport organization. Examples of such incremental stadium costs are special lighting or audio/visual for particular events, special event space requirements, etc.

SSE's partnership with Sport Nova Scotia will ensure that groups of all ages and all abilities will be able to use the venue—year round. We will change the landscape of amateur and recreational sport in the region by opening up new possibilities and opportunities for community sport, recreation and active living. The community stadium facility is not just about football—it's about soccer, lacrosse, rugby, field hockey, softball, ultimate frisbee, track and field; it's about hosting concerts, festivals, fairs and so much more. Most importantly, it's about being open to the broader public, all year round. The facility is about enabling community sport participation, healthy active living and the positive social outcomes that it brings. It is also about developing a place that brings people out into their community to play, train, compete and celebrate together.¹⁶

4.2.2 Public Use by HRM

In addition to the extensive use of the facility by Sport Nova Scotia, SSE proposes that HRM will have full access to the community stadium for up to one day per month, per year, at no, or minimal, cost.¹⁷ Any incremental stadium costs that are incurred by SSE as a result of an event by HRM, other than those costs incurred by SSE as a result of HRM's simple use and occupancy of the stadium, shall be borne by HRM. Examples of such incremental stadium costs are special lighting or audio/visual for particular events, special event space requirements, etc. Moreover, the facility's parking will be opened up for use by HRM (for city vehicles or other community-use purposes) during off-peak hours, at no cost.

4.3 PARTNERSHIP WITH CANADA LANDS COMPANY

Towards the latter part of 2018, SSE entered into exclusive negotiations with Canada Lands Company ("**CLC**"), the federal Canadian Crown corporation which owns approximately 82 acres (33 hectares) of the Shannon Park site. In March of 2019, SSE entered into a letter of intent with CLC outlining the terms and conditions between the parties with respect to SSE's acquisition of approximately 15.5 acres of land at Shannon Park (representing approximately 19% of the full Shannon Park development) where the community stadium will be located

CLC's mandate is to help create strong, vibrant and sustainable communities from properties that are no longer needed for program purposes by the Government of Canada.

Pursuant to our letter of intent with CLC, CLC will act as master land developer in the redevelopment of Shannon Park. In this role, it will, among other things, prepare a redevelopment plan, make application for and gain municipal planning approval, install roads and services and market and sell "real estate opportunity" service lots or blocks to builders.

¹⁶ The Colliers Report also states that a large number of the literature reviewed concludes a positive economic effect on adjacent residential properties (e.g. increase in residential property values, absorption, etc.) when a stadium has numerous community functions, as this one will (see page 22 of Colliers Report).

¹⁷ Note that SSE events and Sport Nova Scotia events will have scheduling priority over any HRM events.

4.4 BUILDING A COMMUNITY ASSET AND A VIBRANT NEIGHBOURHOOD

To ensure the viability and sustainability of the TIF funding model, it is critical that the community stadium be integrated correctly with a larger, mixed-use real estate development.¹⁸ As noted in Colliers' "Shannon Park Real Estate Market and Stadium Impact Analysis" (attached here as Schedule A) (the "**Colliers Report**"), the potential for positive spinoff effects created by the inclusion of a stadium is often correlated with its proper integration into the surrounding community.¹⁹ The Colliers Report also tells us that one cannot look at the effects of a stadium—positive or negative—on its surrounding area in isolation. This is really about "place creation", and how all of the elements of the mixed-use community work together.²⁰ As noted in the Colliers Report, to be accretive to the neighbourhood it is located in, it is imperative that community stadiums provide value for the surrounding community by offering a diversity of uses that attract both locals and trade areas residents during the day for purposes other than a CFL game, concert or community sporting event.²¹ Stadiums that are well integrated into a mixed-use community near the downtown of a city (as this one will be),²² can have a positive impact on adjacent residential property values.²³ Specifically, the Colliers Report tells us that such positive impacts are particularly evident when the stadium includes additional amenities such as public fitness facilities, numerous community functions, public plazas and complimentary commercial uses.²⁴ The "Shannon Park Revised Master Plan – Design Report (2019)" (attached here as Schedule G)²⁵ and the "Stadium Site Planning Assumptions and Site Plan Revisions" (attached here as Schedule B) work to accomplish these core objectives, proposing a variety of residential and commercial uses surrounding the community stadium that are seamlessly connected to an integrated network of public spaces. This plan incorporates all of the design best practices identified in the Colliers Report, while avoiding the features that Colliers has indicated make stadium projects non-accretive to their surroundings. The community stadium's integration into the balance of the mixed-use development has been designed to bring life to its surrounding area, thereby boosting absorption, residential sales prices, commercial lease rates and municipal property tax generation throughout the development.²⁶

18 Indeed, the stadium case studies examined by Colliers clearly demonstrate that stadiums outside the downtown core of a city with a sea of parking (both of which do not apply to the community stadium at Shannon Park) would have a limited impact on nearby residential market demand (see See page 28 of Colliers Report). The Colliers Report also states that the consensus among interviewees was that there was a greater probability of a decrease in residential property value closer to stadiums that are poorly integrated into the surrounding community (see page 6 of Colliers Report). As such, it is critical that SSE, CLC and HRM work cooperatively to ensure that the community stadium is properly integrated with the balance of the Shannon Park development.

19 See page 22 of Colliers Report (attached here as Schedule A).

20 See page 28 of Colliers Report (attached here as Schedule A).

21 See page 22 of Colliers Report (attached here as Schedule A).

22 The community stadium at Shannon Park is located in close proximity to the HRM urban core (10–15 minute drive from both downtown Halifax and downtown Dartmouth).

23 See page 6 of Colliers Report (attached here as Schedule A).

24 See page 6 and 27 of Colliers Report (attached here as Schedule A).

25 In conjunction with the 2016 report that was submitted by CLC to HRM on December 16, 2016

26 See page 6 of Colliers Report (attached here as Schedule A).

FIGURE 1. SHANNON PARK CONCEPT SKETCH²⁷



4.4.1 The Stadium Design – A Community Asset

As identified in the Colliers Report, several factors can impact the neighbourhood benefit of a stadium, including its form and orientation, the activation along its edges, pedestrian and vehicular circulation throughout the stadium area, visual connectivity and noise mitigation.²⁸ As more fully described in the “Stadium Site Planning Assumptions and Site Plan Revisions” (attached here as Schedule B) and the “Community Stadium – Phase 1 Design and Capital Cost” (attached here as Schedule C), we have incorporated these elements into our site design and architecture. For example, the Colliers Report indicates that stadiums surrounded by a sea of parking in many cases deter residents from moving to the area, slowing absorption rates and causing downward pressure on housing values.²⁹ In response, we have greatly limited the parking in and around the community stadium, and expect the facility to be heavily reliant on transit/bus service (in line with HRM’s goals to increase public transit use³⁰). The facility’s parking will be opened up for use by Shannon

²⁷ See Shannon Park Revised Master Plan – Design Report (2019).

²⁸ See page 22 of Colliers Report (attached here as Schedule A).

²⁹ See page 6, 22 and 44 of Colliers Report (attached here as Schedule A).

³⁰ “Halifax Regional Municipal Planning Strategy”, Regional Council of Halifax Regional Municipality (2014), at pg. 61: <<https://www.halifax.ca/sites/default/files/documents/about-the-city/regional-community-planning/RegionalMunicipal-PlanningStrategy-03Nov2018-Case21331.pdf>>.

Park Elementary School (for staff parking and/or other school events/festivals/fairs) and HRM (for city vehicles or other community-use purposes) during off-peak hours, at no cost.

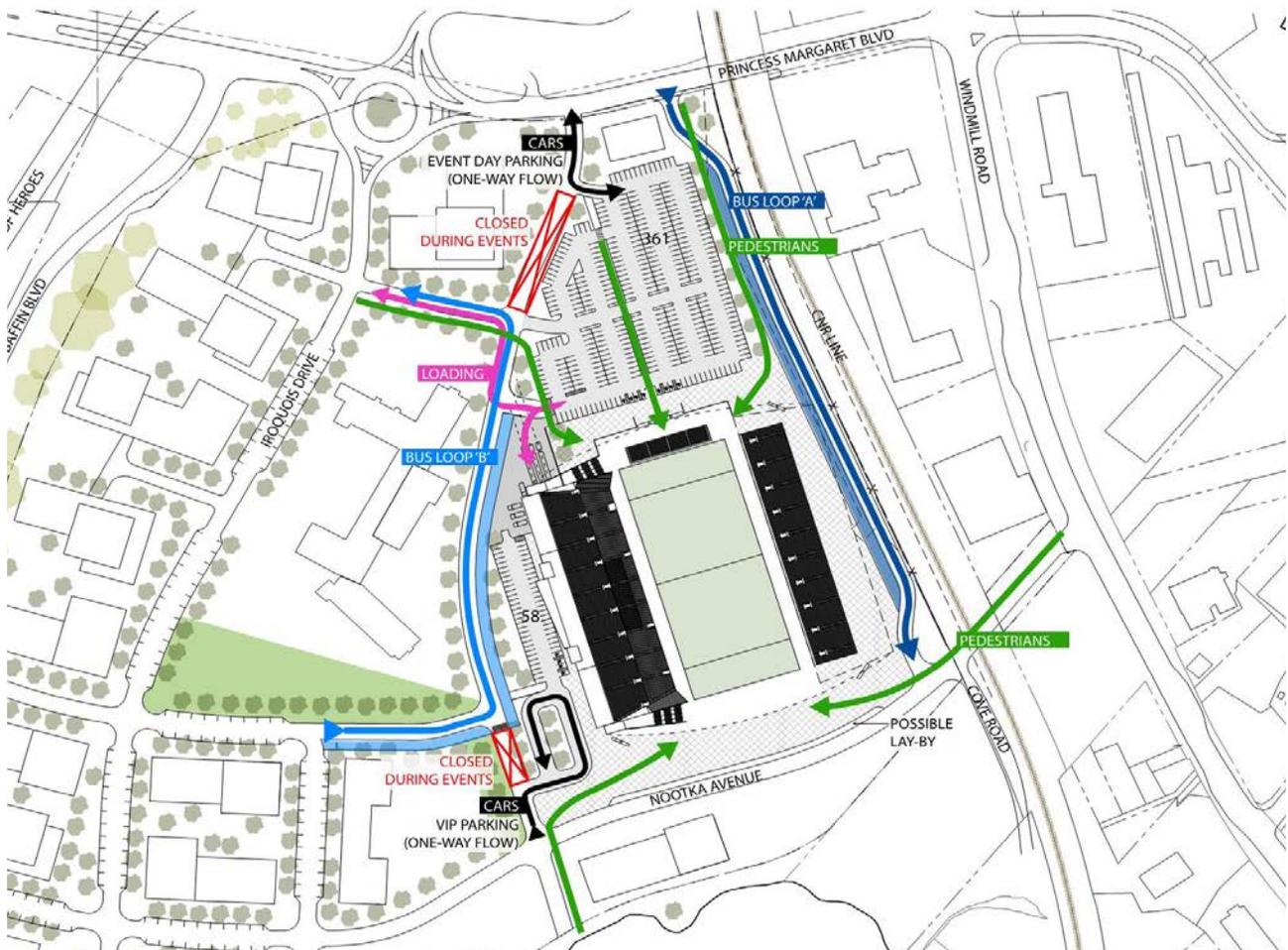
Moreover, as more fully described in the “Stadium Site Planning Assumptions and Site Plan Revisions” (attached here as Schedule B), the design of the community stadium has been guided by the following design principles, which were established through public consultation in the previous master planning process led by CLC in 2016:

