



WTCC EXPANSION AND METRO CENTRE II FEASIBILITY STUDY MAY 7, 2007

FOR REAL PROPERTY AND
ASSET MANAGEMENT
HALIFAX REGIONAL MUNICIPALITY

HRM Real Property & Asset Management
40 Alderney Drive
6th flr, Alderney Gate
Dartmouth, NS B2Y 2N5

Attn: Mr. Phillip Townsend
Manager HRM Capital Projects

Re: WTCC Expansion and Metro Centre II – Feasibility Study

Dear Mr. Townsend

In October 2005, WHW Architects was commissioned to undertake the above referenced feasibility study together with our primary sub-consultants Sink Combs Dethlefs Architects of Denver, Colorado, Economics Research Associates (ERA) of Los Angeles, California and PCL Constructors, Halifax. As described in the RFP document, our assignment was twofold. First, consider the feasibility of expanding the existing WTCC into the Metro Centre and second, prepare a feasibility study for a new Metro Centre, Metro Centre II, including a review and evaluation of suitable sites to accommodate the new facility. Implicit in the first assignment was a review of alternative strategies for expanding the existing WTCC that left the existing Metro Centre intact. In the course of considering significant expansion to the WTCC, it became apparent that the success of any such expansion would be tied directly to the local hotel market. A single large hotel connected to the WTCC, or located nearby, was identified as a key factor. In order to explore and develop that thesis, ERA was commissioned to prepare a hotel study as an adjunct to the overall feasibility project.

There proved to be two adjacent sites for WTCC expansion that would avoid the relocation and re-building of the Metro Centre. Both the Market Street option and the Scotia Square option proved unacceptable given their private ownership, separation from the WTCC itself, and limited flexibility in providing sufficient additional area in an appropriate and efficient layout. In the case of the Scotia Square option, an expanded WTCC would preclude a potential hotel development at the same location, potentially undermining the chance of long term financial success for the expanded facility.

John Emmett
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Vice President

Moving forward with the expansion of the WTCC into the gutted shell of the existing Metro Centre proved of questionable value, given the current state of the existing building shell and the limitations imposed by its supporting structure. As a logical next step, the team turned its attention to demolition of the existing Metro Centre and building new purpose designed convention space in its place. At a similar cost to the renovation, this solution proved to be the distinctly superior value particularly in consideration of the long term life cycle costs of a significantly expanded WTCC. The latter option allows for full build out on a site that does not lend itself to incremental additions over time. This in turn maximizes the opportunity for the WTCC to reach its full competitive potential against similar markets like Quebec City and Edmonton.

With the relocation of the Metro Centre becoming a necessary step in the preferred strategy of the key economic driver, the expanded WTCC, it was important for the client and consultant teams to take great care in the selection of a new MC II site. Three sites were short-listed for more detailed study as requested in the RFP, but 15 sites were examined, many outside the downtown core area, to ensure that no potential opportunities were left out of the mix.

The Cogswell Street location, an early favourite, was in fact validated as the preferable site by a significant margin. The land is owned by HRM; the location remains in the heart of the downtown, close to the existing retail and entertainment infrastructure, and there is excellent access by public transit, and existing parking structures nearby eliminate the need to build additional spaces. While there is a cost to demolishing the existing Cogswell Interchange, there has long been public pressure to do exactly that. Metro Centre II at this location provides a strong impetus to carry out this work and, in the process, provide taxable land opportunities in an overall urban redevelopment scheme that will support an animated and sustaining downtown environment.

The conceptual designs for the WTCC and the MC II have been prepared to reflect buildings that will engage the public and support a friendlier and more interactive urban experience for all those that experience or encounter them. Both buildings are carefully proportioned and articulated with attention to appropriate materials and human scale. Public gathering and circulation spaces are exposed to views from the street with generous glazing. Entry points are clearly defined from the many different grade access locations that the sloping

terrain for both buildings presents. For WTCC the south facing vertical circulation moving people with stairs and escalators from Argyle Street to Brunswick Street is offered as an attractive and convenient interior public pathway.

Challenges remain for the execution of what can only be described as a bold and visionary urban strategy. The schedule to complete the full extent of the work is estimated to require at least six years including the approvals, design and sequential construction of the two facilities. The overall costs, including construction and soft costs, will approach 300 million dollars. On the other hand, in terms of investment in the future, a parallel can be drawn with the current interest in climate change - an issue that these buildings will address through effective green building strategies. The costs of not acting may far outweigh those of proceeding with work that will support Halifax's attractive, competitive, and dominant place in the regional economy well into the future.

On behalf of all the consultants, I extend our thanks to you and the client team for the cooperative and collaborative approach that has been the hallmark of this work. We look forward to the opportunity to be of further service.

Yours truly,

A handwritten signature in blue ink, consisting of a stylized 'J' and 'C' followed by a horizontal line.

John Crace, F.R.A.I.C.
Vice President
WHW Architects

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ERA Hotel Study

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LEED Checklists

Section 1

WTCC Existing Conditions Evaluation



1 WTCC Existing Conditions Evaluation

1.1 General Description

1.1.1 Existing Site

The Metro Centre and the World Trade and Convention Centre are located on the east facing slope of Citadel Hill, bounded by the streets of Brunswick, Duke, Carmichael and Argyle, occupying a site covering three traditional city blocks and amalgamated portions of Grafton and Market Streets. The terminations of Grafton and Market streets, the site's location between the base of Citadel Hill and the Grand Parade, and the close proximity of the downtown office core give the buildings great visibility and prominence within downtown Halifax.

See Appendix A for reduced floor plans of the combined Metro Centre and WTCC (from client supplied files).



Metro Centre and WTCC Site

1.1.2 Metro Centre

The Metro Centre, completed in 1978, sits on a concrete substructure burrowed 25' into the side of Citadel Hill, allowing concourse entry at grade from the high side of the hill and ice surface at grade access at mid-block. Concrete seating forms the Arena's bowl and the service and circulation floors that feed into the bowl. Concrete piers support a two-way steel trussed roof, hung mezzanine seating, the east and west upper bowls, and the majority of mechanical equipment. The roof is an inverted gravel roof over low-slope areas and asbestos panel on higher slopes, while walls are a mix of pre-cast asbestos panels, brick veneer, and curtain-wall glazing.



Metro Centre From Town Clock

1.1.3 WTCC

The World Trade and Convention Centre (WTCC), completed in 1983, consists of an interconnected three storey convention centre with direct vertical access to the ice-level floor of the up-hill arena. Over these floors sit five floors of offices, separated from the metro centre on the fourth floor by a long, narrow, sky-lit atrium, with partial floors inserted at mezzanine and concourse levels of the Metro Centre. The building is steel framed with concrete and concrete-on-steel-deck floor slabs, wrapped typically with a brick veneer façade with regular punched windows, and punctuated at its south-east corner with a curtain-wall clad elevator tower.

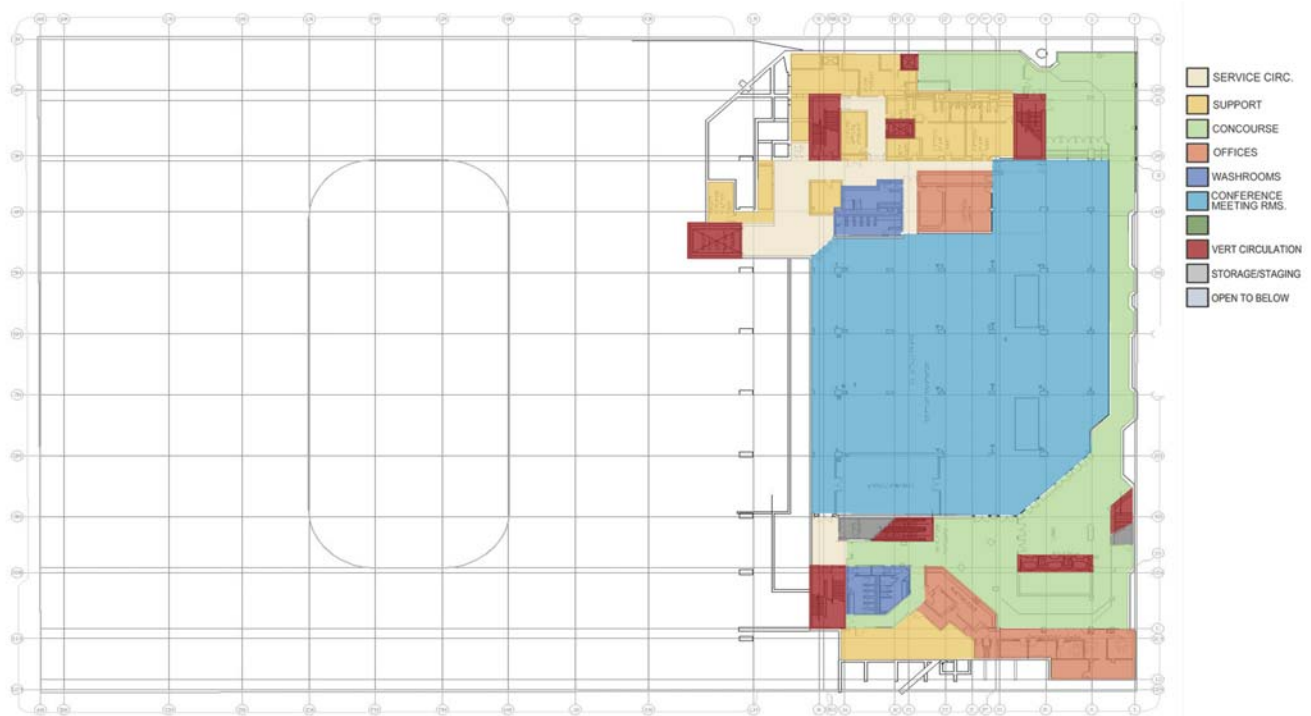
The WTCC and Metro Centre floor levels are in general alignment with only minor variations and localized differences in elevation. Floor elevations were assumed from drawings and site visits, but not confirmed by surveyors.



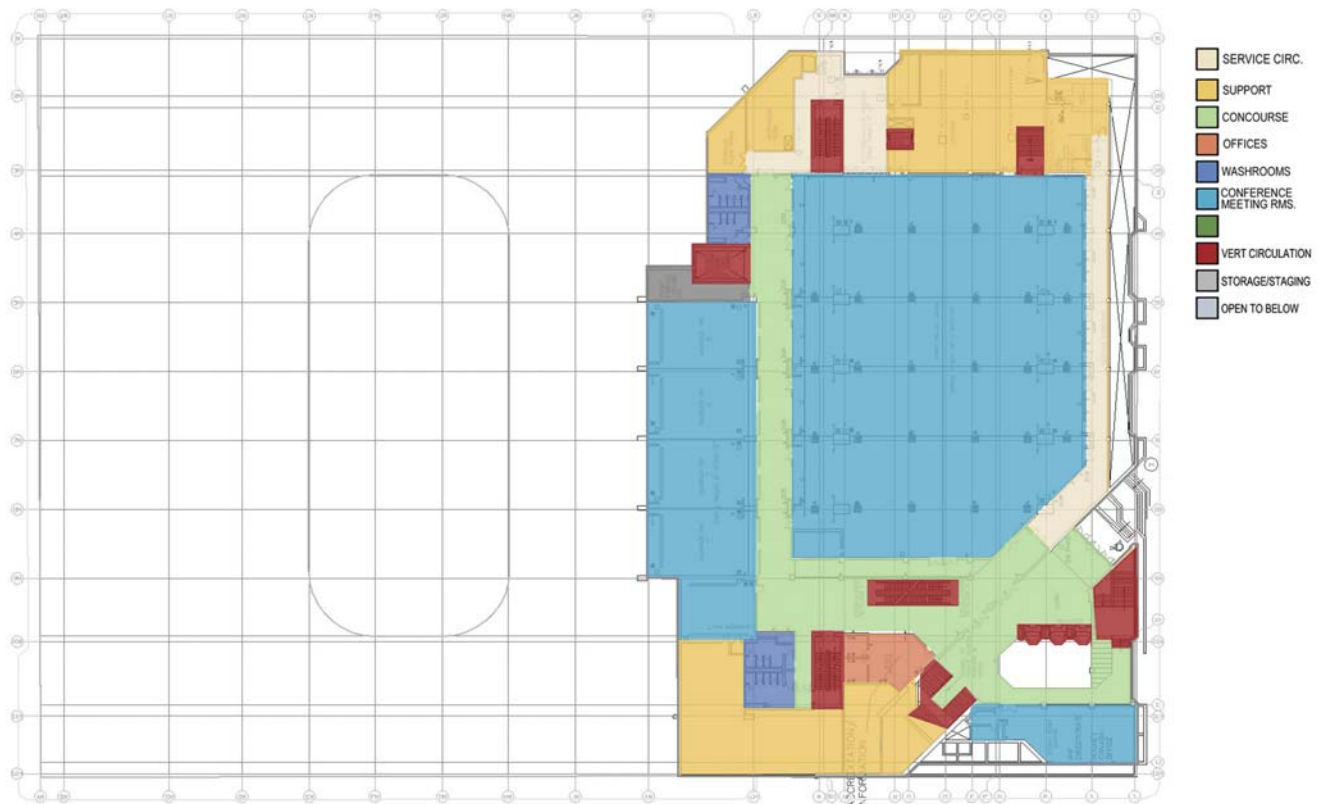
WTCC, corner of Argyle and Carmichael Streets

1.2 Existing Usage

1.2.1 Level 60 Floor Plan (First Floor)



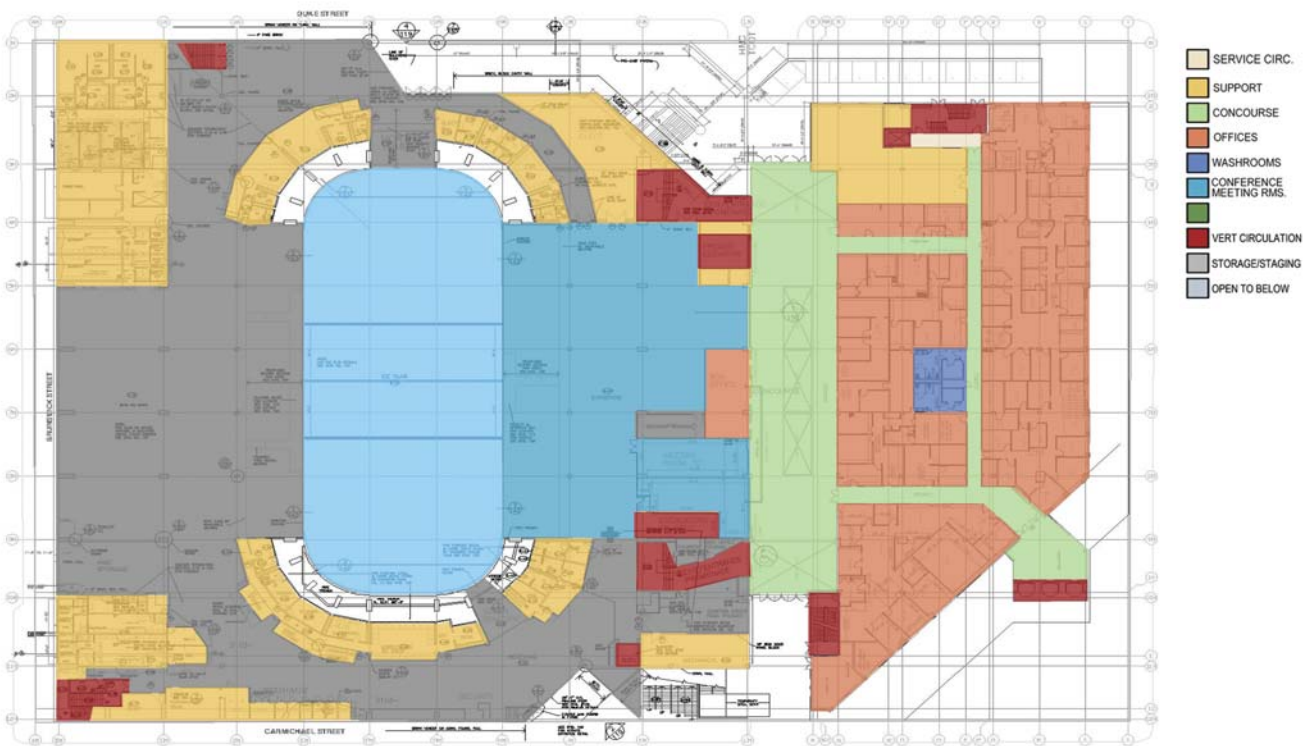
1.2.2 Level 73 Floor Plan (Second Floor)



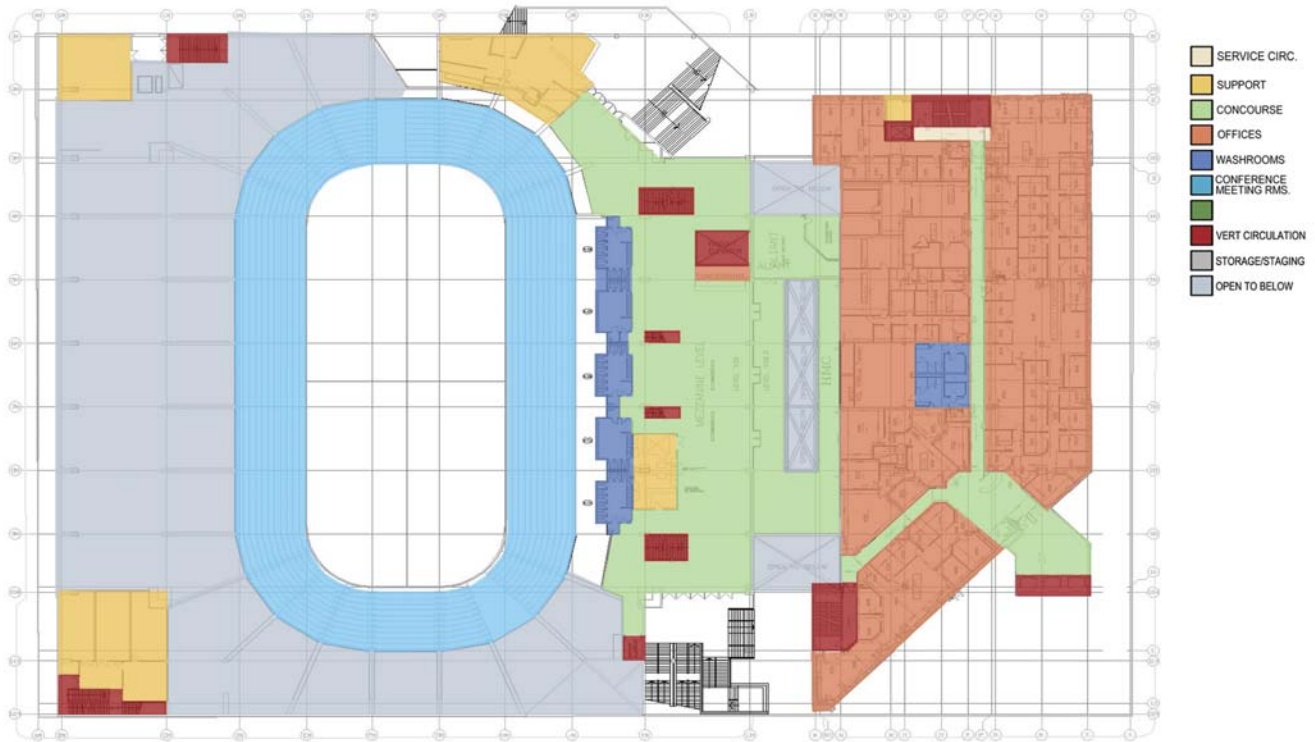
1.2.3 Level 85 Floor Plan (Third Floor)



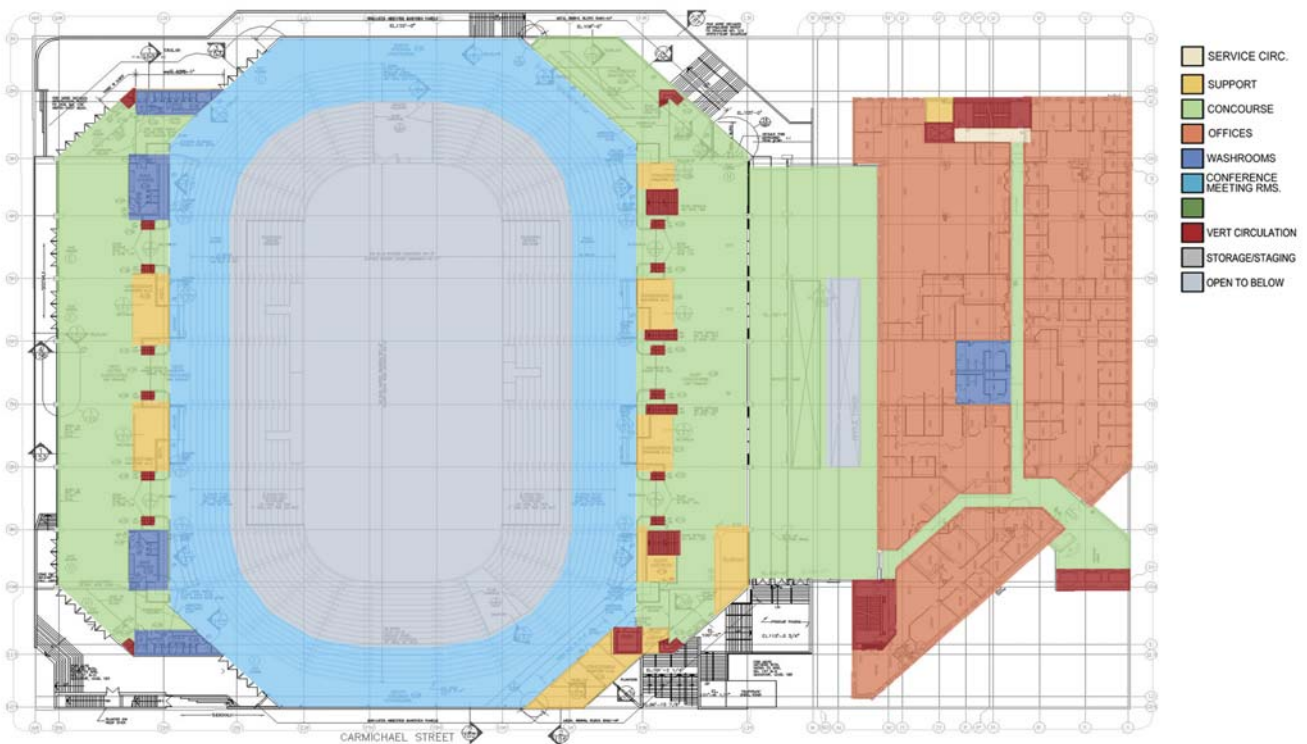
1.2.4 Level 97 Floor Plan (Fourth Floor)



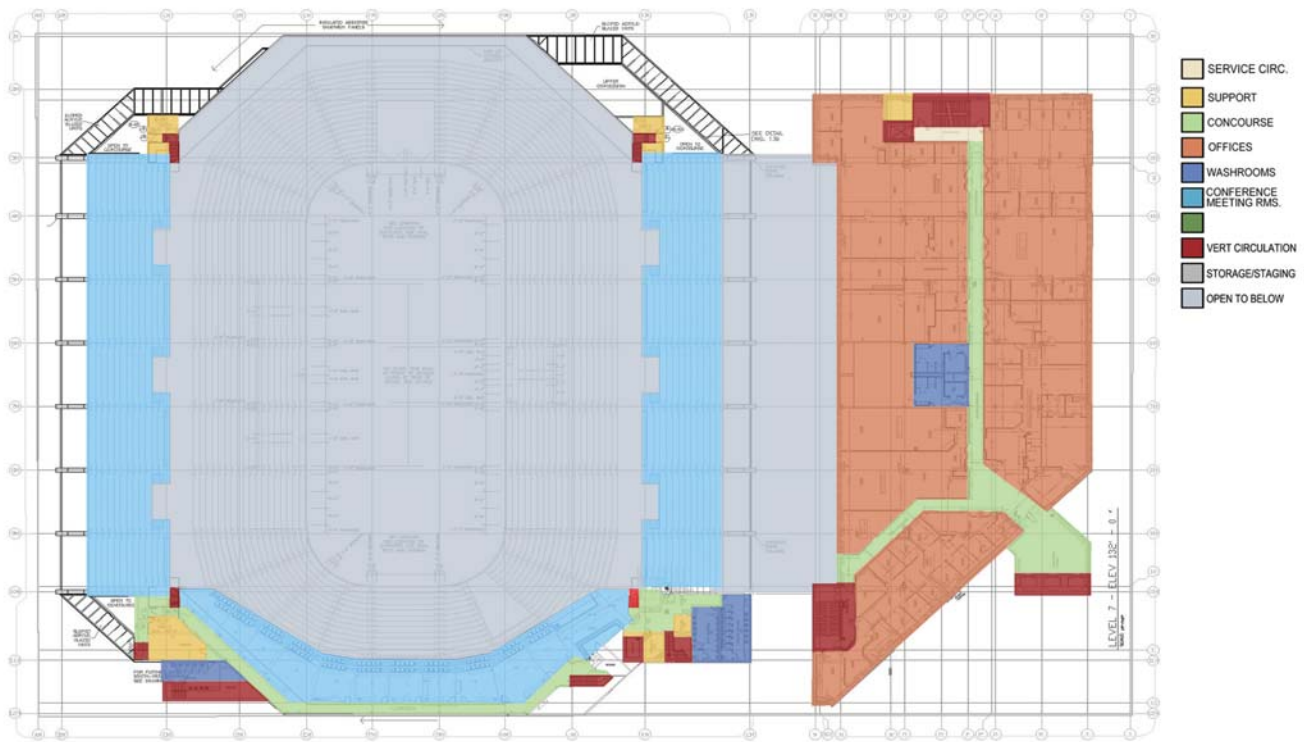
1.2.5 Level 108.5 Floor Plan (Fifth Floor)



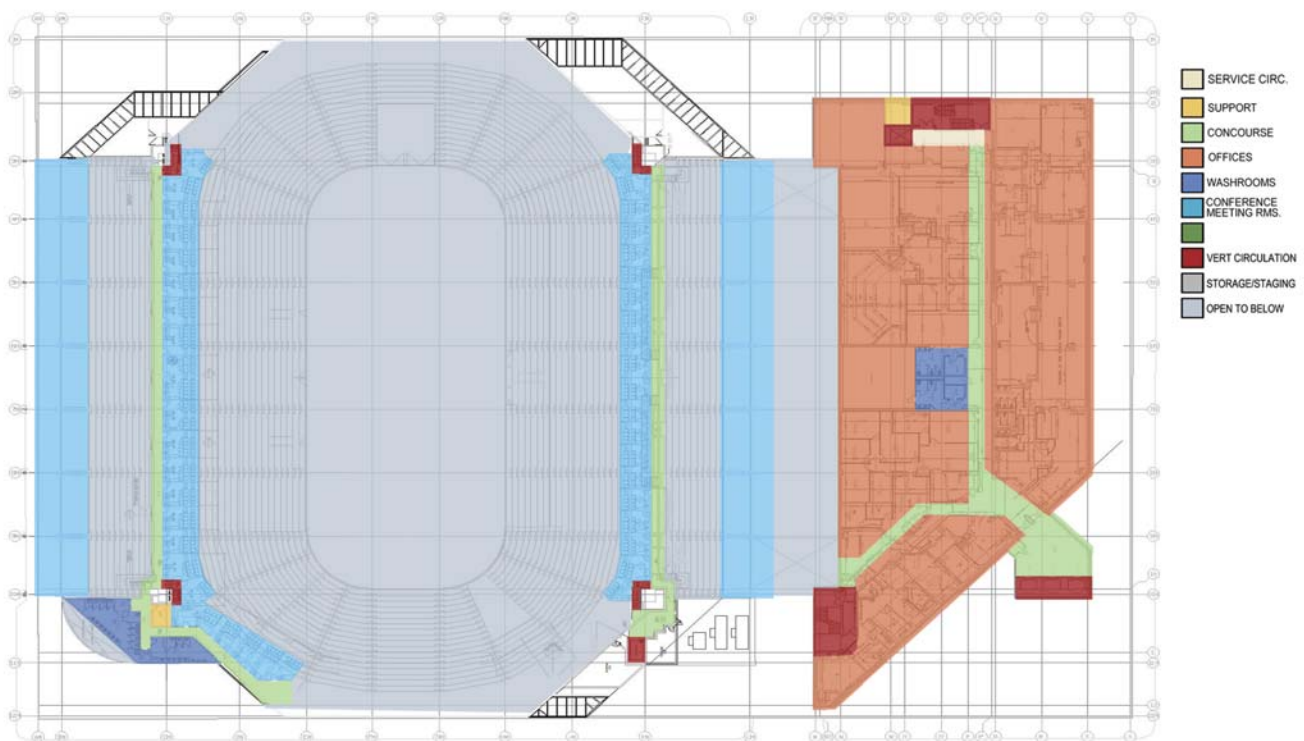
1.2.6 Level 120 Floor Plan (Sixth Floor)



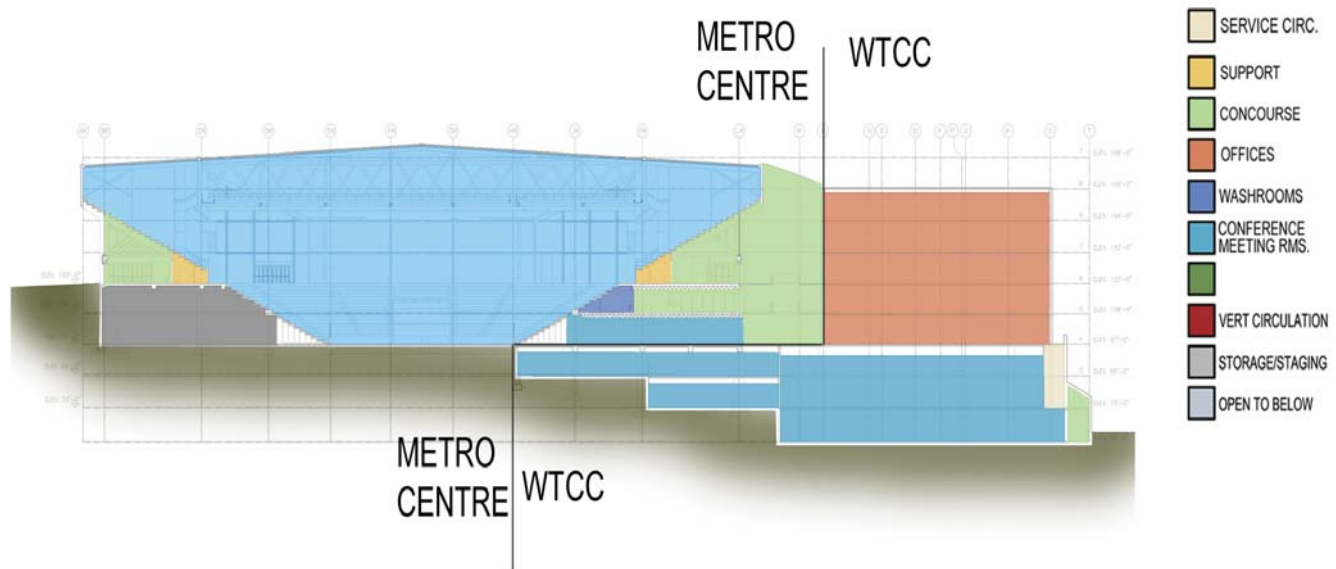
1.2.7 Level 132 Floor Plan (Seventh Floor)



1.2.8 Level 144 Floor Plan (Eighth Floor)



1.2.9 East West Section



1.3 Floor Elevations and Vertical Movement

1.3.1 WTCC

The WTCC is eight floors with levels at 60', 73', 85', 97', 108'-6", 120', 132' and 144' (as per drawings) with a small partial basement at 50' elevation at the north of the building connecting to a tunnel to Scotia Square. The south-west corner of Level 85' lowers to approximately 80' for additional mechanical room clearance and lowers to approximately 81' in the north-west corner for walk-off truck loading bays. The up-hill portion of level 85' lying under the Metro Centre is at 85' and not 86', as noted on the Metro Centre drawings.

Escalators at the south end of the building connect levels 60', 73', 85' and 97', and at the north end connect level 60' to the basement tunnel.

The building has six elevators: a bank of three public elevators to the south, a staff elevator serving all floors, a freight elevator serving the lower four floors to the north, and a public elevator from level 60' down to the basement tunnel to Scotia Square.

A courtesy stair in the south-east corner of the building connects levels 60' and 73' as part of the pedestrian tunnel system, while a second courtesy stair connects level 73' to an entrance off of Carmichael Street.

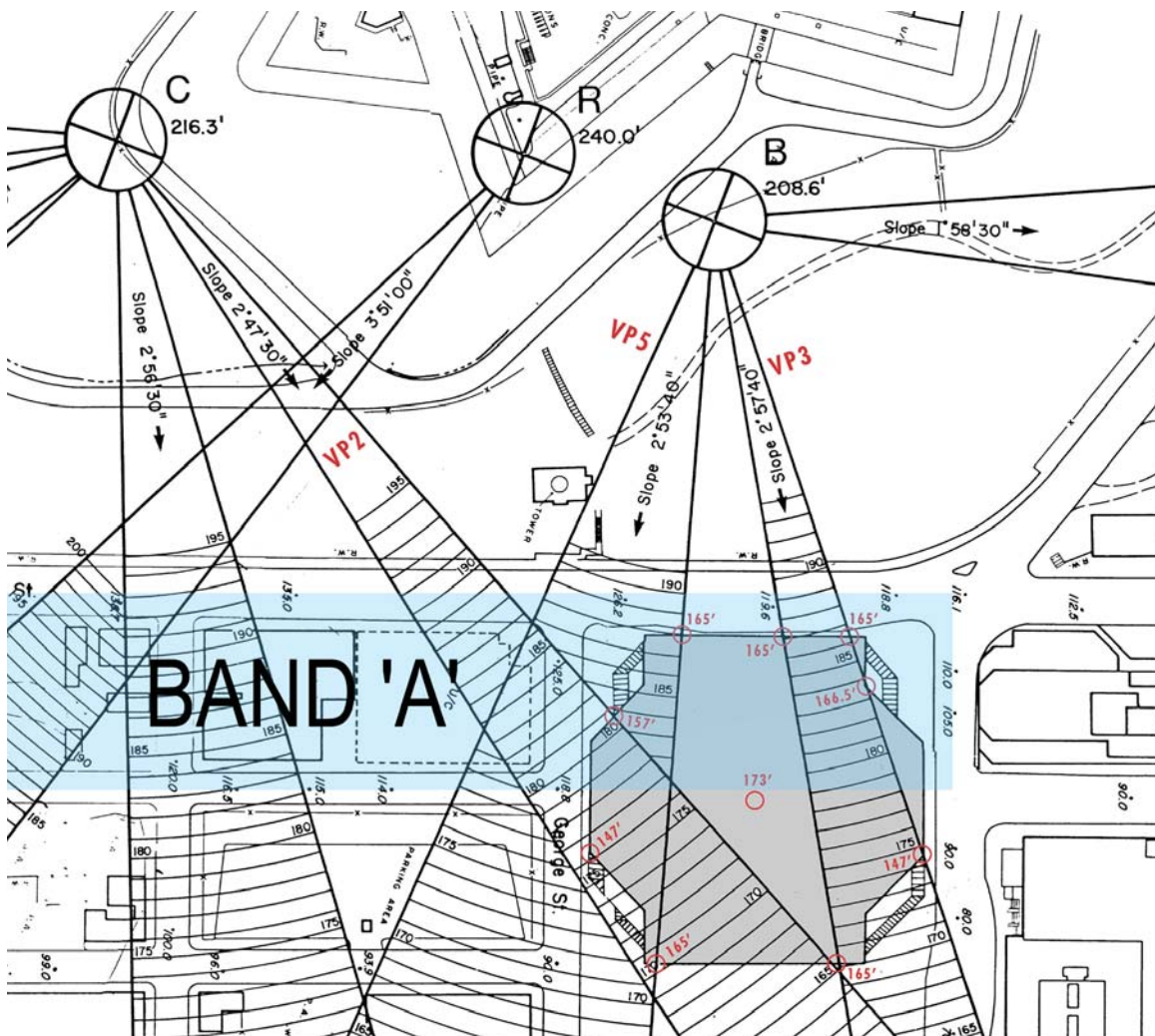
Vertical egress is provided through four exit stairs. One exit stair located at the south end of the building runs from top to bottom of the building exiting to Carmichael Street at level 85'. At the north end of the building one exit stair runs from the 8th floor to the 6th floor where it exits to an exterior concrete balcony with a stair to Duke Street, while a second stair runs from the 5th to 1st floors, exiting at level 73'. Finally, a stair from the ballroom on level 73' runs down to the north-east corner entry at level 60'.

1.3.2 Metro Centre

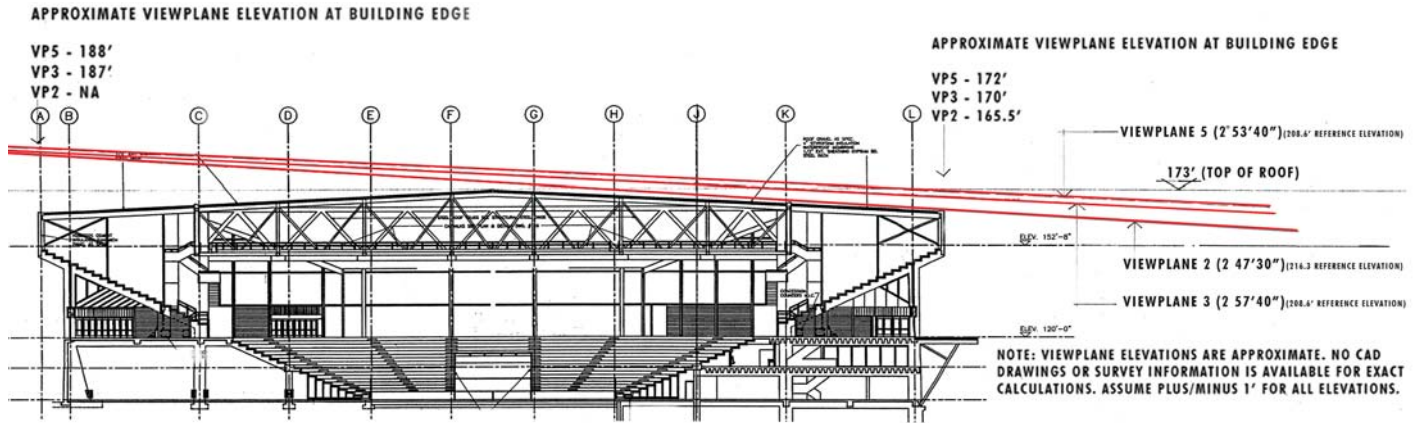
The Metro Centre has three main floors and two mezzanine luxury box levels. The first level, ice level at 97', aligns

Exit stairs at each corner of the building provide vertical egress.

Opportunities for vertical expansion of the Metro Centre are very limited. Three view planes nearly cover the site with the eastern slope of the roof following the underside of one of the view planes. While the western portion of the roof could raise slightly to align with the slope of the eastern half of the roof, zoning height restrictions, 'Band A' on the city's Height Precinct Map and 'Schedule F' of the governing land use by-law, would limit any further increase to 40' without development agreement, including most of a small area of the building not restricted by the three conical view planes. The existing building exceeds 40' in height along Brunswick Street. The three view planes also cover the majority of the WTCC, with a small triangle of uncovered area being the location of the existing elevator tower.



Page 10



Metro Centre Section with View Plane Limit Lines in Red

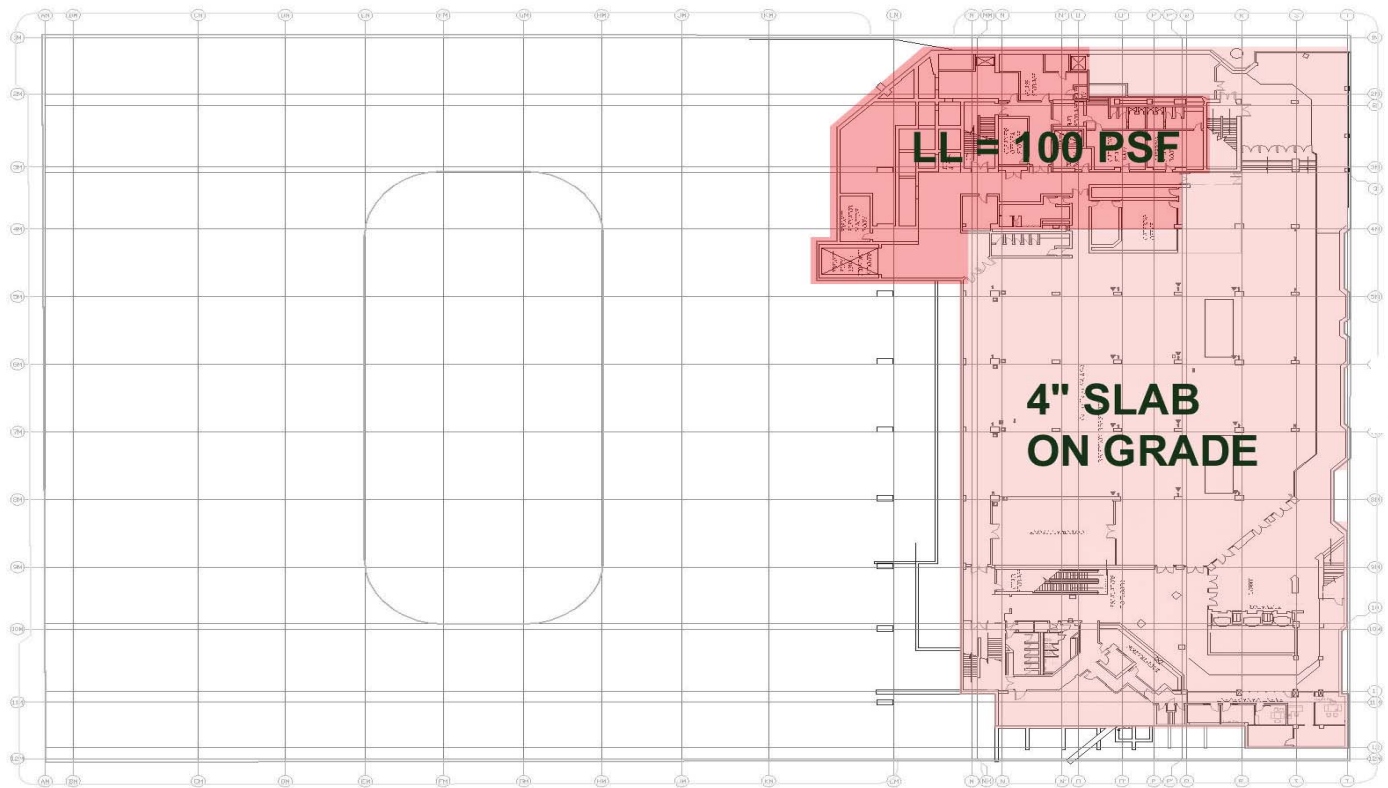
Opportunities for horizontal expansion of the Metro Centre and WTCC are likewise very limited as the street-bound site is largely covered by the existing buildings with the exception of small recesses at the up-hill corners and at either end of the atrium connecting the WTCC and Metro Centre. All adjacent commercial properties are heavily developed, with some possible expansion space available at the southwest corner of Scotia Square, which is now a two storey office podium with available air space above. This possible expansion will be examined elsewhere in this report.

