

Debt retired on SOEC construction cost

(Penticton, BC – December 13, 2018) – Funds borrowed by the City of Penticton to pay for the construction of the South Okanagan Events Centre (SOEC) have now been paid back in full to the lender - the Municipal Finance Authority of British Columbia (MFABC).

Completed in 2008, the SOEC is comprised of a 5000 seat multi-purpose arena and smaller community rink which, according to the 2018 SOEC Economic Impact Report, has this year generated approximately \$10.2M in spending by event participants.

Financing through MFABC was divided into three individual loans, with the first loan totalling \$8M paid down in 2012, the second loan totalling \$8M paid down in 2017 and the third loan totalling \$10M paid down in 2018.

"The successful completion of a project of this scale and magnitude for a community of 33 thousand people was a notable achievement when the South Okanagan Events Centre opened", said Penticton Mayor, John Vassilaki. "That achievement has continued forward to today thanks to prudent financial planning that enabled the construction of the SOEC to be paid in full only ten years later."

"The South Okanagan Events Centre has become an economic driver for Penticton, and now its construction has been paid for", said City Councillor, Jake Kimberley. "This is a great Christmas present for our community."

"The negotiation of the funding from the BC Lottery Corp and the subsequent financing arrangement for the SOEC project were both challenging and rewarding. Here we are 10 years later and it is very humbling and gratifying to see the successful conclusion of the debt financing structure that we had initiated", said the City's former Director of Corporate Services/CFO, Jack Kler.

MFABC financing, totalling \$39.2M, was one of four major funding sources used by the City to pay for the project's entire scope. The remaining money was acquired through \$22.5M in provincial funding, \$13.9M from City reserves, and \$5.6M from other sources, for a total project cost of \$81.2M. As of the end of 2018, \$35.8M of the debt has now been retired, including all debt related directly to the construction of the SOEC building itself and another \$7M used to relocate sports fields to Queens Park.



Photo (left to right) Peter Urbanc, CAO with Municipal Finance Authority; Katie Robinson, Councillor; Jack Kler, former Director of Corporate Services/CFO; John Vassilaki, Mayor; Jake Kimberley, Councillor; Frank Regehr, Councillor.

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