- **Vibrancy.** The community stadium will be used year-round by a variety of local sport organizations. In addition, it will provide an attractive venue for community and cultural events and festivals. Users will include people of all ages, families, youth and adult sport and recreation organizations. Many of these people will live in the community, but others will come from elsewhere, to use the facility, and to spend time in the community parks, restaurants, shops and entertainment venues. Given the size and scale of the community stadium, and the number of people who will frequent the facility, it will become an integral part of the community and has been planned as such.
- **Public Realm.** The community stadium site has been planned and designed to maintain the park space, which has been developed over time by CLC in consultation with its stakeholders and the community through public engagement. It enhances outdoor park space by providing a generous urban plaza that will facilitate game day pre-events, and on most days, provide the community with park space, or programmable outdoor event space for activities such as outdoor markets, art shows or live music, often in collaboration with the neighbouring Millbrook First Nation.
- **Waterfront Access.** Waterfront access is maintained along the north/south corridor on the west side of the community stadium. The community stadium will provide visual connectivity from the stands to the waterfront and the Halifax skyline; this provides visual orientation and facilitates the public’s ability to navigate from within the community stadium to the surrounding street network by providing a reference point. In doing so, the design of the community stadium recognizes that the waterfront is a significant part of the character and identity of the Shannon Park neighborhood and ensures that this important community feature is preserved and access to the waterfront remains uninhibited.
- **Land Use and Built Form.** A community stadium is a unique building type offering a multi-functional venue for recreation, commercial, educational, cultural and entertainment opportunities to the local community and those who visit the community. The stadium itself will provide a significant landmark within the community due to its scale and its large orthogonal form will reinforce street edges and directionality within the overall development. We have positioned the permanent community amenity space within the west side of the stadium to create an engaging, active and transparent environment at all hours of the day, particularly when the stadium itself is not being used.³¹ The community stadium will also be a visible landmark from across the water and from the bridges, linking this precinct to the surrounding city from many vantage points.
- **Commemoration.** The stadium site and building will provide ample opportunities to reflect the history of the community. The public urban plaza to the south of the stadium is adjacent Millbrook First Nation lands and offers opportunities to program the area with art installations and gathering spaces informed by their history, traditions and culture. The stadium itself will be a prominent venue and backdrop for sharing the history of Shannon Park. Historically, the sporting community has been widely supportive of commemorating history. The CFL hosts games that honour military personnel, local and national charities, and former athletes.

31 See page 26 of Colliers Report (attached here as Schedule A).

- Mobility.** Mobility throughout the development is maintained by the presence of the north-south road. Although game or event-day operations of this north-south road will drastically change to accommodate the arrival and departure of 24,000+ people; however, this will only be a handful of days throughout the year. There has been a significant amount of thought given to circulation and movement of people in accommodating the different scenarios and uses of the proposed community stadium. The stadium site plan attempts to address movement through all modes, including cars, taxis, buses, service vehicles, bicycles and pedestrian movements on a day-to-day basis and during special event days. The resulting design is one that is considerate of all abilities and accessible through various forms of transportation.

FIGURE 2. SHANNON PARK COMMUNITY STADIUM TRAFFIC AND PEDESTRIAN CIRCULATION³²



32 See Stadium Site Planning Assumptions and Site Plan Revisions" (attached here as Schedule B).

4.4.2 Shannon Park Revised Master Plan – Design Report (2019)

Throughout 2015 and 2016, CLC undertook a master planning exercise with the HRM community for the Shannon Park site. Such activities did not contemplate a community stadium as a potential use of land on the site. CLC also prepared a development concept plan in 2016 that did not contemplate a community stadium as a potential use of land on the site. To this end, in 2016, CLC prepared, and submitted to HRM, a “Preferred Development Concept Plan (April 2016)”, a “Shannon Park: Schematic Servicing and Infrastructure Design (November 18, 2016)” and a “Shannon Park Traffic Impact Study”. At SSE’s and CLC’s meeting with HRM staff on December 12, 2018, HRM staff stated that the foregoing documentation, *updated to integrate the community stadium*, would be the level of detail required for them to conduct the business case analysis referenced in their October 2018 HRM Staff Report. Following the December 12, 2018 meeting, SSE (in conjunction with CLC) set out to complete the updates to this documentation.

Attached, please find the requested updates (to contemplate the integration of the community stadium into the Shannon Park development) to the above-mentioned 2016 reports, namely:

- Schedule G – Shannon Park Revised Master Plan – Design Report (2019).
- Schedule H – Shannon Park: Stadium Update – Schematic Servicing and Infrastructure Design (2019).
- Schedule I – Shannon Park Traffic Impact Study (2019).

Each of these updates should be read in conjunction with the 2016 reports that were submitted by CLC to HRM on December 16, 2016.

Indicative Residential Unit and Commercial Square Foot Mix

It should be noted that CLC’s mandate is to design and create a block development plan—comprised of various “real estate opportunity blocks”—that works within a land use and infrastructure framework at Shannon Park. CLC neither projects nor suggests the property types (i.e. condo units, row and townhomes, single-family dwellings, types of commercial space, etc.) or unit sizes that should be built on each such development block. Rather, based on community and stakeholder engagement (and the models, projections and plans from their third party advisors), their work suggests the number of residential units and commercial square feet that each block may support.³³ These development blocks are set forth in Appendix A1/A2 of the “Shannon Park Revised Master Plan – Design Report (2019)” (attached here as Schedule G).

The various opportunity blocks are then exposed competitively and marketed independently to various builders in phases,³⁴ with the aim of ensuring the highest return, along with the highest and best use for each development block. See Appendix A3 of the “Shannon Park Revised Master Plan – Design Report (2019)” (attached here as Schedule G) for the comprehensive phasing plan.

³³ Page 30 of the Colliers Report sets forth the projected residential sales projections by unit type in the Dartmouth submarket over a 6-year period. The proportions of each type of residential unit set forth in these projections are a good indication of the unit type mix that may be offered in the Shannon Park development (with the exception of single-detached dwellings, which are not anticipated to be offered within the development).

³⁴ The development phases are dictated by the servicing and infrastructure requirements of the development, and the need to commence construction on the community stadium as soon as possible. See “Shannon Park: Stadium Update – Schematic Servicing and Infrastructure Design (2019).”

As such, both the proposed number of residential units and the proposed commercial square footage in each phase of development—as set forth in Schedule O³⁵—are simply conceptual guidelines. They are based on the recommendations and projections from WSP Engineering, WSP Planning and the Colliers Report, as aligned with the overall land-use density/strategy for the site (developed by CLC and SSE, in consultation with Millbrook First Nation). In reality, it will be what the market demands—in terms of highest return and the highest and best use of the land—that will dictate the actual number and type of residential units, and the actual amount of commercial square footage, within each phase of the development. Therefore, the concept statistics in Schedule O are only indicative baselines and, subject to alignment with the overall land-use mix/strategy, will change as the market dictates. Specifically, and as discussed below, we expect that the increased on-site population generated by the community stadium will have a positive impact on commercial demand (due to the higher retail sales potential generated from the creation of a regional entertainment and recreation destination),³⁶ thereby increasing the indicative commercial square footage.

It should be noted that the indicative numbers in Schedule O: (a) do not include the up to 20,000–30,000 square feet of commercial office space for SSE and Sport Nova Scotia planned to be located in the community stadium; and (b) only consider the block potential for ground floor commercial (not the block potential for multi-level commercial).

4.5 INCREMENTAL BENEFIT OF THE COMMUNITY STADIUM

Based on the analysis in the Colliers Report, Colliers believes that the inclusion of a community stadium within Shannon Park may have a net positive impact on residential absorption, residential sales prices, municipal tax generation and commercial lease rates, as well as additional commercial floor space demand among premium commercial tenants, such as full-service and quick-service restaurants, entertainment, medical services and fitness services.³⁷

It should be noted that the “Commercial/Residential” character area previously presented in the 2016 “Preferred Development Concept Plan (April 2016)” has been significantly reduced to about a quarter of the originally proposed size, with much of this character area now used for the community stadium precinct.³⁸ Naturally, one would expect this to dramatically decrease the total residential population and commercial and residential space that the development could support. However, due to the increased activity—and the boost in pedestrian and vehicle traffic throughout the development—that the community stadium is expected to generate, the overall concept statistics for the indicative residential unit and commercial square footage mix in the 2019 plan *remains substantially the same* as what was previously forecasted in the 2016 plan, albeit reallocated and reintegrated throughout the balance of the development. For example, the site plan redistributes and better integrates the commercial density throughout the site by proposing second-storey commercial podium options fronting on “The Square”, and provides potential for small stand-alone office buildings within the “Main Street Neighbourhood” character area.³⁹ The revised plans also suggest that higher density residential (midrise and

35 This information has been provided by CLC.

36 This information has been provided by CLC.

37 See page 6 of Colliers Report (attached here as Schedule A).

38 In the 2016 plan, the “Commercial/Residential” character was comprised of approximately eight acres of the development. The 2019 plan has reduced this to approximately two acres.

