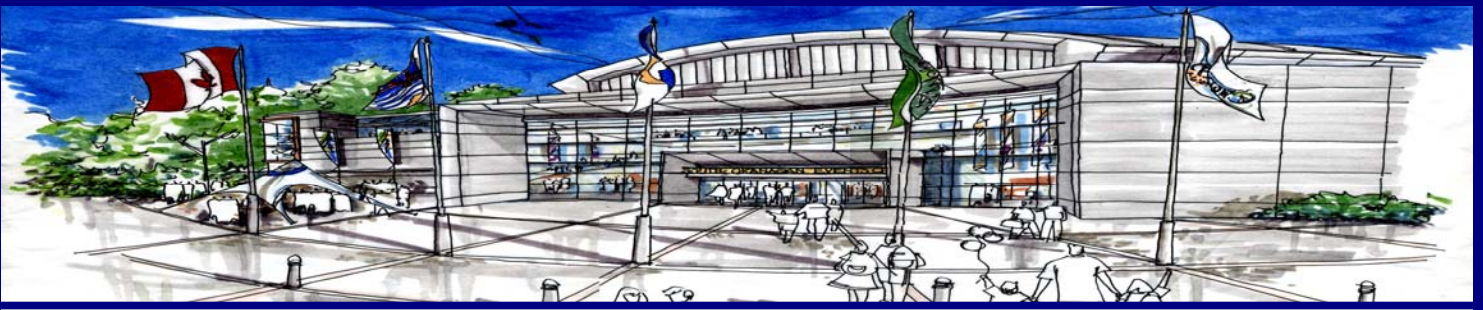


20 FAQ's

South Okanagan Event Centre



1. How much would it cost?

- Building: \$39.6 million (guaranteed price)
- Other capital costs: \$16.56 million (on and off-site work, sports field relocation, contingency, etc.)
- Total capital cost: \$56.16 million

2. Where will the money come from?

- \$40 million DAC revenue stream (over 13 years)
- Funds will be used to pay back \$39.2-million loan
- \$9.7 million provincial Major Regional Sports Facility grant
- \$7.2 million City Casino Legacy Fund and other reserve funds
- Property tax increase of 2% (covers financing costs)
- City reserves and borrowing capacity still well above policy levels

3. How much will it cost me?

- Residential property tax increase of 2% to cover financing costs
\$9 annually for every \$100,000 in assessed property value
- Commercial property tax increase:
\$17 annually for every \$100,000 in assessed property value

(Above based on 2006 rates. Council may phase increase in over three years.)

4. How much will it cost to operate?

- City would give operator \$570,000 annually
(That's \$240,000 LESS than current cost to operate
Memorial Arena & Convention Centre)
- Profit sharing opportunities will further reduce operating costs

5. Why does the City want to build it?

- Council believes it will benefit the entire community by providing opportunities now and in the future.
- It is clean industry that enhances convention business, creates spin-off jobs, and helps to diversify the economy while protecting Penticton's unique character.
- Improved access to health and wellness facilities.
- Increased opportunities for recreational and cultural programs, as well as entertainment events within the existing destination complex.

6. Why build it now?

- Have a project-specific \$9.7 million provincial Major Regional Sports Initiative grant
- Have a project-specific \$40 million DAC fund contribution from the province.
- Capitalize on opportunity created from Vancouver Convention Centre's move toward catering to the larger, international conventions.
- Guaranteed build cost is fixed if project goes ahead by October.

7. How will it benefit the local economy?

- Add \$25 million annually to existing \$60 million convention business economic impact
- Create 900 person years employment during construction
- Create 200 regional jobs once constructed
- \$30 million spent locally during construction
- \$135 million in multiplier benefits to the regional economy

8. What is included in the SOEC?

- Outdoor pavilion fronting onto Eckhardt Avenue
- Two multi-purpose venues
- 5,100-seat main bowl
- 475-seat community pad
- Galleria
- BC Hockey Hall of Fame
- Indoor walking track
- Health and wellness component:
 - Addition of new health clinics
 - One-stop access to programs, education and practitioners
 - Links to pool, weight room, gym
- Restaurant
- 20 suites, party suites, media suite
- Innovative eco-design

9. What will it be used for?

- Is a flexible, multi-use sports and entertainment complex
- Recreation: league, recreation and Junior A hockey; indoor tournaments; figure skating; indoor walking track; affordable community use retained.
- Additional convention space: trade shows, banquets, workshops, exhibitions, conferences.
- Entertainment: ice shows, motocross events, rodeos and equestrian events, concerts.
- Community/social: graduation and other special community events, galleria featuring art displays to showcase local artisans, BC Hockey Hall of Fame showcasing local hockey history from around the province.
- Integrated Health Authority - Health Care Centre.

10. Has the City solicited input from the public and stakeholders?

- The City has undertaken a thorough and genuine public input process
- 160 people attended the July 26 open house and 66 participants -or 41 per cent -returned completed questionnaires.
- Sixty-six user and stakeholder groups were invited to information sessions, where they provided input. 44 groups attended including:

Youth and adult sports associations	Business associations
Festival and event groups	Hockey Hall of Fame
Arts and culture groups	
- On Aug. 17, 31 people attended a second meeting where architects and stakeholders revisited an updated concept and further discussed how the design will facilitate community needs.
- Ongoing input has come through questionnaires available at SOEC information booths located at City facilities and through the City website - www.penticton.ca/SOEC
- In addition, the Mayor's Independent Review Panel provided a non-partisan review on taxpayers' behalf. They analyzed the work of staff and consultants, concluding that the evaluation process had been comprehensive in scope and followed best business practices.

