

North Bay Memorial Gardens Arena

The Promise

The Cost of This
Project Will Not
Exceed 12 Million

North bay / Battalion Contract

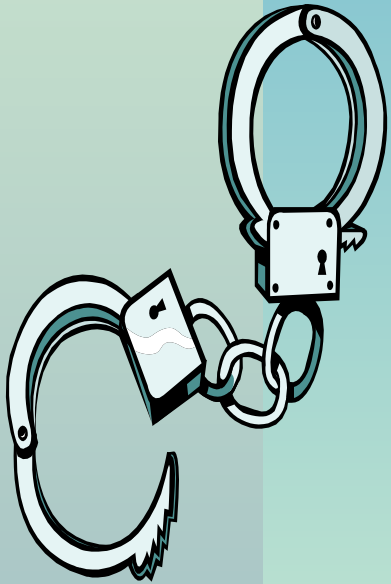
North Bay Taxpayers Association



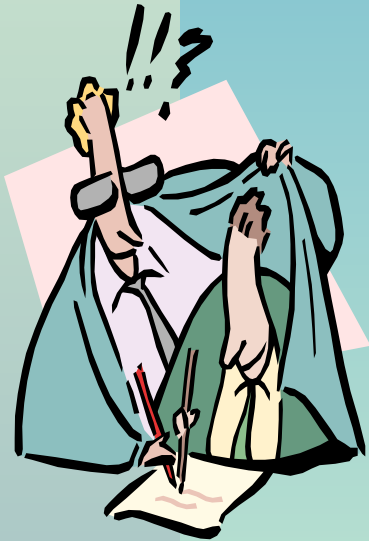
- (1) Endorses the establishing of a high calibre hockey team and the use of our primary arena facility to accommodate.
- (2) Encourages the timely maintaining and upgrading of all existing facilities and infrastructure as can be afforded

The Number Crunch

- Our primary concern is that our legitimate infrastructure needs and demands are being neglected and postponed to accommodate discretionary and unnecessary luxury spending.
- All taxpayers are being placed in serious jeopardy and overburdened as the result of poor planning , untimely purchases and exorbitant operating costs.



Details



- **Battalions run the cash flow and ticket salesAll events.**
- **City cleans the dressing rooms for visiting team.**
- **City prepares the ice surface.**
- **City pays the team a management fee for selling tickets to other events.**

The Gate



- To pay 1.1 million advanced funding and 1.1 million off loan requires 880,000 tickets sold @ \$2.50.
- To pay additional 3.9 million loan requires 1,560,000 tickets sold.
- To pay each additional million off total cost requires 400,000 tickets.

Annual Attendance Estimates

34 Home Games /Season X 2500 Fans/
game = **85,000 Entries/year**
(10.3 Years)

34 Home Games /Season X 3000 Fans/
game = **102,000 Entries/year**
(8.6 Years)

34 Home Games /Season X 3500 Fans/
game = **119,000 Entries/
year**
(7.4 Years)



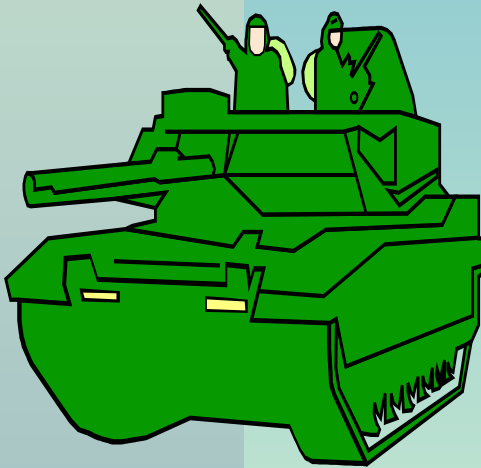
City Revenue Stream



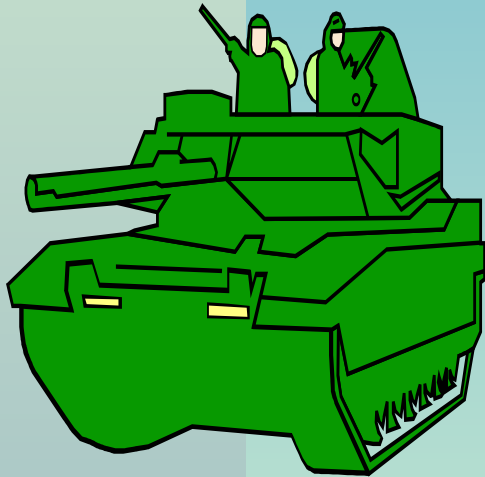
- City receives 3% of season ticket sales up to 1 million dollars. 4% exceeding 1 Million.
- 7% of gate revenues (excluding the 180 tickets per game that are complimentary for the battalions.
(Value \$ 2700.00 per game).
- Averaging \$ 15.00 each ticket equals 66,666 entries to reach \$ 1M. Sales.