39 See Shannon Park Revised Master Plan – Design Report (2019) (attached here as Schedule G).

tower forms) will be more prevalent than what was previously envisioned.⁴⁰ This approach meets the intent of the original design principles (as well as the new Centre Plan regulations) to provide ground-oriented units with thoughtful podium architectural integration to the public realm.⁴¹

In sum, even with the elimination of almost eight acres of “Commercial/Residential” that the community stadium necessitates, the models of WSP Engineering, WSP Planning and the Colliers Report show us that not only can the development still support the *same* indicative residential/commercial mix as was originally proposed in the 2016 plan, but that the community stadium’s inclusion also promotes greater dwelling variety and density. Indeed, the 2016 indicative residential/commercial mix would not still be viable for a land use *other* than a community stadium.⁴² While this “re-allocation” and “re-integration” does not demonstrate incrementalism directly (naturally, it is impossible for the elimination of eight acres of commercial/residential to produce *more* residential and commercial square footage), it does validate the immense positive impact a community stadium can have on the desirability of a neighbourhood, both from a commercial and residential standpoint.⁴³

4.5.1 Residential Incremental Benefit

As discussed above, the removal of almost eight acres of “Commercial/Residential” space from the 2016 plan to accommodate the inclusion of a community stadium in the 2019 plan could not (and did not) increase the absolute volume of the indicative number of residential units. Consequently, from a residential standpoint, the incremental lift generated by the inclusion of a community stadium can only be reflected in:

1. Increased annual residential absorption rates.
2. Price premiums for residential units.
3. Increased municipal property tax generation.

The following table sets out Colliers’ projected incremental residential benefit of the inclusion of a community stadium at Shannon Park.

40 See Shannon Park Revised Master Plan – Design Report (2019) (attached here as Schedule G).

41 See Shannon Park Revised Master Plan – Design Report (2019) (attached here as Schedule G).

42 One explanation for this is given on page 20 of the Colliers Report, which states that the proportionate share of the total Dartmouth submarket residential demand that can reasonably be expected to be captured within Shannon Park will vary depending on a variety of factors, including the potential inclusion of a community stadium with community functions and additional amenities such as a fitness centre, public plaza, open space, commercial offerings, and attractive landscaping; all of which have been added or improved upon as a result of the inclusion of the community stadium to the plan.

43 The Colliers Report illustrates that stadiums that are well integrated into a mixed-use community near the downtown of a city (as this one will be), can have a positive impact on adjacent residential property values (see page 6 of the Colliers Report). The Colliers report also states that the increased on-site population generated by a stadium can also have a positive impact on commercial demand and lease rates due to the higher retail sales potential generated from the creation of a regional entertainment and recreation destination (see page 6 of the Colliers Report).

TABLE 1. SHANNON PARK RESIDENTIAL INCREMENTAL BENEFIT⁴⁴

Projected Annual Residential Absorption	
Without Stadium	The baseline scenario would likely experience annual absorption of approximately 110–120 units per year.
With Stadium	Although the stadium functions itself may not enhance absorption rates, the proper inclusion of community amenities within and adjacent to the stadium may create more demand and boost overall residential capture rates. If implemented correctly, this may increase annual absorption to a slightly higher ranges of 150–160 units per year.

Unit Pricing Sensitivity Analysis (2025)			
Price Premium	3%	9%	15%
Single-detached	+\$10,980/unit	+\$32,940/unit	+\$54,900/unit
Townhomes	+\$9,330/unit	+\$27,990/unit	+\$46,650/unit
Apartments	+\$8,250/unit	+\$24,750/unit	+\$41,250/unit

Municipal Tax Generation Sensitivity Analysis (2025)			
Price Premium	3%	9%	15%
Single-detached	+\$132/unit	+\$395/unit	+\$659/unit
Townhomes	+\$112/unit	+\$336/unit	+\$560/unit
Apartments	+\$99/unit	+\$297/unit	+\$495/unit

Increased Annual Residential Absorption Rates

Colliers estimates that, after the first two years of a seven-year timeframe, the development—without the inclusion of a stadium—could capture approximately 30–32% of the total annual demand for new units in the Dartmouth submarket.⁴⁵ This works out to an annual absorption of approximately 110–120 units per year.⁴⁶

⁴⁴ See page 44 of Colliers Report (attached here as Schedule A).

⁴⁵ See page 44 of Colliers Report (attached here as Schedule A).

⁴⁶ See page 44 of Colliers Report (attached here as Schedule A).

Assuming baseline projected values within the Dartmouth market, along with the current residential mill rate, the Colliers Report suggests that, after the first two years of a seven-year timeframe, the inclusion of a community stadium at Shannon Park could increase annual absorption to 150–160 units per year.⁴⁷ This represents a capture rate of approximately 41%–42% of the total annual demand for new units in the Dartmouth submarket—an incremental bump of approximately 10% per year over the non-stadium scenario.⁴⁸

Price Premiums For Residential Units

The Colliers Report states that Stadiums that are well integrated into a mixed-use community near the downtown of a city (as this one will be),⁴⁹ can have a positive impact on adjacent residential property values.⁵⁰ Specifically, the potential price premium caused by a stadium that is effectively integrated as an amenity for the surrounding community in some cases range from 3% to 15%, depending on the proximity to the stadium itself.⁵¹ On a per square foot basis for apartments, this premium could range between approximately \$0.20 per square foot up to \$0.90 per square foot.⁵² As described in Section 4.4, we have worked very hard to ensure that the community stadium is thoughtfully integrated into the greater Shannon Park community, and have incorporated all of the design best practices identified in the Colliers Report (while avoiding the features that Colliers has identified make stadium projects non-accretive on their surroundings). Moreover, we estimate that the community stadium will be within a 10–15 minute walk from every residential unit in the development. As such, we believe that the price premium caused by the community stadium will trend higher towards the 15% range.

Increased Municipal Property Tax Generation

Again, assuming baseline projected values within the Dartmouth market, along with the current residential mill rate, the Colliers Report suggests that the inclusion of a community stadium at Shannon Park could increase annual municipal property tax generation at Shannon Park by 2025 by up to \$495 per apartment, \$560 per townhome and \$659 per single-detached unit.

4.5.2 Commercial Incremental Benefit

As discussed above, the removal of almost eight acres of “Commercial/Residential” space from the 2016 plan to accommodate the inclusion of a community stadium in the 2019 plan could not (and did not) increase the absolute volume of indicative commercial square footage. Consequently, from a commercial standpoint, the incremental lift generated by the inclusion of a community stadium can only be reflected in:

1. The capture of additional commercial square footage (away from residential square footage) in zones designated for both residential and commercial use in the “Shannon Park Revised Master Plan – Design Report (2019)” (i.e. the “Mixed Use” zones in the concept plan).
2. Additional demand and lease rates for premium tenant types above and beyond what would originally be supported by Shannon Park residents without the inclusion of a community stadium.

47 See page 44 of Colliers Report (attached here as Schedule A).

48 See page 21 of Colliers Report (attached here as Schedule A).

49 The community stadium at Shannon Park is located in close proximity to the HRM urban core (10-15 minute drive from both downtown Halifax and downtown Dartmouth).

50 See page 6 of Colliers Report (attached here as Schedule A).

51 See page 44 of Colliers Report (attached here as Schedule A).

52 See page 6 and 44 of Colliers Report (attached here as Schedule A).

The following table sets out Colliers' projected incremental commercial benefit of the inclusion of a community stadium at Shannon Park.

TABLE 2. SHANNON PARK COMMERCIAL INCREMENTAL BENEFIT⁵³

Projected Commercial Floor Space Demand	
Without Stadium	This baseline scenario would likely only generate demand for locally serving, neighbourhood scale commercial tenants that may not warrant higher than average lease rates.
With Stadium	The inclusion of a community stadium and mixed-use entertainment hub may generate demand for up to an additional 40,000 square feet of commercial floor space on top of what is already supported by the surrounding community. These tenant types could be more likely to support market rents of \$20/sf to \$25/sf.

Municipal Tax Generation Sensitivity Analysis (2025)			
<i>Additional Floor Space</i>	<i>30,000 sf</i>	<i>35,000 sf</i>	<i>40,000 sf</i>
Additional Annual Tax Generation	+\$297,000	+\$345,000	+\$393,000

Capture of Additional Commercial Square Footage

As mentioned, subject to alignment with the overall land use mix/strategy for Shannon Park, it will be what the market demands, rather than the indicative baseline numbers provided in Schedule O, that will dictate how many square feet of real estate is actually commercial space and how much is actually residential space.

Colliers expects that the inclusion of a community stadium at Shannon Park will, initially, likely result in additional commercial demand between 30,000–40,000 square feet more than what is currently provided in the 2019 indicative baseline numbers.⁵⁴ This results in up to an additional \$393,000 in annual commercial property tax revenue in year one (or up to an additional \$9.85 per square foot per year in year one), with great potential to increase as the mixed-use development grows and gentrifies.⁵⁵

It should be noted that there would also be an immediate office space component to the Shannon Park development mix upon completion of Phase 1; SSE and Sport Nova Scotia will be allotted up to 20,000–30,000 square feet in the community stadium for their new office space. This commercial office space is not accounted for in the indicative baseline figures set forth in Schedule O, and is in addition to the additional 30,000–40,000 square feet of commercial demand that Colliers projects the inclusion of the community stadium may generate.