1.5 Floor Loading

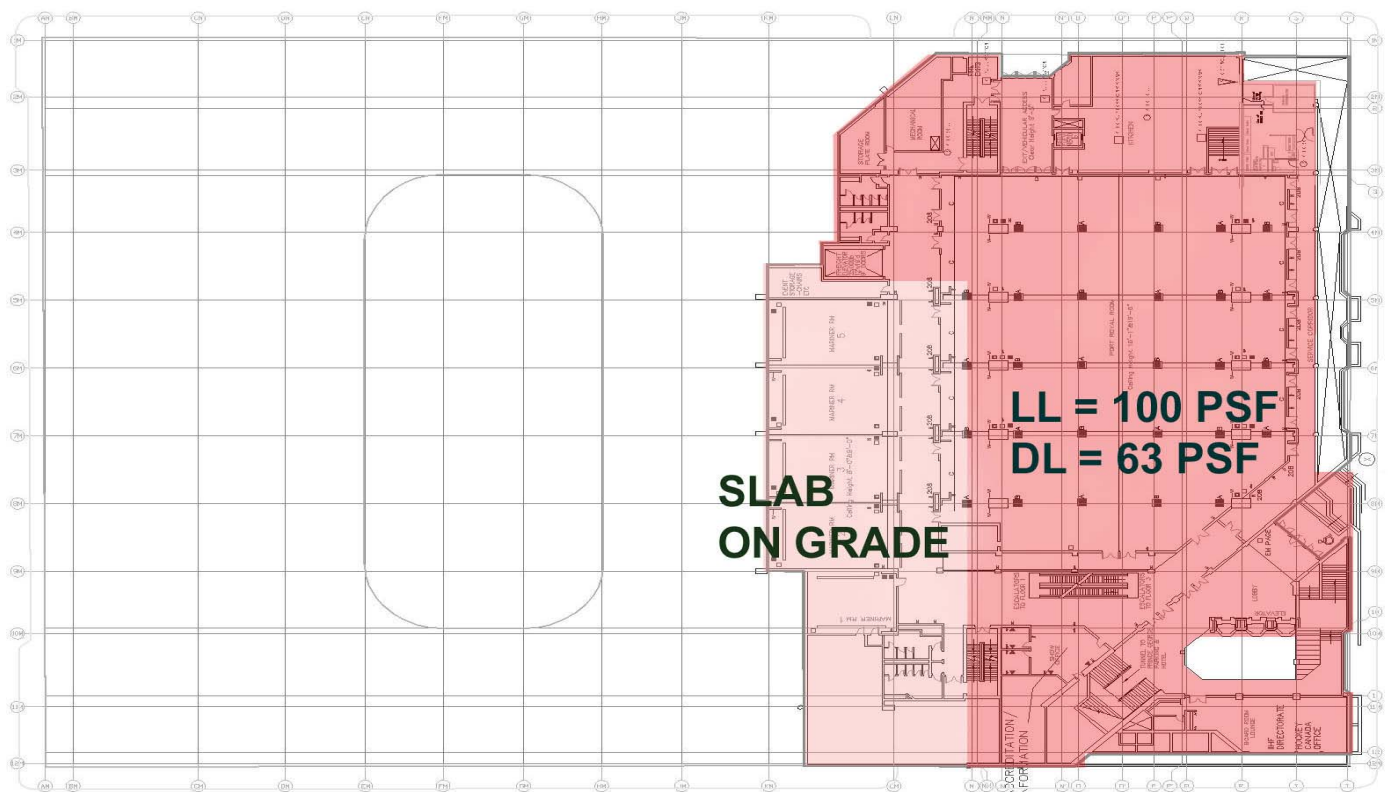
Floor loading for the WTCC was determined with BMR Structural Engineering using data available to BMR through their affiliation with the project. Portions of the lower two floors are 4" slab on grade or 100 Lb/sq. ft. (live load) concrete slab. The floors above are steel-framed with concrete on metal deck, with some slab on grade at level 85. Floor loading varies as shown below from 100 to 150 Lb/sq. ft. live load and 63 Lb/SF dead load.

Floor loading for the Metro Centre was not evident in the information supplied by the client, nor known by BMR. The building is a mix of slab-on-grade, cast-in-place concrete slabs, steel supported concrete slabs, pre-cast concrete decking and steel framed mezzanines. An in depth study of particular areas for such requirements as roll-on flooring would be required in the future. That said, the building does operate as an assembly occupancy and it can be reasonably assumed that most areas of the building have a minimum 100 Lb/sq. ft. live load.

1.5.1 Level 60 Floor Loading



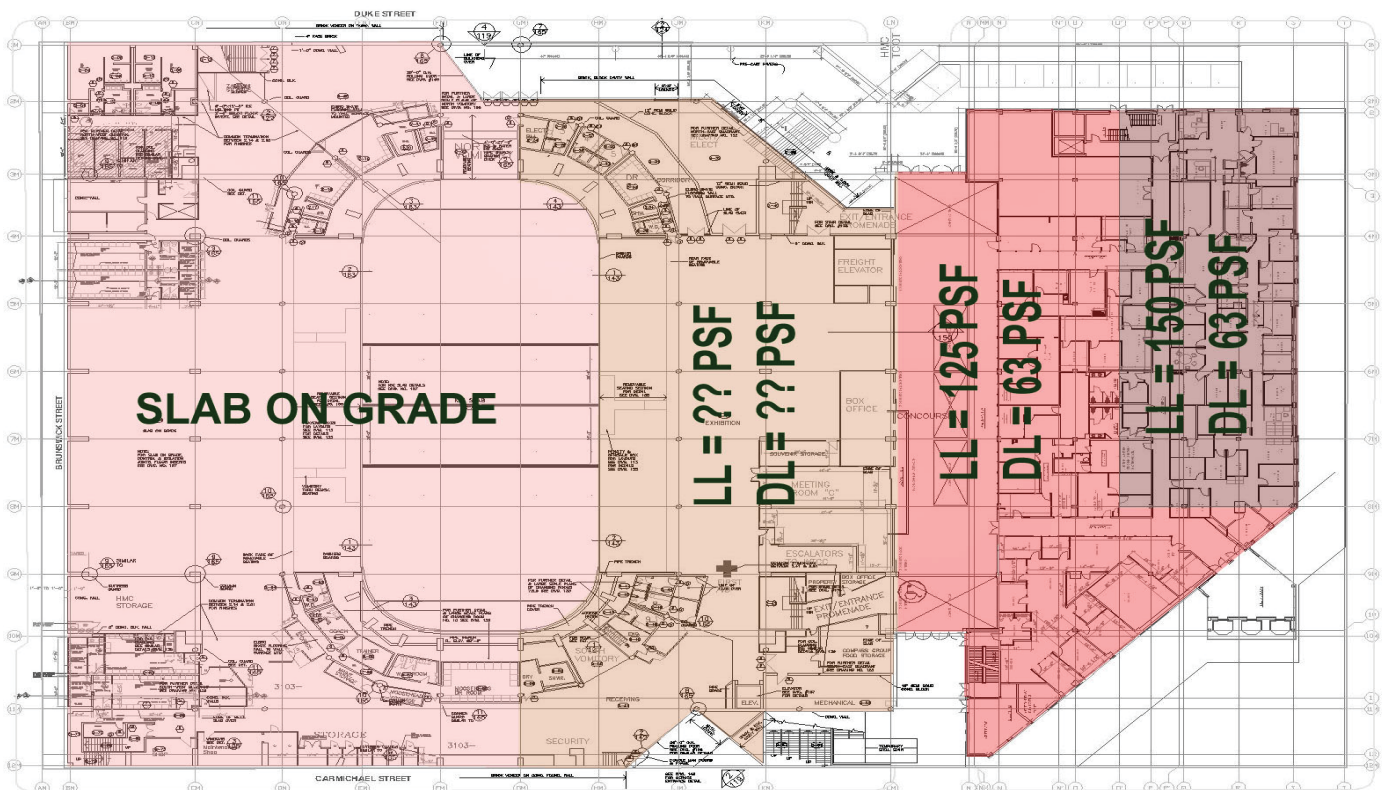
1.5.2 Level 73 Floor Loading



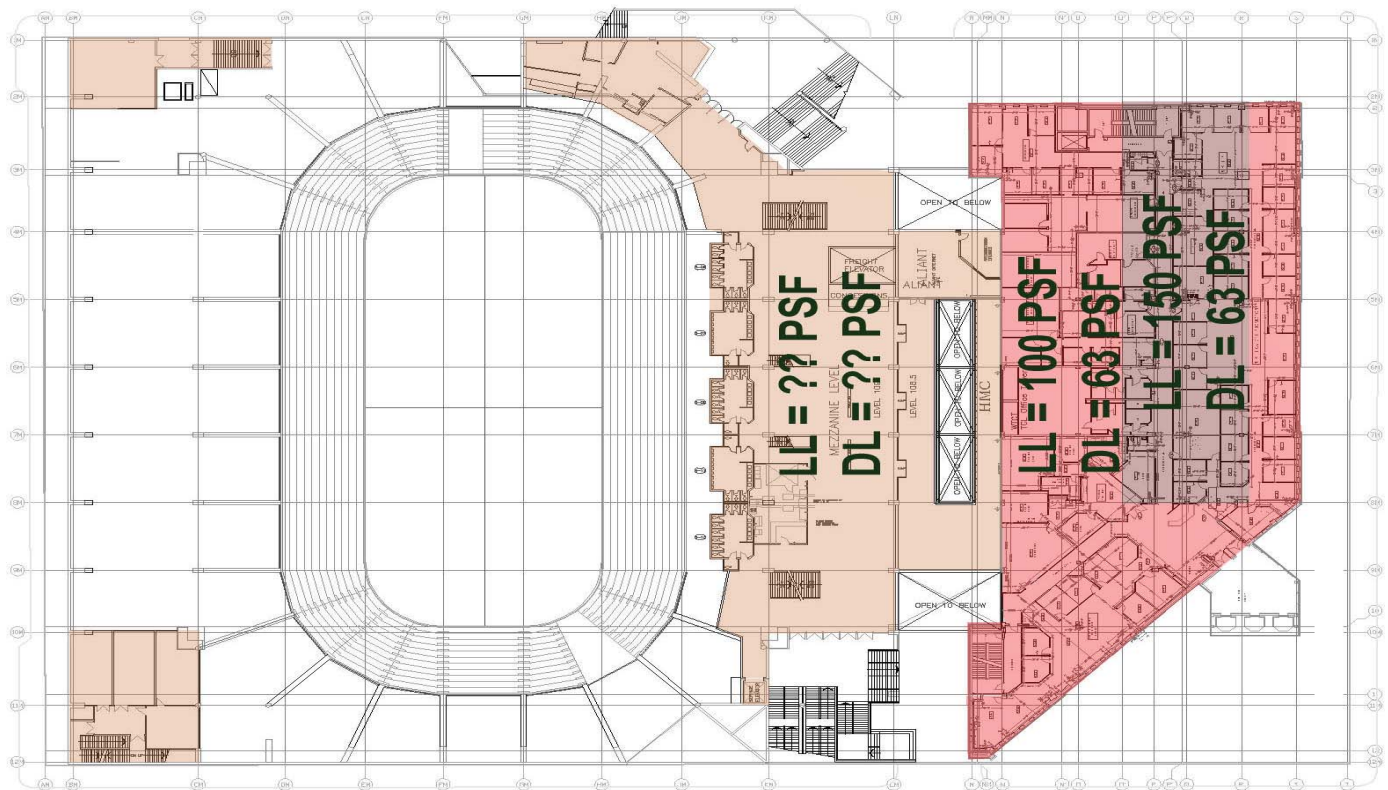
1.5.3 Level 85 Floor Loading



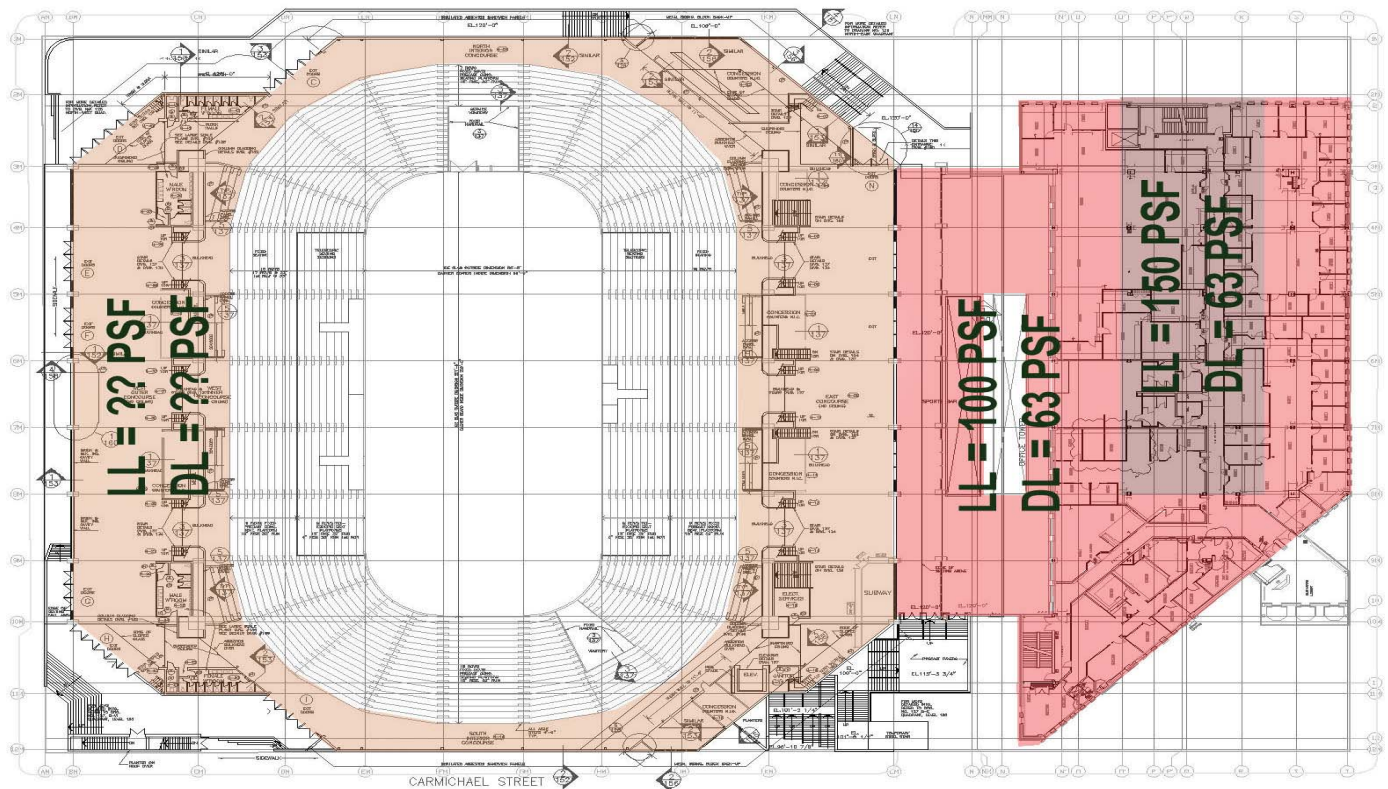
1.5.4 Level 97 Floor Loading



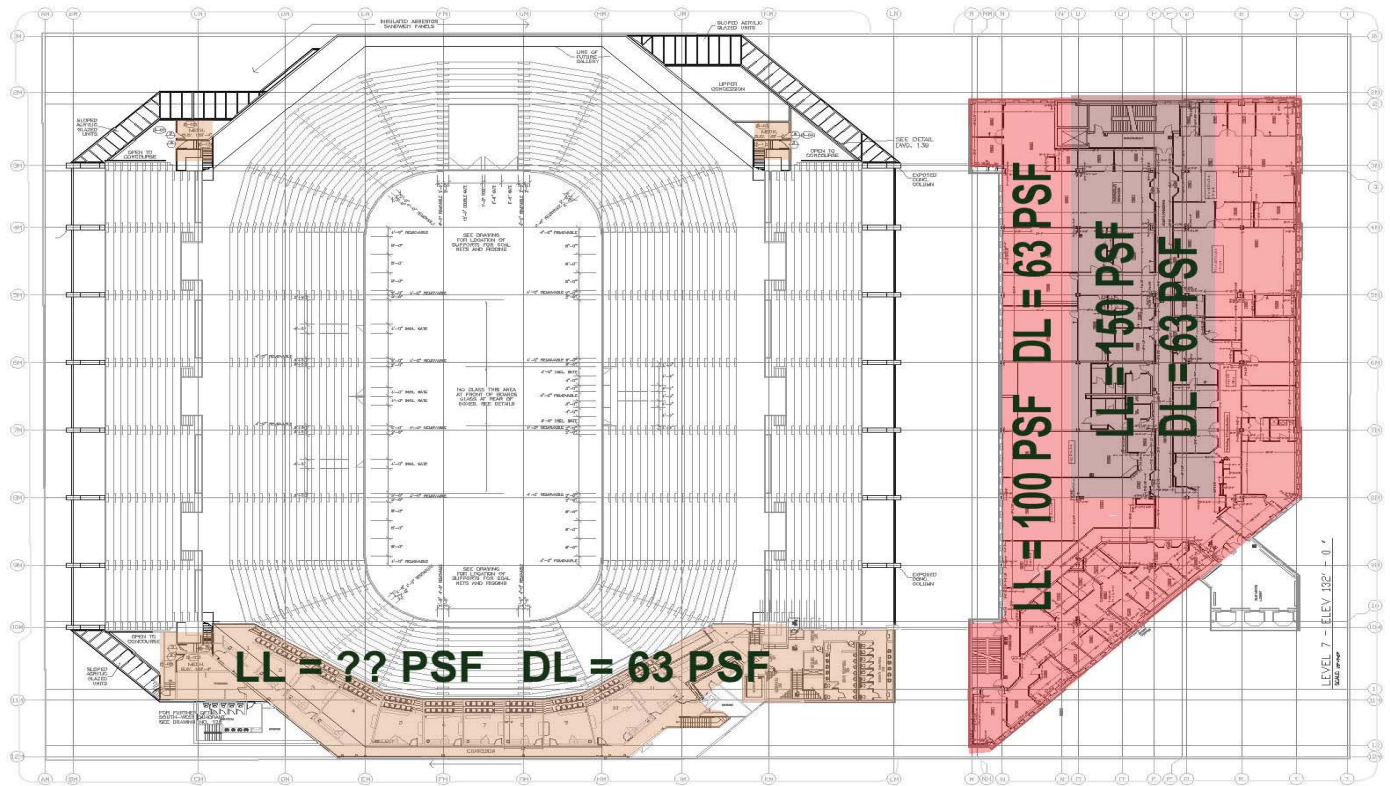
1.5.5 Level 108.5 Floor Loading



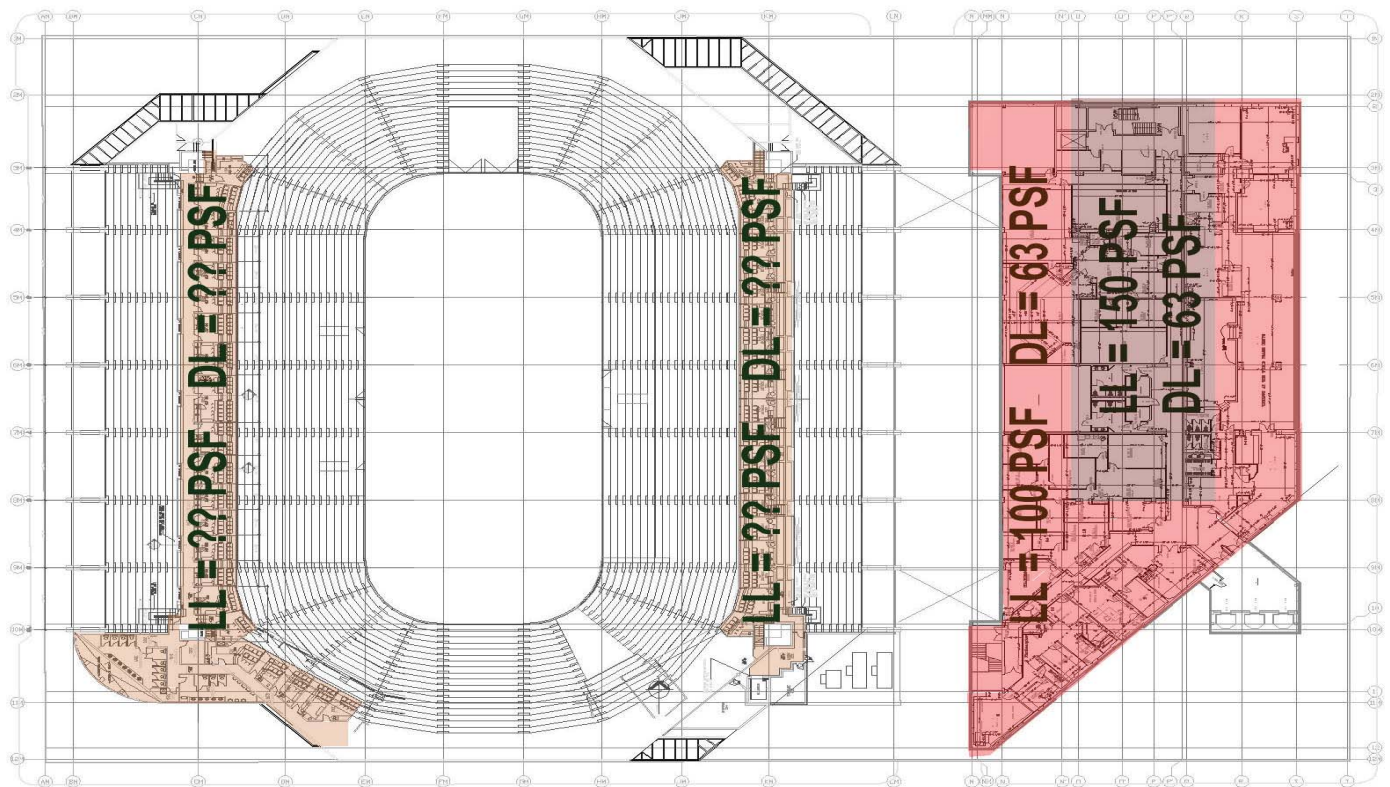
1.5.6 Level 120 Floor Loading



1.5.7 Level 132 Floor Loading



1.5.8 Level 144 Floor Loading



1.6 Pedestrian Links

The WTCC has underground pedestrian tunnels linking it to Scotia Square to the north and to the Prince George Hotel to the south. Any future changes should maintain the 'public' nature of these connections and the areas of the WTCC used as a public thoroughfare. The Scotia Square link is accessed at the north-east entry on level 60' while the Prince George link exits the building through the main lobby on level 73'. The corridor connecting these two points runs along the eastern perimeter of the building ramping down from a slightly elevated north-east corner to stairs at level 60' that connect to level 73' at the current main entrance. As pedway access to level 60' is not required, future changes should consider ramping up from the north-east corner directly to level 73' for a more direct and accessible connection through the building. This would also improve the sidewalk friendliness of the east façade.

User access to the buildings is currently focused at three levels. The main entry to the WTCC occurs along its east façade facing the Grand Parade and City Hall. Stairs and a ramp provide access to a slightly elevated lobby on level 73' with close proximity to the main meeting rooms, elevators and escalators. Occupying the lowest floor of the atrium between the Metro Centre and WTCC at level 97' is the Metro Centre Box Office, and some associated retail space. It is principally accessed by stair and ramp from Carmichael Street with secondary access provided by external concrete ramps and stairs mid-block on Duke Street. From the box office, access is provided to the Metro Centre concourse level through north and south stairs and the public elevator, or one can access the elevator core of the WTCC through an adjoining corridor. Finally, at level 120', the Metro Centre's most visible entry hall runs along the entire length of the Brunswick Street façade with access at the street corners. The south-west corner is approximately five to six feet above the adjoining floor and uses flood prone exterior stair wells to make up for this difference.

As shown, properly addressing the sixty foot plus grade change from the north-east to south-west corners of the site will be a major consideration for any future work; for accessibility, safety, and clearly understandable entry and circulation for the public.



Access stairs to Level 120' at south-east corner of Metro Centre

Section 2

WTCC Building Program



2 WTCC Building Program

2.1 Comparable Facilities

2.1.1 Three Comparables

North America has seen a boom in convention centre construction and expansion over the past decade. Three of those centres will be examined here as a comparative exercise to assist in forming strategies for the design and programming of an expanded WTCC. They are the Quebec City Convention Centre, the Shaw Convention Centre (Edmonton), and the Palm Springs Convention Center.

Like Halifax, all three cities are regionally important centres that have developed their convention facilities to support growth in their business and tourism industries. Before expansion, both Palm Springs and Shaw were centres relatively similar in size to the present WTCC and both were experiencing attendance downturns, losing business to larger facilities such as the newer Quebec City Conference Centre. If Quebec City had established a new regional benchmark, then the Palm Springs and Edmonton represent responses from an older generation of conference facilities.

Like Halifax, both Quebec City and Edmonton are situated on sloped sites connecting a dense urban core with a natural or cultural landscape element; fortifications, and river park respectively. In examining these three centres and other centres generally, there emerged one important architectural theme. A new modern conference centre must be integrated into a larger cultural and natural environment, operating as a gateway to a unique visitor experience. It must provide clear extroverted connections to pedestrian-friendly downtowns, cultural sites and scenic vistas. All of the buildings studied employ focused, extroverted semi-public spaces to mediate between their cities and landscapes, and their usually introverted event facilities. In the case of Edmonton, even the event spaces are becoming engaged, outward-looking spaces, with large glazed areas offering a sweeping river-valley view. The building and its larger site are in symbiotic support of each other.

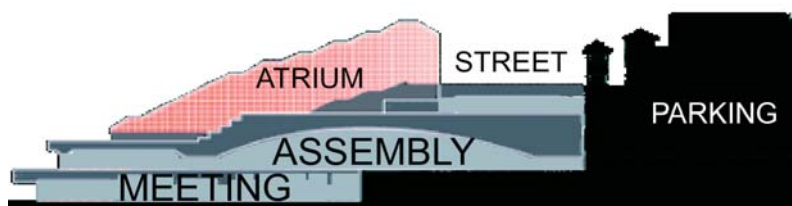
2.1.2 Shaw Convention Centre – Edmonton, Alberta - www.shawconferencecentre.com

QUICK FACTS

Opened:	1983
Initial cost:	81.8M
Original Gross Area:	300,000 sq. ft. (est.)
Expansion Gross Area:	75,000 sq. ft. (est.)
City metropolitan population:	937,845 (<i>Halifax metro: 359,183</i>)

DESCRIPTION

The terraced Shaw Convention Centre burrows into the sloped north bank of the North Saskatchewan River between Edmonton's downtown and its river-front park. A central glazed escalator hall provides vertical access through the building and views of the scenic river valley, and also serves as the building's iconic symbol. Four larger convention spaces ranging from 20,000 to 27,000 sq. ft. are located on the upper floors with smaller meeting rooms primarily located on the lower level.



Shaw Centre Section

OPERATIONS

The SCC typically does not generate profits based on direct operating income. In 2005 The Centre operated on a 70% cost recovery basis with \$7.53M in revenues, \$10.84M in expenses with a \$2.65M tax levy balancing the books, while providing the equivalent of 157 full-time jobs. (p. 268, City of Edmonton Proposed 2006 Budget) The nature of the tax levy was not stated.

HALL D EXPANSION

"The Shaw Conference Centre must expand to maintain and enhance its position in the North American marketplace, especially since other Canadian convention facilities have recently expanded or are planning to expand." (Expansion Fact Sheet)

In July 2004 the SCC started an expansion project adding 36,900 sq. ft. of exhibition, pre-event and meeting space, including a 26,900 sq. ft. Hall D. The expansion is slated to open in Spring 2006 and is anticipated to increase cost recovery to 75% and increase full time employment to 165 in its first year. (p. 268, City of Edmonton Proposed 2006 Budget)

The expansion represents a 33% increase in large conference facilities and a 10% increase in meeting rooms. Aerial photographs indicate the building has room for future horizontal expansion.

Expansion total project costs: \$26.4M

City Contribution: \$12.4M

Provincial, Federal Contributions: \$7M each

Provincial and Federal cost recoveries were estimated at 10 and 5 years respectively, based on added taxation from increased economic impact.

WTCC COMPARISON

The existing WTCC has 37,025 sq. ft. of large conference room area in the Cornwallis and Port Royal Rooms and 30,415 sq. ft. of meeting room space. While the SCC has a comparable 34,929 sq. ft. of meeting room space, its larger conference facilities are 2.5 times larger at 93,400 sq. ft., and twice as numerous as the WTCC convention halls. Three of these larger rooms can also be combined to form one large conference hall of 69,840 sq. ft. Full facility floor plans were not available for detailed comparison of gross floor areas.



Shaw Centre from the Air



Shaw Centre Artrium

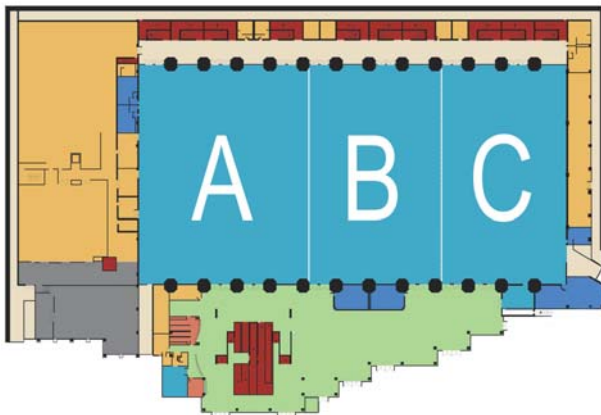


Shaw Centre new Addition - Hall D

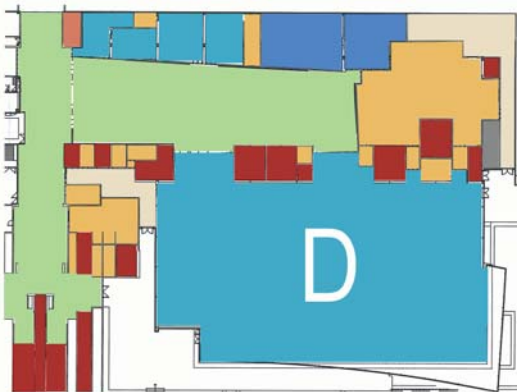
Shaw Centre - Floor Plans



Level One - Meeting Rooms



Level Two - Original Halls



Level Three - New Hall and Meeting Rooms

Shaw Centre - Meeting Areas

Room	Dimensions	Area (sq. ft)	Ceiling
Meeting Room 101	33 x 30	990	--
Meeting Room 102	40 x 47	2280	--
Meeting Room 103	39 x 50	1950	--
Meeting Room 104	49 x 65	3185	--
Meeting Room 105	38 x 25	950	--
Meeting Room 106	38 x 25	950	--
Meeting Room 107	28 x 20	560	--
Meeting Room 108	62 x 60	3720	12'-11"
Meeting Room 109	62 x 45	2790	12'-11"
Meeting Room 110	62 x 45	2790	12'-11"
Meeting Room 111	62 x 45	2790	12'-11"
Meeting Room 112	62 x 58	3600	12'-11"
Meeting Room 113	27 x 19	500	--
Meeting Room 114	27 x 19	500	--
Meeting Room 115	27 x 19	500	--
Meeting Room 116	27 x 19	500	--
Meeting Room 117	25 x 18	450	--
Meeting Room 118	25 x 18	450	--
Meeting Room 119	22 x 18	395	--
Meeting Room 120	22 x 18	395	--
Meeting Room 201	26 x 22	572	--
Meeting Room 202	65 x 19	1235	--
Ball Room A	180 x 154	27720	29'-0"
Ball Room B	180 x 120	21600	29'-0"
Ball Room C	180 x 114	20520	29'-0"
Ball Room D	208 x 114	23600	NA
Meeting Room 201	28.5 x 20	568	--
Meeting Room 302	28.5 x 20	568	--
Meeting Room 303	28.5 x 32.5	926	--
Meeting Room 304	24.5 x 33.5	815	--
Total		128,369 sq. ft	
Ball RoomTotal		93,440 sq. ft	
Meeting RoomTotal		34,929 sq. ft	
Ball Room to Meeting Room Ratio		0.37	

2.1.3 Quebec City Convention Centre - Quebec City, Quebec - www.convention.qc.ca

QUICK FACTS

Completed:	1996
Gross Area:	400,000 sq. ft.
Initial Costs:	NA
City population:	170,000 (670,000 metro) (<i>Halifax metro: 359,183</i>)

DESCRIPTION

Quebec City is a historic place and the Quebec Convention Centre, QCCC, positions itself to capitalize on the city's heritage. It is located in a prominent position just outside the historic city walls just to the north of the Provincial Parliament buildings and promotes its easy pedestrian access to parking, hotels, historic sites, and the restaurants and shops of the historic city.

The centre bills itself as a state-of-the-art facility situated amongst its historic setting, presenting to the world an unapologetic contemporary facility highlighted by multi-height, extensively glazed pre-event spaces that face on to public plazas or provide vistas of the city.

Beyond the pre-event spaces are three divisible main convention and exhibition spaces of 25,000, 34,000, and 75,000 sq.ft respectively, located on two principal levels. Supporting the main halls are 36 meeting rooms and seven dedicated loading docks.

HOTELS

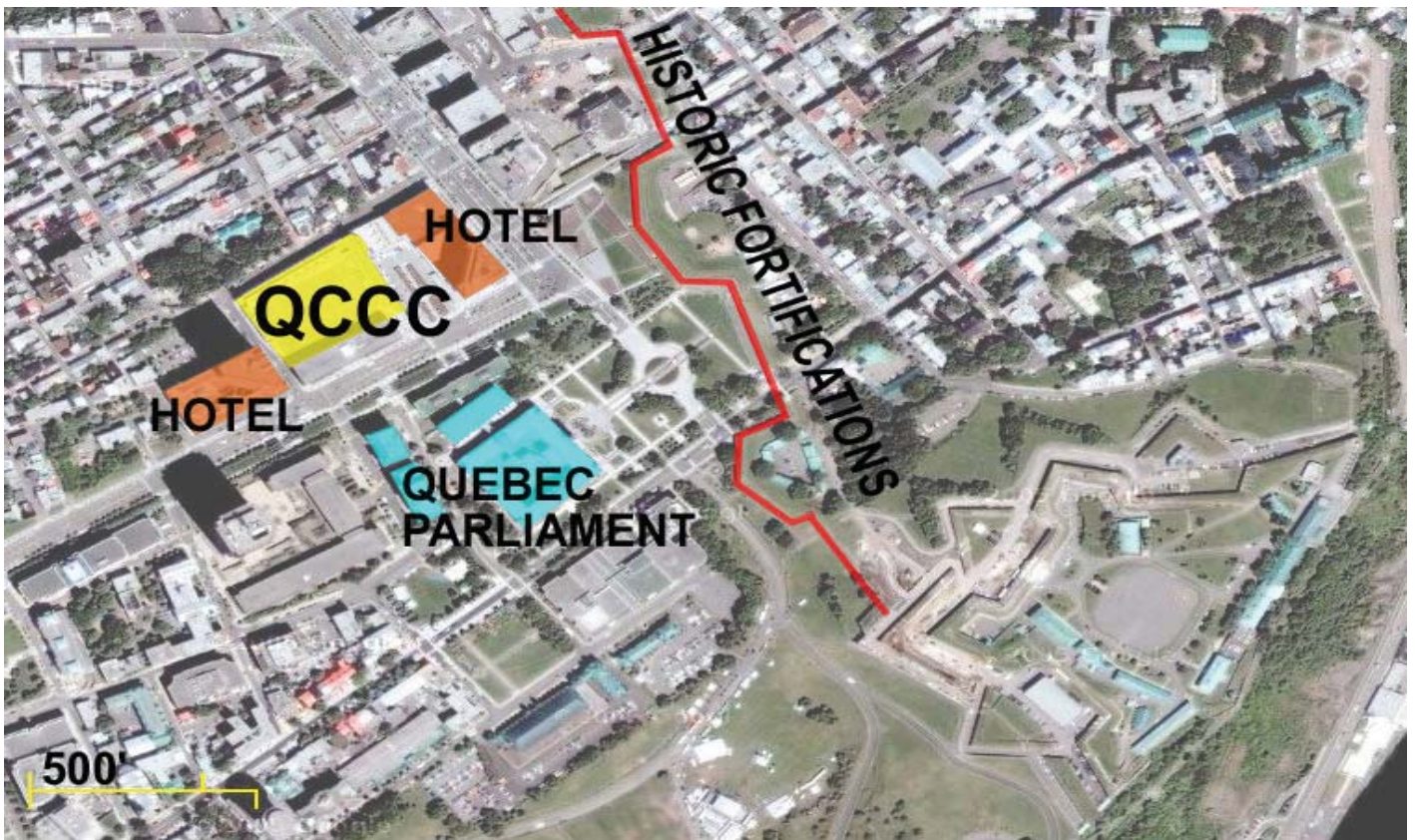
The centre boasts approximately 2,000 hotel rooms within easy walking distance and is directly attached to two large hotels, the Delta with 377 rooms and the Hilton with 571 rooms. Each hotel also has its own meeting and ballroom facilities.

WTCC COMPARISON

The existing WTCC has 37,025 sq. ft. of large conference room area in the Cornwallis and Port Royal Rooms and 30,415 sq. ft. of meeting room space. Like the SCC, the QCCC has a comparable 33,000 sq. ft. of meeting room space, while its larger conference facilities are 3.5 times larger at 134,500 sq. ft. The ratio of conference halls to break-out rooms may appear low, but all of the larger halls are divisible, with some of the smaller rooms being suitable for break-out space. Ceiling heights of the main halls range from 21' to 33' (10'-20' at the WTCC) and meeting rooms average 12' or better.



QCC MAIN PUBLIC FACADE



QCCC SITE PLAN

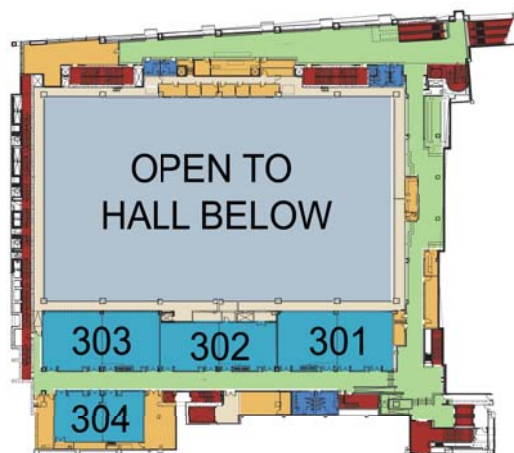
PLAZA BETWEEN QCCC AND ADJACENT HOTEL



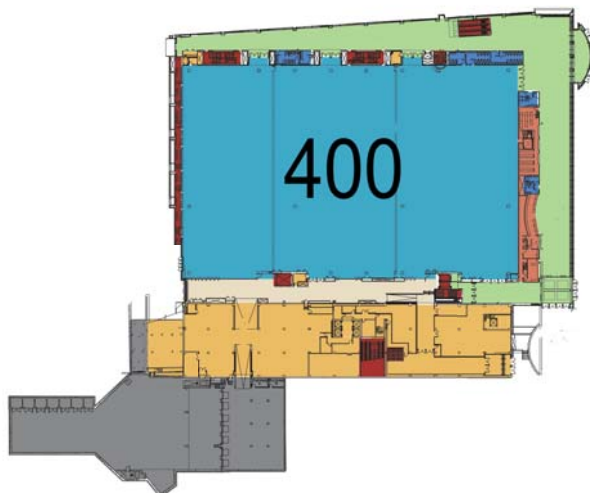
Quebec City Convention Centre Floor Plans and Public Rooms Data



Level Two



Level Three



Level Four

QCCC - Meeting Areas

Room	Dimensions	Area (sq. ft)	Ceiling
200 ABC	228 x 151.9	34,500	23'-0"
200 AB	115.2 x 151.9	17,341	
200 A	115.2 x 76.1	8,741	
200 B	115.2 x 76.1	8,547	
200 C	109.9 x 151.9	17,298	
201 ABC	75.5 x 20.7	1,722	12'-9"
201 AB	47.2 x 20.7	1,044	
201 BC	57.7 x 20.7	1,324	
201 A	20.3 x 19	398	
201 B	27.6 x 22.6	624	
201 C	29.5 x 23.3	689	
202	53.1 x 38.1	2,034	12'-9"
203	44.6 x 28.2	1,292	12'-6"
204 AB	57.4 x 36.7	2,131	12'-2"
204 A	24.3 x 36.7	915	
204 B	32.5 x 36.7	1,195	
205 ABC	86.6 x 39	3,326	12'-10"
205 AB	53.5 x 39	2,078	
205 BC	57.4 x 39	2,217	
205 A	29.2 x 39	1,098	
205 B	24.3 x 39	958	
205 C	32.8 x 39	1,249	
206 AB	56.1 x 85.6	4,553	11'-10"
206 A	43 x 56.1	2,121	
206 B	42.7 x 56.1	2,411	
207	40.7 x 26.2	1,109	11'-10"
208 AB	62.3 x 26.2	1,722	11'-10"
208 A	31.2 x 26.2	861	
208 B	31.2 x 26.2	861	
2000 ABCD	113.8 x 223.1	25,000	21'-0"
2000 ABC	113.8 x 169	19,182	
2000 AB	113.8 x 110.9	12,562	
2000 A	113.8 x 53.1	5,953	
2000 BCD	113.8 x 170.3	18,665	
2000 BC	113.8 x 116.1	13,197	
2000 B	113.8 x 57.7	6,577	
2000 CD	113.8 x 111.9	12,056	
2000 C	113.8 x 57.7	6,577	
2000 D	113.8 x 51.1	5,436	
2101	36.7 x 30.22	1,087	na
2102 AB	19 x 59.4	1,184	na
2102 A	19 x 19.4	398	
2102 B	19 x 39.7	786	
2103	33.1 x 19	646	na
2104 AB	35.1 x 41.7	1,453	na
2104 A	35.1 x 20.7	743	
2104 B	35.8 x 20.7	689	
2105	36.4 x 25.3	926	na
301 AB	69.2 x 37.4	2,637	13'-8"
301 A	34.1 x 37.4	1,313	
301 B	34.8 x 37.4	1,313	
302 AB	70.2 x 30.2	2,164	13'-8"
302 A	34.8 x 30.2	1,066	
302 B	34.8 x 30.2	1,087	
303 AB	70.5 x 37.4	2,680	13'-7"
303 A	34.8 x 37.4	1,313	
303 B	35.4 x 37.4	1,356	
304 AB	53.5 x 32.2	1,776	13'-0"
304 A	24.9 x 32.2	829	
304 B	28.5 x 32.2	936	
400 ABC	335 x 224.1	75,000	29'-1"
400 AB	244.4 x 224.1	54,241	
400 BC	211.9 x 224.1	47,438	
400 A	122 x 224.1	27,740	
400 B	121.1 x 224.1	26,738	
400 C	90.9 x 224.1	20,291	
Total		166,942 sq. ft	
Conf. Rm.Total		134,500 sq. ft	
Meeting Rm.Total		32,442 sq. ft	
Conf. / Meet. Ratio		0.24	

2.1.4 Palm Springs Convention Center – Palm Springs, California - www.palmspringscc.com

QUICK FACTS

Opened:	1987
Initial cost:	NA
Original Gross Area:	149,500 sq. ft.
Expansion Gross Area:	115,500 sq. ft. F (265,000 sq. ft. Total)
City metropolitan population:	43,807 (2000) (Halifax metro: 359,183)

DESCRIPTION

Palm Springs is a desert oasis resort town 180 km east of Los Angeles, California known for its golf and retirees. While small in permanent population, it welcomes over 3.5 million visitors annually, making tourism, retirees, and conventions all important economic generators.

In 1985 construction of the convention center was begun by the City of Palm Springs in conjunction with the construction of the privately owned adjacent 410 room hotel to spur the local economy and downtown rejuvenation. In 2003, with conference attendance waning in the face of greater competition and expectations, the city began expansion of the centre.

EXPANSION

The \$32.3 million dollar expansion (U.S. funds) was seen by the center as a necessity if it was to remain a regional player in the convention market. Local hotel stays gradually increased post 9/11, but convention related hotel stays steadily declined during the same time period. In 2000 the center generated nearly 88,758 room nights. In 2005 that number had fallen to 51,638 room nights. The loss in room nights attributed to lack of available space was pegged at 344,509 nights over the period of January 1990 to February 2003.

