

Scott Hennig

From: Karen Leibovici <karen.leibovici@gmail.com>
Sent: Monday, October 04, 2010 2:37 PM
To: shennig@taxpayer.com
Subject: Taxpayer's survey

Dear Scott,

Here are the answers to your survey.

1. Preparing and implementing the capital and operating budget for a city the size of Edmonton requires a great deal of discussion and debate. My track record on the annual budget includes proposing reductions to city budgets as well as being involved in developing a new budget process that aligns departmental goals and performance measures with the city's vision.

2. The Expo 2017 bid has been voted on and we are moving forward. The link below is to the EXPO 2017 web page. This is a wonderful opportunity for Edmonton to once again showcase the many attributes of our city. These include our people, our businesses and our extraordinary natural environment.

<http://www.edmontonexpo2017.com/>

3. With regards to your questions about a new entertainment and arena district there are many aspects to this proposal. The following are the questions that I have formally asked of Northlands, the Katz Group and City Administration. It is far too early for me to indicate support for or against a new arena complex.

Councillors' Questions on Sports and Entertainment Facility

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Attachment 1

COUNCILLOR LEIBOVICI

Questions for Northlands:

1. Can Northlands provide the current operating budget for Rexall Place and Northlands? Detail all revenues and expenses for Rexall Place. Can Northlands provide a projected operating budget if Rexall is not part of its revenue stream?
2. Please provide the HOK report as well as the reasons that the report was commissioned. Does Northlands agree with the analysis in the HOK report of the need for renovations at Rexall Place.
3. Please explain the different calculations that are in the media re: required renovations at Rexall Place, i.e. \$49m; \$200m; \$250m; any other figures. Has there been a cost benefit analysis to renovate vs building a new arena?
4. Would Northlands be able to attract private capital to renovate Rexall Place and operate Rexall Place without any public subsidy? Who is currently responsible for any capital improvement to Rexall Place?
5. According to the 2007 HOK report how does Rexall Place compare as either a hockey arena or concert facility with other arenas?
6. Does the City currently receive any property taxes from either Northlands or Rexall Place? Does the City receive any revenues from Rexall Place?
7. Are there any agreements in place with the City and Northlands which guarantee that Northlands will operate an arena after 2014 either at the current Rexall Place or any new arena?
8. What is the current revenue sharing agreement with the Oilers and the City regarding; 1.) Rexall Place; 2.) Northlands?
9. Can Northlands confirm that they agree with the concept of a downtown arena?

Questions for Katz Group:

1. Have there been any discussions with the Shaw Conference Centre Management (EEDC) to determine whether there are any synergies regarding the Shaw Conference Centre expansion plans and the proposed sports and entertainment district?
2. Have there been any agreements reached with post secondary institutions regarding student housing?
3. What is the projected construction schedule for building the arena? What are the projected timelines for build out of the other facilities, i.e. residential and student housing, hotel complex, etc.?
4. Can the Katz Group provide its business plan for the arena, as well as the sports and entertainment district?
5. Given that under the proposal presented at the City Council meeting that the City will own the building is the Katz Group adverse to a design competition being held?
6. Is it understood that all City owned buildings must be certified at a minimum LEED silver standard?
7. Is a Sports Hall of Fame museum envisioned as being part of the sport and entertainment district?
8. What will be the terms of the location agreement?
9. Has there been any indication by the Province, that casino revenues could be utilized to fund the arena?
10. Explain the NHL requirements for arenas and provide information on the funding agreements that are in place between municipalities and NHL teams in both the United States and Canada for both capital requirements and operating revenues.
11. Explain what revenues personal seats or luxury suites licensing could provide?
12. What guarantees would the Katz group provide to the City of Edmonton if the CRL projections are not realized?
13. Has the Katz Group considered a community benefit agreement as entered into by the Staples Centre in Los Angeles and Millennium Southeast False Creek Properties Ltd; City of Vancouver and Building Opportunities with Business Inner-City Society?

Questions for Administration:

1. a) Has the Administration reviewed the 2007 HOK report and do you agree with its findings?
b) Who commissioned the report and why?
c) Does the report indicate that a renovated Rexall Place (\$250m) would result in decreased revenue?
d) Has the Administration reviewed whether there is a need for a new arena and if yes, where the most appropriate location is?
2. If the City is the owner of a new arena, who would be responsible for any potential capital cost overruns? 2 b) What revenues can the City expect from a new arena and who would be responsible if operating revenues are not sufficient? 2 c) On an ongoing basis who would be responsible for on-going capital costs to maintain the arena?
3. Has the City undertaken a cost/benefit analysis of a renovated vs new arena; different operational options; different forms of development either on the existing Northlands site or with a new sports and entertainment districts?
4. Can a condition of a CRL be a guaranteed revenue stream? In other words if projected development does not occur as anticipated can the City require that the Katz Group provide a guarantee to cover debt servicing costs?
5. If a guaranteed revenue stream is not possible how will payment be made on the loan provided by the City?
6. Does the City have access to the Katz Group and Northland/Rexall financial statements? What analysis has been undertaken to ensure that projects proposed to finance the CRL are achieved and that projected operating revenues and debt servicing can be met?
7. Are the Katz Group timelines for both the building of the arena and the

projected build out of the sports and entertainment district achievable? Outline the scenarios considered by the administration re: the amount of the CRL interim financing required, debt servicing (\$25-30 million?) and repayment schedule? How does the administration propose to service the debt at the outset? Is the debt proposed \$120m?

8. Has the City been involved in any discussions with the Katz Group and post secondary institutions re: potential student housing requirements in the sports and entertainment district?

9. a) Has the City engaged expertise or does the Administration have information regarding NHL requirements re: arrangements between other municipalities and NHL teams; location agreements and options available if teams are sold or moved before the CRL is repaid?

b) The comment was made at the City Council meeting that every city that has an NHL team needs a new arena. Can administration provide information on the status of the other NHL arenas?

4. I have not received campaign contributions from anyone you have listed. As in previous elections, I will follow the disclosure rules that exist. The attached link outlines the campaign expenses and contribution rules for municipal elections.

http://www.edmonton.ca/city_government/municipal_elections/campaign-expenses-and-contributions.aspx