⁵³ See page 48 of Colliers Report (attached here as Schedule A).

⁵⁴ See page 46 of Colliers Report (attached here as Schedule A).

⁵⁵ See page 6 and 48 of Colliers Report. SSE's commercial real estate advisor, Jones Lang LaSalle Incorporated, has advised that this initial 30,000-40,000 square feet of commercial has the potential to become much larger as the density of Shannon Park increases.

Additional Demand for Premium Tenants

Colliers believes that the community stadium is expected to act as a regional anchor within Shannon Park, facilitating increased commercial demand from specific tenant types such as restaurants and entertainment venues that would otherwise be unlikely to desire floor space within the neighbourhood.⁵⁶ As outlined in the table below, Colliers also believes that the community stadium may facilitate demand for additional tenant types above and beyond what would originally be supported by Shannon Park residents, including full-service and limited-service dining options, fitness services, medical services, entertainment venues and, perhaps, a hotel.⁵⁷

TABLE 3. INCREMENTAL POTENTIAL COMMERCIAL TENANT TYPES BY THE INCLUSION OF THE COMMUNITY STADIUM⁵⁸

Category	Estimated Size Per Individual Tenant
<p>Full-service Restaurants</p> <p>The inclusion of a few full-service restaurants may be warranted. Although restaurants will primarily rely on the demand generated from local and nearby residents, evening sales will be enhanced before and after community sporting events.</p>	4,500–5,000 sf
<p>Limited-services Restaurants and Coffee Shop</p> <p>Fast casual dining options, along with a coffee shop, will be essential in serving the demand from onsite residents yet will also cater to the demand from event participants and attendees looking for convenient dining options before or after events.</p>	1,500–2,000 sf
<p>Fitness Services</p> <p>Sporting venues can also benefit the community by including fitness services such as boutique fitness studios or a state-of-the-art fitness centre. This can help enhance the destinational impact of the stadium with spinoff benefit to adjacent retailers.</p>	2,000–2,500 sf
<p>Medical Services</p> <p>Following in line with the sporting themed programming of the stadium, there will also be demand generated from athletes and residents looking for fitness-focused medical services such as physiotherapists and registered massage therapists.</p>	1,500–2,000 sf
<p>Entertainment</p> <p>Entertainment focused uses such as drinking establishments, billiards and bowling can also be supported by demand generated by event attendees, particularly from participants looking for a place to socialize after a community or professional event.</p>	1,500–5,000 sf
<p>Hotel</p> <p>Shannon Park could also be a suitable location for a hotel in direct proximity to the stadium. Although the demand of a hotel has not been assessed in this study, further analysis is recommended to examine its viability.</p>	

⁵⁶ See page 48 of Colliers Report (attached here as Schedule A).

⁵⁷ See page 46 of Colliers Report (attached here as Schedule A).

⁵⁸ See page 46 and 47 of Colliers Report (attached here as Schedule A).

Moreover, when located adjacent to the community stadium, these tenant types could be able to accommodate lease rates above the average rate within this area of Dartmouth.⁵⁹ Colliers expects that these tenant types could be more likely to support market rents of \$20 per square foot to \$25 per square foot as a result of the inclusion of the stadium, which is higher than the current neighbourhood average (which generally range in the \$12 per square foot to \$15 per square foot range).⁶⁰

In sum, the inclusion of the community stadium will increase the demand for “destination” commercial offerings (this, in contrast to the more “local” commercial offerings that the development would otherwise support without the inclusion of the community stadium), generating higher lease rates and additional annual commercial property tax revenues throughout the development.⁶¹

4.6 PHASING TIMELINES

Schedule O also provides the phasing timeline information⁶² in response to HRM staff’s request for the “timing of build-out for residential and commercial areas, and absorption assumptions” in their October 2018 HRM Staff Report. As mentioned above, the proposed densities by phase and the projected phasing timelines are simply conceptual guidelines. They are based on the recommendations and projections from WSP Engineering, WSP Planning and the Colliers Report, as aligned with the overall land-use density/strategy for the site (developed by CLC and SSE, in consultation with Millbrook First Nation).

4.7 SALES AND CONSTRUCTION VALUE

The following is in response to HRM staff’s request for the “Sales and construction value” in their October 2018 HRM Staff Report. The table below sets forth the projected sales and construction value—on a per square foot basis—of the residential and commercial real estate in the Shannon Park development, based on the current conditions in the Dartmouth submarket.

TABLE 4. SALES AND CONSTRUCTION VALUE⁶³

	Sales Value (per square foot)	Construction Value (per square foot)
Residential	Sales prices of \$300–\$400 psf.	\$200–\$250 psf for high rise above grade. Underground parking is additional and tends to be in the range of \$30,000–\$40,000 per space.
Commercial	Commercial lease rates of \$12–\$15 psf. However, Colliers believes that the rates within Shannon Park could be closer to the \$20–\$25 psf range due to premium development quality and strong on-site population base.	\$280–\$320 psf (core and shell only) for “basic to mid end” specification. Higher-end commercial (what we expect the inclusion of the stadium will generate) is in the \$325–\$375 psf range.

59 See page 48 of Colliers Report (attached here as Schedule A).

60 See page 48 of Colliers Report (attached here as Schedule A).

61 See page 48 of Colliers Report (attached here as Schedule A).

62 As provided by CLC.

63 Residential and commercial sales values provided by Colliers. Residential and commercial construction values provided by Ellis Don.

5.0 WATCH

A community stadium—built modularly, modestly, and economically—is what serves HRM and the Atlantic region best. It will be a place for the community to gather, experience and watch Atlantic Schooners football, local, regional and national amateur and professional tournaments and championships, internationally acclaimed music artists and world-class cultural entertainment and festivals.

5.1 AN ECONOMIC AND THOUGHTFUL STADIUM DESIGN

In response to HRM staff’s request for a “Stadium design and capital cost” in their October 2018 HRM Staff Report, SSE engaged Ellis Don and A49 Architects to provide construction pricing advisory services and architectural advisory services, respectively.⁶⁴ As set forth in the “Community Stadium – Phase 1 Design and Capital Cost” (attached here as Schedule C), the total cost estimate for Phase 1 of the community stadium is \$93,979,149, plus land acquisition costs (estimated to be under \$10 million CAD).

Design highlights from the Phase 1 “Community Stadium – Phase 1 Design and Capital Cost” include:

1. The community stadium will be built in a modular, economical and phased approach.
2. Phase 1 of construction will include the following elements:
 - a. Approximately 24,159 seats.
 - b. A permanent community complex along the west side of the facility with capacity for approximately 12,000 permanent seats. This west side permanent complex includes all of the aspects required of a facility to host community sport, recreation and cultural events. **Any public sector monies will be earmarked exclusively to support the “community aspects” of the stadium** (such “community aspects” include the land acquisition costs, the permanent community complex along the west side of the facility, the field of play and the inflatable winter sports dome).

FIGURE 3. PERMANENT WEST SIDE COMMUNITY FACILITY⁶⁵



⁶⁴ The advice to date from Ellis Don and A49 is based upon the firm understanding that they will need to bid for the actual construction project work.

⁶⁵ See Community Stadium – Phase 1 Design and Capital Cost (attached here as Schedule C).

FIGURE 4. PERMANENT WEST SIDE COMMUNITY FACILITY WITH INFLATABLE SPORTS DOME⁶⁶



- c. A “semi-permanent” bleacher seating structure on the east side of the facility, which would accommodate approximately 9,000 seats. The “semi-permanent” east side structure is required to bring the facility from “community” to “CFL grade” (i.e. will permit the facility to host CFL games). All risks, costs and expenses to construct the “semi-permanent” east side structure is SSE’s sole responsibility. **No public sector monies or contributions will be used for this purpose.**

FIGURE 5. SEMI-PERMANENT EAST SIDE STRUCTURE⁶⁷

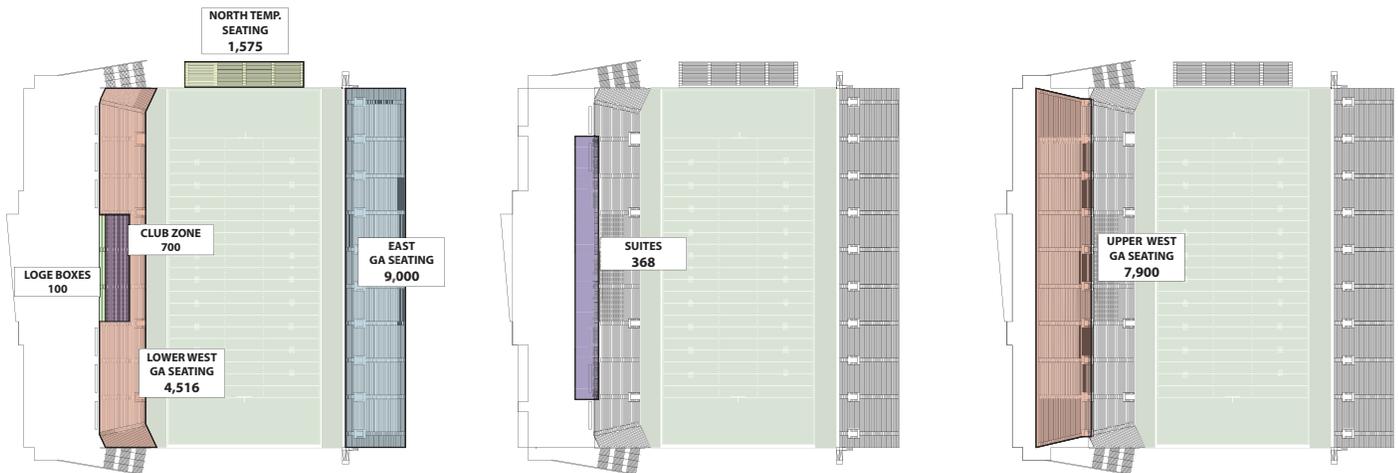


66 See Community Stadium – Phase 1 Design and Capital Cost (attached here as Schedule C).

67 See Community Stadium – Phase 1 Design and Capital Cost (attached here as Schedule C).

- d. North end temporary seating accommodating approximately 1,575 seats. All costs and expenses to construct the temporary north end seats is SSE's sole responsibility. **No public sector monies or contributions will be used for this purpose.**
- e. End zones that utilize a “party zone” which have become popular in new stadiums in Hamilton, Ottawa and Winnipeg. These zones will have a standing room capacity of approximately 2,000.