“The refurbished Center will be able to accommodate 73% of the meetings that come to California, versus 42% currently, and is expected to have a significant positive economic impact on the community,”

Jim Dunn, General Manager of the Palm Springs Convention Center.

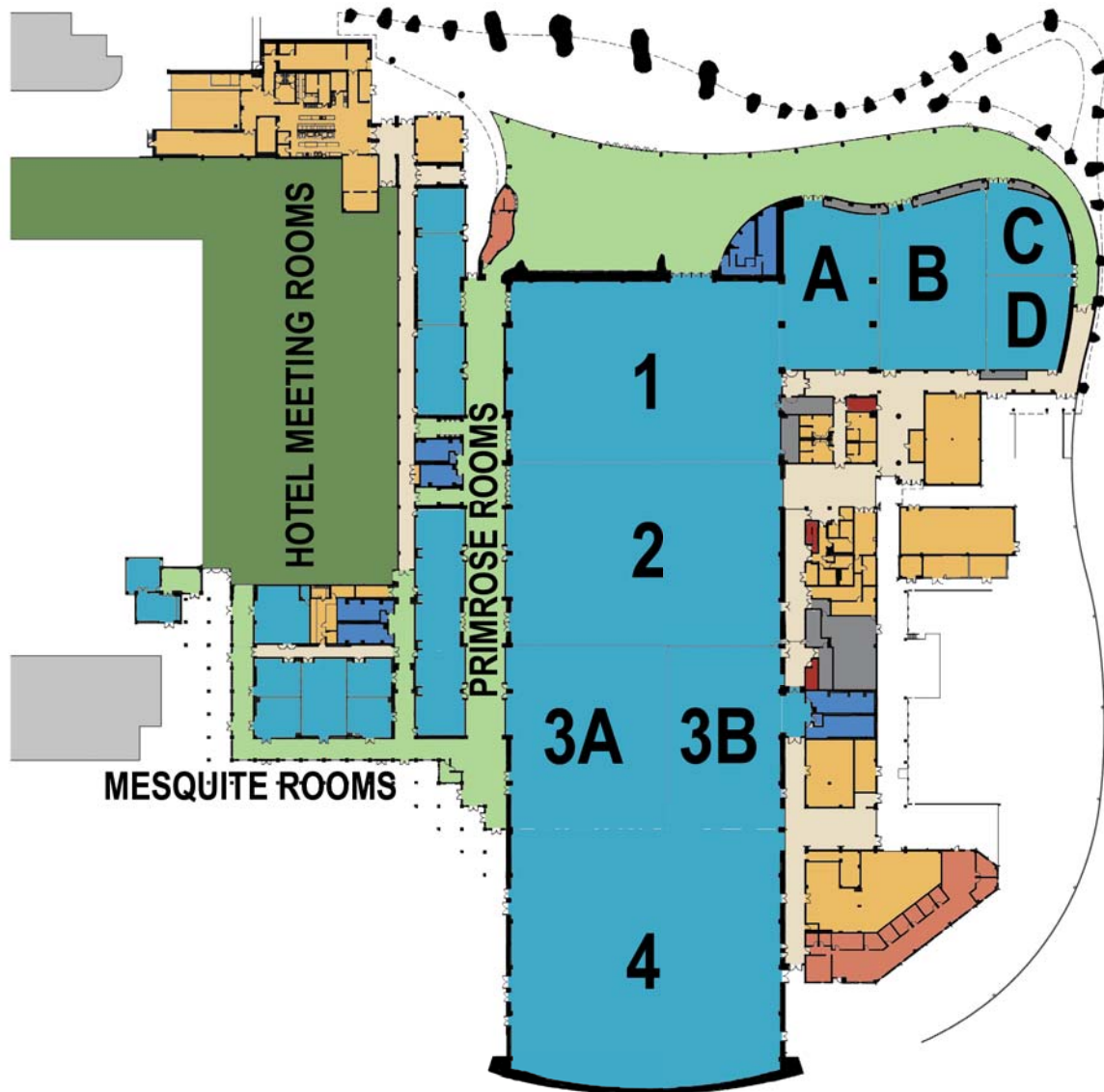
With expansion complete, the center is expected to generate 78,420 room nights in 2006 based on confirmed bookings.

With the renovation, the exhibition space available grew to 100,000 sq. ft. from 65,000 sq. ft., meeting room space grew to 32,000 sq. ft. with the addition of a 20,000 sq. ft. divisible ball room, and pre-function space expanded dramatically from 12,000 sq. ft. to 50,000 sq. ft. with the addition of a new entrance lobby. The new lobby also served to re-orient the center on the site, focusing on the vista towards the nearby San Jacinto Mountains and presenting to the world a bold new form, emulating those mountains. Service and loading facilities were also substantially increased, including a new total of 12 loading bays.

OPERATIONS

The PSCC has never turned an operating profit (The Desert Sun). The assumption is that running the center at a loss is justifiable given the spin-off economic activity generated by the facility.

The center's constructions have been financed through bonds issued by the city, leaving the center with a \$62.3 million dollars debt (U.S. funds) as of the end of 2004. This debt and a portion of the center's operating costs are financed through hotel room occupancy taxes which vary from 11.5% to 13.5% depending on the size of the hotel. With the growing tendency to discount large events, the reliance on taxes to off-set operating costs will likely increase.



PSCC - Room Areas

Room	Diamensions	Area (sq. ft)	Ceiling
Mesquite Rooms		8920	
Meeting Room A		900	
Meeting Room B		1760	
Meeting Room C		1860	
Meeting Room D		900	
Meeting Room E		900	
Meeting Room F		800	
Meeting Room G		900	
Meeting Room H		900	
Smoke Tree Rooms		5400	
Meeting Room A		700	
Meeting Room B		700	
Meeting Room C		1400	
Meeting Room D		700	
Meeting Room E		700	
Meeting Room F		1200	
Agua Caliente		880	
Meeting Room A			
Meeting Room B			
Primrose Ball Room		20000	
Breakout A		7000	
Breakout B		7000	
Breakout C		3000	
Breakout D		3000	
Oasis		93865	
1		21265	
2		21000	
3A		10400	
3B		7200	
4		34000	
Total		129,065 sq. ft	
Ball RoomTotal		93,865 sq. ft	
Meeting RoomTotal		35,200 sq. ft	
Ball Room to Meeting Room Ratio		0.38	

Sources for Edmonton Shaw Centre

www.shawconferencecentre.com

www.vredmonton.com/Shaw.html

http://www.canadameetings.com/mcit/app/en/us/favoriteMeetDest.do?path=templatedata%5Cmcit%5Cdestination%5Cdata%5Cen_us%5CAB%5CfavoriteMeetDest%5Cedmonton

Fact Sheet – Shaw Conference Centre Expansion, Edmonton Economic Development Corporation, August 2004, PDF File: [HallDExpansionFactSheet_0804.pdf](#)

City of Edmonton Proposed 2006 Budget, EEDC Shaw Conference Centre, The City of Edmonton, PDF file: [BudgetbyProgram_EEDC_ShawCentre.pdf](#)

Shaw Conference Centre: Proposed Hall D Expansion, Shaw Conference Centre, Sept. 27, 200? , PDF file: [SC-CHallDExpansion.pdf](#)

Internet Sources for Quebec City Conference Centre

www.convention.qc.ca/eng/default.html

<http://cima.ca/cgi-cs/cs.waframe.content?topic=26493&lang=2>

<http://www.mpoint.com/guides/viewarticle.asp?linkid=2070&artid=399>

<http://meetingsfocus.com/displayarticle.asp?id=4239>

<http://www.hilton.com/en/hi/hotels/index.jhtml?ctyhocn=YQBHITW>

<http://www.deltaquebec.com/index.html>

Internet Sources for Palm Springs Convention Centre

<http://www.fentressbradburn.com/pccx.htm>

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

http://en.wikipedia.org/wiki/Palm_Springs,_California

<http://www.ci.palm-springs.ca.us>

<http://www.palmsprings.com/history/50years.html>

<http://www.thedesertsun.com/apps/pbcs.dll/article?AID=2005509040325>

2.2 Program Development

2.2.1 Existing Program vs. Comparables

The existing WTCC is approximately 227,000 sq. ft. in gross area excluding the tenant office portions of the building. Subtract the Metro Centre ice level trade show floor and related support spaces, which is typically reserved for non-convention events, and this number falls to 180,400 sq. ft.. Compare this number to 375,000 for Edmonton, 400,000 for Quebec and 265,000 for Palm Springs.

The WTCC relies heavily on one high-ceiling, dedicated convention space, the 20,141 square foot Port Royal Room. Its other two main larger rooms, the metro centre ice hall and the Cornwallis Room are not regarded as high quality conference spaces. All three of the centres studied have four or five rooms similar or better than the Port Royal Room which leaves them with a significant advantage when attracting larger or multiple events.

The WTCC is larger conference spaces are supported by 23,500 sq. ft. of smaller, nine foot high meeting facilities, excluding the Metro Centre meeting rooms and the eighth floor Windows restaurant and lounge, totaling 24 meeting rooms. Excluding all of the remaining eighth floor meeting space, to account for its remoteness, would reduce that number to 18,100 sq. ft. and 14 meeting rooms. The three centres studied had meeting facilities in the 30,000 to 35,000 square foot range, with noted ceiling heights typically three to four feet higher than the WTCC's rooms, and room counts number 16, 26 and 30 meeting rooms. Both Quebec City and Palm Springs had the capacity to divide larger spaces to provide additional break-out spaces which would help bring them closer to our recommended target meeting room to conference room ratio of 0.6 to 1.0.

None of the studied facilities noted significant mixed-use components such as leasable office space. Similarly, while the centres were either connected directly to other buildings (Palm Springs, Quebec) or connected to other buildings through underground tunnels (Quebec, Edmonton), the buildings made clear attempts to differentiate themselves from their neighbours. They were clearly 'conference centres'. The existing WTCC office component presents programming, design and image opportunities and complications, and the accessing, differentiating, subtraction or retention of the office spaces will need to be addressed throughout any design process. For the purposes of this report it was assumed that the existing offices will remain as is, except in those areas where their conversion suggests opportunities to achieve required floor areas or adjacencies for meeting rooms and service spaces.

2.2.2 Expansion Capacity

The existing Metro Centre and WTCC property is a finite, urban site with well defined outer limits. Future expansion of any new building on the site would be a difficult proposition given the types of volumes need for conventions and the capacity of the allowable building envelope. Therefore, the programming of the site will also be considered as an attempt to find a maximum build-out of the property so that the resulting convention centre has the potential to remain serviceable on its site for as long a time as possible.

Preliminary programming plans looked at arrangements of large, stacked conference rooms wrapped with support, pre-event spaces and meeting rooms. A strategy emerged where two large divisible volumes, 32,000 sq. ft. and 37,000 sq. ft. in area, are stacked one over the other. The lower space becomes two combinable 16,000 square foot conference halls with 25' ceilings. The upper space becomes four combinable ballrooms ranging in size from 3,600 to 13,500 sq. ft., with 30' ceilings. This represents a 3.5 times increase in high, dedicated convention hall space that, at approximately 90,000 sq. ft. (excluding the Cornwallis Room), is comparable to the three studied comparisons (Edmonton: 94,440 sq. ft., Quebec City: 134,500 sq. ft. and Palm Springs: 93,865 sq. ft.).

Break-out spaces are supplemented with eleven new meeting rooms with 15' to 20' ceilings, totaling approximately 16,500 sq. ft.. Although 5,700 sq. ft. of existing lower-ceiling meeting room space is eliminated on the lower floors during the design process, this new area brings the amount of meeting room space presently available to 30,000 sq. ft. which is in line with the studied comparisons. Additional meeting rooms still required to meet our recommended meeting room to convention hall ratio of .6 to 1 are provided by converting existing offices on levels 97 and 120 to 8 additional rooms totaling 14,000 sq. ft.. These rooms face directly on to the main public concourses that serve the other new meeting rooms, but would be confined to 9' ceilings. New total break-out space is 44,000 sq. ft. distributed between 28 rooms with a 1:2 breakout to hall ratio (excluding Cornwallis Room and level 144 meeting rooms).

Also provided within the new program space is a 7,600 sq. ft. event space, the Citadel Lounge, at level 144 taking full advantage of views towards the Citadel. The actual use of the space is not fully defined. It could be a party room, reception hall, lounge, or a restaurant. It may replace the existing lounge, restaurant and meeting rooms on the same level that currently face the grand parade, or they could be complementary. The space also represents an opportunity for shared tenancy if the space was leased to others operating a lounge or restaurant. Adjoining the new Citadel Lounge are proposed landscaped roof-top terraces, principally along the south facing Carmichael Street and at the north-west corner of the building.

Supporting all of these new and existing function spaces are the pre-event concourses and lobbies that provide for pre-event assembly and public circulation throughout the building. Both lobbies and concourses will need to grow proportionately with the halls and meeting rooms and will need to maintain clear, flexible separation of conventioners and the general public and express direct connections between the convention halls themselves and the outside world. Most importantly, these areas will act as the public faces of the building. Their openness, orientations, and articulations will form the defining characteristics of the centre.

Another important programmatic function of the public lobby spaces is to maintain and enhance the existing pedestrian routes through the building that connect Scotia Square through to the Prince George hotel. The route has the potential to expand to serve as a semi-public, accessible path up the hillside connecting the base of the federal National Historic Site, the Halifax Citadel and Town Clock, with the civic Grand Parade Square. Ideally, sidewalk accessible spaces for accessory uses such as cafés, shops or kiosks could add to the vitality of the building and create additional revenue for the centre. Initial investigations have proven that achieving these sorts of spaces is difficult given the primary program demands and the confines of the site. Final designs allowed for a small retail space at the south-west corner of the building. Further refinement could possibly find similarly small sidewalk-accessed areas particularly along Duke Street, but in general, the devotion of large areas to at-grade accessory uses was not achievable and these spaces are not present in the final building program.

With the growth in function space comes a similar growth in the required support spaces such as coat rooms, washrooms, service desks, public stairs, escalators and elevators. These areas, along with the required back-of-house services, are shown in the following list of program spaces. They are not hard and set numbers, but rather represent probable and reasonable requirements based on our investigations and experience. Significant required additions include an additional new kitchen adjoining the new ballroom spaces, an expanded loading dock facility sized to accommodate six large trailer truck bays and three smaller truck bays for food delivery or garbage collections, an additional freight elevator, and 20,000 sq. ft. of potential mechanical space at level 144'.

2.2.3 FLOOR BY FLOOR PROGRAM DESCRIPTIONS

LEVEL 60

LARGE EVENT AREAS:

Cornwallis Room (multi-purpose room) (existing)

BREAK-OUT AREAS:

Cornwallis One meeting room (existing)

PUBLIC/PRE-EVENT AREAS:

Cornwallis Room Pre-event area

North-east entry lobby w/ ramp to 73 and escalator to Scotia Square tunnel (existing)

SERVICE AREAS:

WTCC offices (renovated)

Caters' Office (existing)

Paired washrooms serving Cornwallis Room (existing)

Paired washrooms serving Pre-event area (existing)

Staff change rooms (existing)

Bar storage (existing)

General Storage (existing and renovated)

Service and access-to-exit corridors as required

VERTICAL CIRCULATION:

Tower elevator bank (existing)

Service elevator (existing)

Freight elevator and mech rm. (existing)

Scotia Square tunnel elevator and mach. Rm. (existing)

Escalator from Pre-event to level 73 pre-event

Exit Stairs as required.

LEVEL 73

LARGE EVENT AREAS:

Port Royal Room (divisible ballroom) (existing)

BREAK-OUT AREAS:

Mariner Rooms 2 to 5 (combinable meeting rooms) (existing)

PUBLIC/PRE-EVENT AREAS:

Office tower lobby
 South-east corner entry and lobby
 Reception Desk
 Port Royal Room Pre-event areas (existing)
 Tunnel access to Prince George (revised)

SERVICE AREAS:

Two paired washrooms serving Port Royal Room
 Pre-event area (existing)
 Kitchen and kitchen storage (existing)
 South mechanical room (existing)
 Event storage (existing)
 Service and access-to-exit corridors as required

VERTICAL CIRCULATION:

Tower elevator bank (existing)
 Double elevator bank accessing pre-event
 Escalator from Pre-event to level 60 pre-event
 Escalator and stairs to south entry at 91
 Service elevator (existing)
 Freight elevator (existing)
 Exit stairs as required.

LEVEL 85

LARGE EVENT AREAS:

Conference Hall A
 Conference Hall B

BREAK-OUT AREAS:

Mariner Rooms 6 to 8 (combinable meeting rooms)
 (existing)
 Meeting Room (new adjacent existing)

PUBLIC/PRE-EVENT AREAS:

Conference halls Pre-event and reception/office
 area
 Meeting Room Pre-event area (existing)
 Grafton Street Entry

SERVICE AREAS:

Conference and meeting rooms divider storage
 Event Storage
 Loading Dock Storage
 Large paired washrooms serving conference halls
 and meeting rooms
 Satellite food preparation adjacent conference and
 meeting rooms
 Kitchen and kitchen storage (existing)
 North-east mechanical Room (existing)
 Loading docks: 6 large trailer event loading bays
 and 3 service truck bays.
 Loading Dock Offices (existing)
 Coat rooms

VERTICAL CIRCULATION:

Tower elevator bank (existing)
 Central Double elevator bank accessing pre-event

South-western elevator accessing level 120 pre-
 event and 144 lounge
 Escalator and stairs from Grafton Street entry to en-
 tries at levels 73 and 110
 Service elevator (existing)
 Freight elevator (existing)
 Additional Freight elevator
 Exit and service stairs as required

LEVEL 97

BREAK-OUT AREAS:

4 combinable, high ceiling meeting rooms
 4 combinable, meeting rooms (renovated spaces)

PUBLIC/PRE-EVENT AREAS:

Meeting rooms Pre-event concourse (renovate/ex-
 pand existing)
 Office Corridor (existing)
 Connection to public escalators

TENANT OFFICE AREAS:

Office Suite 416 (existing)
 Office Suite 402 (existing and expanded)

SERVICE AREAS:

Conference rooms divider storage
 Meeting rooms divider storage
 Event Storage
 Paired washrooms serving meeting rooms (adjacent
 existing)
 Paired washrooms serving offices (existing)
 Satellite food preparation adjacent meeting rooms
 Conference rooms audio-visual rooms

VERTICAL CIRCULATION:

Tower elevator bank (existing)
 Central Double elevator bank accessing pre-event
 Access to Escalator and stairs to Grafton and Mar-
 ket Street entries
 Service elevator (existing)
 Freight elevator (existing)
 Additional Freight elevator
 Exit and service stairs as required

LEVEL 108.5

PUBLIC/PRE-EVENT AREAS:

Office Corridor (existing)

TENANT OFFICE AREAS:

Typical office floor (existing and expanded)

SERVICE AREAS:

Paired washrooms serving offices (existing)

VERTICAL CIRCULATION:

Tower elevator bank (existing)
 Service elevator (existing)
 Exit and service stairs as required

LEVEL 120

LARGE EVENT AREAS:

Large divisible ballroom hall

BREAK-OUT AREAS:

5 combinable, high ceiling meeting rooms
4 combinable, meeting rooms (renovated spaces)
1 high ceiling meeting room with views to Grand Parade and Harbour

PUBLIC/PRE-EVENT AREAS:

Meeting rooms Pre-event concourse
Ballroom pre-event spaces along two sides of ballrooms with reception areas
Office Corridor
Public entry at south-west corner
Connection to public escalators
Public entry at north-west corner with reception area
Sidewalk retail adjacent south-west corner entry

TENANT OFFICE AREAS:

Office Suite 6F and 6G (existing)
Office Suite 607 (existing and expanded)

SERVICE AREAS:

Ballrooms and meeting rooms divider storage areas
Event Storage
Paired washrooms serving east concourse (adjacent existing)
Paired washrooms serving offices (existing)
Paired washrooms serving south concourse
Paired washrooms serving west concourse
Coat Rooms
New kitchen adjacent ballrooms, meeting rooms, freight elevator
Staff offices

VERTICAL CIRCULATION:

Tower elevator bank (existing)
Central Double elevator bank accessing pre-event
Access to Escalator and stairs to Grafton and Market Street entries
Service elevator (existing)
Freight elevator (existing)
Additional Freight elevator
Exit and service stairs as required
South-western elevator accessing levels 85 and 144

LEVEL 132

PUBLIC/PRE-EVENT AREAS:

Office Corridor (existing)

TENANT OFFICE AREAS:

Typical office floor (existing and expanded)

SERVICE AREAS:

Paired washrooms serving offices (existing)

VERTICAL CIRCULATION:

Tower elevator bank (existing)
Service elevator (existing)
Exit and service stairs as required (existing)

LEVEL 144

LARGE EVENT AREAS:

Large hall or lounge area facing Citadel Hill

BREAK-OUT AREAS:

Classrooms (existing)
3 Meeting rooms (existing)
Restaurant and lounge (existing)

PUBLIC/PRE-EVENT AREAS:

Exterior landscaped roof terraces adjacent lounge
Office Corridor (existing)

TENANT OFFICE AREAS:

Typical office floor (existing and expanded)

SERVICE AREAS:

Paired washrooms serving offices (existing)
Paired washrooms serving lounge
Lounge support rooms
Roof top and mechanical room areas (new and existing)

VERTICAL CIRCULATION:

Tower elevator bank (existing)
Service elevator (existing)
Freight elevator access to mechanical room
Exit and service stairs as required
South-western elevator accessing level 120

Section 3

WTCC Expansion Options



3 WTCC Expansion Options

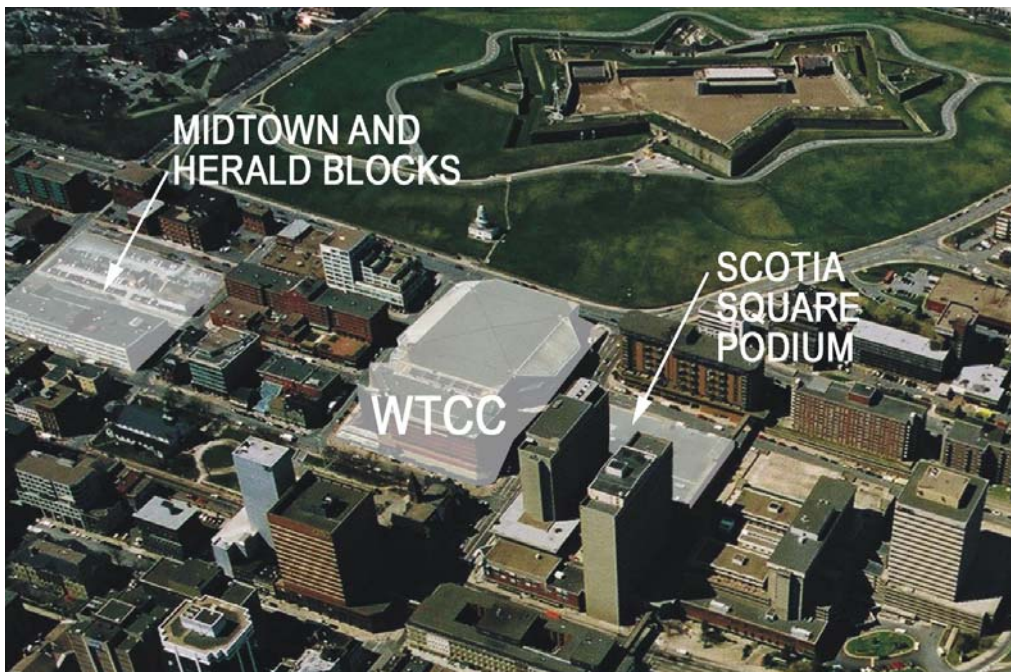
This report will examine the various expansion options available to the WTCC both on and off of the existing site. It has been assumed for this report that the existing WTCC facilities are a valuable existing asset, and as such should be retained and supported through expansion. Abandonment of the existing WTCC facilities for an entirely new off-site development was not included in the mandate of this study.

3.1 WTCC Alternative Sites

3.1.1 Potential Adjacent Expansion

With development on the Metro Centre WTCC site generally limited to the envelope of the existing buildings, extensive on-site expansion of the WTCC can only happen at the expense of the Metro Centre. If the Metro Centre is not replaced in another location and thus remains where it is, off-site growth alternatives must be considered.

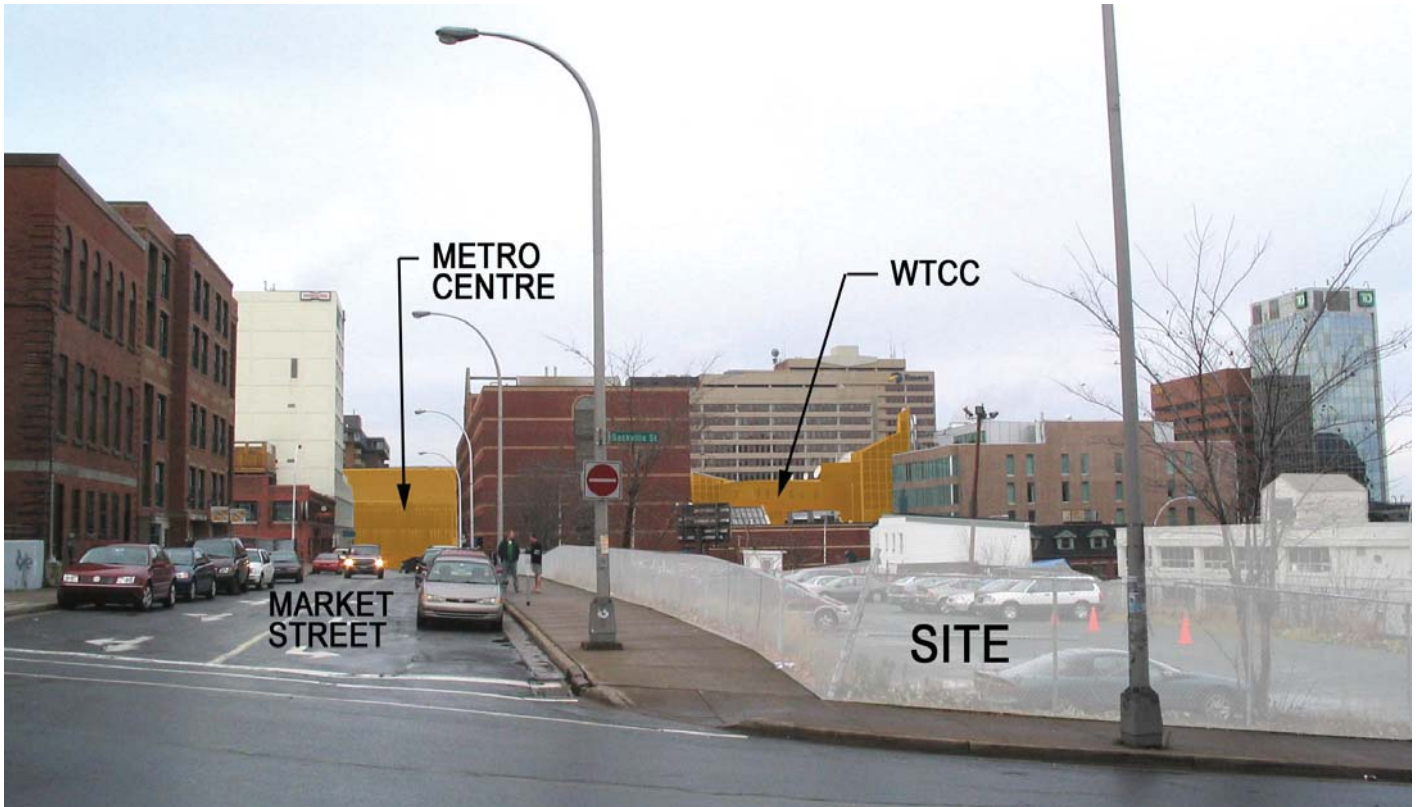
As previously noted, the area surrounding the WTCC is a mature commercial and business neighbourhood with few opportunities for growth of the scale required for conference facilities. That said, there are two potential sites within a reasonable distance from the WTCC that will be examined here in order to measure their suitability for WTCC expansion.



3.1.2 Midtown and Herald Blocks

3.1.2.1 Location

The Midtown and Herald Blocks are two full blocks located one block to the south of the existing WTCC. The blocks are bounded by Sackville Street to the south, Market Street to the west, Prince Street to the north and Argyle Street to the east, and divided longitudinally by Grafton Street.



Corner of Market and Prince Streets Looking North to the Metro Centre

3.1.2.2 Ownership

NOTE: Herald Property currently for sale: \$15.5M asking price

The blocks are held by two private owners, with one owner holding the bulk of both blocks with the exception of the northern end of the western block. The sites are very commercially desirable and are slated for re-development. WTCC expansion on the site would likely involve the WTCC acting as a tenant in a larger development, which could impact the WTCC's long-term financial stability and public image depending on the nature of leasing agreements or associations with other tenants.

3.1.2.3 Site Restrictions

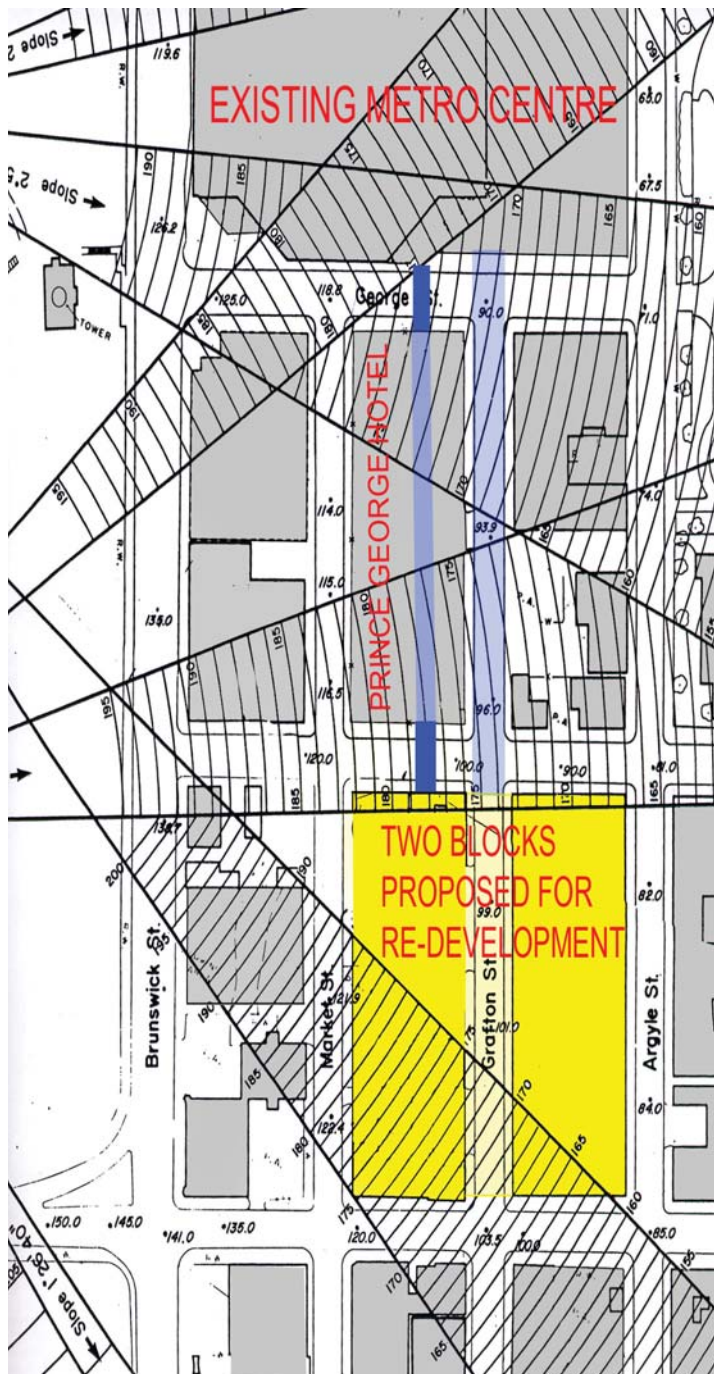
Two view planes cross the site; one skirting the northern edge of the property, and one cutting across the southwest corner of the property. Building in these areas would be limited to approximately 50' to 75'. The remainder of the site is restricted by the Citadel parade ground view planes to a height of approximately 17 storeys. A recently proposed 17 storey development for the Midtown site at the northern end of the western block met with strong and victorious opposition from the heritage community concerned with impact on views from the Citadel. Future development above 12 storeys would likely face similar opposition.

The bi-secting north-south Grafton Street is another restriction on the site. It is unlikely the City or community at large would approve the closure of Grafton Street as a public thoroughfare. The slope of the site could allow for a common floor on the Argyle Street level (also requiring agreement with the City), but the general form of any

development will have to respect the site as two distinct blocks. Combined with a narrow block width of 120', this split site greatly limits the design of large adjacent conference or ball rooms.

3.1.2.4 Preliminary Design

In order to assess the capacity of the site to host WTCC expansion a preliminary design was attempted focusing on providing the additional large ball rooms and conference halls required to allow for the hosting of multiple large conference events. See below for areas and main floor plans.



Site Plan with View Planes

The design assumed that the facility would be connected to the WTCC via an extension of the existing public tunnel system. The lowest floor would span both blocks and contain a WTCC concourse and hotel lobby at the north-east corner of the site, with shipping and hotel back-of-house occupying the bulk of the remainder. Stacked pairs of 30' high conference halls and ball rooms with northern pre-event spaces would fill out the next four floors, pushing the building to the underside of the southern view plane. Towers above these halls could contain hotel rooms. Street frontages at grade would be retail where possible.

The end design shows an arrangement of new convention spaces that is less than ideal, with complicated and confined service spaces and vertical circulation. Break-out meeting room areas were not provided and it is likely that insufficient vertical circulation has been shown, especially considering potential high rise tower configurations.

3.1.2.5 Satellite Site

The final limiting factor on the Midtown and Herald Blocks is the distance from the current WTCC. The two sites are 425' apart requiring either a long under-street tunnel down Grafton Street or a continuation of the current tunnel through the Prince George Hotel. This separation presents a number of problems.

The resulting additional space would effectively act as an annex to the existing WTCC. Or, if the addition is of sufficient size and quality, the existing WTCC would become an annex to the new additional area. This decentralization works against the mandate of presenting convention clients with an image of a 'high-caliber world-class' facility and inhibits the legibility WTCC as a definable institution.

While the distance itself may not be insurmountable as larger convention or hotel facilities may have internal circulation that exceeds this distance, insuring that the qualities of this subterranean connection would not negatively impact on convention users would require a great deal of ingenuity and most likely considerable expenditure.

Finally the separation effectively means the duplication of many of the services and staffing required to run the centre; double storage, double kitchens, more washrooms, longer distances for staff, and more security.

3.1.2.6 Conclusion

Distance, both real and perceived, from the existing WTCC, land ownership, and site proportions and limitations all make this site a very difficult expansion option. Moving to this site effectively creates a second convention centre and eliminates much of the benefit of retaining the existing facilities. In the long run, this site represents abandonment of the existing WTCC as much as it represents expansion.

LARGE EVENT ROOMS

NAME	FLOOR	AREA (sq. ft)	CEILING
Convention Rm 01	LEVEL 100	18,873	25'-0"
Convention Rm 02	LEVEL 100	18,873	25'-0"
Ball Room 01	LEVEL 130	18,873	30'-0"
Ball Room 01	LEVEL 130	18,873	30'-0"
Total		75,492 sq. ft	

MEETING ROOMS

NAME	FLOOR	AREA (sq. ft)
Total		0 sq. ft

OFFICE SPACE

NAME	FLOOR	AREA (sq. ft)
Offices	LEVEL 118	12,491
Total		12,491 sq. ft
Building Sub-Total		87,983 sq. ft

PRE-EVENT/PUBLIC CIRC.

NAME	FLOOR	AREA (sq. ft)
Hotel lobby	LEVEL 83	8,508
Concourse	LEVEL 83	10,409
East Pre-event	LEVEL 100	5,643
West Pre-event	LEVEL 100	4,962
East Pre-event	LEVEL 130	3,694
West Pre-event	LEVEL 130	4,123
East Corridor	LEVEL 130	6,037
West Corridor	LEVEL 130	7,179
Bridges	LEVEL 130	3,075
Total		53,630 sq. ft
Building Sub-Total		141,613 sq. ft

RETAIL

NAME	FLOOR	AREA (sq. ft)
Argyle & Prince	LEVEL 83	2,291
East Prince & Grafton	LEVEL 100	1,111
West Prince & Grafton	LEVEL 100	1,319
Market Street	LEVEL 118	13,660
Total		18,381 sq. ft
Building Sub-Total		159,994 sq. ft

SERVICE SPACE

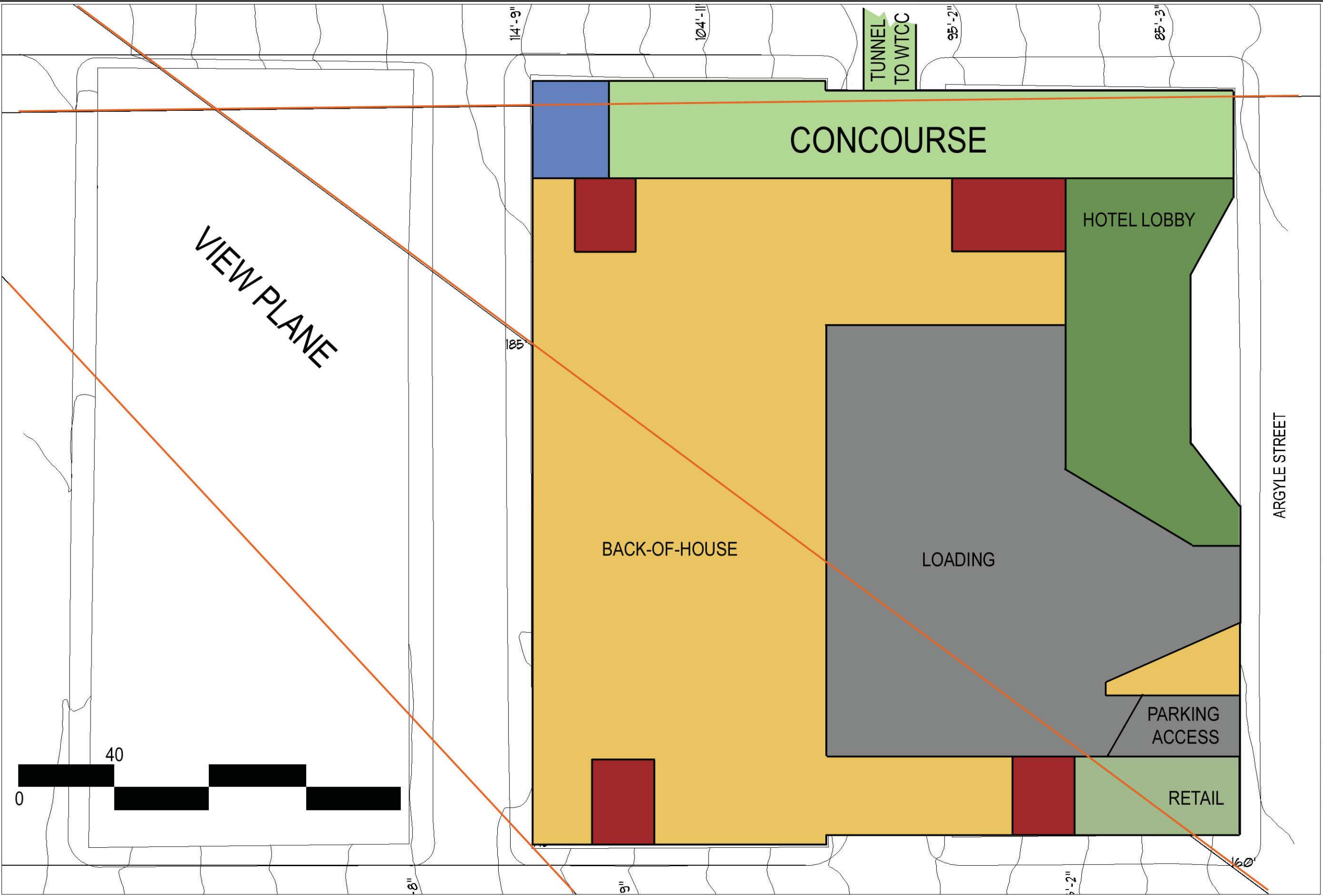
NAME	FLOOR	AREA (sq. ft)
Back-of-house/load.	LEVEL 83	73,042
Conference Rm Service	LEVEL 100	26,525
Stairs	LEVEL 118	3,883
Ball Rm Service	LEVEL 73	20,586
Total		124,036 sq. ft
Building Total		265,649 sq. ft

Total area does not include tunnel to WTCC

TYPICAL UPPER FLOOR PLATES

West	17,700
East	34,134
	51,834 sq. ft *

* Does not account for any required city daylighting setback requirements



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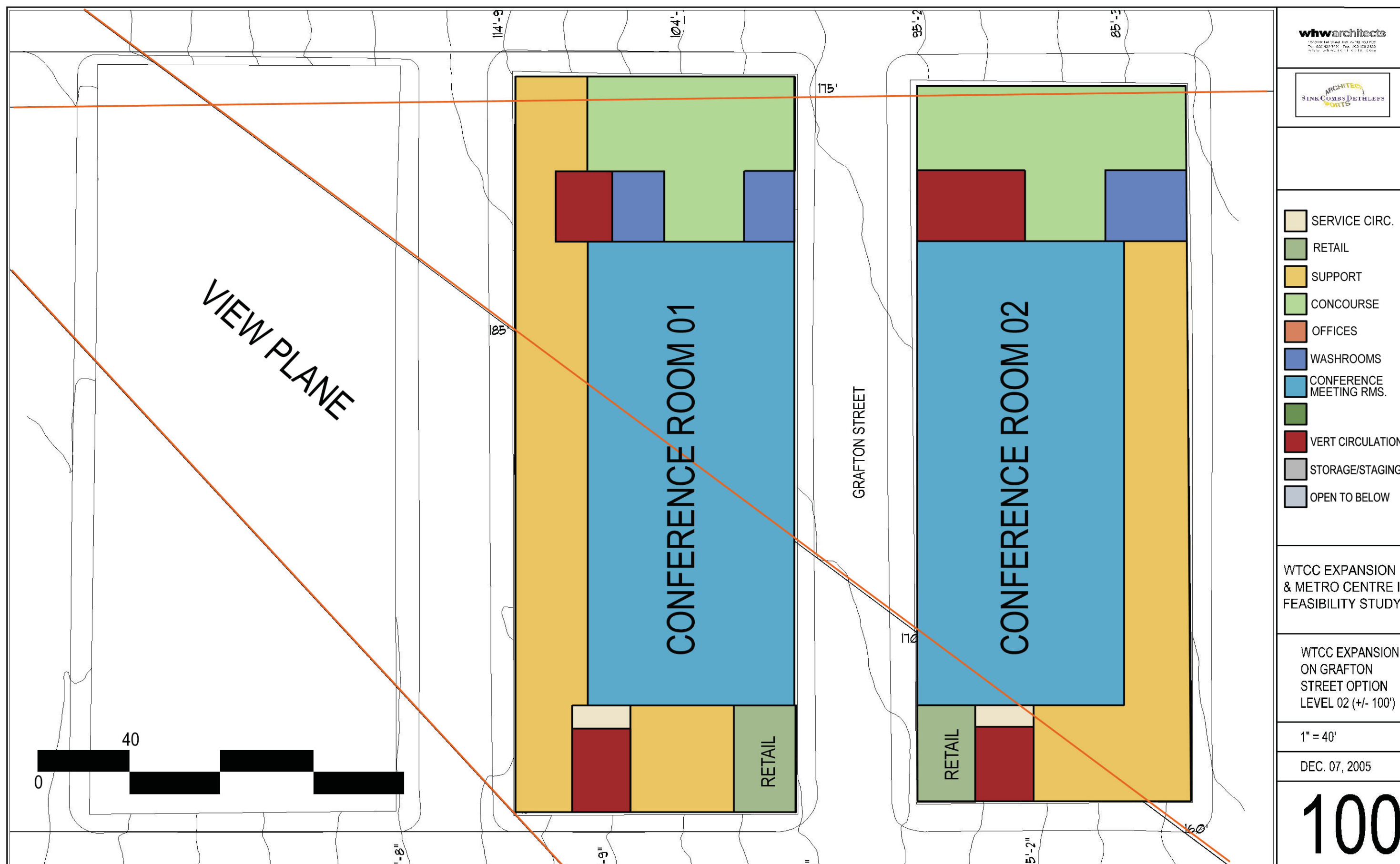
WTCC EXPANSION & METRO CENTRE II
FEASIBILITY STUDY

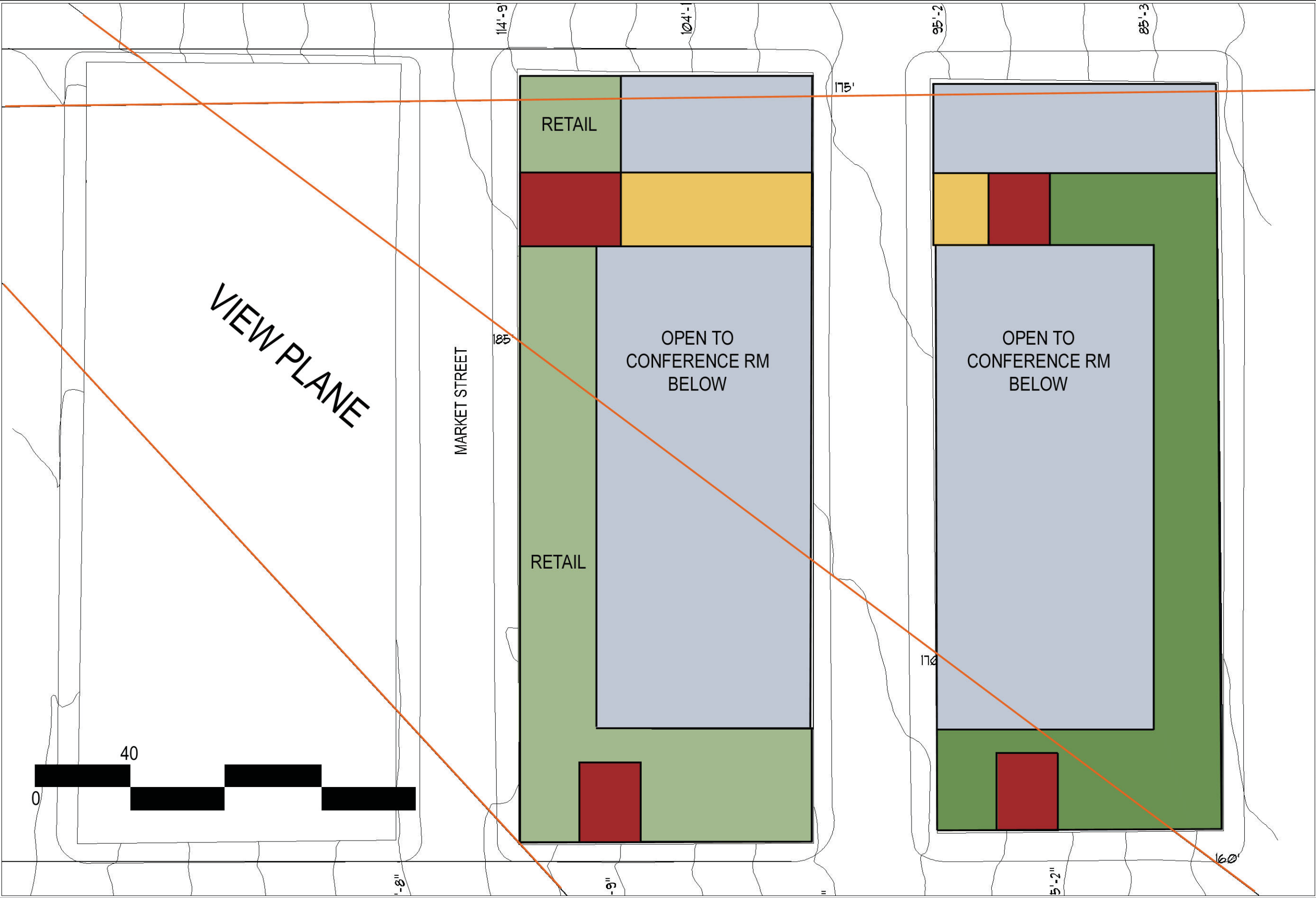
WTCC EXPANSION
ON GRAFTON
STREET OPTION
LEVEL 01 (+/- 83')

1" = 40'

DEC. 07, 2005

83





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WTCC EXPANSION
& METRO CENTRE II
FEASIBILITY STUDY

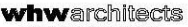
WTCC EXPANSION
ON GRAFTON
STREET OPTION
LEVEL 03 (+/- 118')


1" = 40'










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WTCC EXPANSION
& METRO CENTRE II
FEASIBILITY STUDY

WTCC EXPANSION
ON GRAFTON
STREET OPTION
LEVEL 04 (+/- 130')

1" = 40'

DEC. 07, 2005

130



3.1.3 Scotia Square

3.1.3.1 Location

To the north of the current WTCC across Duke Street sits Scotia Square, a 1960's urban renewal office, hotel and retail complex. Its south-east corner is a low podium area with good potential for vertical growth above. The podium itself is three storeys set into the hill side with only a portion of the top floor protruding above Market Street. The lowest floor is building services, the middle floor is largely retail, while the top floor is a recently renovated call centre.



