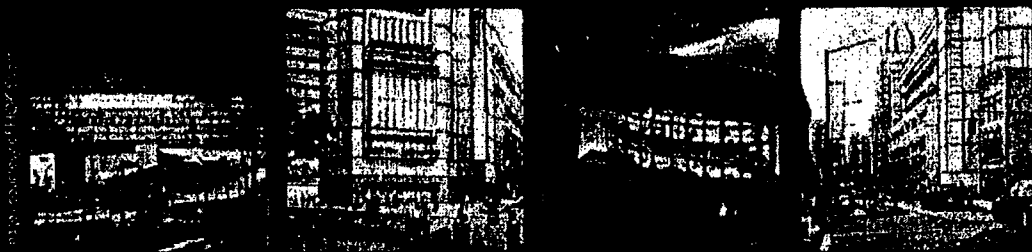


CITY SHAPING



The Summary Report of the Leadership Committee for a
New Sports/Entertainment Facility for Edmonton

March 2008

Approved with changes
Mike Best

March 2008

Comparable NHL Arena Analysis

The seating capacity of Rexall Place at 16,837 is second smallest in the NHL and under the median capacity of 18,730. Population per seat is 57, third-lowest in the league. The number of premium suites in Rexall Place (66) is about two thirds of the league average and the number of available club seats (3,300) is about 50% higher than the league average. Total potential revenues from premium seats in Rexall Place are close to the average for all facilities. In terms of the potential corporate base per premium seat, Rexall Place is below the median.

The majority of NHL and joint NHL/NBA facilities have a naming rights agreement. The average amount of all agreements is over \$3 million per year. All of the joint agreements and half of the NHL only agreements have a term of 20 years or longer.

Attendance at Oilers games is strong at 11th highest in the league on average over the past five years.

A variety of ownership arrangements exist for NHL arenas, such as individual owners, companies, authorities, legal partnerships, cities and counties. Cities and counties own a significant number of the current NHL arenas.

Financial Case Studies

The average cost of NHL-only arenas built since 1983 is \$232 million in today's dollars. Overall proportions of public and private contributions in these areas are 48% and 52%, respectively. Joint NHL/NBA facilities built since the mid-1990's have an average cost of \$333 million in today's dollars and are 14% funded publicly. The cost assumed in the CSL report for the Edmonton arena is \$450 million.

Financing models range from completely private financing to completely public. Half of the 26 arenas identified in the CSL report are more than 75% privately financed. Seven of the 26 arenas are 100% privately funded. Three are 100% publicly funded. The remaining 10 facilities have private/public financing ranging from 74% to 13%.

~~Prudential Center (2007), Montreal (1996), Ottawa (1996), Vancouver (1997) and Toronto (1999) were all 100% publicly funded.~~ The newest NHL arena is the Prudential Center in downtown Newark, New Jersey. It was completed in 2007 at a cost of \$309 million and was financed 67% publicly and 33% privately.

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