FIGURE 6. PROPOSED SEATING CAPACITY AND LAYOUT⁶⁸

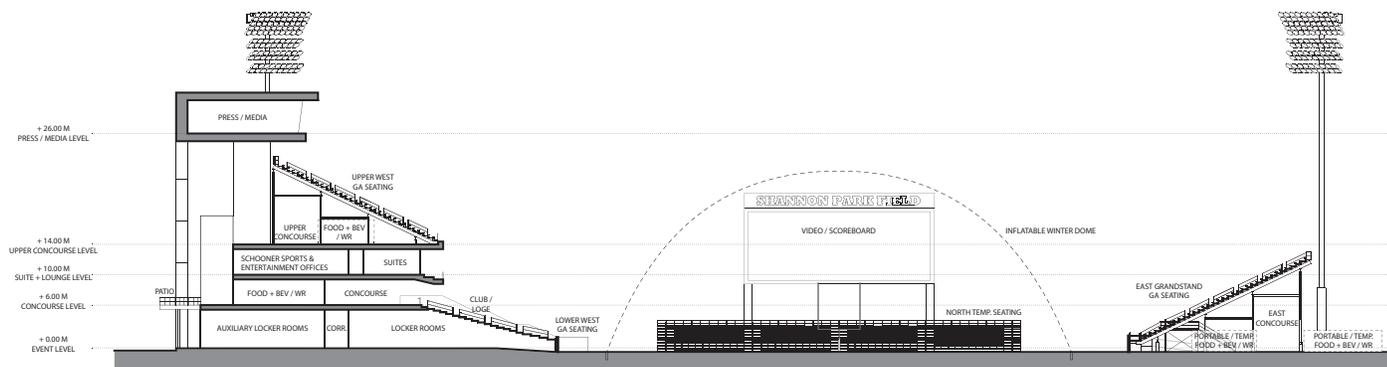


Capital cost highlights from the “Community Stadium – Phase 1 Design and Capital Cost” (attached here as Schedule C) include:

1. Land acquisition costs are not included in the cost estimate.
2. HST is not included in the cost estimate. As discussed in Section 5.3, SSE is requesting a waiver of all HST on labour, supply, materials, etc., along with a waiver of all major permits and development fees, in each case incurred by SSE in connection with the construction of the community stadium.
3. Owner / operator FF&E is not included in the cost estimate.
4. Offices for SSE and Sport Nova Scotia are included in the program.
5. The site is considered green field and not pad ready. All preliminary excavation and removal costs have been included.

⁶⁸ See Community Stadium – Phase 1 Design and Capital Cost (attached here as Schedule C).

FIGURE 7. WEST TO EAST SECTION OF STADIUM⁶⁹



5.2 PROPOSED OWNERSHIP STRUCTURE – PUBLIC BENEFIT, PRIVATE RISK

The following discussion is in response to HRM staff’s request for the “Ownership Structure of Community Stadium” in their October 2018 HRM Staff Report.

HRM has been very clear from the beginning that they do not wish to have an ownership interest in the community stadium, nor take on any ongoing operational risk of the facility. We’ve listened—it is currently contemplated that a new parent holding entity will be established to hold the interests of three, to-be-established, subsidiary entities that will operate SSE’s proposed business:⁷⁰

1. An entity that will own, operate and manage the community stadium (including the land on which the facility is located) (“**StadiumCo**”).
2. An entity that will own all interests in, and operate, the Atlantic Schooners football team (“**TeamCo**”).
3. An entity that will hold any potential interests in ancillary real estate development adjacent to the community stadium.

StadiumCo will be responsible for, and bear all of the risk of, ongoing facility operations. As with any sports and entertainment facility, it is the ongoing operations of such facility that present the most significant monetary and legal risks. Current projections place this operational liability at approximately \$3 million CAD–\$4 million CAD per year—a liability that SSE will solely bear.⁷¹ This approach significantly “de-risks” the government’s involvement in the project. As discussed above, the government’s contributions will be used solely to develop “community aspects” of this key piece of legacy infrastructure. Government will have no future operational risk.⁷²

A poll conducted by Narrative Research (formerly Corporate Research Associates Inc.) to gauge the public’s appetite for a stadium built with some type of financial support from municipal and provincial governments (attached here as Schedule L) revealed that, when told that the private sector would be responsible for all annual operating costs of the stadium, nearly half of residents (44%) are more likely to support the proposal to build a multi-purpose stadium in Halifax, while only one in seven (15%) are less likely to do so.

69 See Community Stadium – Phase 1 Design and Capital Cost (attached here as Schedule C).

70 This structure represents only the current expectation of SSE and is subject to change.

71 In return, SSE will retain all revenue associated with the community stadium to help cover this substantial ongoing liability.

72 Note that the “operational risks, costs and losses of operating the community stadium” does not include the capital expenses for the annual upkeep/maintenance of the community stadium. It is expected that both HRM and SSE will invest in this public infrastructure’s maintenance and improvements over time.

5.3 COMMUNITY STADIUM CONSTRUCTION FUNDING

The following discussion sets out the basic parameters of the funding support that SSE is seeking from HRM, the Province of Nova Scotia (the “**Province**”) and the Canadian Federal Government (the “**Federal Government**”) for Phase 1 of construction of the community stadium.⁷³

To put the below funding options in context, please see Schedule J which provides a snapshot summary of the federal, provincial, municipal and private funding contributions in respect of the most recently built (or to be built) stadiums in Canada and the US. The reader will notice that the financial commitments from government that SSE is proposing to fund the community stadium in HRM are significantly less than what other jurisdictions have received in respect of the stadium projects in those other jurisdictions. Please also see Schedule L for a summary of Narrative Research’s (formerly Corporate Research Associates Inc.) 2018 poll results with respect to the public’s appetite for a stadium built with some type of financial support from municipal and provincial governments.⁷⁴ The key highlights from the poll results are summarized here:

- Upon receiving a description of the stadium’s possible activities, close to two-thirds (63%) of Halifax residents support it being built with the financial support of municipal and provincial governments.
- The type of financial support provided by government to build a multi-purpose stadium in Halifax most favoured by residents is mixed. Three in 10 residents most support tax incentives (29%), while two in 10 most support either direct financial contributions (22%) or loan guarantees (21%).
- Close to two-thirds (63%) of Halifax residents support a potential partnership between the private sector and municipal and provincial governments that would involve private contributions and property taxes from a development that includes the multi-purpose community stadium.

5.3.1 Funding Assumptions

We are relying on the following assumptions in this section:

- a. The estimated budget to purchase the land and construct the “community aspects” of the facility is \$100 million CAD–\$110,000 million CAD (hereinafter, the “**Project Cost**”).⁷⁵
- b. StadiumCo will be the owner of the community stadium, and will solely operate the facility and be responsible for all standard annual operational expenses of the facility (for more on this, please see Section 5.2).
- c. StadiumCo is able to find a third party lender (hereinafter, the “**Lender**”) to finance the bulk of the Project Cost (hereinafter, the “**Debt**”).
- d. Based on a 30-year repayment term with a 30-year amortization period, the annual repayment obligations of StadiumCo to the Lender in respect of the Debt are between \$5–\$6 million (hereinafter, the “**Annual Payments**”).

⁷³ All of the options that follow are in addition to and not in substitute of the following additional asks: (1) a waiver of all HST on labour, supply, materials, etc. incurred by StadiumCo in connection with the construction of the community stadium; (2) a waiver of all major permits and development fees incurred by StadiumCo in connection with the construction of the community stadium; (3) a waiver of any deed transfer tax(es) associated with land acquisition; and (4) a waiver of all ongoing annual property taxes with respect to the community stadium site for at least the Debt repayment period.

⁷⁴ Probability telephone survey conducted between August 7 and August 23, 2018. Random sample of 413 adults aged 18+ from Halifax, Nova Scotia. Overall results are accurate to within +/-4.9 percentage points, 19 times of 20. Margins of error for sub-samples will vary by size and are available upon request.

⁷⁵ Approximately \$94M in capital costs and approximately \$10–\$15M in land acquisition and other miscellaneous construction costs.

- e. A TIF funding model would be implemented by HRM to generate revenue to support the Annual Payments in some fashion, with HRM receiving the continued benefit of the increased property tax base for the surrounding Shannon Park development on a continuing basis beyond the term of the Debt repayment period.
- f. The Province of Nova Scotia (hereinafter, the “**Province**”): (1) increases the existing hotel bed tax from its current 2% to 4%; (2) institutes a rental car tax; (3) such incremental tax increases flow directly from the Province to StadiumCo or the Lender (hereinafter, the “**Provincial Payments**”); and (4) such Provincial Payments are in the range of \$3–\$4 million CAD per year.
- g. SSE and/or TeamCo will contribute \$1 million CAD per year in support of the Annual Payments (the “**SSE Payments**”). For clarity, the SSE Payments are in addition to the standard annual operational expenses of the facility—currently projected at approximately \$3 million CAD–\$4 million CAD per year—that SSE will solely bear (for more on this, please see Section 5.2).
- h. The Lender will require the Province, the Federal Government, HRM or some combination thereof to provide a guarantee in support of the Debt and the Annual Payments in every funding option set forth below.⁷⁶
- i. Subject to the terms of Option #1 below, if, in any year, the SSE Payments plus the Provincial Payments plus any financial commitment from HRM is higher than the Annual Payment, such excess will be placed in an annual maintenance/capital expenditure fund.