Looking South across Scotia Square podium with WTCC and Metro Centre beyond

3.1.3.2 Ownership

Like the Midtown Herald site, Scotia square presents issues related to ownership such as lease agreements and image.

3.1.2.3 Site Restrictions

One of the great strengths of the proposed site beyond its proximity is the lack of view plane restriction, with the exception of the Citadel Parade Ground view planes which are generally far less restrictive. Additionally the site is partially screened from the Hill and surrounding neighbourhoods by a number of high buildings.

The site is entirely covered by an existing building that brings with it a set of problems. Existing tenancies, existing structural capacities, existing floor elevations and clearances, snow loading, and existing building esthetic would all impact a future project in terms of costs, time lines, marketability, and final building form and capabilities.

3.1.3.4 Existing Building Areas

The existing podium floors are large occupied spaces, with the upper floor tenant having the most desirable space of approximately 100,000 sq. ft. with 20' floor to floor height and a 30' structural grid. This space could be used for additional meeting or conference rooms with 15' or 16' ceilings. Unfortunately the occupying tenant has recently invested in significant upgrades. Relocating this tenant at this time would involve significant costs and for that reason alone, acquiring existing space within Scotia Square is not investigated further here. Should the tenancy change, this space could be re-visited.

3.1.3.5 Preliminary Design

In 1990 the owners of Scotia Square, Crombie Properties, investigated the potential for the podium to carry a one or two storey 24,000 sq. ft. addition. Preliminary design drawings for that addition were reviewed and this report builds on the findings of that earlier investigation. It is assumed that the existing tenancies will remain, though the work could require some alteration or disruption to the tenants below.

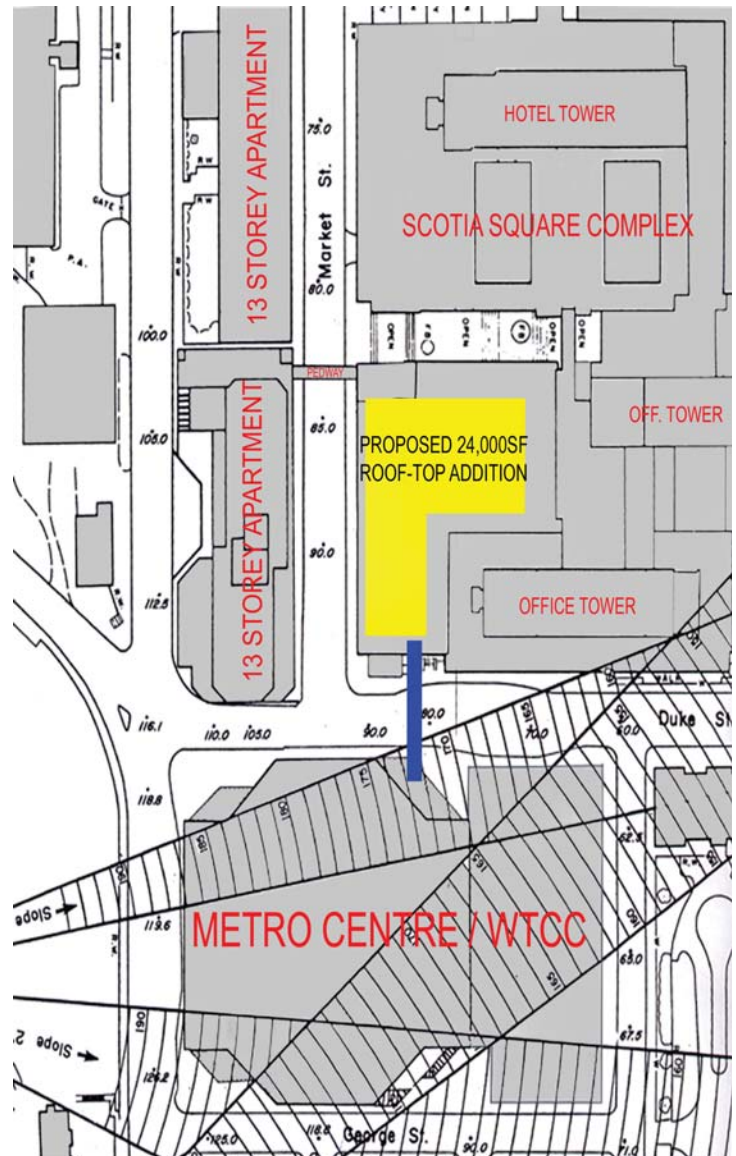
As shown in the accompanying plans, the addition, slightly larger than the previous design, would provide a 16,000 sq. ft. conference hall and 5,000 sq. ft. of meeting room space, along with required service and circulation space. New exit stairs would be required in addition to extending an existing stair to accommodate a significant exit load and this would impact on the floors below.

Access to the new facilities would be provided via the existing tunnel between the WTCC and the retail level 63.3 of Scotia Square, connected to the additional space by a new elevator. A pedestrian bridge over Duke Street, rising from the ticket box concourse at 97, up one floor over the street to level 113 of the new addition is also feasible, given government approvals. This bridge could be a publicly contentious element with opposition from those concerned with blocking views down the streets that lead from Citadel Hill.

Again, this growth option presents many of the same problems faced by the previous Midtown Herald site. It would require the duplication of some services and staff and the resulting growth and image do not meet the requirements of moving the WTCC up a notch on the scale of 'world class' facilities.

3.1.3.5 Hotel Potential

A larger scope of work incorporating a hotel and additional convention space could justify the removal of the existing podium for new construction. A hotel would take greater advantage of the potential for vertical growth on the site and would be complementary to the WTCC. The advantages of a hotel on this site will be discussed later in the report.



Site Plan with View Plan

3.1.3.5 Conclusion

The Scotia Square site has many of the disadvantages previously mentioned for the Herald and Midtown Grafton Street site; poor functionality, poor image, questionable ownership, and it provides even less potential convention area, assuming the most likely achievable development. Further, an ad hoc, low-rise convention space would not take full advantage of the site's greatest asset - it's potential for a high-rise building which could be developed as a complimentary neighbour for the WTCC.

LARGE EVENT ROOMS

NAME	FLOOR	AREA (sq. ft)	CEILING
Convention Rm 01	LEVEL 99	16,200	30'-0"
Total		16,200 sq. ft	

MEETING ROOMS

NAME	FLOOR	AREA (sq. ft)	
Meeting Rm 01	LEVEL 99	1,200	
Meeting Rm 02	LEVEL 99	1,200	
Meeting Rm 03	LEVEL 113	1,170	
Meeting Rm 04	LEVEL 113	1,170	
Total		4,740 sq. ft	
Building Sub-Total			20,940 sq. ft

OFFICE SPACE

NAME	FLOOR	AREA (sq. ft)	
		0	
		0 sq. ft	
Building Sub-Total			20,940 sq. ft

PRE-EVENT/PUBLIC CIRC.

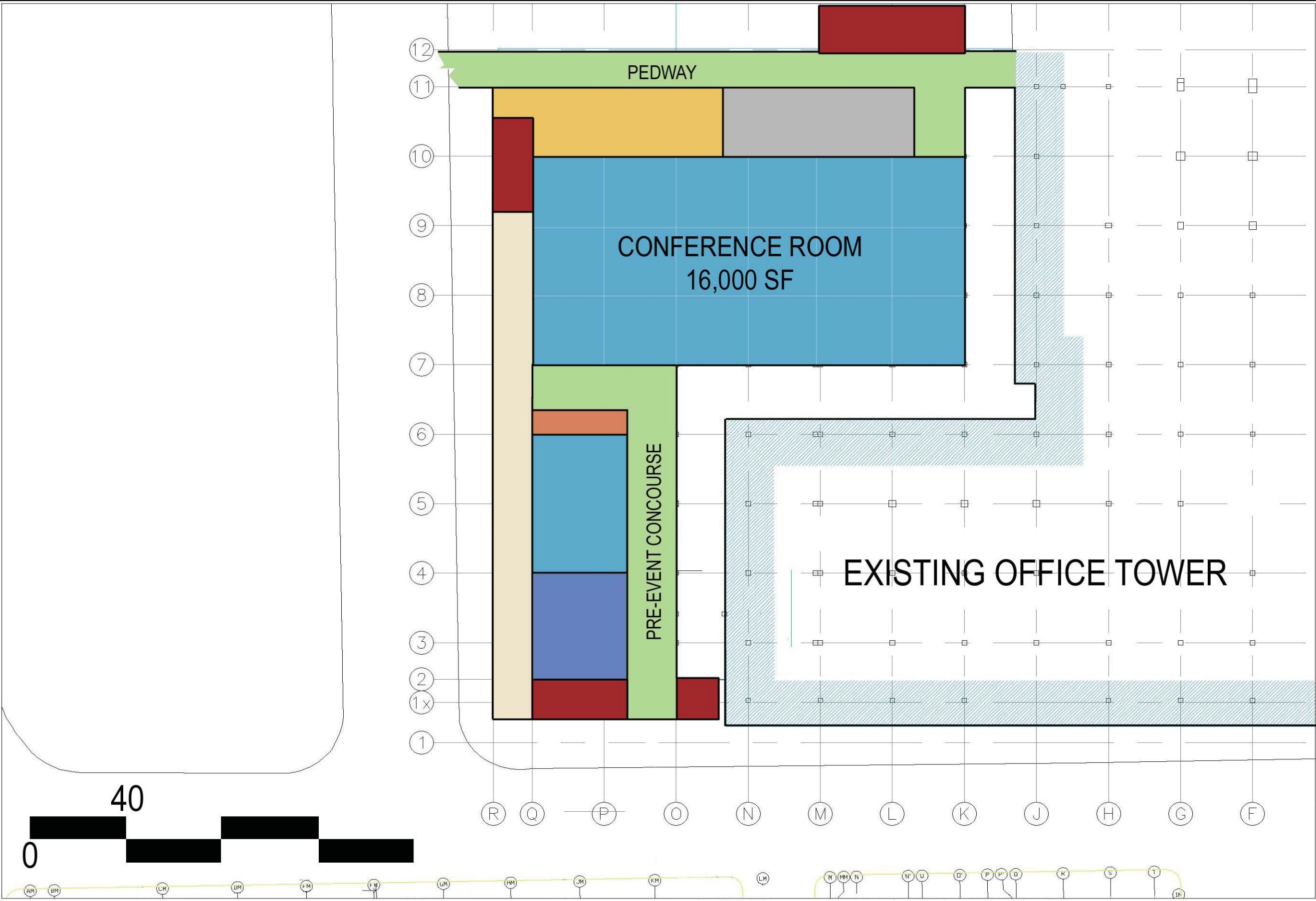
NAME	FLOOR	AREA (sq. ft)	
Concourse	LEVEL 99	3,061	
Concourse	LEVEL 113	2,934	
Total		5,995 sq. ft	
Building Sub-Total			26,935 sq. ft

SERVICE SPACE

NAME	FLOOR	AREA (sq. ft)	
Conference Rm Service	LEVEL 83	17,316	
Upper Service	LEVEL 100	8,390	
Total		25,706 sq. ft	
Building Total			52,641 sq. ft

Total does not include bridge or tunnel connections

Gross Floor Areas



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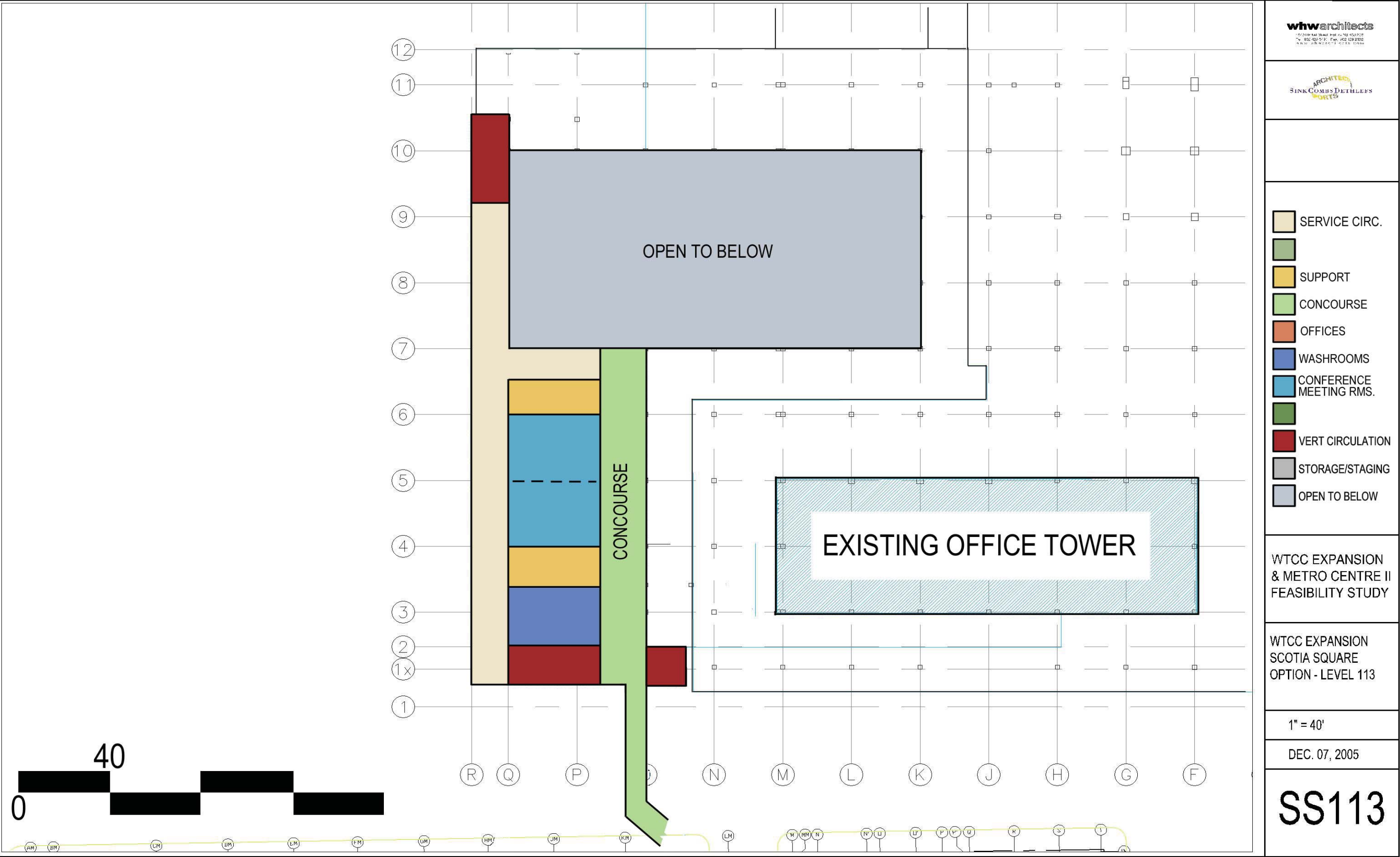
WTCC EXPANSION
& METRO CENTRE II
FEASIBILITY STUDY

WTCC EXPANSION
SCOTIA SQUARE
OPTION - LEVEL 99

1" = 40'

DEC. 07, 2005

SS99



3.2 WTCC On Site Development Options

3.2.1 Potential On-Site Expansion

With unfavorable potential for expansion on near by sites, focus shifts to expansion on site at the expense of the existing Metro Centre, assuming the replacement of the Metro Centre on another site. Using the land occupied by the Metro Centre raises the question of whether or not the existing Metro Centre building is of value as a convention space, and to what extent it should be retained in a WTCC expansion.

3.2.2 Existing Building Adaptation Potential

Several factors were considered to determine whether the existing building is a suitable candidate for adaptation as a convention centre including the existing building's image, its envelope condition and expected future performance, the inherent value of the major building components, its ease of adaptability to a new program and the suitability of the resulting form and volumes to the new use, and finally adaptation costs. These items were considered in relation to the requirements of the expansion, and also as they compared to the potential of the site free of the existing building.

3.2.2.1 Image

The resulting qualities and impressions of an expanded WTCC have been identified as key to its success, both from an initial marketing 'image' perspective, and also in terms of the 'memorable experience' quality required to retain repeat visitors. The status quo in this respect is not acceptable. The existing Metro Centre with its introverted, worn, and often blank, 'back-door' exterior is poorly suited to wooing visitors or the general public. Any re-use of the Metro Centre should assume a replacement of much of the perimeter of the building in order to re-make the character of the building, and an extensive re-working of the building's interior to substantially improve the quality of any retained interior spaces.



Metro Centre Terminating Market Street

3.2.2.2 Envelope Performance

Any future re-use of the Metro Centre should consider the life expectancy and general condition of the existing building. Nearing thirty years in age, much of the exterior wall claddings require significant re-investment to make up for deferred maintenance such as masonry re-pointing and the cleaning and re-caulking of the asbestos cement panel cladding.

The change in building use could also pose problems as a cooler winter time use building would be required to perform to a greater thermal capacity with warmer winter usage. Careful study of the existing building's wall and roof assemblies and air conditioning capacities in relation to its current and possible future environmental demands would be required to ensure the existing building systems would not fail under warmer, higher humidity conditions. Areas such as un-insulated concrete seating exposed to the exterior could pose serious condensation issues.

While retention of existing building components would be seen as environmentally positive, lower thermal performance from older building systems would be much less environmentally and economically desirable against newer better-performing construction assemblies. This is especially important when any environmental certification of the building is required.

Existing Metro Centre Assemblies

Typical Exterior Wall Assembly:

- Asbestos cement
- Insulated sandwich panel

Typical Flat Roof Assembly:

- Roof gravel over built up roofing membrane
- 4" styrofoam insulation
- Waterproof membrane
- 1/2" exterior Sheathing gypsum board
- Steel deck

Typical Sloped Roof Assembly:

- Trafford tile on 2" x 4" pressure treated wood furring spanning both ways @ 4'-0" o.c.
- 2 layers 1 1/2" Styrofoam
- Waterproof membrane
- 1/2" exterior sheathing gypsum board
- Steel deck

Assemblies taken from "BOWL ELEV original.DWG" as supplied by the client.

3.2.2.3 Major Building Components

As earlier described, the Metro Centre is a building of reasonably few, large elements arranged around a large volume event space. This report examines the most important of the building's components and comments on how their retention would impact on the design of the expanded WTCC.

Starting from the bottom up, the first items are concrete slabs and retaining walls that form the volume carved out of the hill side. The existing finished void represents a good deal of work, material and time, and its retention could eliminate a substantial amount of site work. Its retention could also limit any future development to the existing established floor levels, building extents, and bearing capacities of the existing footings and foundations.

Related to the substructure are the buttressing tiered concrete seating of the lower bowl and the pier-supported tiered concrete seating of the upper bowl. The seating bowls are obviously specific to the arena type and program-matically are not easily adaptable for convention centre use. Their sloped profiles infringe on usable floor area and define many of the main spaces within the arena. As major concrete elements though, their removal, and their supports removal, could have major structural ramifications on the existing building, and as a whole, they would represent a large amount of selective demolition if any surrounding elements were to remain in place.

Possibly the most obvious candidate for retention is the main two-way trussed roof and its corner supporting columns. This roof generally defines the allowable vertical limit of development on the site and provides an impressive 200' of clear span in each direction, which is very desirable for large convention spaces. The roof framing is an impressive amount of steel, whose retention would have clear environmental, cost and time benefits. Retaining the roof though implies retention of its supports, both the four main corner piers and the footings on which they rest.

3.2.2.4 Preliminary Design Investigations

With a general understanding of the strengths and weakness of the existing building in hand, a preliminary design for an expanded WTCC was developed, aiming to re-use as much of the existing Metro Centre as reasonably possible.

It was assumed that the building would be entirely re-clad, with substantial rebuilding of the perimeter edge of the building to allow for required internal circulation and to give the building a decidedly extroverted appearance. The lower floor level at 97' would be maintained, which allowed for retention of the main roof, as was the interim mezzanine at level 108.5'. The lower bowl seating was removed to open up the lower floor levels while the upper bowl remained forming the eastern and western edges of new ball rooms and forming the bases for a new western Citadel Lounge and eastern mechanical space at level 144'.

Earlier work had investigated WTCC expansion on a cleared Metro Centre site to determine whether desired program spaces are achievable on the property. That design and the desired program will be discussed more fully later, but in relation to possible Metro Centre retention, both were used as relative measures to judge the success of the re-use option.

Programmatically the design aims to fulfill the requirements for additional large convention halls and the required meeting rooms and pre-event spaces needed to service them. A large 40,000 sq. ft. divisible ball room is placed on level 120' generally within the existing building's upper bowl structure, with pre-event spaces wrapping around on three sides. The existing ice level at 97' is used to accommodate new loading facilities, service and storage areas and a new sixteen foot high, 12,000 sq. ft. conference room. Like the cleared-site option, service areas are generally located to the north and public circulation and pre-event spaces are generally located to the south. Existing office spaces are converted to meeting rooms to provide an acceptable conference to break-out room ratio.

On the exterior, it is assumed that both full and partial re-build options provide a new and appropriate image and presence for the new WTCC. It is in the interior where differences become more evident. Programmatically, the re-use option does not provide as many large event rooms as the full-rebuild option (2 vs. 4), and meeting room space is provided largely at the expense of existing rental offices. The re-use option has a greater gross building area, 553,700 square feet vs. 403,700 square feet, but the additional area is found in service and pre-event circulation areas.

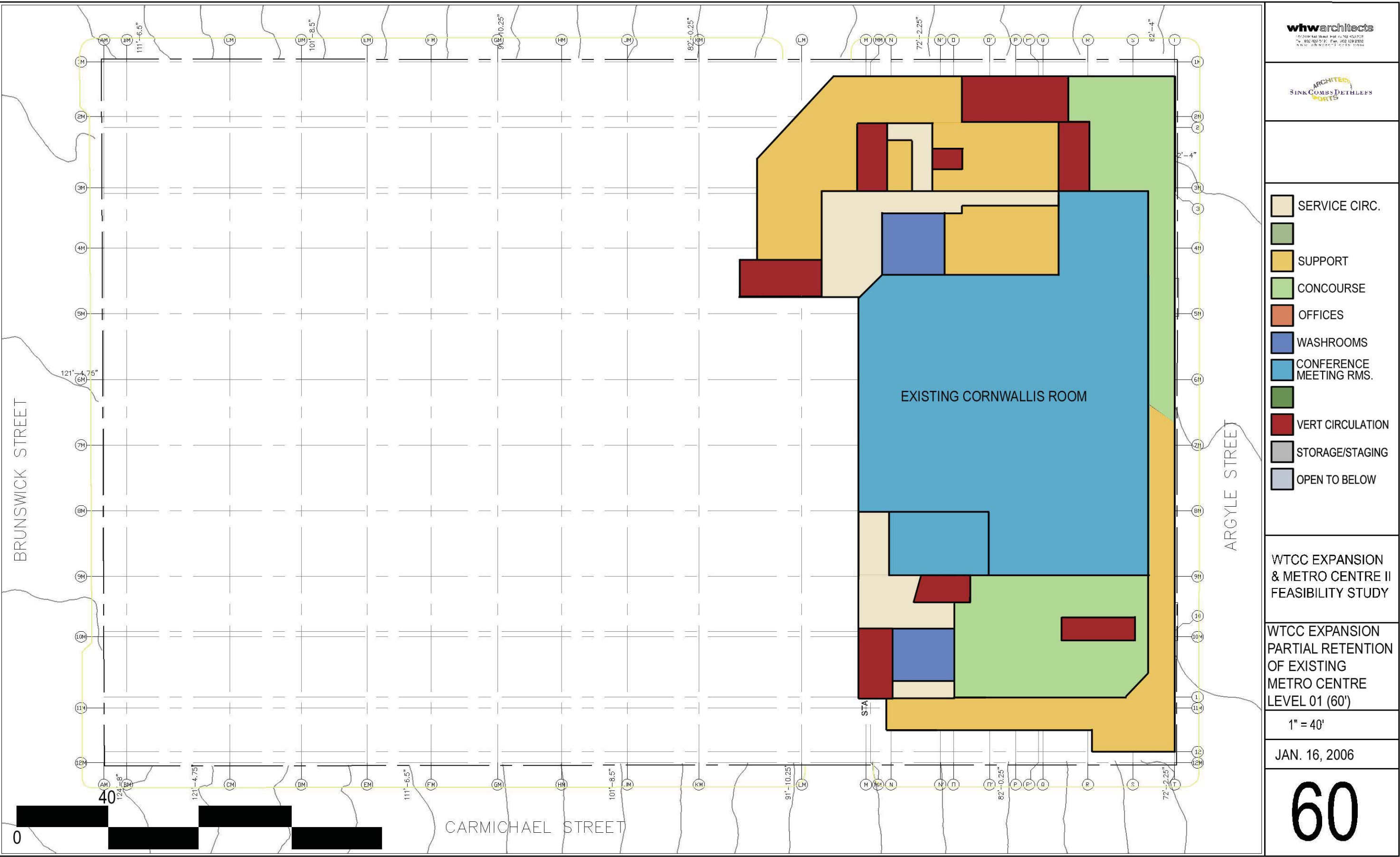
Much of the re-used area, such as the renovated offices and existing levels 97' and 108.5', has lower ceiling heights than ideal for high quality convention space, and the building has an uncomfortable vertical separation with the main convention spaces at 85' and 120' with limited mediating areas in between. Compare this to the full rebuilding scheme where new meeting rooms with ample ceiling space are provided, and the general arrangement of larger conference rooms allows the building to step more gracefully down the hill. This later point is achieved by excavating level 97' down to level 85', allowing for full-height conference spaces on level 85' and reducing level 97' to the roll of meeting room mezzanine serving both levels 120' and 85'.

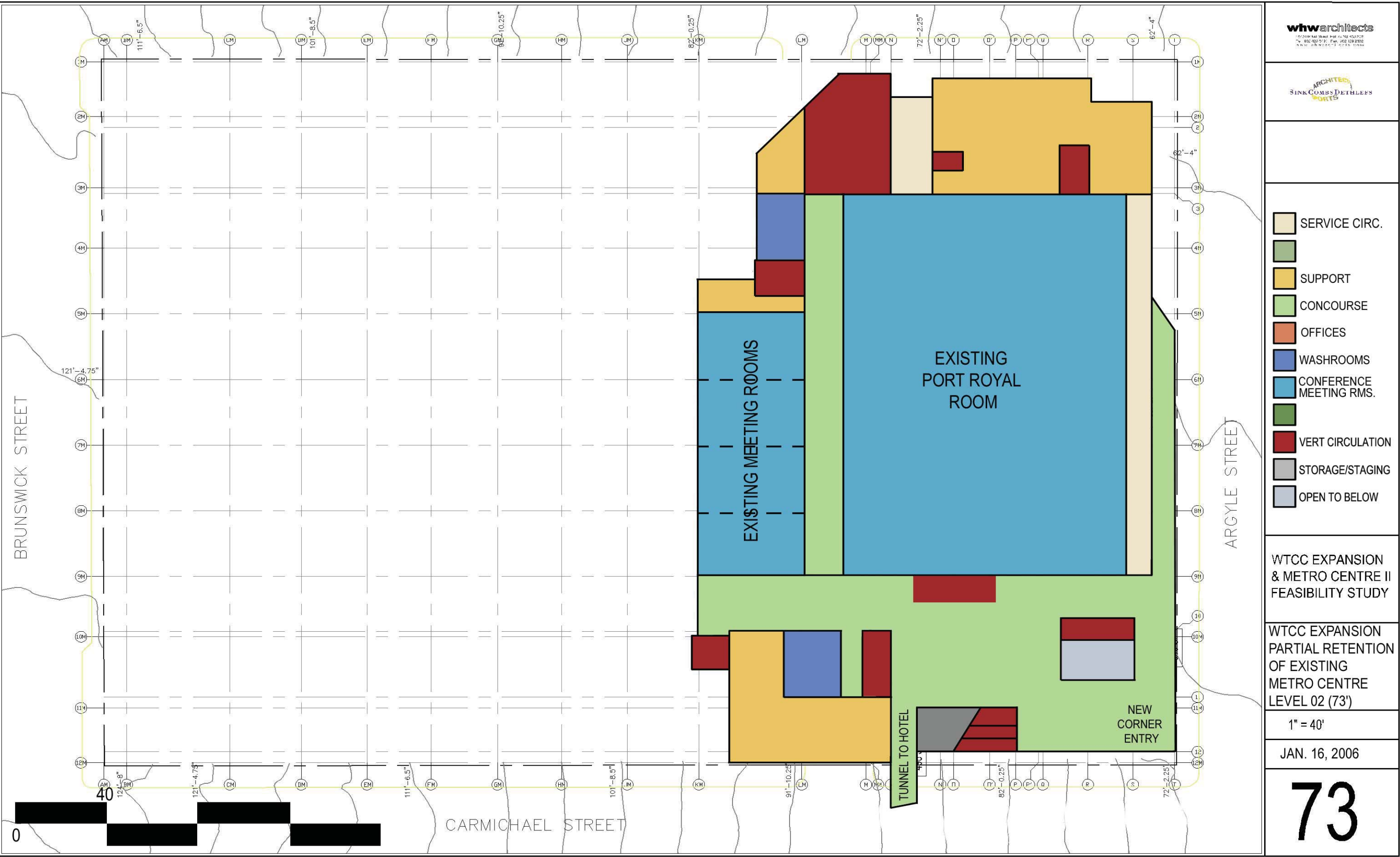
3.2.2.5 Cost Comparisons

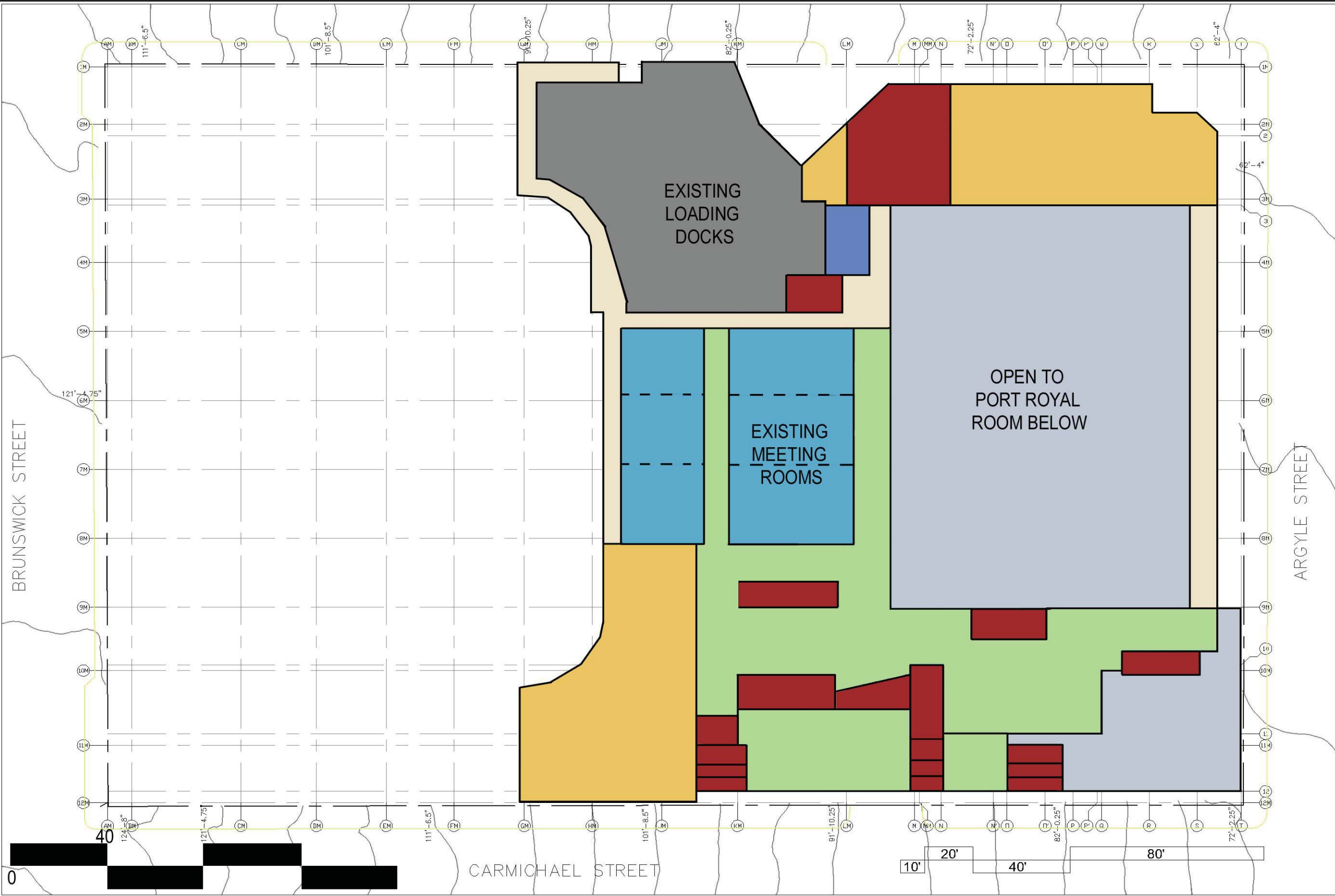
High level costing was provided by PCL in their "World Trade Centre Expansion And New Arena Order of Magnitude Budget" submitted January 24, 2006. The complete rebuild option was attributed a total budget of \$95,685,551 while the re-use option was estimated to cost \$106,425,788. The plans for both schemes were at a comparable level of detail for this costing.

3.2.2.6 Conclusion

Based on the cost findings and the resulting spatial characteristics of each design, it was agreed by members of the study team and client team that the preliminary design of an expanded WTCC should assume a full demolition of the existing Metro Centre.