11. Has the City consulted experts to see whether the project is viable?

- Rod Cameron - Convention Centre Specialist
 - *Review of Development & Management Proposals Report*
 - *Review of Convention Centre Management / Marketing Perspective Report*
- Jonathan Huggett - Public Partnership Advisor
 - *Technical Evaluation Report*
- Gary Morrison - Financial Advisor
 - *Financial Evaluation Report*
 - *Economic Impact Analysis*
 - *Review Commercial and Financial Report*

12. What would happen to other City recreational facilities?

- Pool
 - The pool expansion is in the City Master Plan with \$10 million allocated in the 10-year capital plan.
 - Would continue to be operated by the City.
- Mc Laren Arena
 - Review process to be undertaken to determine the best approach for maximizing community use of the arena.
 - Would continue to be operated by the City.
- Cleland Theatre
 - The City will study options to determine the best use of the theatre. The City provided \$50,000 in funding for the Performing Arts Society to study options to meet long-term needs and some funding has been committed in the 10-year capital plan.
- Indoor Tennis Facility
 - Would be relocated on the SOEC site
 - Would continue to be operated by the City.
- Curling rink
 - Would continue to be operated by the City.

13. Why a fee-for-service operator?

- Allows the City to control and direct operations without bearing the risk of a new enterprise.
- Brings specialized skills to a new venture that compliments those of City staff.
- Operator's entrepreneurial approach would reduce City costs and maximize revenue-producing potential of all three City-owned facilities.
- Connections to the entertainment industry and a network of facilities allow the operator to efficiently book entertainment.
- Operator's ability to market and promote the SOEC through their multiple sites maximizes the number of non-resident delegates visiting Penticton.

14. Why Global Spectrum?

- Experience operating 62 facilities, many of which are similar in size and scope to the SOEC.
- Extremely positive references and referrals from other cities.
- Experience in similar-size markets.
- Expanding Canadian client base.
- Access to touring events, performers, conventions, and other groups that use the other facilities they manage
- Strong customer service programs
- Strong recruiting / staff training programs
- Comprehensive industry knowledge

15. Which performers have performed in similar sized western-Canadian facilities?

- | | |
|---------------------|----------------------|
| • Sarah McLachlan | • Nutcracker on Ice |
| • Cats (musical) | • Merle Haggard |
| • Nickelback | • Celebration on Ice |
| • Rita McNeil | |
| • Jann Arden | |
| • Lord of the Dance | |

For a complete list, please visit:
<http://www.global-spectrum.com>

16. How would the City ensure the operator is accountable?

- Fee-for-service contract means operator works for the City
- Performance standards and bonds would be established
- Performance reviewed annually
- Internal and external audits performed
- Mandate of convention centre to be economic driver maintained
- City would lead recreational program development

17. What would happen to existing City staff?

- Four CUPE staff and three non-union City employees would be offered employment with Global Spectrum.
- Staff who transfer will retain wage and benefits package and pensions are protected. Staff would receive further training and professional development through Global Spectrum.
- Union staff would have the option of remaining employed by City in a different capacity, if they don't want to work for Global Spectrum.
- Non-union staff not wishing to transfer to the operator would receive a severance package.

18. Where can I get more information?

- Attend public open house Sept. 12 from 2-8 p.m. at Penticton Trade & Convention Centre.
- Visit the display at Cherry Lane Shopping Centre Sept. 7-16.
- Visit www.penticton.ca/SOEC and check out the FAQ section to submit a question.
- Drop by displays at these City facilities:
 - City Hall, Westminster Centre, Library / Museum, Community Centre, Memorial Arena, Tourist and Information Centre.
- Watch local newspapers for updates.

19. What are the referendum questions?

1. "Do you approve of Penticton City Council adopting Bylaw 2006-18 which authorizes borrowing up to \$7,000,000 for the South Okanagan Event Centre site servicing and construction improvements
AND
adopting Bylaw 2006-39 which authorizes borrowing up to \$29,063,000 for construction of the South Okanagan Event Centre?"
 Yes No
2. "Do you approve of a management company operating and managing the Memorial Arena, South Okanagan Event Centre, and the Penticton Trade and Convention Centre for up to 20 years?"
 Yes No

20. Where and when can I vote?

- Advanced Voting: Wednesday, Sept. 6 & Friday, Sept. 8 from 8 a.m.-8 p.m. at City Hall
- General Voting: Saturday, Sept. 16, from 8 a.m.-8 p.m. at the Penticton Trade & Convention Centre
- Special Voting Opportunities on Sept. 16:
 - Penticton Regional Hospital - 8:30 a.m.-10:30 p.m. at Haven Hill Retirement Centre -11a.m.-noon
 - Trinity Centre - 1-2:30 p.m.
 - Village by the Station - 3-5:30 p.m.
- Mail-in ballots available for those who qualify.
- For more information on voting, contact Elections Penticton at 490-2400.