5.3.2 Funding Options

We would propose the following five options or some combination thereof in terms of financial support from HRM to StadiumCo for the community stadium:

Option #1 – Maximum Financial Contribution of \$2M Per Year Over the Term of the Loan with TIF Revenue Going Directly to SSE

Annual net committed cash payments from HRM of \$1M for the Debt repayment period, structured as follows:

- \$2M cash commitment from HRM to Lender;
- The \$1M cash contribution from SSE and/or TeamCo (the SSE Payments) will be paid directly to HRM to offset \$1M of HRM’s annual \$2M contribution; and
- SSE and/or TeamCo institutes a ticket surcharge capped at \$10 per ticket on all tickets sold for events (including CFL games) at the community stadium (the “**Ticket Surcharge**”).
 - All revenue up to \$1M that is generated by the Ticket Surcharge will be paid directly to HRM to help to offset the remaining \$1M of their cash commitment to the Lender.
 - All revenue between \$1M and \$1.5M (i.e. the first \$500,000 over \$1M) that is generated by the Ticket Surcharge will be paid directly into an annual maintenance/capital expenditure fund.
 - All revenue over \$1.5M that is generated by the Ticket Surcharge will be paid directly to SSE and/or TeamCo.

⁷⁶ If Option #5 were the selected option, a supporting guarantee would likely be unnecessary. If HRM committed the cash requested under Option #1, Option #2 and Option #3, its obligations to provide a supporting guarantee could be eliminated or substantially reduced.

Notably, this funding option effectively shifts any risks associated with the TIF funding model (e.g. construction delays, absorption delays, permitting delays, etc.) from HRM to SSE, and produces the result that the people who actually attend the events at the community stadium are ultimately the people who provide the revenue to support HRM's financial commitment to build it. Please note that under this funding option, all funds generated under the TIF during the Debt repayment period would go directly to SSE and/or TeamCo, and HRM would receive the continued benefit of the increased property tax base for the surrounding Shannon Park development on a continuing basis beyond the Debt repayment period.

This financial commitment would represent HRM's total contribution to the community stadium and StadiumCo would advocate on HRM's behalf to have the loan guarantee, contemplated under assumption H above, come from the Province and the Federal Government such that there would be no further risk to HRM in respect of the community stadium.

Option #2 – Upfront Cash Payment

One-time cash payment from HRM of 15%–20% of the Project Cost payable to StadiumCo (or the Lender) at the commencement of construction of the community stadium. This one time cash payment, estimated to be in the range of \$15,000,000–\$22,000,000, would represent HRM's total contribution to the community stadium and StadiumCo would advocate on HRM's behalf to have the loan guarantee, contemplated under assumption H above, come from the Province and the Federal Government such that there would be no further risk to HRM in respect of the community stadium.⁷⁷ Some or all of the funds for HRM's financial commitment under this option would come from a TIF funding model, with HRM receiving the continued benefit of the increased property tax base for the surrounding Shannon Park development on a continuing basis beyond their financial support.

Option #3 – Smaller Upfront Cash Payment with Committed Cash Payments Over the Term of the Loan

Committed cash payments from HRM of 25% of the Project Cost. The structure of this option would see a smaller cash payment (e.g. 5% of the Project Cost) payable to StadiumCo (or the Lender) at the commencement of construction of the community stadium with the balance payable directly to the Lender on an annual basis over the term of the Loan. This financial commitment, estimated to be in the range of \$25,000,000, would represent HRM's total contribution to the community stadium and StadiumCo would advocate on HRM's behalf to have the loan guarantee, contemplated under assumption H above, come from the Province and the Federal Government such that there would be no further risk to HRM in respect of the community stadium. Some or all of the funds for HRM's financial commitment under this option would come from a TIF funding model, with HRM receiving the continued benefit of the increased property tax base for the surrounding Shannon Park development on a continuing basis beyond their financial support.

As a basic example, this option may see HRM making a cash payment of \$6,000,000 to StadiumCo (or the Lender) at the commencement of construction of the community stadium and entering into a contribution agreement with StadiumCo and/or the Lender to make payments directly to the Lender on behalf of StadiumCo over the term of the Loan in the total aggregate amount of \$19,000,000. If the term of the Loan was 30 years, this would see HRM paying approximately \$600,000 per year to the Lender on behalf of StadiumCo for 30 years.

⁷⁷ Note that the "operational risks, costs and losses of operating the community stadium" does not include the capital expenses for the annual upkeep/maintenance of the community stadium. It is expected that both HRM and SSE will invest in this public infrastructure's maintenance and improvements over time.

Option #4 – Loan Guarantee

As discussed in assumption H, unless Option #5 is the selected option, it is highly probable that the Lender will require a guarantee to support the Debt and the Annual Payment from some level or levels of government. HRM's contribution could be in the form of a guarantee to the Lender. Depending on the negotiations with the Province and the Federal Government, HRM's guarantee could be for less than 100% of the total Loan amount with either the Province or the Federal Government guaranteeing the balance. This guarantee would likely be 'callable' by the Lender on an annual basis so that if StadiumCo were unable to make the annual payments to the Lender in respect of the Loan, HRM would be required to pay such shortfalls on an annual basis based on its guaranteed percentage. This option would see HRM not committing to put any cash out in respect of the construction of the community stadium, and possibly not pay anything in respect of the construction of the community stadium at all, but would involve HRM having risk of up to its agreed upon percentage of the total Loan amount if StadiumCo were unable to repay the Loan out of its day-to-day operating income (including the SSE Payments) and any Provincial Payments.⁷⁸ Some or all of the funds for HRM's financial commitment under this option, if any, would come from a TIF funding model, with HRM receiving the continued benefit of the increased property tax base for the surrounding Shannon Park development on a continuing basis beyond their financial support.

As a basic example, if the Provincial Payments and the operations of StadiumCo left a shortfall of \$2 million in respect of the Annual Payments in any given year, and HRM has agreed to guarantee 50% of the total Loan amount, the Lender could call on HRM to make a \$1 million payment.

Option #5 – Sliding Scale of Committed Cash Payments

Annual committed cash payments by HRM payable to StadiumCo (or the Lender) equal to the amount of the Annual Payments *less* the Provincial Payments *less* the SSE Payments over the term of the Loan. This option would see HRM not putting any cash out initially but committing to funding an annual amount that could increase or decrease based on the Provincial Payments received in any given year.⁷⁹ Some or all of the funds for HRM's financial commitment under this option, if any, would come from a TIF funding model, with HRM receiving the continued benefit of the increased property tax base for the surrounding Shannon Park development on a continuing basis beyond their financial support.

As a basic example:

Year Three – StadiumCo has Annual Payments of \$5 million and receives \$1 million from SSE and \$4 million from the Provincial Payments. HRM is not required to make a cash payment to StadiumCo (or the Lender) in Year Three.

Year Four – StadiumCo has Annual Payments of \$5 million and receives \$1 million from SSE and \$1 million from the Provincial Payments. HRM is required to make a cash payment of \$3 million to StadiumCo (or the Lender) in Year Four.

Year Five – StadiumCo has Annual Payments of \$5 million and receives \$1 million from SSE and \$2.5 million from the Provincial Payments. HRM is required to make a cash payment of \$1.5 million to StadiumCo (or the Lender) in Year Five.

⁷⁸ Note that Annual Payments may be required prior to the stadium being "operational".

⁷⁹ Note that Annual Payments may be required prior to the stadium being "operational".

5.3.3 Financing Options

We have had extensive discussions with most of the major financial institutions with respect to financing Phase 1 of the construction of the community stadium. The advice and guidance from all of these major financial institutions has been consistent:

- The details of any financing plan really depend on the level and type of financial participation by the various levels of government.
- Without first determining how the levels of government wish to participate in developing the community facility, it is impossible to provide meaningful details about which financial institution would be willing to provide the credit facility, and how such a facility would be structured.
- As is the case with other stadiums built (or to be built) in Canada and the US (please see Schedule J), ultimately, without the participation of government—and their AAA/“investment grade” cash flows backstopping the loan in some fashion—there is little chance that this community asset gets financed appropriately.

5.3.4 Annual Maintenance/Capital Expenditures

Based on our discussions with lenders and contractors, as well as top stadium finance advisors, annual upkeep and maintenance costs are generally 0.5% of the total construction cost per year. At a Phase 1 construction budget estimated at \$93,979,149, this amounts to approximately \$465,000 per year. It is expected that both HRM and SSE will invest in this public infrastructure’s maintenance and improvements over time.

6.0 GROW

A multi-use community facility to meet the increased recreation demands of a growing population, and a regional, national and international sport and entertainment tourism driver.

6.1 A REGIONAL DRAW

As the following reports bear out, Halifax and the Atlantic Canadian region is willing and able to support a CFL franchise and community stadium:

- “Support for CFL in Halifax” poll results conducted by Narrative Research (formerly Corporate Research Associates Inc.) in September of 2017 (attached here as Schedule K).
- Halifax Partnership’s “Corporate Sector Overview – CFL Focus” October 2017 Memorandum (attached here as Schedule M).

We have also sold more than 6,000 season ticket deposits for the first season of Atlantic Schooners football; an exceptionally strong number for a team that has yet to play a game, does not have any players yet and, most significantly, does not yet have a place (city or stadium) to play. The resounding success of the Touchdown Atlantic game in Moncton on August 25, 2019, promoted and hosted by SSE, also speaks volumes for the region’s enthusiasm for professional football.

Furthermore, the early success of the HFX Wanderers FC, and the intangible benefits and civic pride that their emergence has provided to the HRM community, is a positive test case. This success has demonstrated that there is an appetite within the HRM for sport and that Atlantic Canadians are a dedicated, loyal fan base. This base has the potential to contribute significantly to economic growth within the HRM, including the growth of small local businesses (to be discussed in detail in the section below). In considering this example, it is clear that the introduction of a CFL franchise in the HRM would also provide significant intangible social benefits and instill a great sense of community pride that will generate a lasting impact for years to come.