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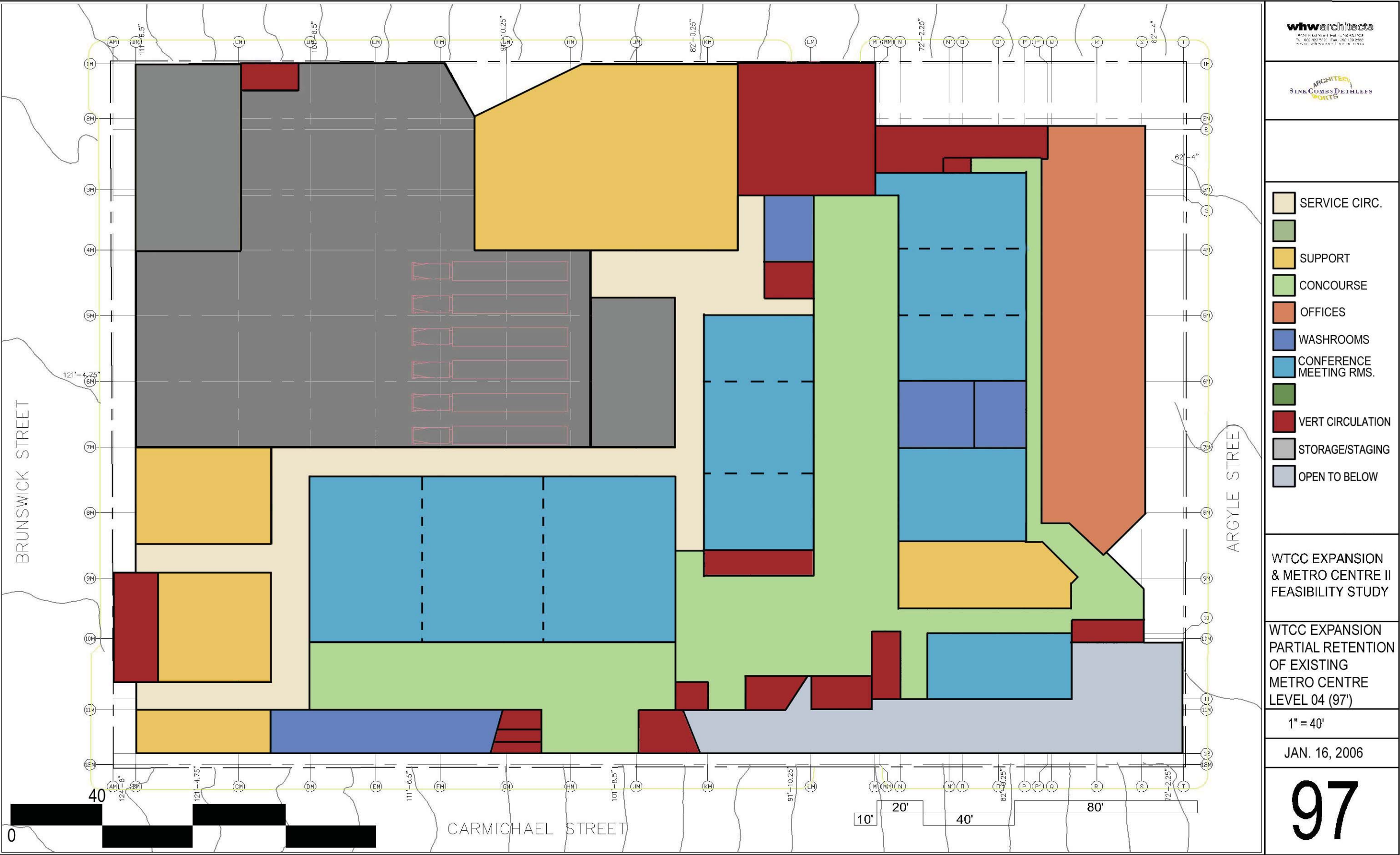
WTCC EXPANSION
& METRO CENTRE II
FEASIBILITY STUDY

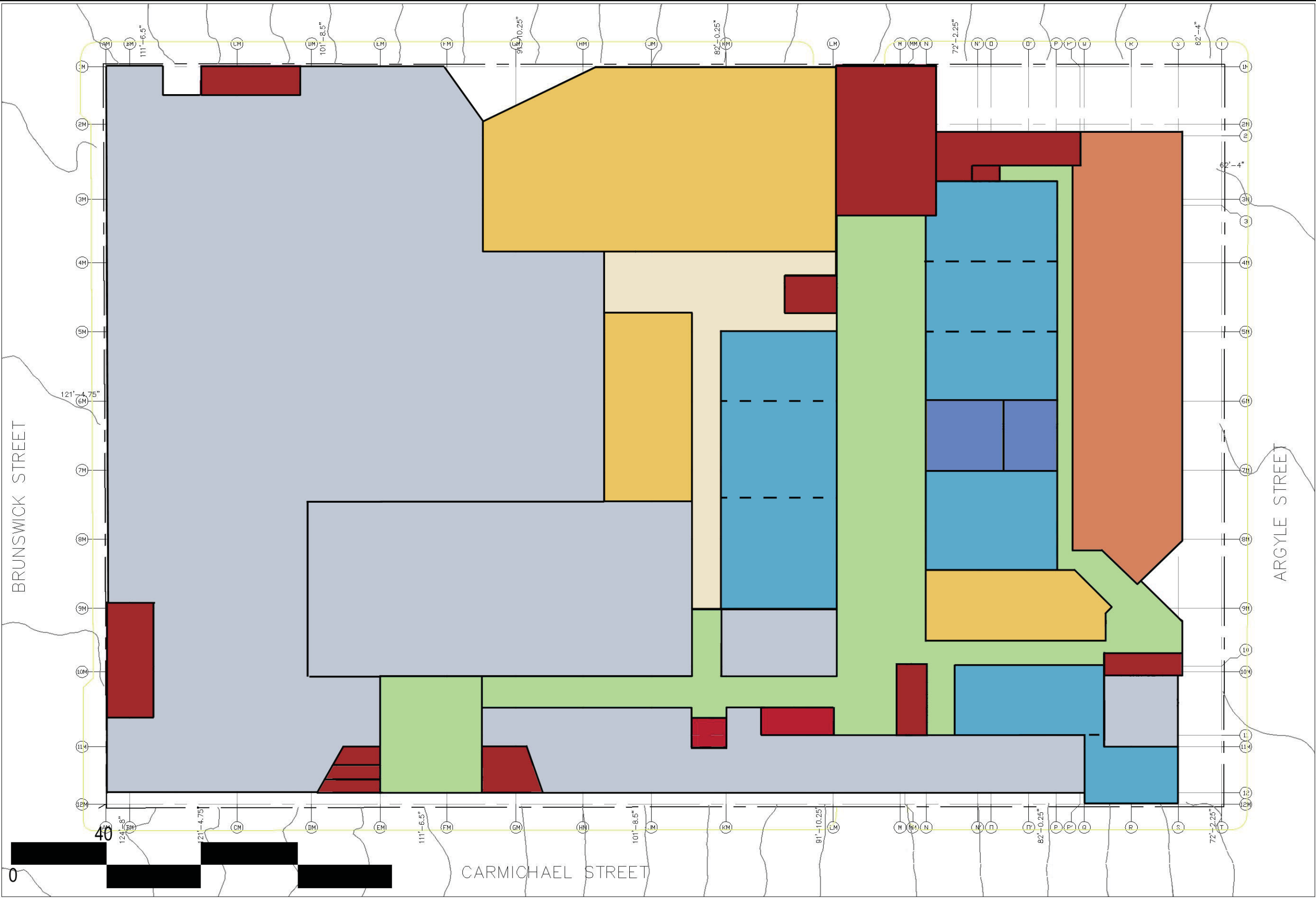
WTCC EXPANSION
PARTIAL RETENTION
OF EXISTING
METRO CENTRE
LEVEL 03 (85')

1" = 40'

JAN. 16, 2006

85





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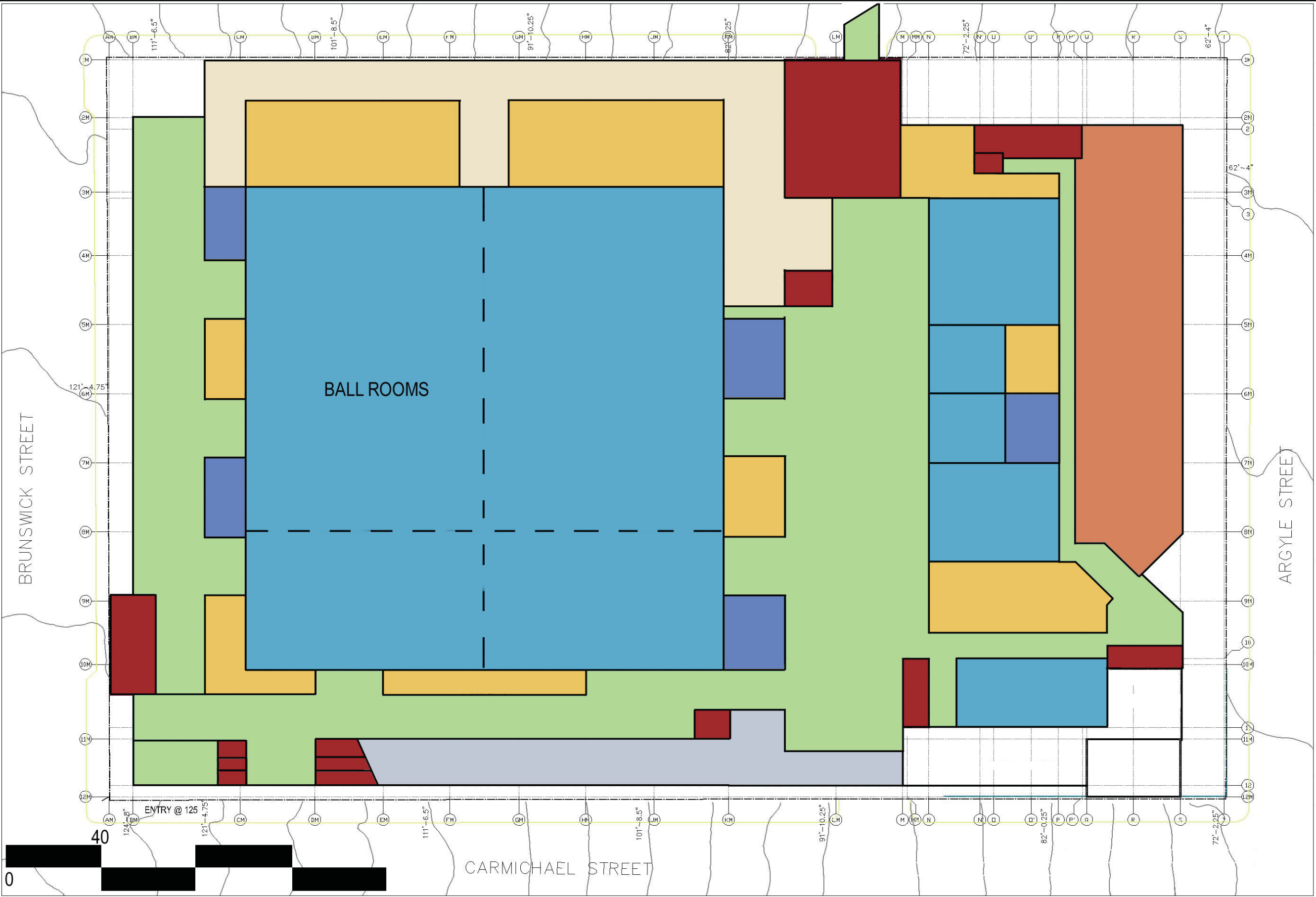
WTCC EXPANSION & METRO CENTRE II FEASIBILITY STUDY

WTCC EXPANSION PARTIAL RETENTION OF EXISTING METRO CENTRE LEVEL 05 (108.5')

1" = 40'

JAN. 16, 2006

108.5



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WTCC EXPANSION & METRO CENTRE II FEASIBILITY STUDY

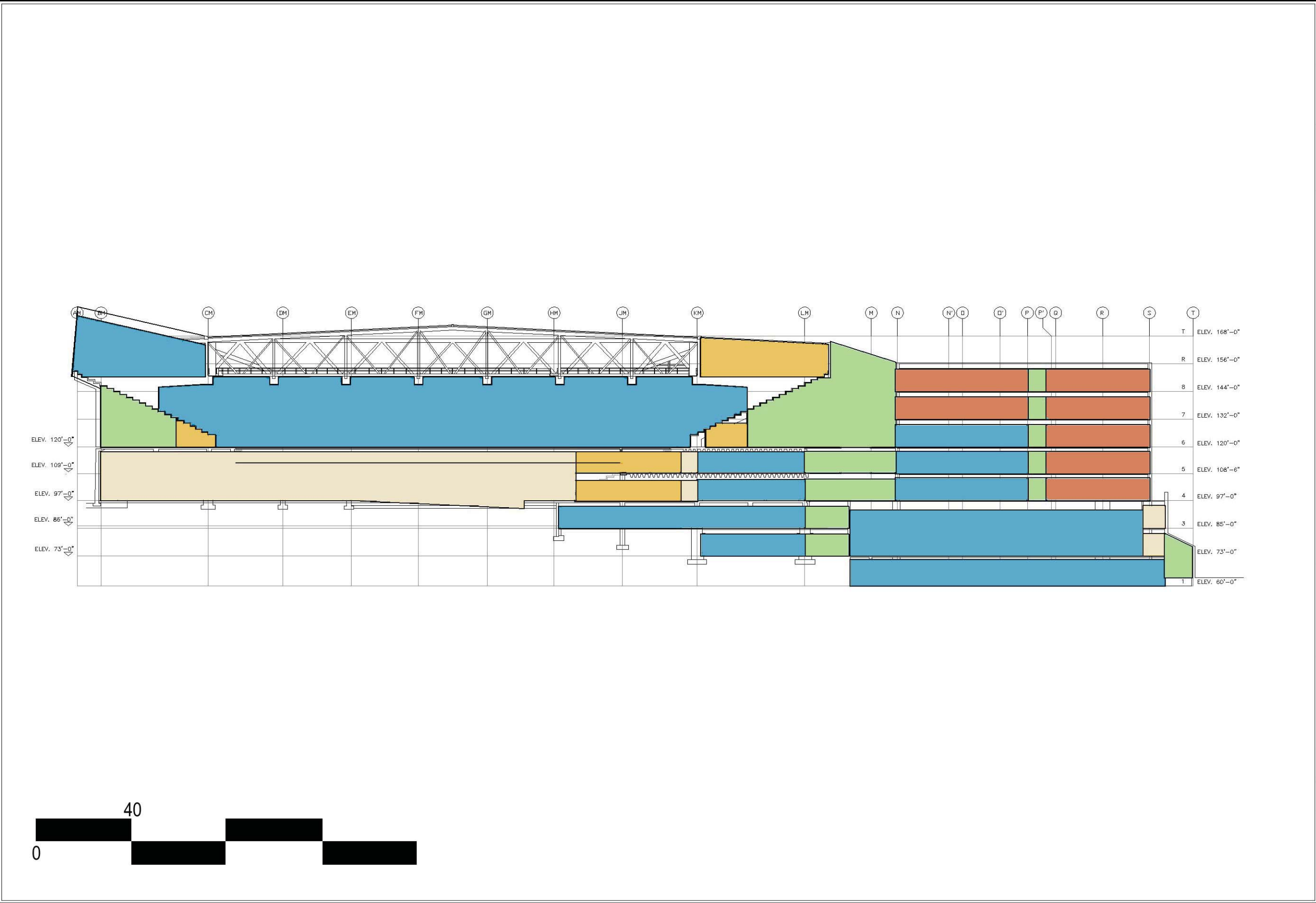
WTCC EXPANSION PARTIAL RETENTION OF EXISTING METRO CENTRE LEVEL 06 (120')

1" = 40'

JAN. 16, 2006

120





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FEASIBILITY STUDY

WTCC EXPANSION
PARTIAL RETENTION
OF EXISTING
METRO CENTRE
EAST-WEST SECTION

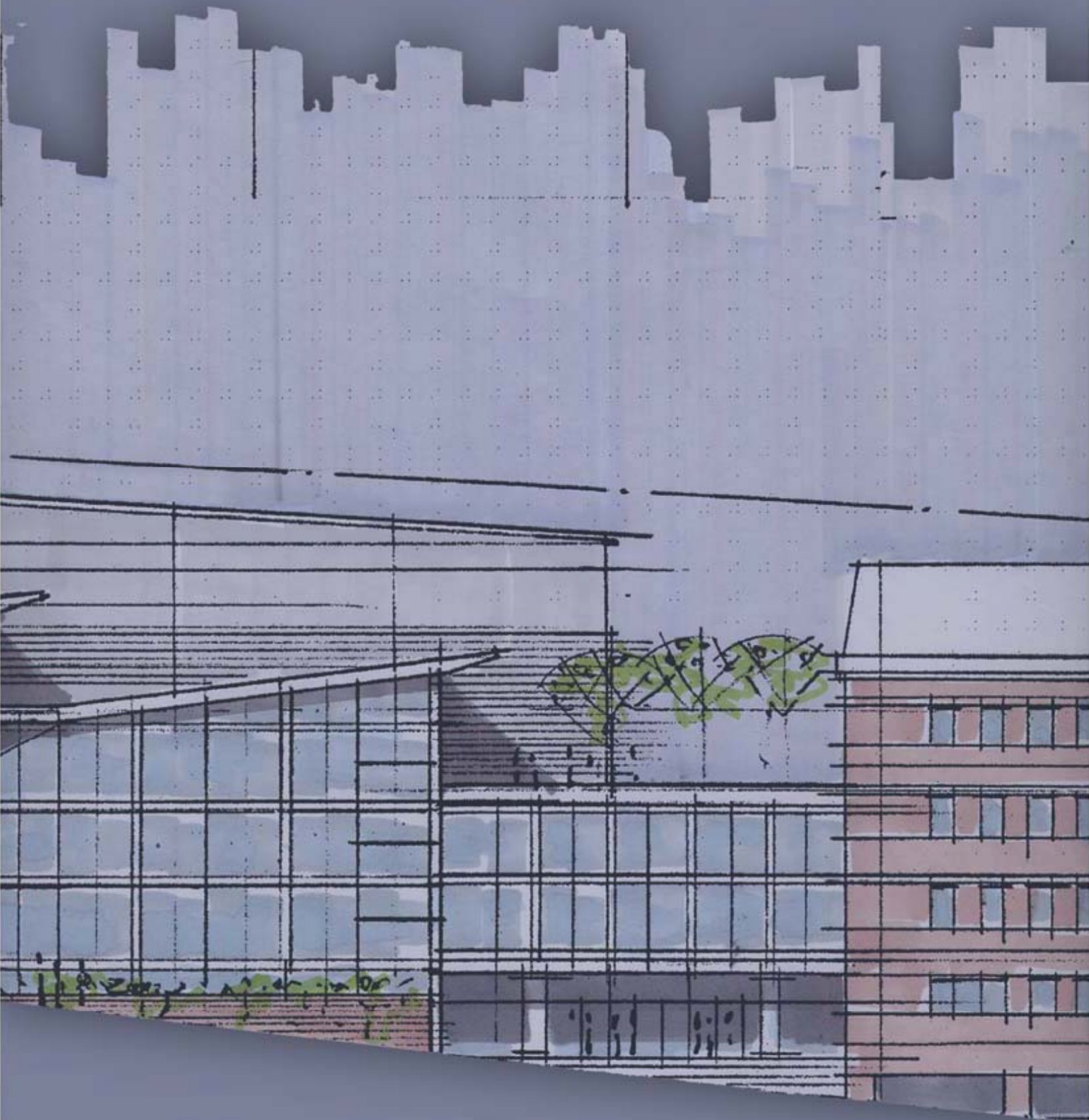
1" = 40'

JAN. 16, 2006

SECT

Section 4

WTCC Design Development



4 WTCC Design Development

4.1 Urban Design and Architectural Strategies

An Extroverted WTCC

The existing centre is an introverted building. Entries are ambiguous. The central multi-height atrium is buffered with full floors on its east and south sides leaving it little visual connection to Argyle or Carmichael Streets. Pre-event spaces are separated from the atrium by walls of solid wood doors. The multi-purpose Cornwallis room and the eastern public walkway are below grade.

The WTCC is a tool for selling Halifax to the world through the travel dependant convention industry. To attract those travelers, the centre presents itself as a facility that caters to the particular needs of conventioners, as any facility would, but it differentiates itself from other facilities by promising a memorable experience grounded in the cultural landscape of Halifax; its history, its architecture, its urban vitality, its night life, its cultural events. The centre's new architecture must re-direct the focus of the building outwards to reinforce its connections with the surrounding city.



West and South Elevations

Clear Entry

The Centre's existing main entry is located on the eastern side of the building. Elevated above Argyle Street and recessed from the face of the building, the entry is skewed at a 45 degree angle from the street to face directly at the front door of City Hall across the street. While obvious from the City Hall steps, it is obscured to the rest of the street. The proposed design removes the existing entry and provides a public entry at each corner of the site and at the northern termini to Market and Grafton Streets. Entries are generally articulated as lower, highly glazed volumes with protecting canopies over the doors and at grade access. Transitions to different floor levels are made within the building.

The lower volumes of the entries allow for break points along the building's principle new facades. On Brunswick Street corner entries frame a taller volume that faces the Hill, and on Carmichael Street the Grafton Street entry creates a visual clarity between the existing brick-clad WTCC and the new building, while the rhythm of entry-atrium-entry-atrium, responds to the steep grade and the historical street pattern.



To the left, the existing view on Grafton Street looking north towards the Metro Centre. Note the existing raised and recessed entries, and exposed air conditioning equipment. Below, the same view of the proposed addition with a lower, fully glazed entry terminating the vista and visually separating the existing WTCC from the new addition.



To the right, the existing view on Market Street looking north towards the blank wall of the Metro Centre. Below, the same view of the proposed addition with a lower, fully glazed entry terminating the vista, and flanked on either side by higher atrium areas.

Adjacent the level 144 Citadel Lounge and tower offices, the lower roof areas at the ends of Market and Grafton Streets are ideal locations for sunny terraces, providing views back down the streets towards St. David's Church and the provincial law courts.



WTCC
Feasibility Study

Rendering from Argyle Street

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From Entry to Halls

The three case study convention centres all used semi-public, highly-glazed, outward looking lobbies or pre-event spaces to provide iconic, memorable experiences for the conventioneer and casual visitor alike. A new WTCC will be no different. The new entries at the south-east and south-west corners of the site and the street terminating entries are connected as a series of glazed atriums stepping down Carmichael Street as an extension of the existing public interior walkway system. These new halls visually and functionally connect the various levels of the building providing an accessible public route up the sloped site. The public nature of this façade - its many access points, its transparency, its accessibility - strengthen the connection along Carmichael Street between the historically important Town Clock, Citadel Hill, and the Grand Parade.

Extensions off of the south atrium provide the required formal pre-event areas, separated from the south atrium by glazed partitions at control points on each floor. The most prominent pre-event area is the 25' high Citadel Gallery which runs along the western façade of the building, with large glazed bays providing views to the hill, and connects the south atrium to the north-western entry. This corner entry would serve as a community public entry to the ballrooms while allowing closure of the remaining portions of the building. Other new pre-event spaces run north off of the south atrium adjacent Grafton Street, aligning with the new entry and the existing meeting room access corridors and concourses.

Where the Atrium ends and the pre-event areas begin is a matter of how access is controlled at the lower lobby, side and south-west entries. The design is intended to be flexible. The atrium can function typically as a public route with concourses and lobbies restricted to varying degrees depending on the event. During larger events, the entire atrium may become the controlled pre-event space. The dual function of the atrium, public interior hall, private assembly space, gives the space a vitality that would not exist if it was simply one or the other.





View From the Hill

The view of the existing Metro Centre from Citadel Hill is dominated by western portions of the centre's graveled low -slope roof. The eastern portions of the roof are not seen as they hug the underside of the Hill's view plane. To hide the expanse of a large roof the western edge of the building over the Citadel Gallery has been raised to the underside of the same view plane, screening off the roof, but not obscuring any additional view of the harbour from the hill's ring road. Raising this area of the building provides the opportunity for the Citadel Lounge previously discussed in the program description. The lounge is a linear hall providing wonderful views of Citadel Hill, with a covered terrace stretching between stair towers at either end of the room.

From the hill looking down Duke and Carmichael Streets, the volume of the new ball rooms has been pulled back from the building edge providing the opportunity for the landscaped terraces over the corner entries and along the southern side of the building.



Brunswick Street Facade with portion of roof raised to underside of view plane



4.2 Green Building Strategies

The deconstruction of the existing Metro Centre, the subsequent expansion of the WTCC and the construction of a new event facility, MC2, at the current Cogswell interchange site will be significant additions to the HRM Capitol District. The necessary twinning of these projects will mean they will be constructed in sequence over a time period of approximately four years. The buildings will be expected to function effectively over a period of several decades in an urban environment which will increasingly be planned and developed for sustainability. Their design will be critical factors in the quality of HRM's downtown, urban context. Particular care will be required in providing an appropriate architectural aesthetic, a comfortable and efficient functionality and an economy of operation. All these elements will be supported with the implementation of Green Building strategies.

Toward that end, LEED Project checklists for each building have been prepared as part of this feasibility study and can be found in the report appendices. They represent anticipated credits that may reasonably be targeted and are not the result of client/team generated goals or an integrated design process. Both will be critical elements in the next stage of project development if a meaningful level of green building success as defined by LEED. The only effective strategy for achieving LEED will commence with the commitment of all team members – owners, operators, consultants, users and ideally builders to the LEED process. With that commitment in place targets and goals can be identified and incorporated in an integrated design process.

With operating expenses a major factor in the life-cycle costing of both buildings, capital investment in green building strategies that reduce those costs should figure prominently in the program objectives. The degree to which those strategies will affect the capital cost of the subject buildings is unknown given the preliminary and somewhat hypothetical nature of the work. Historical data from the United States Green Building Council suggests a minimal impact on capital costs if the Integrated Design Process is deployed at the earliest project stages, is genuinely championed by the owner and embraced by all team members. Operational cost savings will vary depending on the level of achievement but should be considered significant over the lifespan of each building.

With the need for early green building strategies integration in mind, WTCC design development has considered issues such as orientation, day-lighting, living roofs, and material re-use as means to reducing the environmental impact of the Centre. Additionally, in keeping with the atrium's need to function as a public amenity and as the convention centre's signature space and the advantages of the atrium's south facing exposure, we are proposing adding to the atrium the role of civic wintergarden. Bright, open, and plant filled, the atrium would provide the city at a welcome contrast to the often grey Halifax winter that currently does not exist.

To use the wintergarden concept to full environmental advantage, it will use emerging technology known as 'living wall's; vertical installations of intensely planted, drip irrigated, tropical plants. Living walls, in addition to being beautiful, are also bio-filtration systems. One square foot of living wall will provide conditioning and micro-filtering for 100 square feet of floor area. A total wall area of approximately 5,000 sq. ft. would provide supplementary air filtration and conditioning for the building and act as shading and a heat sink during the summer. Most importantly, the atrium would be regarded as a unique, environmentally friendly, healthy and memorable place worth visiting for its own sake.



*Four Storey Living Wall
Humber Building, University of Guelph*

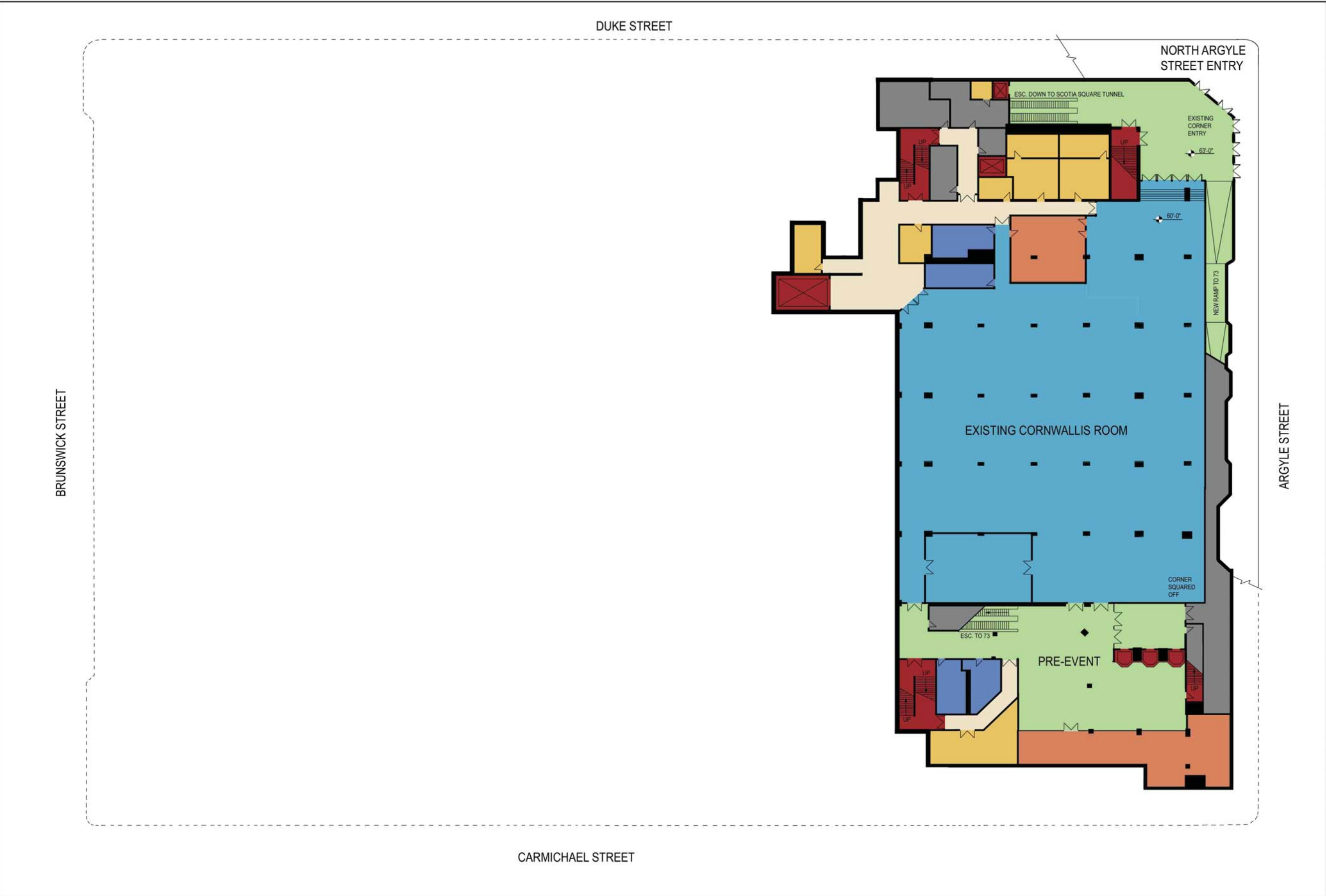
Living wall web sites and web articles:

<http://www.uoguelph.ca/atguelph/04-11-10/featuresair.shtml>
<http://www.businessedge.ca/article.cfm/newsID/10042.cfm>
<http://www.nwri.ca/whatsnew/livingwall-e.html>
<http://www.nature.com/>

4.3 Americans with Disabilities Act Implications

The Americans with Disabilities Act (ADA) is a United States Federal act legislating required accessible design standards in that country. It is relevant to the WTCC in particular as American organizations will often make ADA a requirement for potential conference venues. If the WTCC does not meet ADA, it is not eligible for that American business.

The project team has experience with ADA and Canadian accessibility standards, and as a general rule, the standards are comparable with minor variations on the similar theme of ensuring universally accessible design. With early consideration of ADA requirements in further stages of design that deal with the finer details such as washroom counts, handrails, access points, or signage, the cost implications of ADA will be minimal for the new or substantially renovated portions of the WTCC. The remaining WTCC facilities may require particular focused work, such as washroom upgrades, to bring the entire facility up to current ADA, and Canadian standards.



whwarchitects

ARCHITECT
SINK COMBS DETHELEFS
PORTS

- SERVICE CIRC.
- SUPPORT
- CONCOURSE
- OFFICES
- WASHROOMS
- CONFERENCE MEETING RMS.
- VERT CIRCULATION
- STORAGE/STAGING
- OPEN TO BELOW

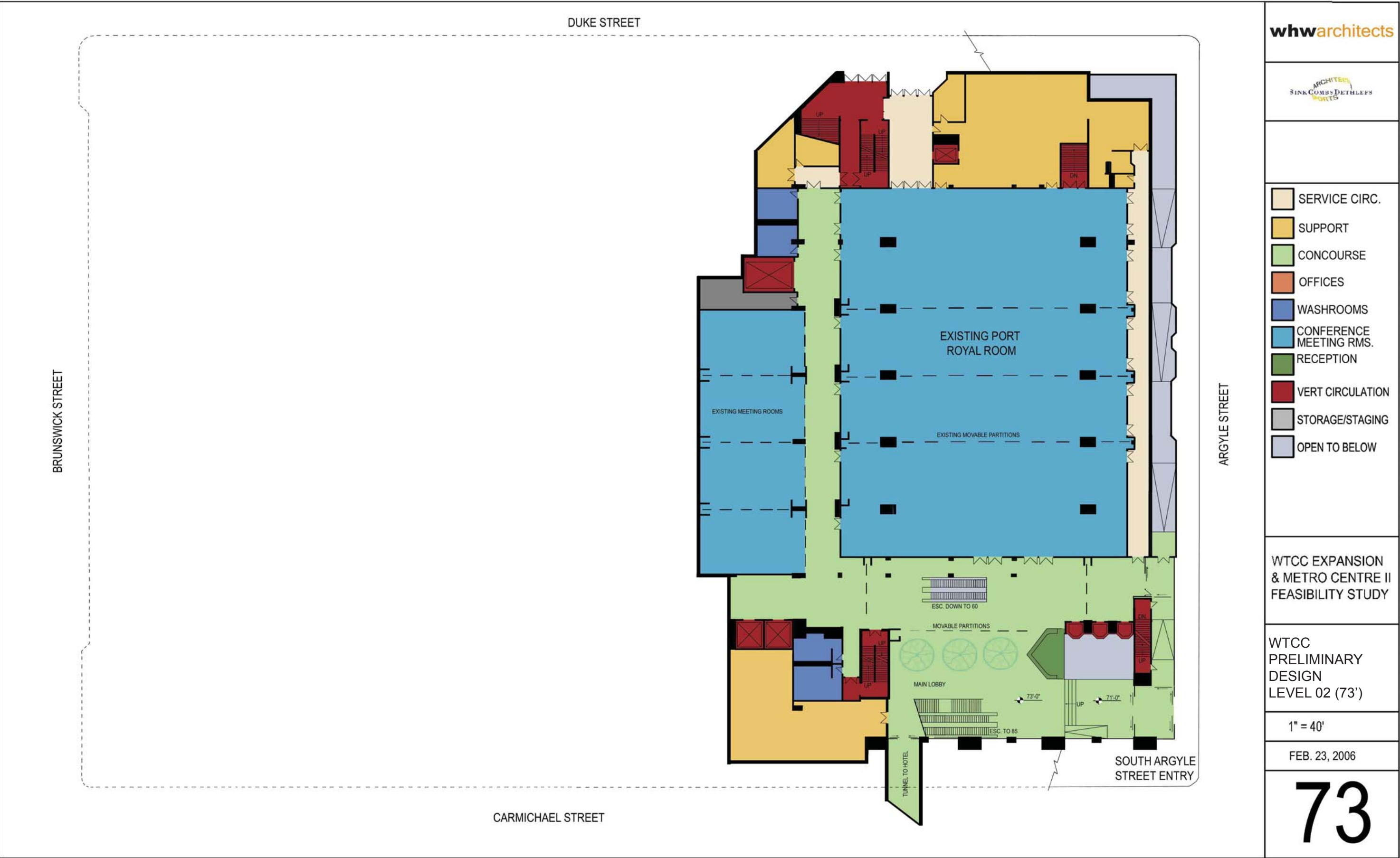
WTCC EXPANSION
& METRO CENTRE II
FEASIBILITY STUDY

WTCC
PRELIMINARY
DESIGN
LEVEL 01 (60')

1" = 40'

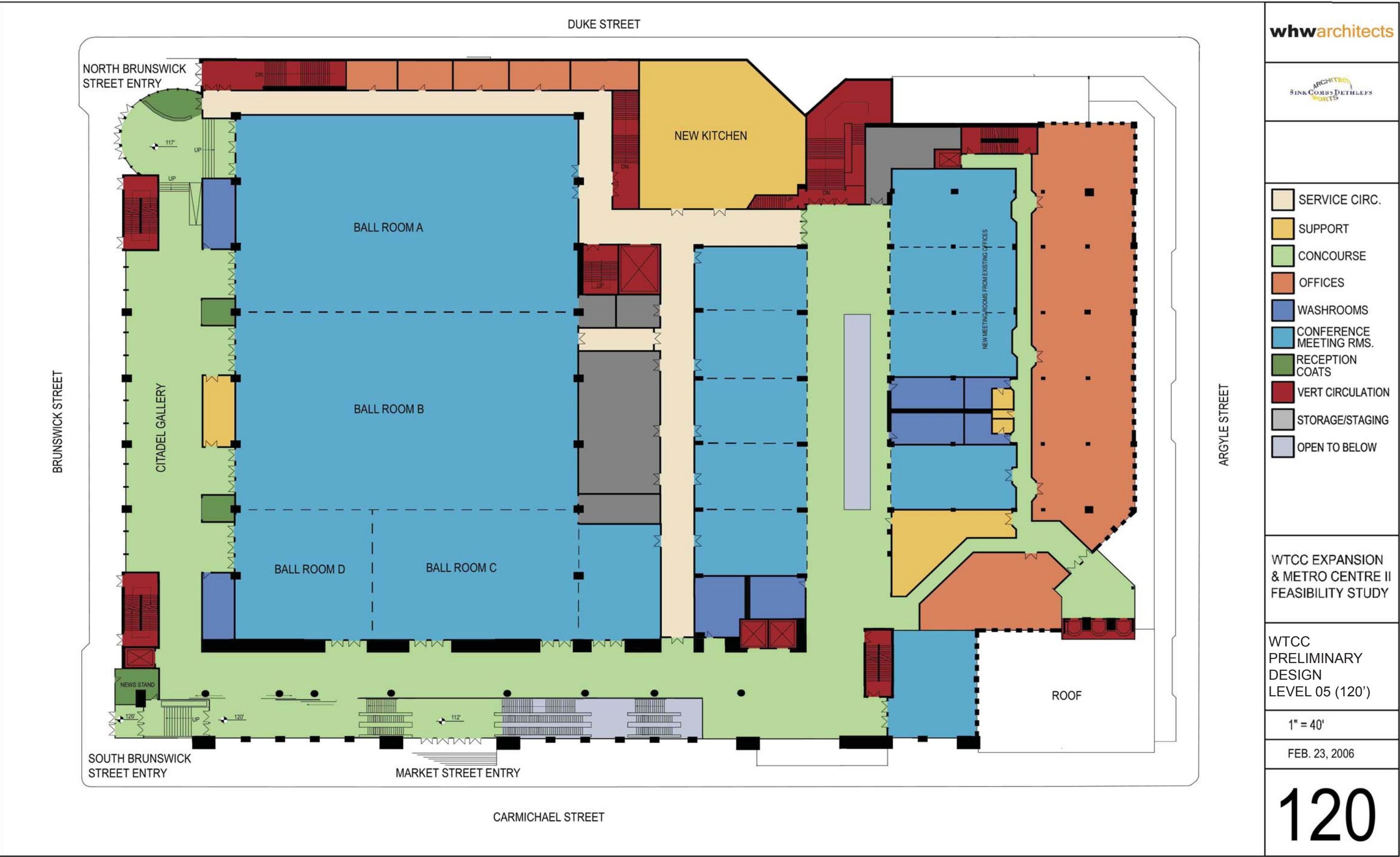
FEB. 23, 2006

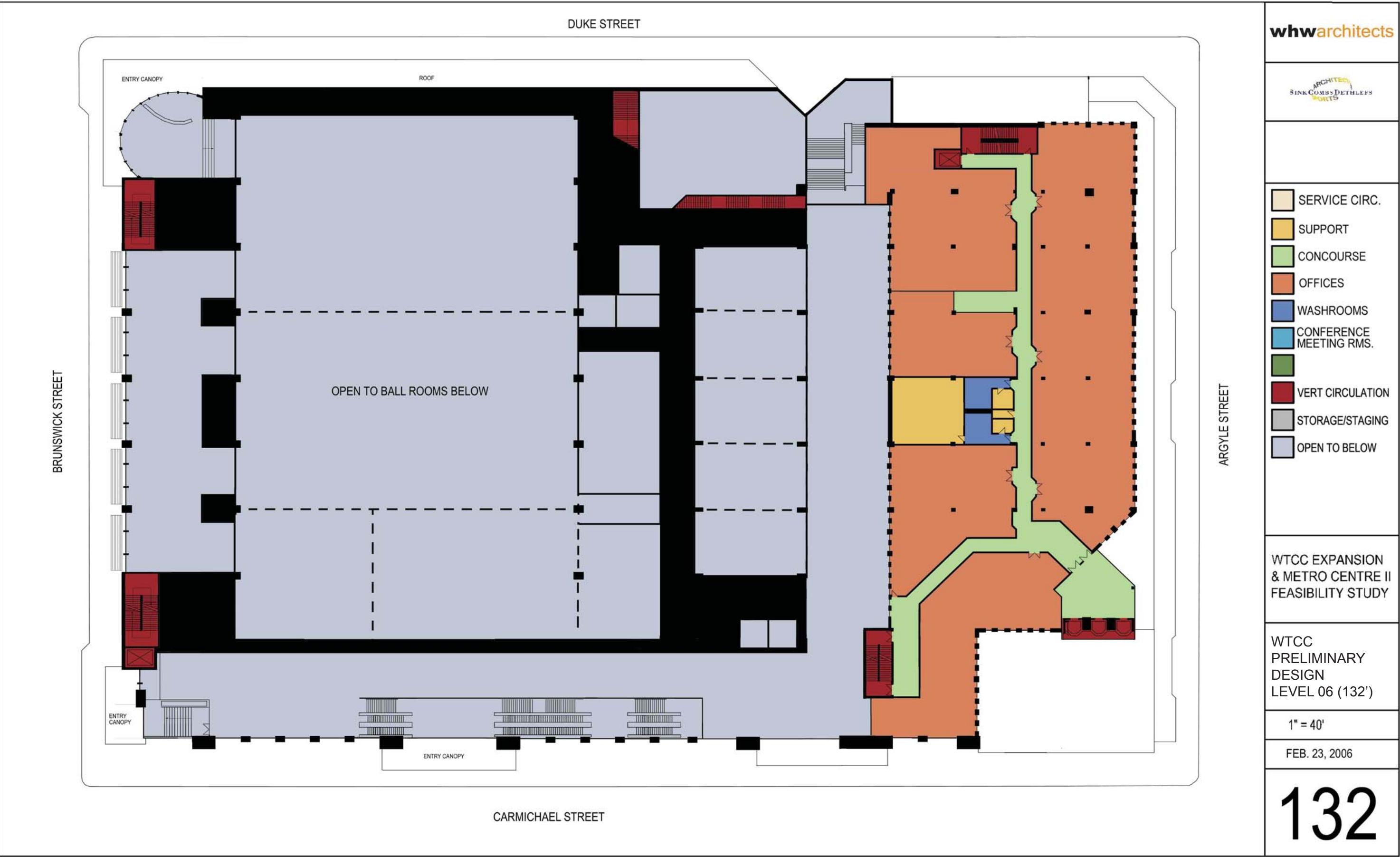
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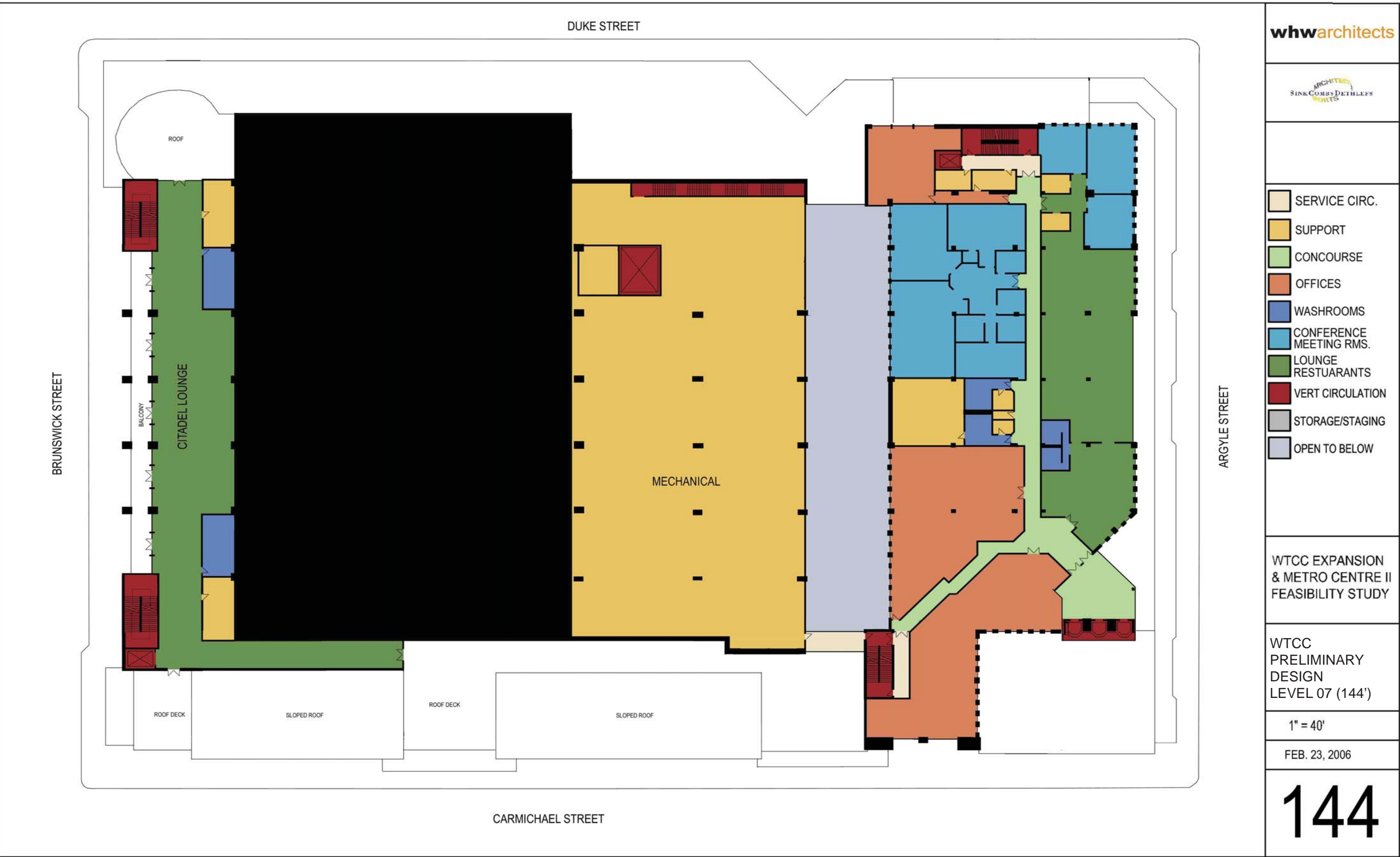


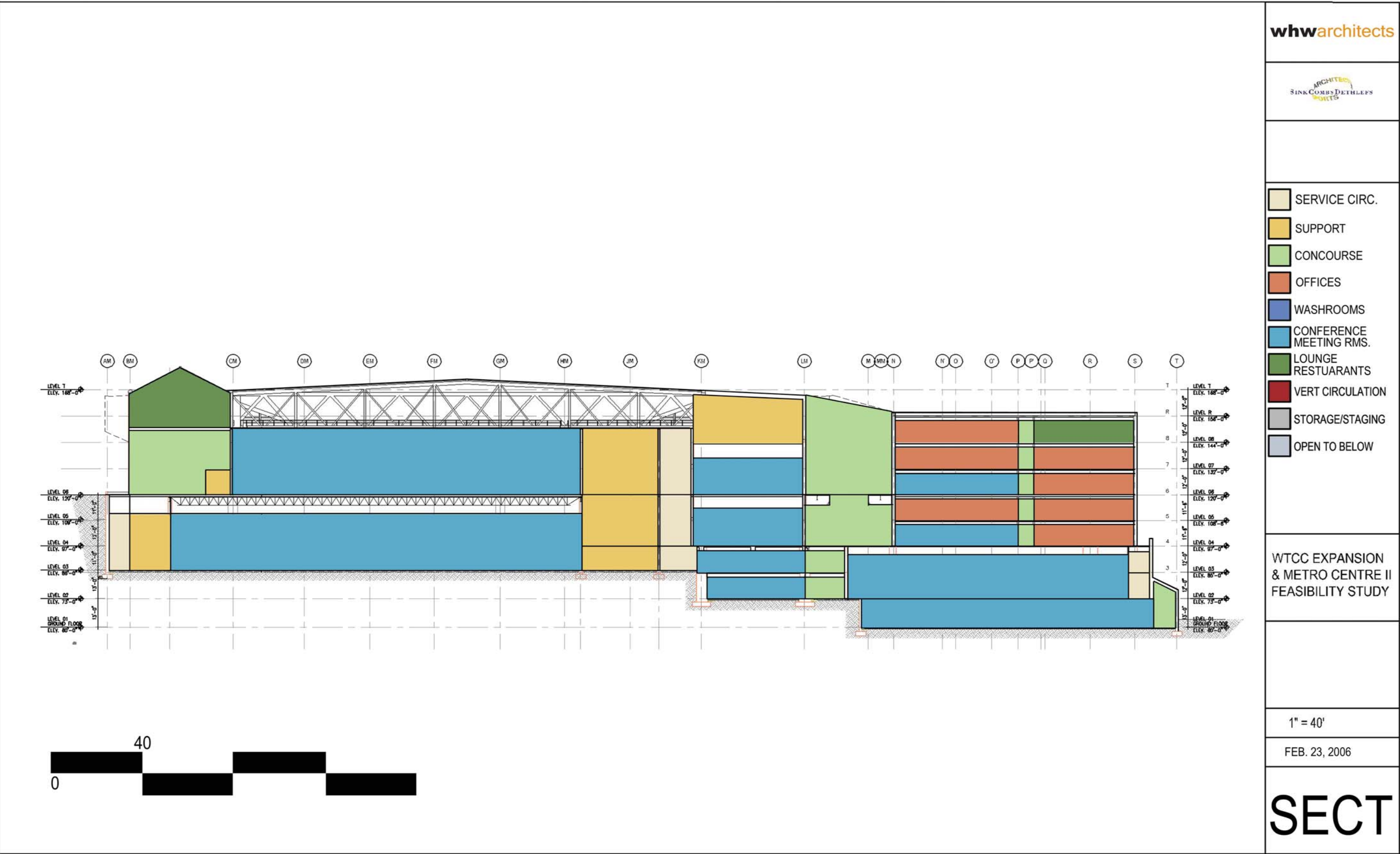












Section 5

WTCC Costing and Scheduling



5 WTCC Costing and Scheduling

An order of Magnitude budget and project schedule for both the WTCC expansion and the new Metro Centre II was prepared by PCL for this report. A copy of their final report and two interim reports is located in the appendices. Please refer to the reports for an in depth view of how costs were determined and what they represent.