Battalions Benefits

- Fixed rate hydro costs at \$ 330.00 per month (subject only to CPI index).
- The first \$150,000 of advertising & merchandising revenue and 92.5% of total thereafter.
- All advertising revenue from in ice logos, and all media revenues.

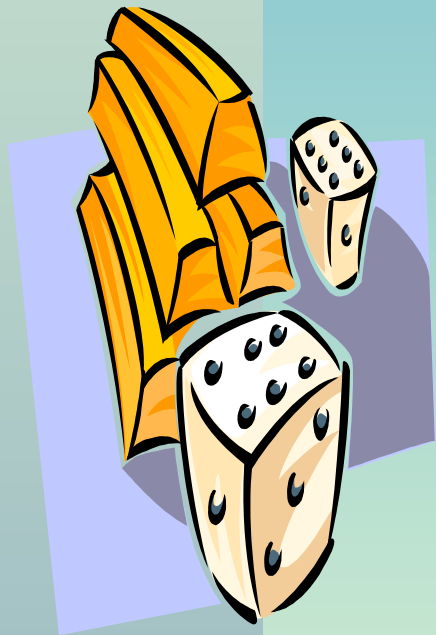


Battalions Benefits



- All concession revenues for all events.
- 50 % of revenues from naming the arena, video boards and ice machine.
- 50% of future parking revenues.

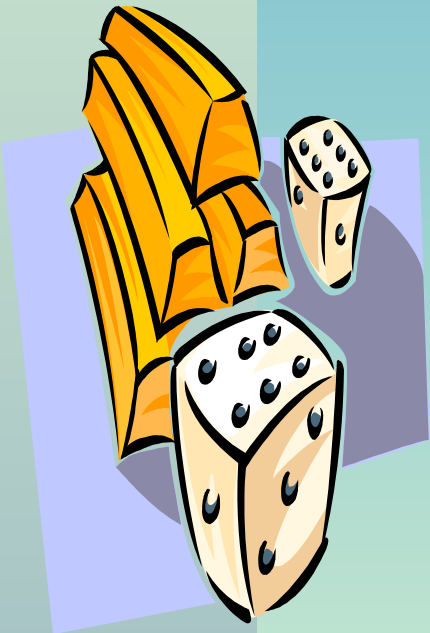
What This Means



- Assuming average attendance of 3500 / battalion game plus another 34 events or games per year averaging 1500 tickets per event will give us an annual attendance of 170,000.
- Grand total required for 11 M. Payback at \$2.50 /ticket = 25.87 years.

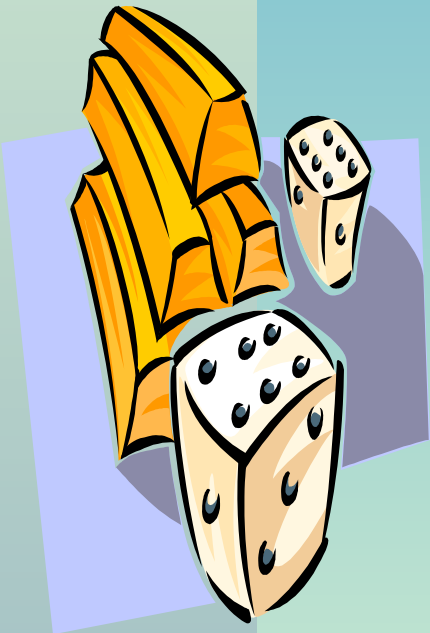
What This Means

- To pay back the first 1.1 million.
Divide 170,000 into 880,000.
= 5.17 years.
- To pay back the next 3.9 million divide
170,000 into 1,560,000.
= 9.18 additional years.
- To pay back the remaining \$ 4.9 million
based on (11 million maximum cost)divide
170,000 into 1,960,000 :- 170,000 equals.
=11.52 additional years.



What This Means

Number of years
To pay back
11 million
(At \$2.50 / ticket)
25.87 years



Where Will It End ?



- This summary analysis has not included any interest or carrying charges.
- City debt at end of 2011 was just under 60 million according to their financial statements.
- Interest charges vary but indicate range of 3 to 5 percent/annum. (\$ 30,000 to \$50,000 annually on each million owed.