With reference to other markets throughout the league, it is clear that the Atlantic Canadian market is robust enough to support the introduction of a major sporting franchise and can contribute significant economic benefits to the community. The population of the Halifax Regional Municipality is nearly 440,000 and growing. This is more than double the population of Regina, a city that fervently supports the Saskatchewan Roughriders at their 33,350 capacity stadium. Within a two-hour drive of Halifax resides over 700,000 people, a figure greater than the populations of Hamilton and Winnipeg, both of which successfully support CFL teams in stadiums much larger than what is proposed here.⁸⁰ Meanwhile, the remainder of the population of Nova Scotia lives within a five-hour drive.⁸¹ The population of New Brunswick, PEI, Nova Scotia and Newfoundland totals more than two million. Even with a conservative estimate that assumed no anchor tenant and no major international events, a previous 2011 city study estimated annual spectator visits of 60,000–90,000 to a stadium in Halifax per year.⁸² The average CFL game last year attracted 23,855 spectators alone.⁸³

Sport tourism was a \$6.8 billion industry in Canada in 2015. Sport tourism in Atlantic Canada accounted for \$396.6 million of that total.⁸⁴ This is a significant figure considering that the landscape of sport in Atlantic Canada is currently dominated by amateur and semi-professional sport. The introduction of a professional sports team to the Halifax region and the numbers above suggest that there is an opportunity to continue to grow sport tourism in the region.

6.2 MUNICIPAL, PROVINCIAL AND ATLANTIC CANADA REGION BENEFIT

Canada's sports and entertainment sector plays a notable role in the national economy, directly supporting over 100,000 jobs and contributing \$71 billion in GDP annually.⁸⁵ Meanwhile, global sport tourism is an \$800 billion per year industry, accounting for 10% of all international tourism receipts, according to the World Tourism Organization.⁸⁶

Deloitte projects two core streams of regional economic impact that the community stadium will generate: (1) one-time stadium construction; and (2) ongoing annual football and events activities. See Schedule N for the full Deloitte Economic Impact Analysis, May 2018. The table below summarizes this economic impact.

80 Halifax Stadium – Business Plan (2011) at 55.

81 Halifax Stadium – Business Plan (2011) at 55.

82 Halifax Stadium – Business Plan (2011) at 53.

83 "Canadian Football League 2018 Season": <<https://stats.cfl.db.ca/league/cfl/2018>>.

84 "Value of Sport Tourism in Canada," Canadian Sport Tourism Alliance (2015). <https://canadiansporttourism.com/sites/default/files/docs/value_of_sport_tourism_in_canada_2015_including_prov_-_march_2017.pdf>

85 Economic data sourced from Statistics Canada, 2016 Census of Population (employment), Table 379-0031 (GDP, 'Performing arts, spectator sports and related industries, and heritage institutions').

86 Kamilla Swart & Michelle Turco, "International Sport Tourism" (2019), International Sport Management, 2nd ed., Human Kinetics, at pg. 334.

TABLE 6. ECONOMIC IMPACTS⁸⁷

Impact	Stadium Construction	Football Operations and Events
GDP	<p>\$295.5M in total GDP impact at the national level, of which:</p> <ul style="list-style-type: none"> • \$171.0 million contributes to Nova Scotia’s GDP, of which • \$136.8M contributes to HRM’s GDP 	<p>\$140.0M in annual GDP impact at the national level, of which</p> <ul style="list-style-type: none"> • \$111.8M contributes to Nova Scotia’s GDP annually, of which • \$96.8M contributes to HRM’s GDP annually
Employment	<p>3,106 FTE across Canada, of which</p> <ul style="list-style-type: none"> • 1,951 located in Nova Scotia, of which • 1,568 located in the HRM. 	<p>2,070 FTE across Canada, of which</p> <ul style="list-style-type: none"> • 1,813 located in Nova Scotia, of which • 1,459 located in the HRM.
Labour Income	<p>\$202.2M in total labour income at the national level, of which</p> <ul style="list-style-type: none"> • \$123.5M is earned in Nova Scotia, of which • \$103.3M is earned in the HRM 	<p>\$81.5M in annual labour income at the national level, of which</p> <ul style="list-style-type: none"> • \$68.6M is earned in Nova Scotia, of which • \$58.8M is earned in the HRM
Government Revenues	<p>\$45.4M in total federal and provincial income taxes, and \$3.8M in total sales and excise taxes</p>	<p>\$12.7M in federal and provincial income taxes per year, and \$1.7M in sales and excise taxes per year</p>

The CFL has also guaranteed that SSE will host at least one Grey Cup in the first 10 years of existence. The economic and social impact that a Grey Cup would have on HRM and Atlantic Canada is immense. A study conducted by Sportcal—a sports market intelligence firm based in London, England—concluded that the 2018 Grey Cup hosted in Edmonton last November had a total economic impact of more than \$81 million. The study also notes that the Grey Cup was a source of civic pride: 93 per cent of local citizens surveyed agreed that the Grey Cup had a positive impact on the city and 94 per cent said the city of Edmonton should host the Grey Cup again. The report also cites the event’s social impact. It engaged an estimated 1,000 volunteers, featured flag football and football skills sessions for youth and included visits from 4,000 school children from 40 schools who were granted special access, a Diversity is Strength party that celebrated inclusion and campaigns designed to counteract violence against women.

⁸⁷ From Deloitte Economic Impact Analysis, May 2018, attached here as Schedule N. Please note that this analysis was prepared under the assumption that the stadium would be built out in one phase for a total one-time capital cost expenditure of approximately \$250M. However, as detailed throughout this submission, the community stadium will now be built out in a staged approach (with the initial phase being closer to a one-time capital cost expenditure of \$120M). The analysis provides valuable insight into the economic impact of stadium construction to build all phases of the community stadium, and the economic impact of football operations and events, as currently set forth in the Deloitte report, remains fully applicable to the current phased approach for the community stadium.

Among the other findings:

- The total economic impact of \$81,146,423 is estimated to be a 6.6 per cent increase from the Grey Cup in 2017.
- A total of 381 accredited media attended during the week, an increase of 20 per cent compared to the previous year.
- More than 9,100 stories were published about Grey Cup week, a 62 per cent increase over 2017, complementing a strong social media presence throughout the week.
- More than 40 festival partners, and 32 league partners activated during the week.
- The Grey Cup game garnered a television audience of 3.3 million with a reach of 8.4 million.
- The average number of days attended by fans was 2.9 days; 11 per cent attended all five days of the event.
- Thirty per cent of all fans—and 58 per cent of those aged 19 to 34—attended a Grey Cup event for the first time.
- Women and those aged 19 to 24 were most likely to score events highly.

Studies of previous Grey Cups hosted in various cities have pegged the potential economic impact at more than \$100M.⁸⁸

Furthermore, the sector generates significant indirect economic activity, such as:

- *Enhanced public image:* professional sports teams provide national and international exposure and profile to their host cities, which can attract outside investment. All CFL games are broadcast nationally on TSN/RDS, which are also available on ESPN+. The average audience in Canada is over a half million viewers per game⁸⁹ and in 2018, TSN reported over 14 million unique Canadian viewers for its CFL on TSN regular season offering, up 4% from 2017 and 9% within the 18–34 demographic.⁹⁰ ESPN's linear networks (ESPN, ESPN2) also carry TSN's coverage of select CFL games on US television. The TSN deal also allows for CFL games to be simulcast on ESPN's other international networks, as well as through BT Sport, ESPN's licensing partner in the British Isles. In June of 2019, the CFL signed a Mexican television deal with broadcaster MVS. As part of the deal, MVS broadcasts one CFL game per week. The CFL would provide Halifax with massive national and international TV exposure, and a 3+ hour Halifax "post card" for every home game for us to show off and showcase our region.
- *Impact to surrounding local industries:* local businesses, such as restaurants, can leverage the excitement surrounding sporting and entertainment events to drive revenues.
- *Tourism:* professional sports teams generate broader tourism and recreation activity. Fans travelling to attend a game will spend on hotels, restaurants and other surrounding local industries when visiting the host city.

88 "Economic Assessment Shows 100th Grey Cup Festival Brought \$133.1 Million to Ontario", Canadian Sport Tourism Alliance: <<http://canadiansporttourism.com/news/economic-assessment-shows-100th-grey-cup-festival-brought-1331-million-ontario.html>>.

89 "CFL ratings report: Regular season numbers show solid increase", 3downnation (2018): <<https://3downnation.com/-/2018/11/10/cfl-ratings-report-regular-season-numbers-show-solid-increase/>>.

90 "TSN Remains Canada's #1 Specialty Network", TSN (2018): <<https://www.tsn.ca/tsn-remains-canada-s-1-specialty-network-1.1229932>>.

Finally, as alluded to earlier, professional sports teams are a source of civic pride and provide gathering places and shared experiences for friends, family and community. Although these social impacts may not result in a direct financial return, they positively enhance the quality of life in their respective cities. There are very few things left that provide a communal experience that go across all of the demographic. Sport is one of them. Maybe the only one.

Tourism Impacts

- National and international branding potential for Halifax, Nova Scotia and the Atlantic Canada region.
- Hundreds of hours of free international television and media coverage.
- New stadium infrastructure will enhance HRM's and Nova Scotia's profile as a major international sports and entertainment destination.

Community Impacts

- The facility will be used primarily by community sport and recreation organizations and schools at no, or minimal, cost to such organizations (i.e. programmed year-round by provincial sports organizations).
- Leadership and volunteer opportunities for hundreds of citizens in the HRM and beyond.
- Improved sport, wellness and lifestyle through a culture of physical activity being promoted through the public use of the community stadium for mass participation events (amateur and recreational sports, Atlantic Canada region collegiate and high school sports, etc.).
- Community pride.
- Collaboration and improved inter-governmental relationships.
- Facility condition studies that will be useful for future purposes.
- Venue plans that will reduce future development costs.