5.1 Project Costs

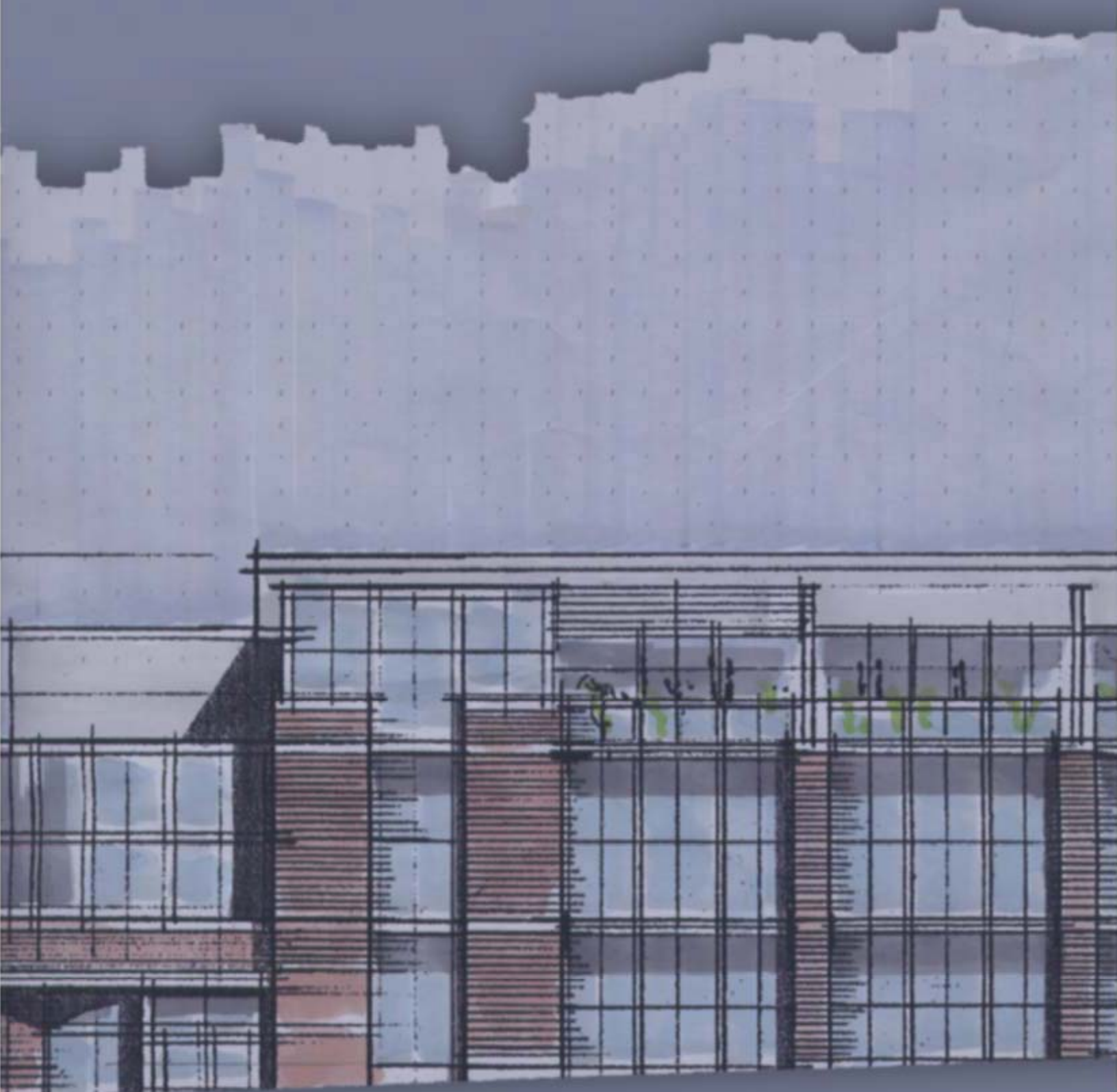
PCL determined the total direct costs for the demolition of the existing Metro Centre and alternation and additions to the existing WTCC to be \$85,816,240. An allowance of 10% plus general contractor expenses and fees are added to this number for a total budget cost of \$104,960,097. Soft costs, costs for items such as professional fees, advertising signage, restaurant fit-up, movable seating and tables, have with few exceptions not been included in this number. A firm set of itemized numbers on soft costs has not been provided. Soft costs are difficult to determine given their flexible nature and the need for intensive client input and further design/project refinement that is beyond the scope of this study. Some soft costs may be avoided by utilizing existing equipment, others may be included in tenant lease agreements and others are simply discretionary or unknown (advertising signage, professional fees etc). To a certain degree what soft costs will be incurred and how they will be handled will be determined by the final project budget, not the other way around. That said, to plan for a reasonable amount of soft costs based on previous experience, soft costs could represent upwards of 45% to 50% of the hard costs of the project.

5.2 Project Schedule

PCL's project schedule for the expanded WTCC is heavily influenced by the construction schedule for a Metro Centre replacement. This assumes that existing arena operations will be seamlessly transitioned into a new Metro Centre facility without facility down time or relocation into an interim third facility such as the Halifax Forum. While WTCC design development and contract document preparation times may occur during construction of the arena, actual demolition of the existing building will be delayed until the new arena is ready for occupancy, the middle of 2011 by the schedule. Any delays in arena construction would impact the WTCC expansion schedule. With six months allowed for de-construction of the existing Metro Centre and a two year construction period, a new WTCC will open its doors to begin the year 2014.

Section 6

WTCC Project Economics



6 WTCC Project Economics

General Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible, and they are believed to be reliable. This study is based on estimates, assumptions and other information reviewed and evaluated by Economics Research Associates from its consultations with the client and the client's representatives and within its general knowledge of the industry. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives or any other data source used in preparing or presenting this study.

This report is based on information that was current as of **April 2006** or as noted in the report, and Economics Research Associates has not undertaken any update of its research effort since such date. Limited revisions were made in April 2007 at the request of the client.

No warranty or representation is made by Economics Research Associates that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Economics Research Associates" in any manner without first obtaining the prior written consent of Economics Research Associates. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of Economics Research Associates. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of Economics Research Associates. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from Economics Research Associates.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

6.1 Introduction and Summary

Economics Research Associates (ERA) has been commissioned by WHW Architects to determine the feasibility of expansion of the World Trade and Convention Centre (WTCC) and to examine hotel development opportunities in Halifax, Nova Scotia. The goal of this analysis is two fold. First, it has been designed to provide market information for the proposed expansion of the WTCC, and secondly, to identify opportunities for additional hotel capacity within the Halifax market.

Key Findings

Convention Market

An analysis of the WTCC's existing business shows that the facility does an effective job of penetrating Canadian national events and regional meetings. At the same time, there seems to be room for growth for additional business based in the northeastern United States and in competing with other Canadian cities which have recently upgraded and expanded their meetings and convention facilities.

The most common reasons cited for losing business opportunities by both potential and existing clients of the WTCC were the lack of available dates within the building generated by strong conflicting demand for the best quality spaces within the existing facility and a lack of hotel room block availability. These are both symptoms of a strong market demand for events to be held in Halifax, particularly during the peak season when business volumes are greatest. This suggests that a strategy centered around being able to host two or more groups simultaneously within an expanded facility would be best achieved if it is accompanied by an increase in the hotel inventory in Halifax that will allow for block bookings for group meetings.

Hotel Market

The Halifax hotel market is extremely robust with hotel occupancy in the peak season regularly approaching 90 percent. The community has seen healthy gains in revenues per room over the last three years, with average daily rates in season hovering around C\$130 per night. A number of meeting planners and hotel operators have reported a situation where leisure visitors and group tours are out competing convention block bookings, particularly during the times of the year when the community is most desirable. This is borne out by an analysis of meeting and convention room night consumption which is weak June through October, which corresponds to the peak season in overall visitation to the community.

The nearly full capacity of the region's hotel room inventory during the most desirable time of the year indicates that additional hotel space may be required in order to support any expanded activity within the WTCC. At the same time, with the consistent high occupancy rates in the market and strong growth in revenue per room, it becomes possible to consider that the community will be the site of additional rounds of future private investment for hotel rooms as development opportunities become available.

Conclusions

The WTCC will need to expand to remain competitive and viable. Existing business volumes will be difficult to maintain in light of upgrades being undertaken by competitive facilities and the physical limitations on growth by existing facility users who have maximized their use of the existing facility. Given the facility's site, expansion should take full advantage of the opportunity presented by relocating the Metro Centre. The ability to host multiple groups simultaneously will give the WTCC a distinct competitive advantage and open up the opportunity to penetrate existing market more effectively. However, in order to successfully accomplish the growth of new business within the WTCC, new hotel capacity must be made available in order to accommodate demand generated by growth in the meetings market.

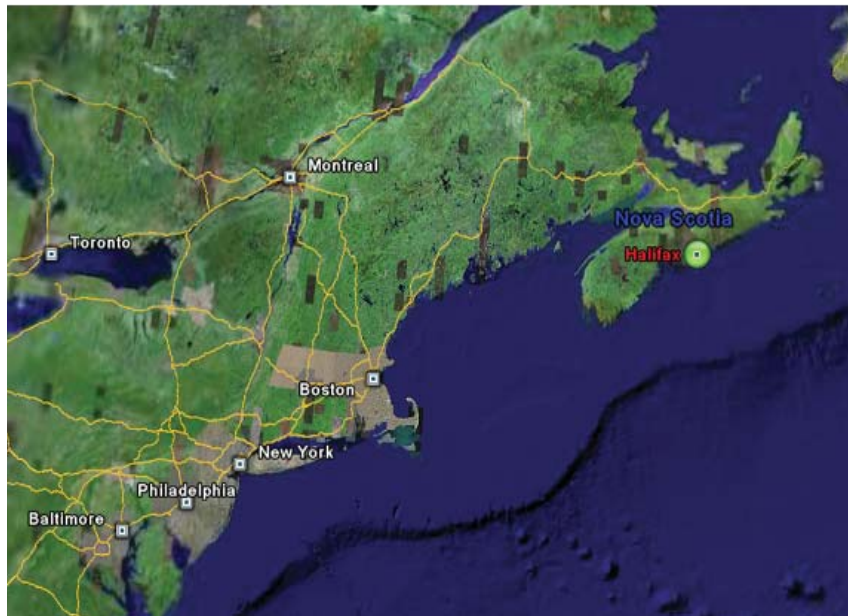


Figure 1

6.2 Halifax's Economy and Tourism Market

This section includes an overview of the basic conditions in the Halifax area, a description of the City's economy, and its position within the greater Halifax Regional Municipality. This information is provided as background to a more detailed analysis of the market potential for the Convention Centre project in the sections that follow. This portion of the report also describes the basic conditions of the tourism industry in Halifax and outlines current levels of activity in visitor-serving industries.

Geography

The City of Halifax is part of a group of cities/towns that comprise the Halifax Regional Municipality (HRM). The HRM is a community of nearly 400,000 people, about one third of Nova Scotia's population, located on the eastern seaboard of the province. The HRM is located roughly 230 kilometers south of Charlottetown, Prince Edward Island, and 345 kilometers southeast of Fredericton, New Brunswick. The city's natural harbor, which is situated on the south Atlantic shore, is one of the world's largest. The HRM has over 150 kilometers of coastline on the eastern shore. A map of the area is displayed in Figure 1.

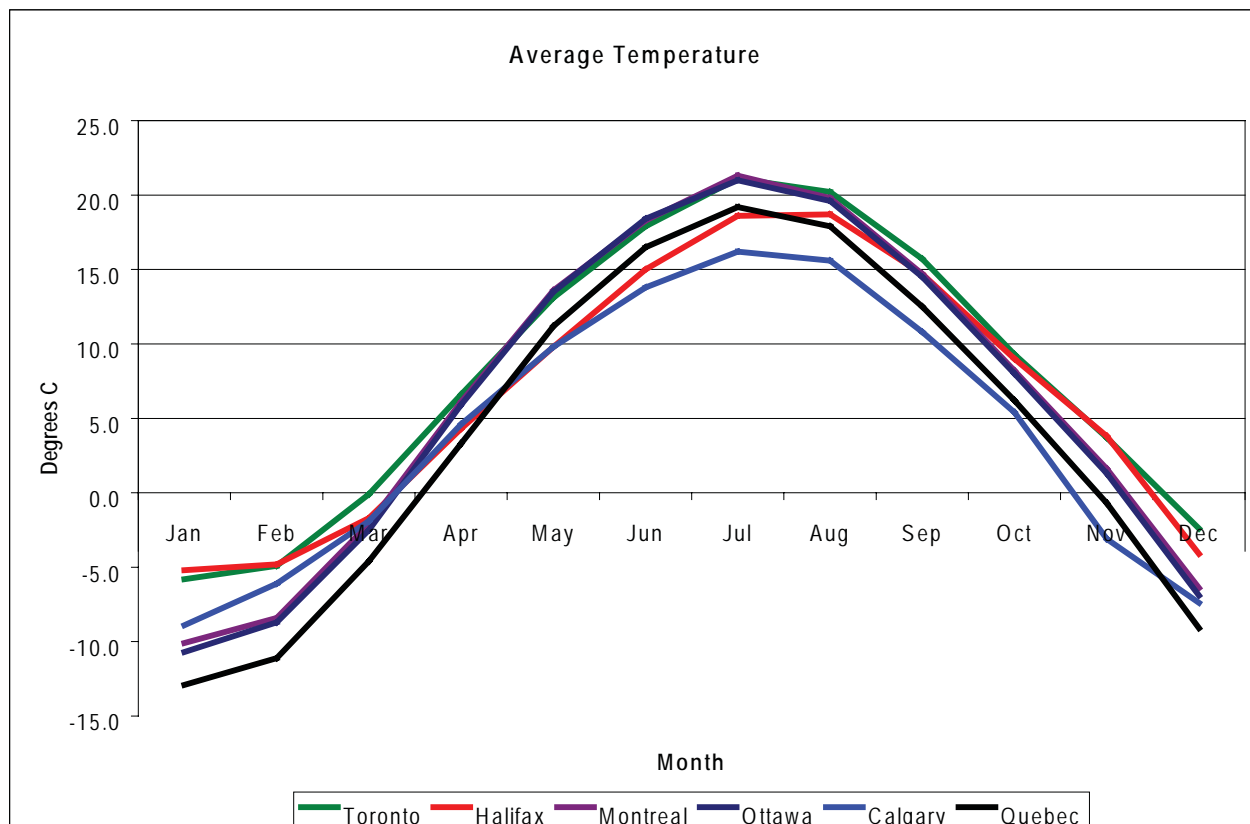
Climate

When compared to other major cities in Canada, Halifax rates among the most temperate. Halifax averages around -4.8 degrees Celsius in the winter, far warmer than its closest domestic competitors, Quebec, Montreal, and Ottawa -9.4 , -8.7 , and -8.8 degrees Celsius in the winter respectively. The average temperatures of select Canadian cities are displayed in Table 1.

Table 1

Average Temperatures (Celsius) in Select Canadian Cities

Average Temperature*	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Vancouver	3.9	5.2	6.9	9.4	12.7	15.3	17.5	17.7	14.8	10.5	6.4	4.0	10.4
Hamilton	-5.0	-4.2	0.4	6.9	13.4	18.6	21.8	20.7	16.4	9.9	4.3	-3.5	8.3
Toronto	-5.8	-4.9	-0.1	6.6	13.1	17.9	21.1	20.2	15.7	9.3	3.7	-2.4	7.9
Halifax	-5.2	-4.8	-1.7	4.3	9.8	15.0	18.6	18.7	14.7	9.0	3.8	-4.1	6.5
Montreal	-10.1	-8.4	-2.1	6.1	13.6	18.3	21.3	19.8	14.7	8.2	1.6	-6.4	6.4
Ottawa	-10.7	-8.7	-2.5	5.9	13.5	18.4	21.0	19.6	14.5	8.0	1.3	-6.9	6.1
Calgary	-8.9	-6.1	-1.9	4.6	9.8	13.8	16.2	15.6	10.8	5.4	-3.1	-7.4	4.1
Quebec	-12.9	-11.1	-4.6	3.3	11.2	16.5	19.2	17.9	12.5	6.2	-0.7	-9.1	4.0



Source: Environment Canada, Canadian Climate Normals

* Averages based on 29 historical years

According to Environment Canada, Halifax averages over 300 days a year with some level of precipitation, but for year-round sunshine Halifax still ranks 34th out of Canada's largest 100 cities. A more detailed description of Halifax's climate is displayed in Table 2. Halifax averages only 40.7 days a year of temperatures below 10 degrees Celsius, but although Halifax does average 25 days above 20 degrees Celsius in July and August, the average temperature in those months is still only in the high teens due to average lows in the low teens.

Table 2

Halifax Detailed Climate

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Average number of days with precipitation	30.7	23.9	27.8	26.6	25.5	22.8	20.8	18.9	20.8	25.1	28.8	31.1	302.2
Average number of days with a minimum temp below 10	14.6	12.3	5.2	0.05	--	--	--	--	--	--	0.41	8.2	40.7
Average number of days with a maximum temp above 20	--	--	0.2	0.3	3.9	14.5	25.1	25.3	10.5	1	--	--	80.6

Source: Environment Canada, Canadian Climate Normals

* Averages based on 29 historical years

Transportation

Geography impacts the HRM's accessibility by road. The only route into the 56,000+ square kilometers of the province, is through the City of Moncton in New Brunswick. The closest major city is Québec City, which is located over 800 kilometers to the west of Halifax. A city such as Boston, which is "bird's flight" equidistant to Halifax and Québec, is 1,120 kilometers by car from Halifax and only 641 kilometers from Quebec. Distances to major population centers are presented in Table 3.

Table 3

Travel Distances from Halifax, NS

Destination	Distance (Kilometers)	Drive Time
Charlottetown, PEI	232	3 Hours, 50 Min.
Fredericton, NB	346	4 Hours, 10 Min.
Quebec City, QC	912	10 Hours, 30 Min.
Portland, ME	946	9 Hours, 10 Min.
Boston, MA	1,117	11 Hours, 5 Min.
Montreal, QC	1,318	13 Hours, 10 Min.
New York, NY	1,455	14 Hours, 40 Min.
Ottawa, ON	1,508	15 Hours, 5 Min.
Toronto, ON	1,857	18 Hours, 45 Min.
Vancouver, BC	6,117	58 Hours, 45 Min.

Source: Mapquest

Air Access

Halifax International Airport is located 34 kilometers from downtown Halifax. While the city does not have non - stop air service to most U.S. markets, it is a growing regional air hub for the four Atlantic provinces of Canada and has good service to major northeast markets, as well as to London and the Canadian west. With a balanced and growing economy, service can be expected to improve. The added demand that would be generated by an expanded convention capability would strengthen the case for improved service. Table 5 references all the current flight connections through Halifax International Airport, which include non - stop service to Toronto, Montreal, Ottawa, Boston, Newark, Hamilton, Bangor, and cities throughout the Atlantic Provinces, as well as to London.

Table 4

Cities With Direct Flight Connections to Halifax International Airport			
Canada		United States	International
Calgary	Moncton	Boston*	London*
Charlottetown	Montreal*	New York*	
Deer Lake	Ottawa	Washington D.C.* ¹	
Edmonton ¹	St. John		
Fredericton	St. John's		
Goose Bay	Sydney		
London, Ont. ¹	Toronto*		
Vancouver*			

* Airline Hub City

¹ Service to begin June, 2006

Source: OAG Executive Flight Guide April 2006

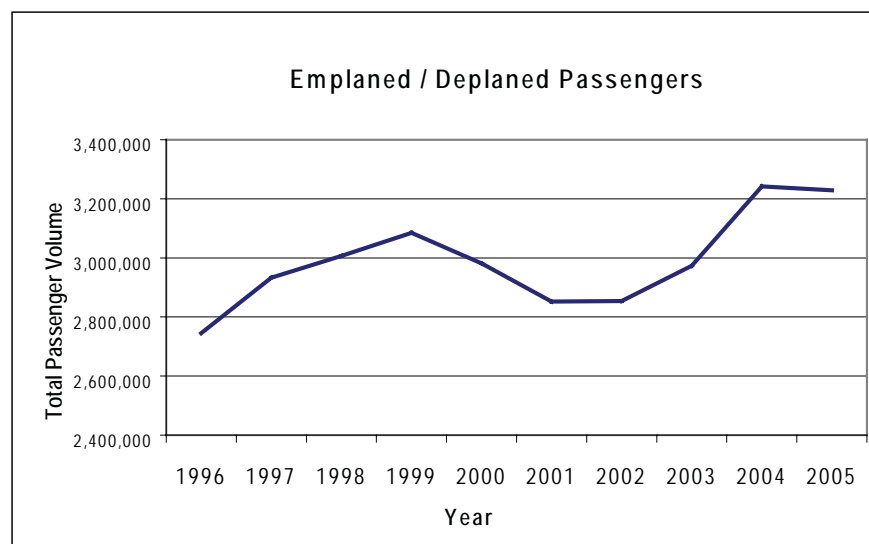
Halifax International Airport has been among the fastest growing airports in Canada, with a 12.4 percent increase in passenger traffic between 1996 and 1999. The slowing global economy, coupled with consolidation of the airline industry and elimination of duplicate service, reversed passenger growth trends. Still, there were 4 percent more passengers through Halifax in the down year of 2001 than there were in 1996. Since the effects of the September 11, 2001 terrorist attacks in the United States have worn off, Halifax has seen a remarkable growth of almost 14 percent in just a 4-year period. Statistics from the Halifax International Airport are shown in Table 5.

Table 5

Halifax International Airport

Year	Enplaned / Deplaned Passengers
2005	3,229,111
2004	3,242,389
2003	2,973,187
2002	2,853,778
2001	2,852,061
2000	2,980,970
1999	3,084,622
1998	3,006,572
1997	2,933,072
1996	2,744,720

Year	Total Itinerant Aircraft Movements
2005	77,401
2004	81,719
2003	78,923
2002	77,157
2001	81,039
2000	92,015
1999	103,024
1998	104,332
1997	101,594
1996	97,353



Source: Halifax International Airport and Destination Halifax

The city is two hours closer to Europe than most North American cities with comparable or better air travel to New York by air than any Canadian city. Even though Halifax does offer flights to Boston, New York, Chicago, Atlanta, Cleveland, Detroit, and Raleigh/Durham, it lacks non-stop service to any western American or Canadian cities save for Calgary and Vancouver. This could detract from the city's ability to attract larger national and international meetings and exhibitions. At the same time, it is difficult for a city the size of Halifax to market itself effectively for increased service without a strong year-round tourism and meetings market. On the positive side, Halifax does offer growth in a combination of market sectors, which should be appealing to air carriers especially since the Authority has decreased domestic terminal, landing, and security fees in 2005. The business and tourism sectors are strong, and the potential expansion of the meetings and convention business adds another dimension to the business case for improved air service.

In an effort to improve and increase service, the Halifax International Airport Authority has embarked on a multi-year, \$100 million redevelopment and expansion plan. The first phase of this plan focused on improvements and expansions to the arrival areas. Significant additions are now complete in the domestic departures area and a U.S. preclearance area as part of the Canada-U.S. Smart Border Action Plan is scheduled to open in the fall of 2006. The local tourism market is explained more thoroughly in the next section.

Tourism

The Halifax Regional Municipality received an estimated 5.2 million person visits annually¹. This number represents substantial tourism flow for a community with less than one-half million inhabitants. Over 50 percent of visitors arrive to the HRM from outside of the Atlantic provinces, indicating a strong national and international attraction to the city's business and leisure base. In 2003, the date of the most recent available statistics, over 85 percent of the leisure travel into the HRM was domestic travel, while about 12 percent came from the United States. The tourism market brings in a large amount of revenue annually. In 2003 alone, total expenditures reached almost (CD)\$700 million; the majority came from leisure travel. Much of the tourism in the Halifax area stems from the major annual events in the region.

The HRM has attracted many national and international events, such as the 2003 World Junior Hockey Championship, the 2003 Nokia Brier, the 2004 Women's World Ice Hockey Championship, and the Roar of the Rings Olympic Qualifying curling competition. Halifax was chosen as Canada's 2014 Commonwealth Games bid. The host of the 2014 games will be selected in Sri Lanka in 2007. The city hosts the Quebec Major Junior team, the Halifax Mooseheads, as well as many local and university teams. The 2006 Juno Awards were also held in Halifax.

The major annual events held in Halifax are listed in Table 6. On a yearly basis, Halifax attracts events such as the CIS Final 10 Men's Basketball Championship, the Nova Scotia International Air Show, and the TD Canada Trust Atlantic Jazz Festival.

¹ Destination Halifax

Table 6

Maior Annual Events in Nova Scotia

Event	Location	Event Days
Festival Acadien de Clare	Municipality of Clare	1
Studio Rally	Province-Wide	2
Nova Scotia International Air Show	Enfield	2
Halifax Celtic Feis	Halifax	3
Nova Scotia Multicultural Festival	Dartmouth	3
Stan Rogers Folk Festival	Canso	3
Antigonish Highland Games	Antigonish	3
Canadian Deep Roots Festival	Wolfville	3
Blue Nose Marathon	Halifax	3
CIS Final 10 Men's Basketball Championship	Halifax	4
Truro International Tulip Festival	Truro	4
Privateer Days	Liverpool	4
Pictou Lobster Carnival	Pictou	4
Riverfront Music Jubilee	New Glasgow	4
Mahone Bay Classic Boat Festival	Mahone Bay	4
Digby Scallop Days	Digby	4
Lunenburg Folk Harbour Festival	Lunenburg	4
Cape Breton Festival of Speed	Cape Breton	5
Yarmouth Seafest	Yarmouth	5
Annapolis Valley Apple Blossom Festival	Kentville	6
Grou Tyme Acadian Festival	Halifax	6
Nova Scotia International Tattoo	Halifax	8
Celtic Colors International Festival	Cape Breton	9
Atlantic Film Festival	Halifax	10
TD Canada Trust Atlantic Jazz Festival	Halifax	10
Halifax International Busker Festival	Halifax	11
Atlantic Fringe Festival	Halifax	11
Scotia Festival of Music	Halifax	15

Source: Nova Scotia's *Festival and Events Guide*. 2006

Visitor Origin

Travel into Nova Scotia from the western United States and internationally has risen in the past four years. And although Nova Scotia remains a major attraction for domestic travel within Canada, the percentage of visitors from outside the Atlantic region is decreasing. The number of visitors from western Canada has decreased consistently while the number of visitors from the Atlantic region has risen, making Nova Scotia and the HRM more of a regional attraction. Close to 50 percent of the visitors in 2004 came from the Atlantic regions of Canada. Visitor origin information is detailed in Table 7.

Trip Purpose

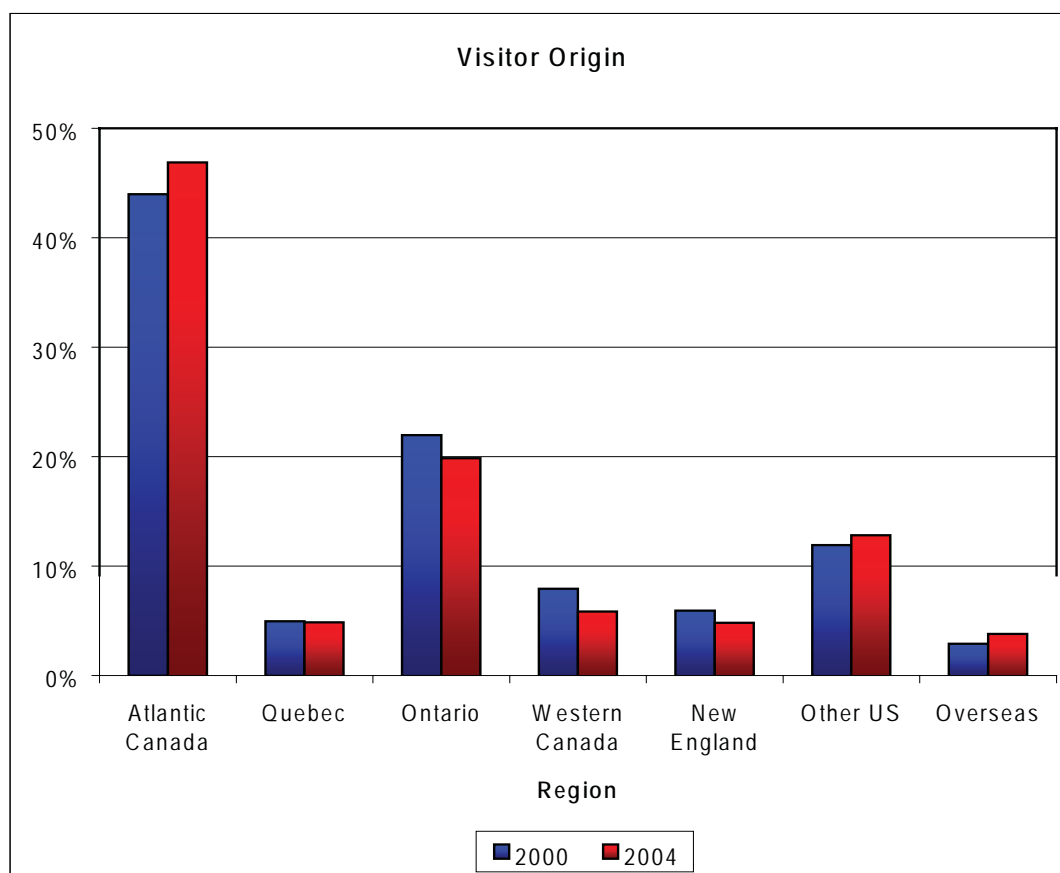
Nova Scotia is in general more of a leisure destination than a business destination. General pleasure visits have increased from 40 percent of all visits in 2000 to 50 percent in 2004. Group and individual business visits however, have seen a decrease from 9 percent and 2 percent in 2000 respectively to 6 percent and 1 percent in 2004 respectively. Trip purpose data is detailed in Table 8.

Trip purpose, broken down by market region in 2004 shows that the Atlantic region of Canada receives the second highest percentage level of general pleasure visits within Canada: 43 percent of all visitors come to the Atlantic region of Canada for pleasure, as opposed to the 31 percent of western Canada. 70 percent of visitors from New England travel to Nova Scotia for general pleasure visits, compared to the average of approximately 40 percent of all Canadian visitors who come for general pleasure. Québec has the highest level of business travel at 12 percent compared to the 9 percent of the Atlantic region. Table 9 shows further information on trip purpose by market region in 2004.

Table 7

Visitor Origin
Nova Scotia 2000 & 2004

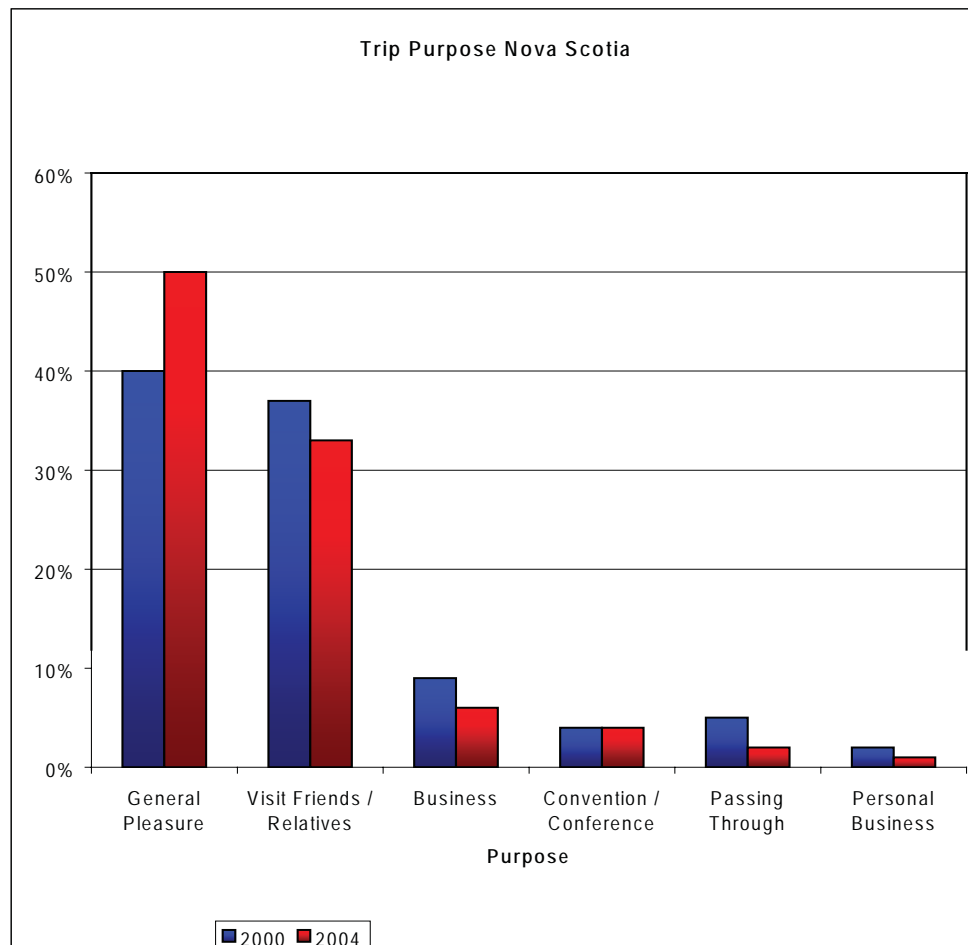
Region	2000	2004
Atlantic Canada	44%	47%
Quebec	5%	5%
Ontario	22%	20%
Western Canada	8%	6%
New England	6%	5%
Other US	12%	13%
Overseas	3%	4%



Source: Nova Scotia Department of Tourism, Culture and Heritage, *2004 Nova Scotia Visitor Exit Study*

Table 8
Trip Purpose
Nova Scotia 2000 & 2004

Purpose	2000	2004
General Pleasure	40%	50%
Visit Friends / Relatives	37%	33%
Business	9%	6%
Convention / Conference	4%	4%
Passing Through	5%	2%
Personal Business	2%	1%

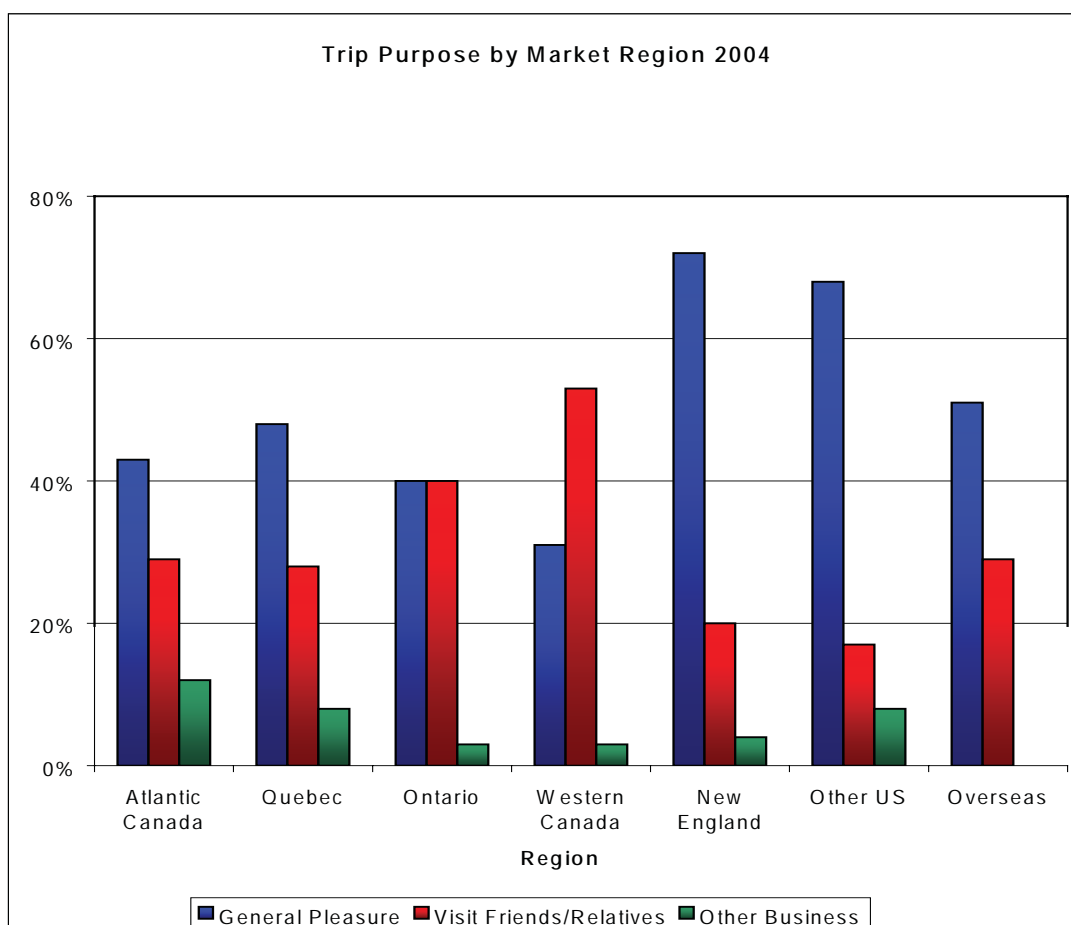


Source: Nova Scotia Department of Tourism, Culture and Heritage, 2004 Nova Scotia Visitor Exit Study

Table 9

Trip Purpose - Key Mentions by Market Region
Nova Scotia 2004

Market Region	General Pleasure	Visit Friends/Relatives	Other Business
Atlantic Canada	43%	29%	9%
Quebec	48%	28%	12%
Ontario	40%	40%	8%
Western Canada	31%	53%	3%
New England	72%	20%	3%
Other US	68%	17%	4%
Overseas	51%	29%	8%



Source: Nova Scotia Department of Tourism, Culture and Heritage, *2004 Nova Scotia Visitor Exit Study*

Meeting and Convention Visitation

Looking at statistics for meetings and conventions in the Halifax Regional Municipality shows that over 80 percent of the 83,000 business visits in 2003 originated domestically. The United States yielded another 15 percent, while just over 2 percent of business visits were international. Following the huge decline of domestic travel and travel from the United States following the September 11 attacks in 2001, business tourism began to rapidly return to its previous levels. Initially, 2002 saw a more than 50 percent decrease in the 13,000 business visits from the US, but rebounded by doubling back to 12,000 visits, closing in on the number of visits prior to the attacks. International business visits declined substantially in 2003, from 5,000 visits in 2002 to 2,000 in 2003. This trend is not unique to the Halifax region however; total meeting and convention visits in all of Canada saw a decrease from 2002 to 2003 as well. Although the proportions of types of visits have fluctuated, post - 2001 tourism levels have been steadily increasing. Further breakdown of meeting and convention statistics is shown in Table 10.

Economy

The largest employers in HRM are governmental, with most provincial government departments headquartered in the area, as well as many regional offices for federal government departments and agencies. The Department of National Defense is the largest single employer and Halifax Harbor continues to serve a major military purpose as home port for Maritime Forces Atlantic. CFB Halifax is Canada's largest naval base and the nation's largest military base in number of personnel. Halifax Harbor is strategically located just north of the Great Circle Route between western Europe and the eastern seaboard of North America as the first inbound, last outbound major port of call on the continent with strategic rail connections to central and western Canada and the United States. Halifax has a diversified economic base dominated to some extent by the trade and health care sectors. The overall employment base has been growing at an average annual rate of almost 4.0 percent since 1996. Growth sectors include trade, transportation, professional services, management services, education services, information and culture, accommodation and food services, fishing, construction, and manufacturing.

A list of current major private employers is shown in Table 11.

Regional Conditions

Employment within the Halifax Regional Municipality has been growing above the Nova Scotian and near the Canadian employment growth rates over the past few years. From 2002 to 2005, Nova Scotia was averaging an employment growth rate of 1.66 percent, Canada 2 percent, while Halifax has a growth rate of 1.92 percent. The Halifax Regional Municipality accounts for just over 6 percent of the Nova Scotian population, and 1.26 percent of Canadian population.

Given this relatively positive, long-term employment picture, 2005 was not a good year for Canada or Nova Scotia in terms of employment growth. For Canada, employment declined from 2.33 percent in 2003 to 1.82 percent in 2004 and 1.43 percent in 2005. The same trend hit Nova Scotia and the HRM. Both Nova Scotia and the HRM saw their employment growth rates decline from 2.39 percent and 3.57 percent respectively in 2004 to 0.45 percent and 0.54 percent respectively in 2005. A detailed history of Canada's employment growth rates over the past two decades is shown in Table 12.