Legacies

- New sustainable and operationally viable sport, entertainment and cultural infrastructure.
- New and / or upgraded transportation and accommodation infrastructure at Shannon Park.
- Creation of a true "live, work, play" dynamic in Shannon Park area for HRM residents and beyond.
- HRM and the Province will join other Canadian cities and provinces such as Toronto (Ontario), Ottawa (Ontario), Hamilton (Ontario), Edmonton (Alberta), Calgary (Alberta), Regina (Saskatchewan), Winnipeg (Manitoba), Montreal (Quebec) and Vancouver (British Columbia) in having its very own professional CFL sports franchise.
- International and national profile (and the ability to draw major international and national entertainment acts to the Atlantic Canada region).

6.3 MEETING HRM COUNCIL PRIORITIES

Part of HRM's analysis of this proposal should include an assessment of the proposal's alignment with HRM's policies. We believe that the proposal aligns best with the following municipal policies:

- Strategic Planning Framework.
- Economic Growth Plan.
- Community Facility Master Plan.
- Regional Council's Healthy Communities Priority Outcome.
- Regional Municipal Planning Strategy and Moving Forward Together Plan.

6.3.1 Strategic Planning Framework

In December 2016, HRM council adopted a Strategic Planning Framework in which it identified six priority outcomes for the years 2017–2020.⁹¹ One such priority is Healthy, Liveable Communities. As part of that priority, Regional Council has emphasized Recreation and Leisure:

"Halifax citizens have access to facilities and natural assets that enable a range of choices for structured and unstructured leisure and recreation activities."

The community stadium will provide access to state of the art facilities for both structured and unstructured sport and recreation activities for more than 300 days per year. Covered by an inflatable dome in the winter, the community stadium will be a year-round recreation asset creating a much-needed playing surface for school, youth and community sports teams and clubs. The community stadium will provide the reinvigorated community of Shannon Park, and the greater Halifax community, with greater opportunities to pursue for active living and will provide accessibility for underserved communities.

6.3.2 Economic Growth Plan

The 2016–2021 Economic Growth Plan provides an updated framework to HRM's original Economic Strategy. The Economic Growth Plan outlines strategic goals to expand on progress previously achieved under the Strategy. We believe that the community stadium, as integrated into a multi-use development at Shannon Park, aligns closely with three goals in particular:

1. Make Halifax a Better Place to Live and Work.
2. Promote and Maximize Growth.
3. Align Economic Development.

Several of the objectives embedded in the "Make Halifax a Better Place to Live and Work" strategic goal are supported by the community stadium, as integrated into a multi-use development at Shannon Park, including:

- Providing access to a community-use stadium, both for mass participation events (amateur and recreational sports, Atlantic Canada region collegiate and high school sports, etc.) and world-class international sporting, entertainment and cultural events.

⁹¹ "2017–2020 Multi-year Priority Outcome Update," HRM Council: <<https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/171128cow3.pdf>>.

- Increasing HRM’s international and national profile and showcasing HRM to encourage people to visit, live and work there.
- Making Halifax more family and children friendly by providing a new family event destination in the Atlantic Canada region.
- Physically and functionally integrating residential, commercial, cultural, institutional and entertainment uses, while also providing pedestrian connection throughout.
- Greater dwelling variety and density.
- Reduced distances between housing, workplaces, retail businesses and other destinations.
- More compact development.
- Stronger neighborhood character.
- Pedestrian and bicycle-friendly environments.

The community stadium, as integrated into a multi-use development at Shannon Park, also supports several of the objectives embedded in the “Promote and Maximize Growth” strategic goal, by virtue of the collaborative, inter-governmental approach to planning and developing this project to ensure the maximum impact on the HRM economy and to promote the clustering of people and business in the Shannon Park area—one of the few remaining large tracts of developable land with direct harbour frontage with HRM’s urban core.

Finally, several of the objectives embedded in the “Align Economic Development” strategic goal are also supported by the community stadium, as integrated into a multi-use development at Shannon Park. The magnitude and scale of the mixed-use development (and the sports, entertainment and cultural infrastructure that will make HRM a major sport, entertainment and cultural destination) will support economic contributions (please see the Deloitte Economic Impact Analysis, dated May 2018, attached hereto as N)⁹² and work to promote awareness of the role Halifax plays in Nova Scotia’s and Canada’s economic development.

6.3.3 Community Facility Master Plan

In our view, the community stadium, as integrated into a multi-use development at Shannon Park, also aligns with the Community Facility Master Plan (CFMP) approved in 2008. SSE wishes to play a vital role in providing access to facilities for community and sport and recreation activities for people of all ages in the HRM, the Province and the Atlantic Canada region, and wish to bring the CFL’s community programming to the Atlantic Canada region, including youth mentorship, food donation and initiatives promoting inclusiveness. SSE wishes to discuss a partnership model with HRM and the Province to achieve this end.

This inter-governmental partnership proposed by SSE is an advanced National Sport Organization (NSO) model. The inclusion of municipal and provincial governments in a partnership enables all parties to achieve their outcomes while supporting the success of the others. That model is particularly valuable in a province the size of Nova Scotia as it will build on the strengths of each organization without duplication of services. Through the partnership model, each organization can expect to be able to achieve successful outcomes beyond that which each would expect individually.

⁹² Please note that the Deloitte Economic Impact Analysis, dated May 2018, was prepared under the assumption that the stadium would be built out in one phase for a total one-time capital cost expenditure of approximately \$250M. However, as detailed throughout this submission, the community stadium will now be built out in a staged approach (with the initial phase being closer to a one-time capital cost expenditure of \$120M). The analysis provides valuable insight into the economic impact of stadium construction to build all phases of the community stadium, and the economic impact of football operations and events, as currently set forth in the Deloitte report, remains fully applicable to the current phased approach for the community stadium.

6.3.4 Healthy Communities Priority Outcome

HRM Council has approved various priority areas that focus municipal service delivery. Healthy Communities is an important priority that encompasses several components. SSE's proposal aligns with the Healthy Communities Priority Outcome in several ways, including community access to a sport facility, greater opportunities for active living and additional programs for increased accessibility for underserved communities.

6.3.5 Regional Municipal Planning Strategy and Moving Forward Together Plan

As proposed, the design of the community stadium at Shannon Park is consistent with the objectives of municipal transit planning within the HRM. The *HRM Regional Municipal Planning Strategy*, adopted in 2014, identifies the following objectives for developing an effective regional transportation system:

1. Implement a sustainable transportation strategy by providing a choice of integrated and connected travel modes emphasizing public and community based transit, active transportation, carpooling and other viable alternatives to the single occupant vehicle;
2. Promote land settlement patterns and urban design approaches that support fiscally and environmentally sustainable transportation modes;
3. Forecast HRM's need for mobility and provide service and infrastructure to meet this demand while influencing choices towards transportation sustainability; and
4. Design complete streets for all ages, abilities, and modes of travel.⁹³

Moreover, the *Regional Municipal Planning Strategy* requires all mixed-use residential and commercial areas to be designed to maximize access to public transit, support healthy lifestyles, and enhance mobility, public safety and environmental quality by reducing auto dependency.⁹⁴

These objectives are echoed within the HRM's *Moving Forward Together Plan*. Adopted by Regional Council in 2014, the *Moving Forward Together Plan* guides the implementation of service improvements across the region and places an emphasis on developing a course towards maximizing the use of high ridership public transit services.⁹⁵

In line with the *Regional Municipal Planning Strategy*, the community stadium will be a "Transit Oriented Development"⁹⁶, and has been designed to maximize the use of public transit and discourage private transportation. As outlined within the "Preferred Shannon Park Development Concept Plan" (attached here as Schedule G), and the "Stadium Site Planning Assumptions and Site Plan Revisions" (attached here as Schedule B), the community stadium design includes a north-south road, running adjacent to the stadium, that facilitates public transit's access to the stadium and enhances mobility throughout the surrounding Shannon Park neighborhood. This street network has been designed to reduce congestion and permit public transportation to connect the entire mixed-use development and service the demand for public transport throughout.

93 HRM Council, "Regional Municipal Planning Strategy" (2014), Ch. 4 Transportation and Mobility, pg. 59: <<https://www.halifax.ca/sites/default/files/documents/about-the-city/regional-communityplanning/RegionalMunicipalPlanningStrategy.pdf>>.

94 HRM Council, "Regional Municipal Planning Strategy" (2014), Ch. 4 Transportation and Mobility, pg. 60–62: <<https://www.halifax.ca/sites/default/files/documents/about-the-city/regional-communityplanning/RegionalMunicipalPlanningStrategy.pdf>>.

95 HRM Council, "Moving Forward Together Plan" (2014), pg. 1: <<https://www.halifax.ca/sites/default/files/-documents/transportation/halifax-transit/MFTP%20-%20PlanOnly.pdf>>.

96 HRM Council, "Regional Municipal Planning Strategy" (2014), Ch. 4 Transportation and Mobility, pg. 60: <<https://www.halifax.ca/sites/default/files/documents/about-the-city/regional-communityplanning/RegionalMunicipalPlanningStrategy.pdf>>.

Additionally, the “Community Stadium – Phase 1 Design and Capital Cost” (attached here as Schedule C), illustrates that parking at the stadium will be limited to promote the use of public and active transportation in accessing the community stadium. This limited parking will only be available at a premium to deter the use of less sustainable private transportation and will be concentrated on the northern side of the stadium. This design ensures that direct access to the stadium is accessible to a variety of forms of transport, including bus, car, bicycle, and pedestrian traffic, increasing options for those with mobility issues. In doing so, the design enhances movement throughout the neighbourhood and promotes accessibility across all age groups, abilities and modes of transportation.

At the same time, the design of the road infrastructure and streetscape serve to integrate the stadium within the mixed-use development at Shannon Park. The construction of parks, walkways and the introduction of mixed-use services within the immediate vicinity of the stadium, promote walking and active forms of transportation throughout.