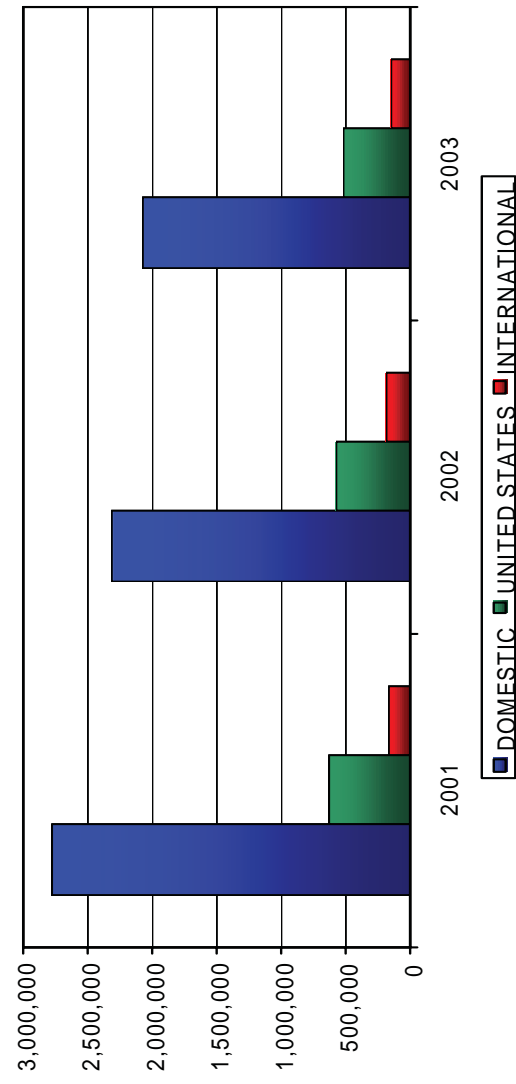
Looking at the Halifax labor force more in depth, the service and professional type industries have been consistently growing over the past 20 years. The manufacturing and other good producing sectors have not had substantial growth, and have even seen negative growth over the same time period.

Since 2000, the service sector has seen a 9 percent growth, and a 38 percent growth since 1987. The manufacturing industry, on the other hand, has seen a decline of 14 percent since 1987 and no overall growth over the past five years. The professional, scientific, and technical services have seen significant growth over the past five years, at 33 percent. The goods producing industry has remained relatively stagnant, growing merely 4.9 percent since 1987. The overall growth of the combined labor force has seen a 33 percent growth since 1987. A detailed description of the labor force in Halifax is shown in Table 13.

Table 10
Halifax Regional Municipality Visitation Statistics
Meetings and Conventions

	DOMESTIC			UNITED STATES			INTERNATIONAL			TOTALS			% CHANGE
	2001	2002	2003	2001	2002	2003	2001	2002	2003	2001	2002	2003	
Total country person visits	2,773,000	2,308,000	2,069,000	621,000	576,000	506,000	166,000	180,000	150,000	3,560,000	3,064,000	2,725,000	-11.06%
Total HRM person visits	87,000	65,000	69,000	13,000	6,000	12,000	4,000	5,000	2,000	104,000	76,000	83,000	9.21%
Average length of stay	1.99	1.65	2.25	3.78	3.85	3.66	3.15	4.51	4.75	2.84	2.8	3.1	10.71%
Average party size	1.52	1.54	1.15	1.87	1.63	1.75	1.42	1.28	1.57	1.36	1.4	1.2	-14.29%
Total Visit Exp (Cda) 000's	\$861,076	\$1,002,174	\$967,429	\$527,781	\$564,870	\$413,727	\$250,865	\$293,670	\$209,317	\$1,639,722	\$1,860,714	\$1,590,473	-14.52%
Total Visit Exp (HRM) 000's	\$27,390	\$18,919	\$32,291	\$9,400	\$5,422	\$6,018	\$2,428	\$4,449	\$1,455	\$39,218	\$28,790	\$39,764	38.12%
Transportation	\$4,445	\$2,064	\$3,972	\$1,374	\$694	\$875	\$216	\$795	\$313	\$6,035	\$3,553	\$5,160	45.23%
Accommodation	\$11,338	\$7,253	\$13,904	\$4,463	\$2,440	\$3,006	\$1,508	\$2,312	\$483	\$17,309	\$12,005	\$17,393	44.88%
Food & Beverage	\$6,243	\$4,270	\$7,746	\$2,200	\$1,784	\$1,278	\$382	\$695	\$238	\$8,825	\$6,749	\$9,262	37.24%
Rec & Entertainment	\$2,989	\$2,126	\$1,320	\$392	\$323	\$242	\$105	\$223	\$58	\$3,486	\$2,672	\$1,620	-39.37%
Retail/Other Costs	\$2,374	\$3,205	\$5,348	\$971	\$365	\$617	\$217	\$424	\$363	\$3,562	\$3,994	\$6,328	58.44%
Exp per person visit (Cda)	\$357.13	\$434.23	\$535.55	\$865.50	\$939.82	\$817.65	\$1,507.71	\$1,629.72	\$1,393.61	\$699.35	\$736.80	\$700.33	-4.95%
Exp per person visit (HRM)	\$348.20	\$289.77	\$513.90	\$733.03	\$921.68	\$521.38	\$664.81	\$969.53	\$646.33	\$517.40	\$516.98	\$582.92	12.75%

Total Country Person Visits



Source: Destination Halifax CEO Report

Table 11
Major Private Employers
Halifax Metropolitan Area

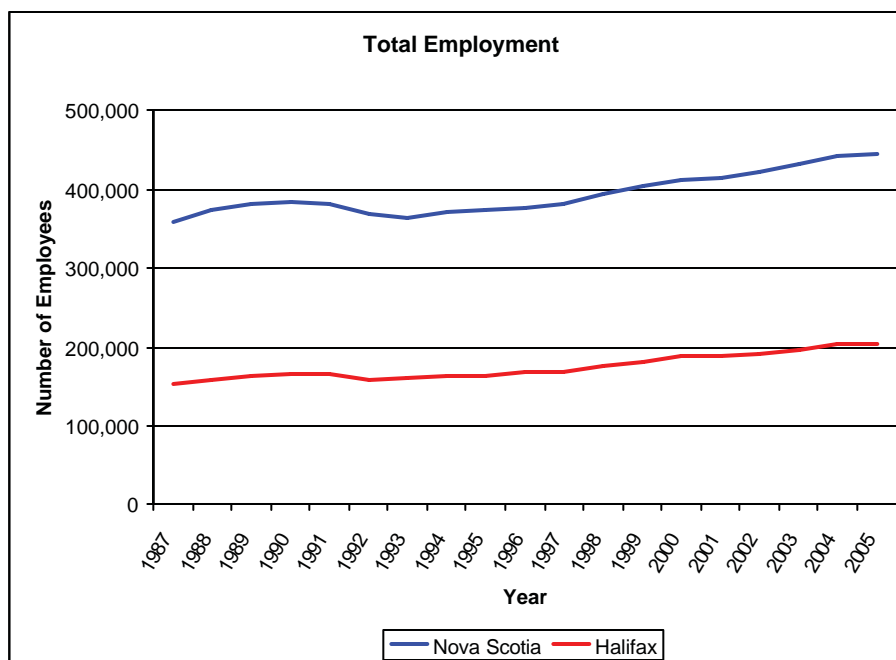
Name	Industry	Number of Employees
Aliant / MTT	Telecommunications	3000-5000
Nova Scotia Power	Electric Power Systems	1500-3000
Convergys	Customer Service	1500-3001
Bank of Nova Scotia	Chartered Bank	750-1250
Altantic Superstore	Retail Trade-Food	750-1250
Casino Nova Scotia & Hotel	Gambling and Accommodations	750-1250
Staples	Retail Trade-Office Supplies	500-1000
IMP Group Ltd.	Aircraft and Aircraft Parts	750-1250
Halifax Shipyard	Shipbuilding and Repair	500-1000
Xerox TeleWeb Centre	Customer Care	500-1000
Teletech	Software Development and Consulting	500-1000
RBC Financial Group	Chartered Bank	500-1000

Source: Greater Halifax Partnership

Table 12

Labor Force Survey Estimates by Region
Employment by NAICS

Year	Canada	Growth Rate	Nova Scotia	Growth Rate	Halifax	Growth Rate	Halifax			
							% of Canada Pop.	% of Nova Scotia Pop.	% of Canada Growth Rate	% of Nova Scotia Growth Rate
1987	12,334,000	-	359,400	-	154,000	-	1.25%	42.85%	-	-
1988	12,708,400	3.04%	373,900	4.03%	157,900	2.53%	1.24%	42.23%	83.43%	62.77%
1989	12,985,700	2.18%	381,300	1.98%	163,000	3.23%	1.26%	42.75%	57.53%	163.20%
1990	13,078,800	0.72%	385,200	1.02%	165,400	1.47%	1.26%	42.94%	205.37%	143.95%
1991	12,851,000	-1.74%	380,700	-1.17%	165,000	-0.24%	1.28%	43.34%	-73.72%	20.70%
1992	12,719,600	-1.02%	368,400	-3.23%	157,800	-4.36%	1.24%	42.83%	426.77%	135.06%
1993	12,781,600	0.49%	365,000	-0.92%	160,500	1.71%	1.26%	43.97%	257.62%	-185.39%
1994	13,043,700	2.05%	371,000	1.64%	162,900	1.50%	1.25%	43.91%	72.92%	90.97%
1995	13,271,000	1.74%	374,500	0.94%	163,900	0.61%	1.24%	43.77%	70.87%	65.07%
1996	13,391,600	0.91%	375,700	0.32%	167,200	2.01%	1.25%	44.50%	221.56%	628.36%
1997	13,676,500	2.13%	381,000	1.41%	168,800	0.96%	1.23%	44.30%	58.01%	67.83%
1998	14,019,200	2.51%	393,800	3.36%	176,200	4.38%	1.26%	44.74%	174.95%	130.49%
1999	14,389,800	2.64%	403,200	2.39%	180,400	2.38%	1.25%	44.74%	47.42%	99.86%
2000	14,758,600	2.56%	411,100	1.96%	188,300	4.38%	1.28%	45.80%	170.87%	223.50%
2001	14,946,700	1.27%	415,400	1.05%	189,400	0.58%	1.27%	45.59%	99.42%	55.85%
2002	15,307,900	2.42%	422,400	1.69%	190,400	0.53%	1.24%	45.08%	21.85%	31.33%
2003	15,665,100	2.33%	431,300	2.11%	196,200	3.05%	1.25%	45.49%	53.67%	144.58%
2004	15,949,700	1.82%	441,600	2.39%	203,200	3.57%	1.27%	46.01%	196.38%	149.40%
2005	16,177,300	1.43%	443,600	0.45%	204,300	0.54%	1.26%	46.06%	88.50%	119.53%



Source: Statistics Canada

Table 13

**Labor Force Survey Estimates
Employment by NAICS
Halifax, Nova Scotia**

Year	All Industries	Goods Producing Sector	Agriculture	Forestry, Fishing, Mining, Oil and Gas	Utilities	Construction	Manufacturing	Services-Producing Sector	Trade	Transportation and Warehousing	Finance, Insurance, Real Estate and Leasing	Professional, Scientific and Technical Services	Business, Building and Other Support Services	Educational Services	Health Care Assistance	Information, Culture and Recreation	Accommodation and Food Services	Other Services
1987	154,000	24,600		2,700	1,500	9,400	10,700	129,400	28,600	8,000	12,700	5,800	4,100	13,100	16,000	8,100	7,800	6,700
1988	157,900	23,900		2,300	1,600	10,100	9,700	134,000	29,900	8,200	11,900	7,300	4,600	12,500	17,300	6,600	9,000	7,200
1989	163,000	25,500		1,900	1,600	9,300	12,600	137,500	29,000	10,000	12,300	8,000	4,100	11,900	18,200	7,300	10,300	8,100
1990	165,400	25,500	500	1,700	1,300	9,600	12,400	139,900	30,900	10,100	14,100	7,000	3,900	11,700	18,000	7,600	11,700	6,600
1991	165,000	23,000	500	1,800	1,200	8,100	11,400	142,100	30,900	9,600	14,600	7,800	4,400	12,600	19,500	7,700	10,000	7,100
1992	157,800	22,800		2,200	1,300	6,300	12,700	134,900	26,300	9,200	13,800	8,100	3,800	12,900	18,600	7,400	8,700	7,200
1993	160,500	19,000		1,900	1,100	7,100	8,800	141,400	26,600	8,900	13,200	9,900	4,700	12,200	20,200	8,700	10,600	8,900
1994	162,900	17,900		1,000	1,000	7,900	7,900	145,000	28,100	8,000	13,400	10,100	5,000	12,400	21,500	9,900	10,800	8,000
1995	163,900	19,300		1,100	800	7,300	9,900	144,600	27,300	8,500	12,800	8,800	6,000	12,000	20,100	11,300	10,400	7,600
1996	167,200	19,700		800	900	8,500	9,100	147,600	30,000	7,900	13,800	9,600	6,100	11,400	20,700	9,100	11,700	8,900
1997	168,800	19,000		1,100	1,200	7,700	8,700	149,700	29,200	7,800	13,400	9,900	7,500	13,000	21,300	8,900	12,700	7,900
1998	176,200	20,600	600	1,700	800	8,000	9,500	155,600	30,900	8,600	15,800	11,400	6,500	13,900	21,000	7,900	13,500	8,400
1999	180,400	21,600		1,700	800	9,300	9,500	158,800	29,700	10,200	15,500	12,100	9,600	13,600	20,100	9,200	14,500	9,800
2000	188,300	24,500		1,700	1,200	9,900	11,400	163,800	32,000	11,100	14,600	10,200	9,900	15,000	22,900	10,500	13,000	9,400
2001	189,400	25,100		1,800	900	10,400	11,500	164,400	34,500	10,800	13,200	12,300	9,400	15,700	21,500	11,200	12,200	9,000
2002	190,400	26,900	500	2,600	1,100	9,700	13,100	163,500	34,600	9,700	14,000	11,200	11,200	15,100	21,800	11,700	13,700	7,200
2003	196,200	25,300		2,400	1,100	10,800	10,800	171,000	33,200	10,300	13,700	11,500	11,400	16,200	24,600	10,000	12,900	9,900
2004	203,200	27,200		1,700	1,300	12,500	11,200	176,000	34,800	10,700	14,400	13,700	12,200	16,100	22,600	10,300	15,400	9,100
2005	204,300	25,800		1,600	800	13,200	9,800	178,500	36,500	10,200	14,100	13,600	11,700	17,100	24,500	9,500	14,800	9,700

Source: Statistics Canada

Summary and Implications

The Halifax Regional Municipality is at the center of a very vibrant and attractive tourism market. Like many destinations in Canada, it tends to be heavily influenced by seasonal variation with a decrease in visitation during the wintertime. The community is able to draw relatively well from across Canada and from the northeastern United States and is served with adequate infrastructures in the form of relatively good air and road access to the rest of the continent for current conditions, but that infrastructure is constraining potential growth. That being said, Halifax appears largely to be an intentional destination. That is to say, visitors who are traveling to the community come to Halifax for its own individual qualities as a leisure and tourism destination rather than being on the way to another place or as an adjunct to an additional trip. The economy of Halifax is increasingly influenced by the importance of a vibrant tourist economy. The nature and importance of tourism is further examined in the next section which discusses the hotel market in the Halifax Regional Municipality.

6.3 Halifax Hotel Market

The following section describes the current inventory of hotel rooms and illustrates the performance of the market over the past several years. An examination of Halifax's lodging industry and hosting capacity is relevant in that it shows the relative state of the visitor serving industry in the city and serves as an indicator of Halifax's ability to capitalize on new opportunities offered by a convention facility. This examination also helps to establish the feasibility of additional hotel capacity in the market to support any new development program at the World Trade and Convention Centre.

Occupancy

Table 14 provides an overview of occupancy rates at hotels in Halifax from 2003 to 2005. Average occupancy in 2003 was estimated at 73.9 percent. In 2004, average occupancy dropped slightly to 71.9 percent, but has since recovered with average rates in 2005 just under 73 percent².

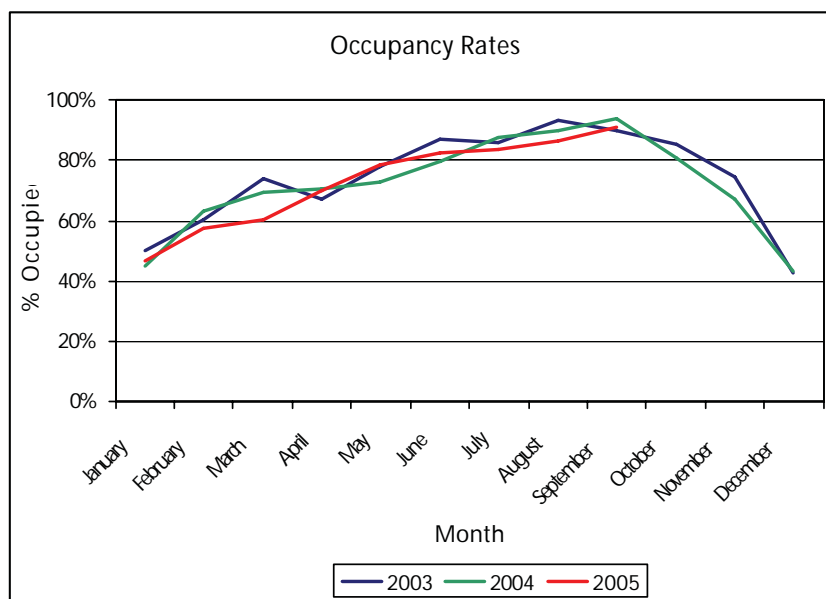
Occupancy rates are typically higher between June and October, the region's peak season. As shown in the table and graph, peak occupancy is achieved in the months of August and September with occupancy rates typically reaching over 90 percent.

Table 14

Occupancy Rates

Halifax Hotels

Occupancy	2003	2004	2005
January	49.8%	45.1%	46.8%
February	60.3%	63.3%	57.3%
March	73.6%	69.2%	60.3%
April	67.0%	70.7%	69.6%
May	78.0%	73.0%	78.4%
June	86.7%	79.5%	82.4%
July	86.0%	87.7%	83.8%
August	93.4%	90.0%	86.5%
September	89.6%	93.6%	91.2%
October	85.0%	80.4%	
November	74.7%	66.8%	
December	42.7%	43.5%	



Source: Destination Halifax CEO Report

² Data from 2005 only reflects partial year data (from January to September).

Revenue

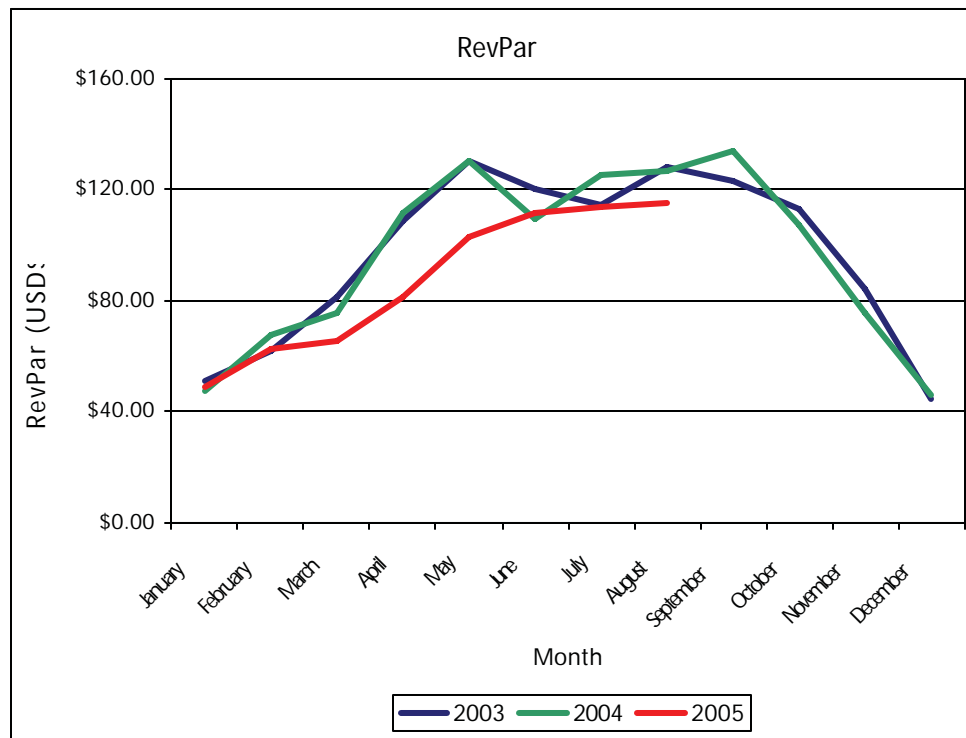
Revenue per room has experienced similar fluctuations, with average revenue in 2003 estimated at approximately \$97. In 2004, average room revenue remained at \$97, but decreased in 2005 to \$88. It is important to note, however, that 2005 data represents information collected from January to August of 2005.

Room revenue varies directly with occupancy rates. Room revenues increase significantly between April and October, as the region's climate improves bringing in more visitors (and, therefore, higher occupancy rates). According to Table 15, as was the case with occupancy rates, room revenue is at its highest in September and October. On average, however, room revenue in 2005 has been lower than room revenue in the previous two years. This phenomenon is apparent in the subsequent graph.

Table 15

Revenue Per Room Halifax Hotels

RevPar	2003	2004	2005
January	\$50.74	\$47.29	\$49.13
February	\$62.14	\$67.47	\$62.83
March	\$81.45	\$75.37	\$65.46
April	\$108.80	\$111.73	\$81.16
May	\$130.32	\$130.39	\$102.65
June	\$119.88	\$109.32	\$111.44
July	\$114.58	\$124.99	\$113.69
August	\$128.37	\$126.74	\$115.23
September	\$123.27	\$133.65	
October	\$112.79	\$107.42	
November	\$84.24	\$75.51	
December	\$44.69	\$46.36	



Source: Destination Halifax CEO Report

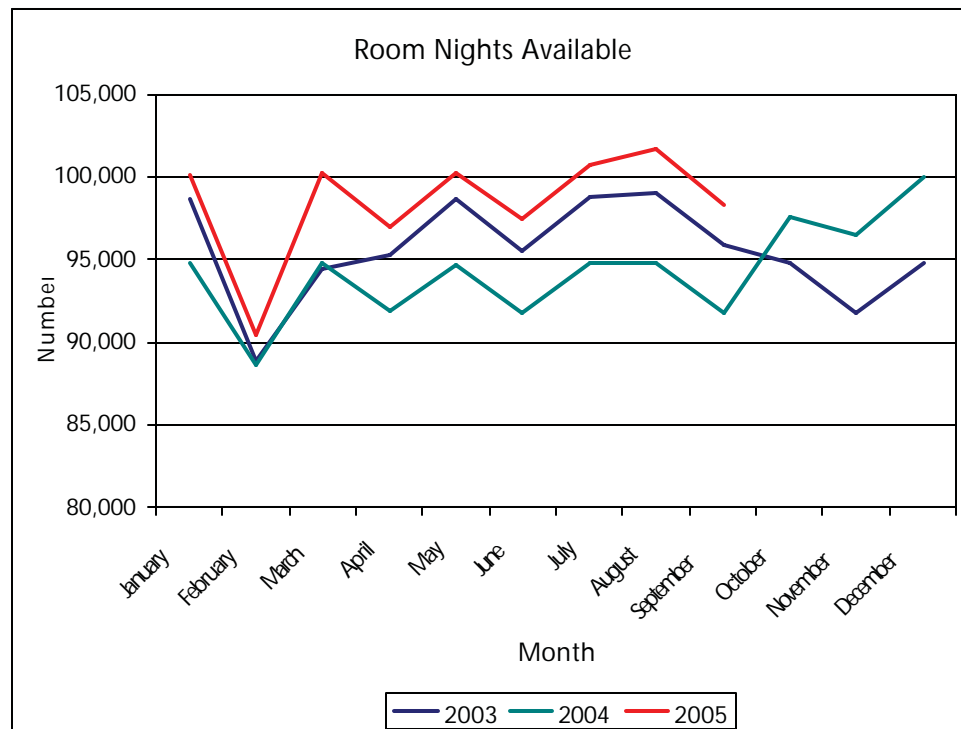
Inventory

The number of hotel room nights within Halifax's jurisdiction is presented in Table 16. According to the Destination Halifax CEO Report, in 2003, average hotel room inventory was just over 95,500. This number dropped in 2004 to 94,315. Since then, however, hotel room inventory has increased significantly with approximately 98,450 room nights in Halifax in 2005. The graph below provides an illustrative view of recent changes in Halifax's hotel room inventory.

Table 16

Hotel Room Inventory Halifax Hotels

Room Nights Available	2003	2004	2005
January	98,656	94,783	100,122
February	88,835	88,622	90,487
March	94,374	94,757	100,202
April	95,262	91,895	96,949
May	98,609	94,707	100,169
June	95,480	91,690	97,453
July	98,753	94,767	100,714
August	98,983	94,767	101,617
September	95,828	91,706	98,340
October	94,789	97,618	
November	91,737	96,530	
December	94,787	99,940	



Source: Destination Halifax CEO Report

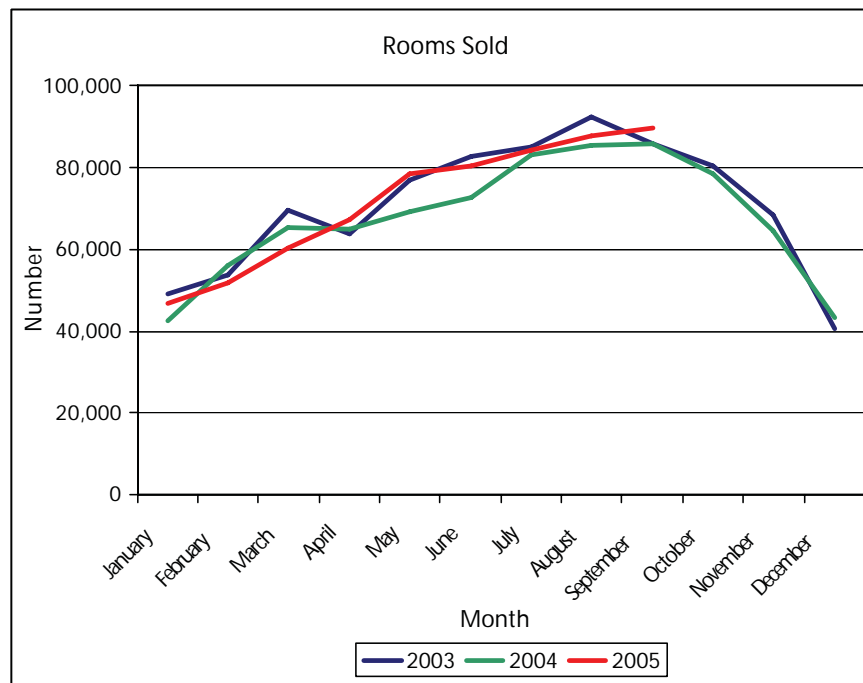
Consumption

The number of rooms sold provides insight into revenue generated and general performance of hotels in the region. Hotel room consumption in Halifax was estimated at just over 848,400 in 2003. In 2004, the number of hotel rooms sold decreased slightly to 812,100. While data for 2005 is not complete, the data for January to September 2005 indicates that the number of hotel rooms sold in 2005 will likely represent an increase from 2004 levels. This data is presented in Table 17.

Table 17

Hotel Room Consumption Halifax Hotels

Rooms Sold	2003	2004	2005
January	49,144	42,766	46,819
February	53,581	56,135	51,856
March	69,483	65,536	60,388
April	63,820	65,005	67,511
May	76,870	69,125	78,529
June	82,808	72,854	80,338
July	84,933	83,097	84,408
August	92,493	85,300	87,859
September	85,816	85,844	89,684
October	80,576	78,476	
November	68,509	64,519	
December	40,433	43,449	



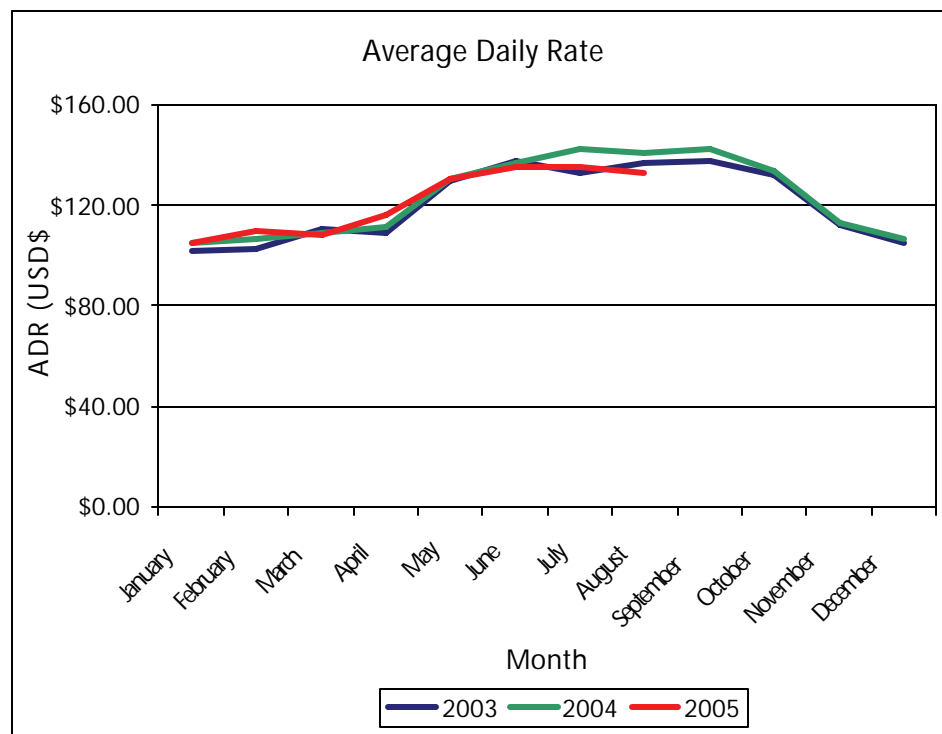
Source: Destination Halifax CEO Report

Average Daily Rates

Average daily rates (ADR) for Halifax hotels are presented in Table 18. Average daily rates in 2003 were estimated at approximately \$121. In 2004, ADR increased slightly to \$123.27, but dropped in 2005 to \$121.873. Average daily rates are typically higher between June and October, the region's peak season. As shown in the table, peak rates are achieved in August and September.

Table 18
Average Daily Rates
Halifax Hotels

Average Daily Rate	2003	2004	2005
January	\$101.85	\$104.78	\$105.07
February	\$103.04	\$106.52	\$109.64
March	\$110.63	\$108.97	\$108.62
April	\$108.80	\$111.73	\$116.56
May	\$130.32	\$130.39	\$130.93
June	\$138.22	\$137.46	\$135.18
July	\$133.23	\$142.54	\$135.65
August	\$137.37	\$140.80	\$133.27
September	\$137.65	\$142.77	
October	\$132.68	\$133.62	
November	\$112.60	\$112.97	
December	\$104.78	\$106.63	



Source: Destination Halifax CEO Report

Table 19 summarizes the aforementioned hotel data, providing a comprehensive view of the region's hotel industry between 2003 and 2005.

Table 19

Summary Statistics
Halifax Hotel Occupancy

Halifax Visitor Market	2003	2004	2005¹	Average 2003-5
Number of Hotel and Motel Rooms	95,508	94,315	98,450	96,091
Average Occupancy Rate	73.9%	71.9%	72.9%	72.9%
Room Nights Sold per Annum	848,466	812,106	647,392	830,286 ²
Average Length of Stay (Nights)	2.25			2.25
Number of Person Visits per Annum	69,000			69,000
Average Number of Persons per Party	1.15			1.15
Average Daily Rate (ADR)	\$120.93	\$123.27	\$121.87	\$122.02
RevPar	\$96.77	\$96.35	\$87.70	\$93.61

¹ January 2005 - September 2005

² 2003 -2004

Source: Destination Halifax CEO Report

Tour and Travel

Destination Halifax breaks visitation down by purpose of visit to provide greater insight into the market. An overview of visitation for purposes of "tour and travel" is provided in Table 20. According to the data, the number of people visiting Halifax to tour/travel the area was just over 37,000 in 2003. This number declined slightly to 36,700 in 2004. Data for 2005 is only available for January through September, and indicates that the number of tour/travel visitors to Halifax will increase from 2004 levels.

Tour- and travel - related visitation is highest in the month of September. In 2003, for example, visitation for purposes of "tour and travel" was over 10,500. In 2004 and 2005, similar trends were observed with visitation in the month of September exceeding visitation in other months.

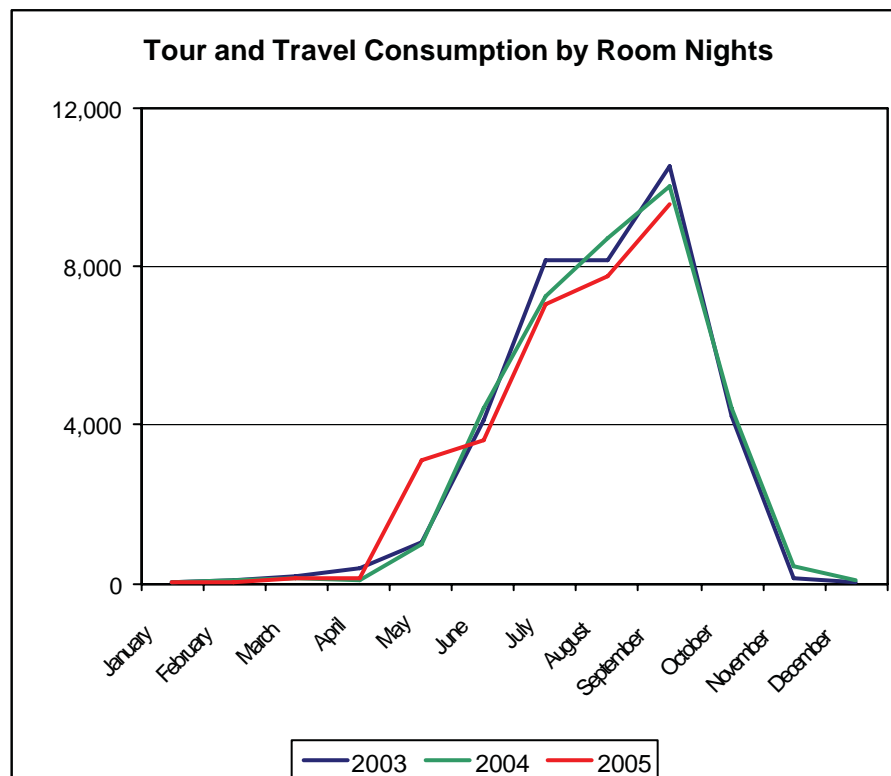
Meetings and Conventions

A sizeable portion of visitation to Halifax can be attributed to those arriving to attend meetings and conventions. As is the case with general visitation patterns, visitors arriving in Halifax for meetings and conventions do so most frequently between June and October. As shown in Table 21, the number of people visiting Halifax for meetings and conventions in the area was just over 208,300 in 2003. This number decreased by 10 percent to just over 187,400 in 2004. Based on data from January to September 2005, the number of visitors arriving in Halifax to attend meetings and conventions is likely to exceed 2004 levels when the final figures for 2005 are released.

Table 20

**Tour and Travel
Consumption Report**

Room Nights	2003	2004	2005
January	48	26	16
February	66	71	42
March	190	151	163
April	391	90	123
May	1,033	992	3,090
June	4,104	4,451	3,639
July	8,157	7,228	7,041
August	8,146	8,711	7,725
September	10,524	10,014	9,554
October	4,205	4,428	
November	150	463	
December	62	73	
Total	37,076	36,698	31,393

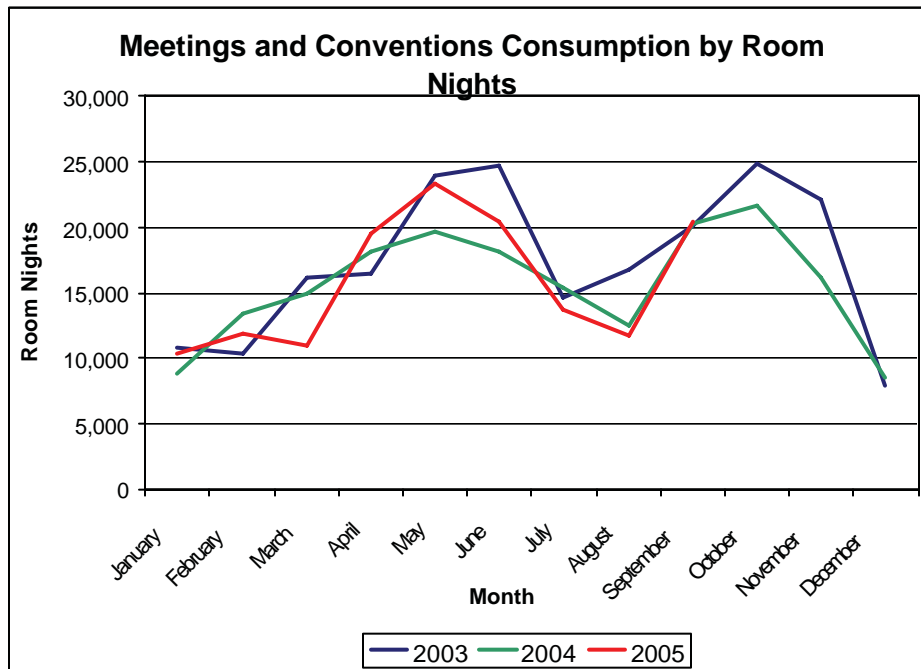


Source: Destination Halifax CEO Report

Table 21

**Meetings and Conventions
Consumption Report**

Room Nights	2003	2004	2005
January	10,751	8,800	10,324
February	10,279	13,377	11,887
March	16,101	14,885	11,050
April	16,487	18,076	19,565
May	23,889	19,695	23,310
June	24,688	18,108	20,490
July	14,557	15,443	13,687
August	16,692	12,544	11,793
September	20,100	20,267	20,417
October	24,806	21,582	
November	22,097	16,210	
December	7,891	8,497	
Total	208,338	187,484	142,523



Source: Destination Halifax CEO Report

Summary and Implications

The Halifax hotel market is extremely robust and likely to be the site of additional rounds of future investment and new room capacity. Hotel occupancy in the peak season regularly approaches 90 percent and the community has seen healthy gains in revenue per room over the last three years. With average daily rates in season hovering around \$130 per night, it becomes possible to indicate that new hotel space would be feasible in the market. At the same time, the strong peak seasonality of the industry and its dependence on leisure visitors is underlined by the importance of group tours during the peak fall season. The group tour business peaks in the late summer / early fall, as opposed to the convention business which peaks earlier in the summer. Meeting planners and hotel operators report a situation in which leisure visitors and group tours are out competing convention block bookings for space in Halifax hotels. The nearly full capacity of the region's room inventory during the most desirable time of the year indicates that additional hotel space may be required in order to support any expanded activity within the World Trade and Convention Centre.

6.4 Convention Industry

Available Convention Markets

Total Convention Base

The Canadian Society of Association Executives (CSAE) does not track the number of meetings held by its members. However, the Canadian Tourism Commission (CTC) has determined that U.S. delegates attended about 4,160 conventions, trade shows, and business meetings in Canada. Based on CTC data, it is estimated that about 20 percent of U.S. delegates attend meetings in Halifax and other areas of Canada outside of Toronto and the large metropolitan regions.

Based on this data, there would be U.S. delegates attending about 830 meetings and trade shows in small and medium-sized Canadian metros. Assuming that 38.7 percent of these events have attendance of over 1,000, and that about two-thirds of large Canadian conventions include attendance by at least some U.S. citizens (based on a sample inventory), and that 15 percent to 30 percent were conventions, then there are about 75 to 150 large conventions held annually in Canada, outside of the major metropolitan centers. Accounting for some overlap between U.S. and Canadian meetings markets, there is a total inventory of about 750 to 850 large or national conventions within the target market including the Northeast/North-Atlantic U.S. states, and Canada outside of Toronto and the major metropolitan areas.

The actual number of conventions and trade shows held in U.S. convention facilities (as opposed to seminars and any other type of meeting) is probably closer to 10,500. This number was generated based on an inventory of all U.S. conventions listed in the *Directory of Conventions*, published by *Successful Meetings Magazine*.

Of the total, 4,070 (38.7 percent) had attendance of over 1,000. Of this number, 46 percent were conventions (versus trade and consumer shows), and 47 percent were national events (versus regional or state-wide events). Of all events, 21.2 percent were held in the Northeast/North-Atlantic states, from Maine to Virginia. Many of the conventions included Canadian members or were sponsored by Canadian organizations. As a primary market for Halifax, this convention base includes about 880 large national conventions held in the Northeast/North Atlantic states.

Several organizations, such as the American Society of Association Executives (ASAE) track meetings and conventions sponsored by their members. ASAE has a total of 25,000 individual members representing 9,090 U.S. national, as well as some Canadian and bi-national associations. These members sponsored a total of 375,980 meetings, expositions, conventions, or seminars in 1996-1997, with a total of 272,146,200 delegates in

attendance. Given that there are 20,285 national associations in the United States, then there should be a total of about 839,000 events held in the U.S. or Canada sponsored by U.S. associations.

Sample Event Types and Attendance

A sample of large events held at competitive facilities in Canada includes almost 300 trade and consumer shows, dinners, conferences, and other meetings. Of these, almost an equal number are in trade/consumer shows (31 percent), dinner/events (33 percent), and conferences/conventions (31 percent). The remaining 5 percent are in meetings, although more events are held at hotels and small conference centers not included in this sample.

Attendance. For trade and consumer shows in the sample inventory, attendance averages about 1,900 per show (excluding several of the largest international shows attracted by Toronto and Montreal). Average attendance at the sample conferences and conventions is 1,300 people. The average size of banquets and other such events held at the convention facilities is about 560 people. The smallest functions are meetings and training sessions, averaging attendance of 350 at the sample venues. Overall, attendance averages about 1,200 per event.

Events with attendance in excess of 1,000 accounted for almost 20 percent of the sample. A total of almost 100,000 people attended these large events, which lasted an average of 2.8 days each. About 36 percent of events fell into the 500 to 1,000 range, with total attendance of 32,000 and average length of about two days.

Mid-range meetings or events of 250 to 500 people accounted for 28 percent of the events, and had a total attendance of 14,300. These events lasted an average of 1.7 days. About 17 percent of the events were smaller, having 100 to 250 attendees and lasting an average of about one day. (Events of less than 100 attendance were not included in this inventory). Approximately 4,000 people attended these events. Many of these smaller events were local in nature, such as the award dinners, business luncheons, and similar functions. Overall, the sampled events averaged just under 1,000 attendance and lasted an average of about two event days.

User Group Origin

On the whole, U.S. and international events account for 15 percent of the total potential event market for Halifax. National events also account for 15 percent to 20 percent. The Atlantic provinces are a relatively small market, and regional events account for less than 5 percent of the convention and exhibition market. Provincial events, including those brought to Halifax because it is the Provincial capital, account for almost one-quarter of the convention market.

Local functions represent more than 40 percent of events at competitive facilities. However, when local events in other cities are excluded from the sample (because they could not be attracted to Halifax), local events would only represent 17 percent of the potential Halifax market. International and national events would each represent 21 percent of the market, provincial events 34 percent, and regional events 7 percent.

Conferences and Conventions. About 64 percent of sample convention events is driven by national and international markets. The international market is an important driver of demand for Canada's convention space, with a nearby market of almost 300 million people in the United States. Approximately 35 percent of the conventions in the inventory are international in nature, either as events for U.S.-based associations (that also include Canadians), or as truly international conferences. Montreal is pro - actively marketing its convention facilities for international conferences and events. Halifax is located relatively close to Europe, and would be competitive for more international meetings if there were direct air services.

Trade and Consumer Shows. The majority of consumer shows such as consumer trade fairs, auto and boat shows, craft and antiques fairs, art shows, and job fairs serve a primarily local market. Still, about 23 percent of trade shows in the competitive inventory are oriented to a national or international market. Toronto is Canada's trade show hub, accommodating a large number of national and international shows for major groups

like the restaurant industry, equipment manufacturers, etc. Smaller cities tend to host a number of consumer shows targeting the local market, for instance many Canadian cities host local and regional wine fairs highlighting the local varieties.

Dinners and Events. Events like awards ceremonies, fundraisers, political rallies, dog and cat shows, sales luncheons, chamber and club banquets, and community functions tend to be driven by the local market. Of the sample events, more than 90 percent were oriented to the local and provincial markets. National events are often accommodated at a group of venues that includes arenas, auditoria, and convention facilities. Hotels and conference centers host the smaller events. In most cities throughout the Atlantic provinces and elsewhere in Canada, these events are the mainstay of the local meeting space market.

Meetings and Training. Much of the meetings market is absorbed by hotels and conference centers. However, convention and exhibition facilities do host a number of larger meetings in addition to “break-out” meetings held as part of their convention business. About an equal number of these meetings in the sample inventory are generated locally, regionally, and nationally. National meetings are differentiated from conferences or conventions in that they are purpose-oriented to a select group of people (such as an annual meeting for a corporation’s marketing division).

U.S. Convention Trends in Canada

Data on attendance by U.S. business travelers to conventions and conferences in Canada were collected by the Canadian Tourism Commission (CTC). Analysis of this data revealed that 630,000 U.S. businesspersons attended conventions or conferences in Canada in 2001 (this is the most recent year for which data is available). The total was down by 4.6 percent from the previous year, due to the business recession and the effects of September 11th on air travel. The decrease in U.S. convention business in Canada in 2001 was not as severe as the decline in non - U.S. foreign convention travel to Canada, which fell by 23 percent from the year before.

The downturn in U.S. convention attendance was also not as severe as the decrease in other forms of business travel, because conventions are planned far in advance. Convention travel accounted for 31 percent of all U.S. business travel to Canada in 2001. Among those who traveled from the U.S. to conventions in Canada, 69 percent arrived by plane.

Of U.S. businesspersons attending meetings and conventions in Canada in 2001, 33.9 percent traveled to Toronto. The share going to Toronto was down from the previous year, when 35.2 percent met in Toronto. Montreal captured 14.4 percent of the U.S. convention market in Canada in 2001, up from 13.5 percent in 2000. Vancouver captured the third highest share of this market, at 12.1 percent in 2001, followed by Edmonton and Ottawa-Hull, each with 4.2 percent. Niagara/St. Catharine’s captured 4.1 percent of the U.S. market in 2001, followed by Quebec City, with 3.8 percent (or 73,000 person trips). The remaining 20 percent of U.S. business travel in Canada was captured by all other cities, including Halifax. Interestingly, smaller Canadian cities have fared better in recent years with increasing U.S. business travel compared to declines in the larger markets.

U.S. business travel to Canada originated in California (8.2 percent), followed by Washington state (7.5 percent), and New York state (7.2 percent). There has been a decline in the number of business travelers originating in the East/North/Central states (Wisconsin, Illinois, Michigan, Ohio, and Indiana) as well as from the South Atlantic states (Florida, Georgia, North Carolina, and South Carolina). About 11 percent of U.S. business travel to Canada originates in the New England states closest to Nova Scotia. U.S. business travelers spent an average of \$819 per trip to Canada, or \$255 per night (with average stay of 3.2 nights for U.S. travelers).

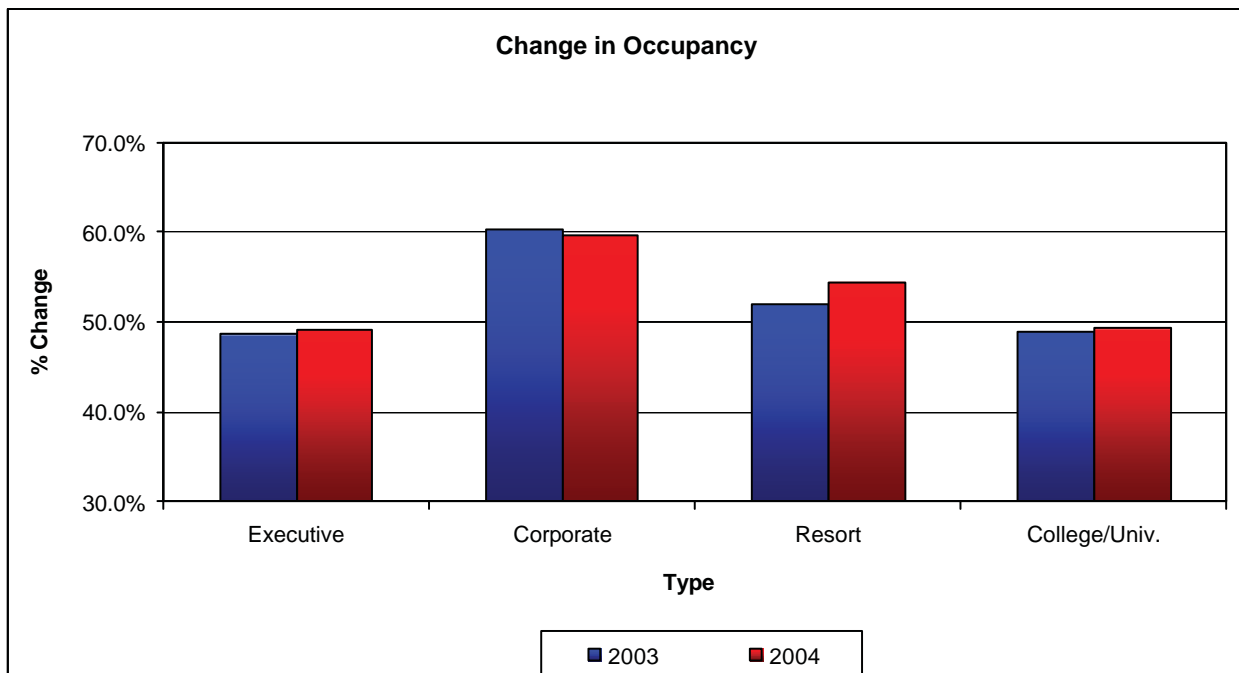
Conference Center Occupancy

The total occupancy level for all conference centers in North America was up to 54.9 percent in 2004 from 54.1 percent of the previous year. The resort conference centers saw the biggest increase in the category rising 4.8 percent, while corporate conference centers saw a decline of -1 percent. Executive conference centers along with university centers hovered around 1 percent growth. The breakdown of conference center occupancy in 2003 and 2004 is shown in Table 22.

Table 22

Change in Conference Center Occupancy By Conference Center Type 2003-2004

Type	2003	2004	% Change
All Centers	54.1%	54.9%	1.5%
Executive	48.6%	49.2%	1.2%
Corporate	60.2%	59.6%	-1.0%
Resort	51.9%	54.5%	4.8%
College/Univ.	49.0%	49.3%	0.6%



Source: International Association of Conference Centers and PFK Consulting, *Trends in the Conference Center Industry 2004*

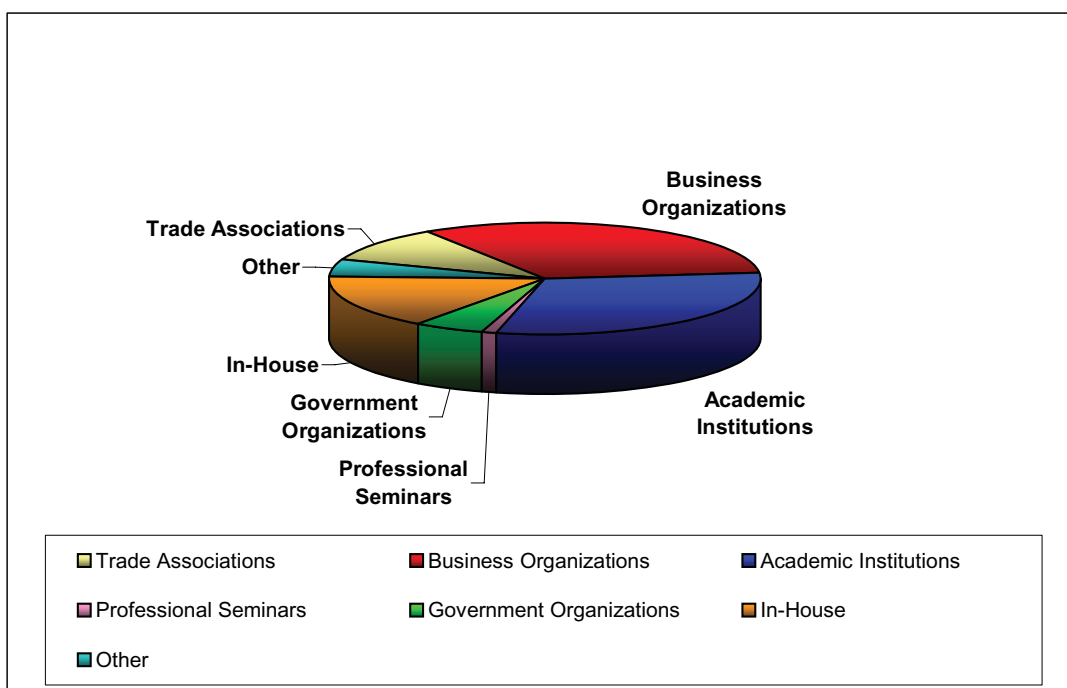
Meetings by Source

In 2004 the majority of conference center meetings were business organizations, which occupied 32.5 percent of meetings. Academic institutions followed with 30 percent and in-house meetings had the next highest percentage with 15.4 percent. Professional seminars took up the least conference center time with 1.2 percent. Table 23 details the percentage breakdown of conference center meetings by source for North America in 2004.

Table 23

Percentage of Conference Center Meetings by Source North America 2004

Meeting by Source	
Trade Associations	10.3%
Business Organizations	32.5%
Academic Institutions	30.0%
Professional Seminars	1.2%
Government Organizations	5.4%
In-House	15.4%
Other	5.0%



Source: International Association of Conference Centers and PFK Consulting, *Trends in the Conference Center Industry 2004*

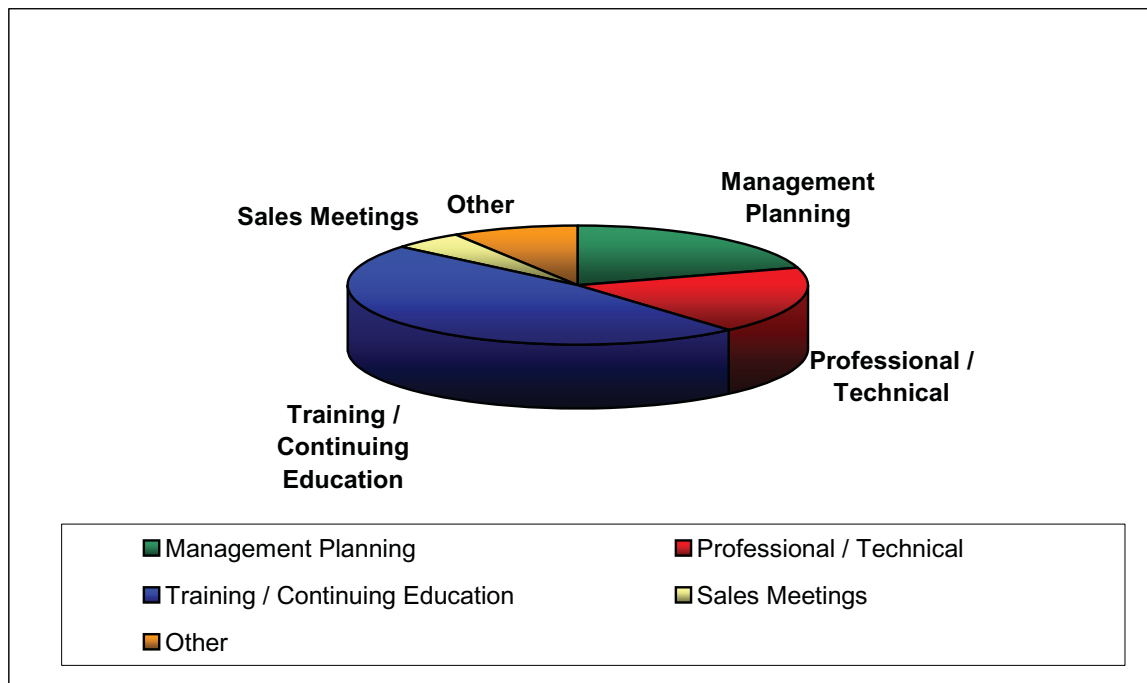
Meetings by Type

In 2004 the majority of conference center meetings in North America were occupied by training and continuing education at 47.5 percent of all meetings. Management planning followed far behind with 20.4 percent. Professional and technical meetings were close behind that at 18.2 percent. Sales meetings occupied conference centers the least at 5.0 percent. A detail of 2004 North American conference center meetings broken down by type is shown in Table 24.

Table 24

Percent of Conference Center Meetings by Type North America 2004

Meetings by Type	
Management Planning	20.4%
Professional / Technical	18.2%
Training / Continuing Education	47.5%
Sales Meetings	5.0%
Other	8.9%



Source: International Association of Conference Centers and PFK Consulting, *Trends in the Conference Center Industry 2004*

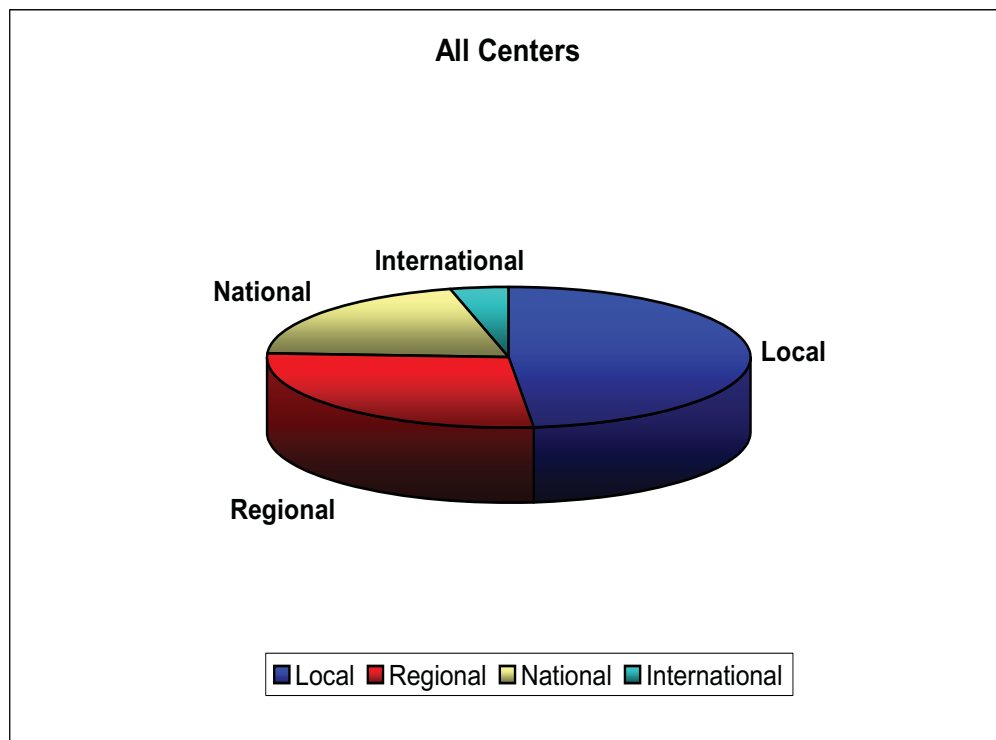
Attendance by Type

Attendance of all conference center meetings in 2004 was broken down by type. Local attendance was considerably higher than regional or national attendance. Local attendance neared 50 percent, while regional and national hovered around 28 percent and 21 percent, respectively. International attendance was nowhere near national attendance, coming in at just under 4 percent. Table 25 outlines the conference center scope of attendance for North America in 2004.

Table 25

Table 25
Scope of Conference Center Attendance by Type
North America 2004

Scope of Attendance by Type	All Centers
Local	48.2%
Regional	27.5%
National	20.5%
International	3.8%



Source: International Association of Conference Centers and PFK Consulting, *Trends in the Conference Center*

The Existing Halifax Convention Market

Facilities

Halifax Metro Centre. Halifax Metro Centre arena is successful as a host for sporting events and concerts. One such event, annual Halifax International Tattoo is hosted in part by Metro Centre. Only a small number of trade shows, consumer shows, and meetings are currently held at Halifax Metro Centre.

World Trade and Convention Center (WTCC) has hosted most of Halifax's conventions, meetings, and events. This existing market base would be accommodated in the expanded convention center. These events would be supplemented with the WTCC's expansion to include some trade shows, consumer shows, and meetings previously part of the Metro Centre calendar.

Utilization. The WTCC hosted about 3,200 events between 2000 and 2002, or about 1,100 per year, yielding an occupancy rate of about 55 percent. Of these, approximately 55 percent were group events, 26 percent food and beverage or social events (breakfasts, luncheons, weddings, Christmas parties, etc), 16 percent meetings and seminars, 2 percent conventions or trade shows, and 1 percent internal or other types of meetings.

Attendance. Almost 400,000 people attended WTCC events from 2000-2002. Groups accounted for 42 percent of expected attendance, while food and beverage events accounted for 37 percent. Conventions and trade shows had expected attendance of 8.5 percent.

Among WTCC events between 2000 and 2002, about 74 percent had attendance of less than 100 people. Approximately 18 percent had attendance of 100 to 500, while roughly 6 percent had attendance between 500 and 1,000. Only about 2 percent had attendance of over 1,000 people and only 0.1 percent (four events) had attendance of over 5,000 during the three-year period. The largest events/sponsors between 2000 and 2002 were the Atlantic International Auto Show (10,000 in 2002), Canadian Baptist Ministries (5,000 in 2002), and Maritime Travel (5,000, in both 2001 and 2002).

Market Sources. The WTCC generated roughly 47 percent of its non -sports and entertainment event schedule from local sources between 2000 and 2002. About 25 percent was generated by Provincial Government sources and another 25 percent from various national Canadian sources. The WTCC only pulled less than 3 percent of its events from U.S. sources and less than 1 percent from international sources.

The largest share of this business is generated through corporate events, accounting for about 43 percent of the total. Roughly 30 percent is generated by government and 25 percent by associations. The number of events generated by U.S. associations is particularly small, at just 10 percent of the U.S.-based business and 0.3 percent of WTCC events overall.

Summary and Implications

Halifax is Nova Scotia's capital and its largest city. As such, it has attracted its fair share of meetings and conventions for local and province-wide associations and agencies. Halifax has also attracted a logical share of regional and national events, given that it is the largest and most accessible city in the Atlantic provinces. However, the World Trade and Convention Centre has not fully penetrated the market for U.S. and international conferences and conventions, in part because of the lack of air access. Even among Nova Scotia's provincial associations surveyed for this analysis, at least 10 percent to 15 percent of their attendees typically arrive by air for conferences in Halifax. Among these associations, an average of 4 percent originate from other Atlantic provinces, 5 percent from Quebec, and 5 percent from Ontario.

Despite these limitations of air service, Halifax is relatively well served for a city of its size and as the tourism market and the overall economy of Halifax grows, it is anticipated that additional airlift capacity will enter the market. At

the same time, the HRM in general is very well positioned to take advantage of higher value segments of group business such as associations and corporate meetings. These markets represent a high value opportunity for future growth and expansion, building on the existing pattern of utilization for the WTCC. This market opportunity is identified in terms of competing and comparable facilities in the section which follows.

6.5 Facilities Analysis

Competitive Facilities

The survey of competitive facilities focuses on facilities in the HRM, Atlantic Provinces, and selected competitive cities throughout Canada. A large share of the country's convention space is concentrated in Toronto. While Halifax is competitive for some of Toronto's business, the HRM largely competes with neighboring cities in eastern Canada for regional events. HRM also competes with larger cities in western Canada for some national conventions and events. However, it is also true that Halifax has the potential for developing a symbiotic relationship with cities like Vancouver that attract national groups who might alternate their meeting schedules between west and east coast locations. Halifax is particularly appealing within Canada because of its amenities as a waterfront location. These amenities set Halifax apart from similarly-sized but land-locked cities like London or Hamilton, Ontario. Of the cities surveyed, Quebec, Ottawa, Hamilton, and Calgary are, perhaps, the key competitors to Halifax.

Overall Inventory

In general, much of Canada's trade show space is in older arena facilities typically designed for athletic events. However, there are also significant convention center facilities, many of which are being upgraded and expanded. The following summary includes directly competitive facilities as well as smaller and local facilities that only compete indirectly for the Halifax market.

Sample competitive facilities have an average of about 76,000 square feet of exhibition space or 36,000 square feet more than Halifax's World Trade and Convention Centre. Even when both Halifax facilities are taken together, there would still be seven or more competitive facilities with more exhibition space than Metro Centre and the WTCC combined. The competitive facilities have an average of 18 meeting rooms, the largest of which can accommodate 5,000 people (4,700 banquet style).

Quebec

Nova Scotia is relatively proximate to Quebec and there are a number of facilities in Quebec that compete for conventions, meetings, and trade shows. Quebec has its own appeal, especially to Americans who are drawn to the historic "European" ambiance and bilingualism. After watching for years as Toronto captured the lion's share of the nation's meeting market, both Montreal and Quebec City have initiated efforts to become more important players in the national and international convention business.

Centre des Congres (Quebec Convention Centre). Quebec City is a smaller market but also has important convention facilities. The city's convention center has 109,500 square feet of exhibition space and 36 meeting rooms that can accommodate up to 500 people. Over 400 booths can also be accommodated in the exhibition space. About 59 percent of the center's business is generated through corporate sponsors and 41 percent by associations.

Despite the city's European influence, Quebec has not been as successful as Montreal or Toronto in attracting international conventions and the facility has relied more on national and local meetings and fundraising events

like those in the Atlantic provinces. More than 90 percent of the center's business is generated from within Canada, 5 percent from the United States and 5 percent from other international sponsors. Still, Quebec's international market represents more than twice the share of Halifax. The facility has attracted international attention to its flower shows in 1997 and 2002, which brought in 150,000 attendees. Quebec also has **Expo Cite**, with 126,000 square feet of flexible exhibition space. The exhibit center can be divided into four halls with 30-foot ceilings. There is an attached 220-seat restaurant and 13 loading docks for the center.

Palais des Congres. Montreal's convention center has recently doubled its size and refocused its marketing efforts to become a global convention hub. The facility, originally built in 1983, has undergone major renovation and expansion to a total of more than 325,000 square feet. The facility can now accommodate 90 percent of all conventions. The facility includes 200,000 square feet of exhibit space and 125,000 square feet of dedicated meeting space. There are almost 100 meeting rooms, the largest of which can accommodate up to 5,000 people. The facility has new bus terminals, light-filled atria, 1,600 parking spaces, and outdoor terraces and gardens that add to its appeal. The center's marketing office has attracted several international events including the 2005 Gastroenterology Congress (15,000 delegates), 2006 Gay Games (24,000 participants and 200,000 visitors), and the 2010 Rotary International Congress (25,000 delegates). Montreal has opened convention marketing outreach offices in Washington, D.C. and other key association hubs.

Place Bonaventure. Montreal's Olympic-era shopping center, Place Bonaventure, also includes major theater and exhibition facilities. The center has 118,000 square feet of exhibition space and nine meeting rooms with capacity for up to 5,000 (or 2,000 banquet style). The link to shopping facilities is an important plus in marketing the facility for events.

Ontario

Toronto is the nation's hub for meetings and conventions. The city has four or five of the country's largest meeting facilities. It would be difficult for Halifax to compete against cities like Toronto or Vancouver for major trade shows or conventions. However, Halifax could capture a larger share of those events that are planned for alternating locations, shared with Toronto, Vancouver, or other major cities. The WTCC considers Ottawa a more competitive rival for the mid-sized market.

Metro Toronto Convention Centre. Toronto's convention center has almost one-half million square feet of exhibition space. The largest of its 65 meeting rooms can accommodate up to 1,330 people. Almost 5,000 can be seated for banquets in the facility. The center has among the busiest calendars of all the meeting facilities in Canada. The city is centrally located and easily accessible from all parts of Canada and the United States. Toronto has taken on the role of Canada's central meeting hub as Chicago is for the United States. Both cities benefit from excellent location and transportation access, as well as amenity value as exciting and friendly places in which to hold a convention.

Ottawa Congress Centre/Centre des Congres. Ottawa was ranked third in a recent survey of preferred Canadian convention locations. The City's Ottawa Congress Centre has 67,000 square feet of space, including a 43,000 square-foot exhibition area. The facility has 18 meeting rooms with capacity for up to 3,000 and banquet capacity for 4,000.

Hamilton Convention Centre. Hamilton is a growing, centrally-located city near Toronto. The city's 169,000 square-foot multi-use facility includes Copps Coliseum and the Convention Center, with 61,000 square feet (52,000 square feet of exhibition space). The well-equipped center also includes 19 meeting rooms with maximum capacity for 2,000 (seated) and 1,800 for banquets. The Coliseum accommodates about 19,000. Daily rentals are \$7,500 and the facility offers full in-house catering. Hamilton is competitive with Halifax in part due to its central location and to its relatively - similar market population.

British Columbia

British Columbia, with its mountain scenery and waterfront cities is directly competitive with Nova Scotia for the amenity-driven meetings market. Vancouver has excellent air service access and a large local market base which overshadow Halifax's. However, Victoria is a similarly - sized waterfront city that also competes directly with Halifax.

Vancouver Convention and Exhibition Centre. Vancouver offers unparalleled natural scenery, with snow-capped mountains, as well as waterfront activity around a spectacular harbor. The city is also well - situated to capture U.S.-based association business as the cost-effective, west coast alternative convention location. The Convention Centre has less than 100,000 square feet of exhibition space, but the national government has made a major financial commitment to help expand and market the facility to capture a larger share of international shows and conventions. The Exhibit Hall can currently accommodate up to 8,000 people and 500 booths. There are 13,000 hotel rooms within walking distance of the Convention Centre in the Vancouver CBD. Also, 36 airlines link Vancouver with major markets, not only in North America but also with Asia.

Victoria Conference Centre. Victoria has several smaller facilities that, together, provide a competitive supply of space. The conference center includes 15,000 square feet of exhibition space, as well as a theatre and 17 meeting rooms. The meeting space can accommodate a maximum of 1,200 people and 1,000 banquet style. Daily rental for the theatre space is \$800. **Royal Athletic Park** in Victoria Memorial Arena includes 23,000 square feet of exhibition space. The facility also includes nine meeting rooms and banquet capacity for 5,000.

Alberta

Calgary has become an important convention and visitor hub partly because of the fame of its annual stampede. This has provided the city with a "hook" in marketing its convention space.

Calgary Telus Convention Centre. Thanks to a recent expansion (2000), this 130,000 square-foot facility includes 65,760 square feet of exhibition space, a 20,000-square - foot ballroom, 3 pre - function areas, and 34 meeting rooms with maximum capacity for over 2,000. The facility is operated by the City's Convention Centre Authority and is connected to three downtown hotels, with catering by Marriott.

Summary and Implications

Within the constellation of Canadian communities, Halifax is one of the most attractive visitor destinations. At the same time, competing communities have engaged in improving and expanding their visitor serving and hosting capacities by investments in new and expanded convention and meetings facilities. While it is not possible to compare the conditions directly between one community and another as the tourism draw of each community is tied to its overall attractiveness, other communities in Canada have been successfully performing at a high level in terms of their facility performance. A review of potential available markets that could be captured by an expanded WTCC should consider this competitive environment as it moves forward. The section that follows provides detailed information on the existing meetings markets in Halifax by segment with a goal of identifying niches and opportunities for future expansion.

6.6 Meetings Market in Halifax

Destination Halifax

Destination Halifax was created to strengthen the city's meetings and convention marketing. It is funded through a combination of membership dues and room tax levy. The current level of funding is in excess of \$2 million, which is substantially greater than the level of resources available previously.

While Destination Halifax is relatively new, it has already demonstrated its potential to impact the meetings and convention business in the city. Part of its success rests with its strategic thinking which complements and reinforces the focused strategic direction of the Port of Halifax, Airport Authority, economic development and business promotion. Together, these sectors are concentrating on the same target markets. Geographically, these markets include (outside Canada) Boston, Washington, Atlanta, and Chicago. By sector, they include energy, life sciences, healthcare, education, and ocean sciences. With all these target markets, there are existing links to business as in the city and/or province.

Existing Halifax Municipal Facilities

Halifax Metro Centre and World Trade and Convention Centre are the City's main downtown event venues. In total, they provide approximately 110,000 square feet of usable space, and the facilities are well used. However, individually or in combination, these facilities are not competitive outside the province in terms of amount, configuration or quality of meeting and convention space. Another exhibition facility, Exhibition Park, is located elsewhere in the city, but given the nature of the facility and target events, it has not been included in this analysis.

Halifax Hotel Meeting Facilities

The local and regional hotel and meeting facilities within the Halifax Regional Municipality are outlined in Table 26. The larger hotel convention facilities include the Holiday Inn Harbourview, with almost 50,000 square feet of convention exhibit space. Up to 700 people can be accommodated in any one room at the facility. The largest of the hotel's three meeting rooms can accommodate 550 seated. Harbourview is located on the city's waterfront and offers city and water views.

The Westin Nova Scotian also offers additional convention space, with 23,000 square feet for exhibitions and the ability to accommodate up to 1,000 people seated in the largest of the facility's 14 meeting rooms. The historic hotel is also among the region's largest, with about 300 rooms. The Delta Halifax Hotel also has 300 guest rooms, plus 12 meeting rooms. The Lord Nelson Hotel and Suites can accommodate 1,200 people in the largest of its 10 meeting spaces. That hotel has 11,500 square feet of exhibition space.

The Halifax Marriott Harbourfront offers almost 20,000 square feet of exhibition space with the added amenity of access to the casino. The hotel also offers 11 meeting rooms, with maximum seated capacity of 800.

Halifax hotels are performing relatively well, despite a downturn in the national hotel market. Operators generally report 75 percent average annual occupancy rate at many of the larger hotels in the city. Availability of rooms and meeting space in Halifax is frequently constrained during peak convention and meeting seasons (generally early summer and fall). One sign of the strength and growth of the meetings market is the spread of meetings further into off-seasons. During recent years, more meetings are being held in June and August, which industry wide tend to be slower months.

Table 26

Summary of Local / Regional Hotel Meeting Facilities
Halifax Regional Municipality

Facility Name	Location	Guest Rooms	Cater	Largest Capacity	Exhibit Sq Feet	# Meeting Rooms
Cambridge Suites Hotel	Halifax	200	Y	80	2,660	4
Citadel Halifax Hotel	Halifax	267	Y	200	6,220	7
Delta Barrington Hotel	Halifax	200	Y	120	5,700	9
Delta Halifax Hotel	Halifax	300	Y	300	9,000	12
Digby Pines Resort	Digby	145	Y	300	8,000	6
Four Points Sheraton	Halifax	178	Y	200	5,500	8
Halifax Marriott Harbourfront	Halifax	352	Y	850	17,000	15
Holiday Inn Harbourview	Halifax	196	Y	550	11,500	7
Holiday Inn Select	Halifax	232	Y	350	6,690	5
Keltic Lodge	Cape Breton	122	Y	250	7,500	4
Liscombe Lodge	Liscombe	65	Y	120	3,060	4
Lord Nelson Hotel & Sts	Halifax	243	Y	500	11,500	10
Old Orchard Inn	Wolfville	100	Y	640	13,000	6
Total		2,600		4,460	107,330	97
Westin Nova Scotian	Halifax	297	Y	1,000	23,000	14

Sources: AudArena Stadium Guide, Tradeshow Week, Economics Research Associates, and various venue managers and staff.

Regional and National Conference and Meeting Facilities

The regional and national competitive conference facilities are outlined in Table 27. The largest capacity in the HRM is the WNS Exhibition Centre which can hold up to 8,000 people, while the largest capacity in the rest of Canada is the Hamilton Convention Centre that holds more than double that at nearly 19,000 people.

Table 27

Summary of Competitive Conference, Meeting, and Audience Support Facilities Halifax & Canada

Facility Name	Location	Type	Cater	Largest Capacity	Exhibit Sq Feet	# Meeting Rooms	Booths (est)	Banquet Capacity
Halifax/NS								
Halifax Forum Complex	Halifax	Arena/M-P	N	7,000	15,500	2	90	
WNS Exhibition Centre	Yarmouth	Arena/Exh	N	8,000	18,000			
Casino NS Hotel*	Halifax	Hotel/C Ctr	Y	850	17,000	15		
Mt St Vincent Univ	Halifax	Univ Mtg	Y	1,000	7,500	8	30	
Holiday Inn Harbourview	Halifax	Hotel/C Ctr	Y	550	11,500	7	30	550
Westin Nova Scotian	Halifax	Hotel/C Ctr	Y	1,000	23,000	14		
Dalhousie University	Halifax	Univ Mtg	N	1,100	50,000	10		
Lord Nelson Hotel & Sts	Halifax	Hotel/C Ctr	Y	500	11,500	10		440
Delta Halifax Hotel	Halifax	Hotel/C Ctr	Y	300	9,000	12		
Other Atlantic Prov								
Moncton Coliseum	Moncton	Arena/Exh	Y	8,598	75,000	2	212	2,000
Charlottetown Civic Ctr	Charlottetn	Arena/Civic	Y	4,982	42,000	6	375	2,500
St Johns Convention Ctr	St. Johns	Conv Ctre	N	2,200	16,000	2	220	1,100
St Johns Trade/Conv Ctr	St. John	Conv Ctre			40,000			
Quebec								
Palais des Congres	Montreal	Conv Ctre	Y		200,000	92		4,620
Place Bonaventure	Montreal	Thea/Exh			118,000	9		2,000
Expo Cite	Quebec	Exhibition	Y	16,592	126,000	4		400
Centre des Congres	Quebec	Conv Ctre	Y	10,000	109,500	36	410	2,300
Other Canada								
Vancouver Conv/Exh Ctr	Vancouver	Conv Ctre	Y	8,000	91,205	20	467	6,080
Shaw Conf Ctr	Edmonton	Conf Centre		7,000	82,000	20		3,500
Winnipeg Conv Ctre	Winnipeg	Conv Ctre			111,000	19		5,200
London Conv Ctr	London	Conv Ctre			50,000	14		2,700
Hamilton Conv Ctr	Hamilton	Conv Ctre		18,761	52,000	19		1,800
Metro Toronto Conv Ctr	Toronto	Conv Ctre	Y		460,000	65		4,700
AVERAGE				5,984	75,838	18	229	2,659

* Halifax Marriott Harbourfront Hotel

Sources: AudArena Stadium Guide, Tradeshow Week, Economics Research Associates, and various venue managers and staff.

World Trade and Convention Centre (WTCC)

The World Trade and Convention Centre contains 152,000 gross square feet and 58,000 net square feet of space. This total includes some 47,400 square feet in 21 meeting rooms. The largest meeting space can accommodate 3,800 people seated. Roughly 1,700 people can be accommodated for banquets. Among the meeting rooms are Port Royal (20,000 square feet, available for banquets), Cornwallis Room (13,000 square feet), Highland Suites (10,000 square feet), and Mariner Suites (4,800 square feet). Building C&D has 30,000 square feet. A total of 500 (10x10) booths can be accommodated on-site for exhibitions. The center allows for festival seating, has luxury reception areas, and on - site parking for 3,000 cars.

Yearly Utilization

Halifax's World Trade and Convention Centre currently offers 19 meeting and banquet rooms of varying size. TRE has tracked the utilization of each of these facilities, providing us with a better understanding of demand for meeting and banquet rooms. Table 28 provides an overview of yearly utilization by facility. According to the data provided by Trade Centre Limited, average utilization levels have ranged from 40.9 percent to 58.4 percent from 2001 to 2005. More specifically, average utilization levels in the 2001-2002 fiscal year were estimated at 43.7 percent. This number increased considerably, to 58.4 percent utilization, in the following year. In 2003-2004 and 2004-2005, utilization of meeting and banquet facilities has declined to 50.5 and 40.9 percent, respectively. The data also shows that the Port Royal meeting and banquet rooms typically achieve higher rates of utilization.

Monthly Utilization

Utilization is broken down by month, as shown in Table 29. This data indicates that utilization of meeting and banquet facilities is highest in the third quarter (which, based on the World Trade and Convention Centre's fiscal year, includes the months of October, November, and December).

Monthly Average

Table 30 provides an overview of total facility utilization by month between 2001 and 2005. The numbers presented here reinforce previous observations that the highest levels of utilization are achieved in the third quarter (October–December).

Table 28
Yearly Utilization by Facility
Fiscal Year to date (2001-2005)

Area/Building	2001-2002	2002-2003	2003-2004	2004-2005
Cornwallis Room	31.9%	44.8%	38.1%	29.5%
Cornwallis Suite 1	41.0%	34.8%	27.6%	25.0%
Total	32.9%	43.8%	37.0%	29.1%
Mariner Suite 1	41.6%	58.1%	56.3%	37.0%
Mariner Suite 2	53.1%	69.9%	63.8%	53.6%
Mariner Suite 3	48.8%	63.9%	58.3%	47.7%
Mariner Suite 4	46.5%	64.6%	56.9%	46.9%
Mariner Suite 5	41.8%	59.5%	48.2%	47.5%
Total	46.5%	63.3%	56.7%	46.8%
Boardroom 2	54.5%	61.7%	68.2%	42.7%
Port Royal C1	57.5%	81.5%	65.0%	57.2%
Port Royal C2	55.8%	81.5%	64.5%	55.3%
Port Royal D	53.9%	72.3%	65.8%	53.9%
Port Royal E	51.4%	76.6%	67.5%	58.6%
Total	53.8%	76.4%	66.7%	55.9%
Highland 6	44.0%	62.0%	49.1%	44.4%
Highland 7	39.7%	52.1%	43.3%	36.1%
Highland 8	35.9%	51.1%	39.2%	32.3%
Highland 9	34.9%	51.3%	40.9%	31.9%
Highland 10	33.0%	37.3%	35.7%	26.0%
Highland 11	29.3%	37.4%	30.8%	24.1%
Highland 14	39.5%	49.9%	39.9%	25.8%
Total	37.4%	50.4%	41.0%	33.4%
TOTAL AVERAGE	43.7%	58.4%	50.5%	40.9%

Source: Trade Centre Limited

Table 29

Monthly Utilization by Facility Average Fiscal Years 2001-2005

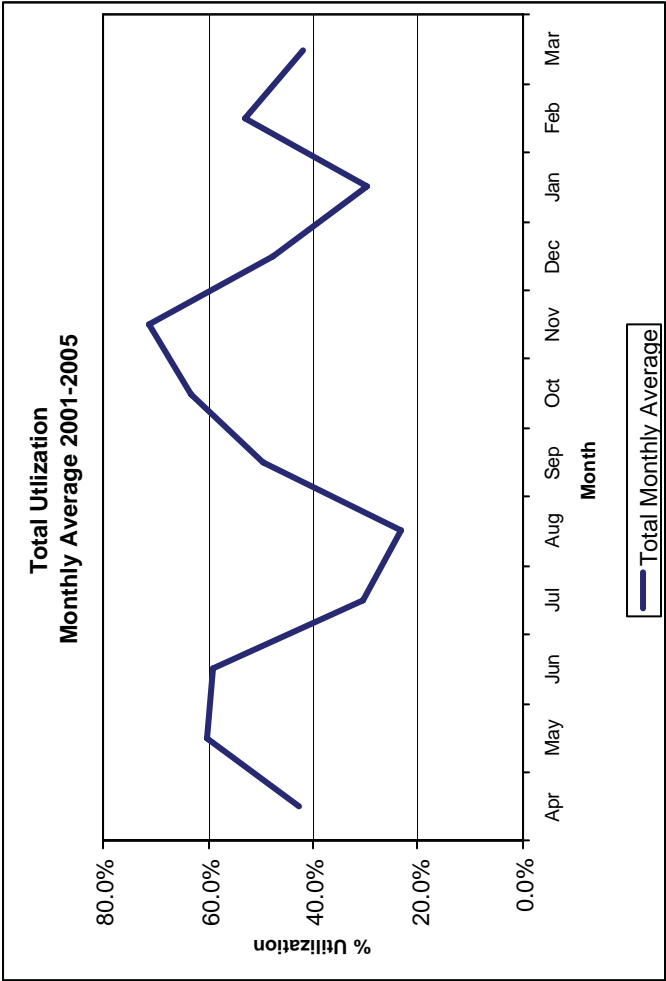
Area/Building	Apr	May	Jun	1st Q	Jul	Aug	Sep	2nd Q	Oct	Nov	Dec	3rd Q	Jan	Feb	Mar	4th Q
Cornwallis Room	26.7%	43.6%	42.5%	37.6%	26.6%	25.8%	27.2%	26.6%	49.2%	60.0%	41.9%	50.4%	14.5%	47.9%	19.4%	27.3%
Cornwallis Suite 1	29.2%	41.1%	41.7%	37.3%	22.6%	20.2%	32.5%	25.1%	43.6%	46.7%	19.4%	36.5%	18.6%	27.5%	29.1%	25.0%
Total	26.9%	43.3%	42.4%	37.6%	26.2%	25.3%	27.8%	26.4%	48.6%	58.7%	39.7%	49.0%	15.0%	45.9%	20.4%	27.1%
Mariner Suite 1	48.4%	62.1%	60.0%	56.8%	28.2%	27.4%	49.2%	34.9%	67.8%	68.3%	35.5%	57.2%	32.3%	42.6%	42.0%	39.0%
Mariner Suite 2	61.7%	71.8%	70.0%	67.8%	35.5%	31.5%	58.4%	41.8%	75.0%	85.9%	58.9%	73.2%	46.0%	63.8%	58.1%	55.9%
Mariner Suite 3	53.3%	60.5%	70.8%	61.5%	33.1%	27.4%	50.8%	37.1%	74.2%	78.3%	47.6%	66.7%	39.5%	59.3%	48.4%	49.1%
Mariner Suite 4	48.3%	66.1%	65.8%	60.1%	29.1%	28.2%	56.7%	38.0%	75.8%	76.7%	53.2%	68.6%	33.1%	54.9%	50.8%	46.3%
Mariner Suite 5	45.0%	64.6%	60.0%	56.5%	26.6%	24.2%	52.5%	34.4%	69.4%	68.3%	44.4%	60.7%	29.8%	58.5%	48.4%	45.6%
Total	51.4%	65.1%	65.5%	60.7%	30.6%	27.8%	53.6%	36.1%	72.6%	75.7%	48.3%	65.5%	36.3%	56.2%	49.7%	47.4%
Boardroom 2	56.7%	63.7%	70.8%	63.7%	32.3%	34.7%	53.3%	40.1%	66.1%	60.0%	62.9%	63.0%	55.7%	55.1%	54.9%	55.2%
Port Royal C1	52.1%	90.3%	80.0%	74.1%	41.2%	29.8%	60.0%	43.7%	85.5%	88.3%	71.0%	81.6%	47.6%	69.3%	56.5%	57.8%
Port Royal C2	52.5%	88.7%	75.8%	72.3%	52.7%	29.8%	58.3%	46.3%	84.7%	87.5%	71.8%	81.3%	44.4%	68.4%	56.5%	56.4%
Port Royal D	54.2%	78.6%	72.9%	68.6%	39.5%	28.2%	57.0%	41.6%	76.6%	93.4%	70.7%	80.2%	39.1%	65.2%	53.2%	52.5%
Port Royal E	55.9%	78.2%	75.0%	69.7%	46.8%	29.9%	59.2%	45.3%	79.1%	89.2%	75.9%	81.4%	37.6%	72.6%	52.4%	54.2%
Total	56.1%	81.6%	75.1%	70.9%	42.4%	29.3%	58.4%	43.3%	79.9%	90.4%	72.7%	81.0%	40.6%	68.8%	53.1%	54.1%
Highland 6	44.2%	58.9%	53.4%	52.1%	25.0%	18.6%	60.8%	34.8%	62.9%	83.3%	50.8%	65.7%	27.5%	58.5%	47.6%	44.5%
Highland 7	32.5%	52.4%	50.0%	45.0%	20.2%	17.8%	45.0%	27.6%	52.4%	76.7%	42.8%	57.3%	19.4%	48.7%	46.0%	38.0%
Highland 8	26.7%	52.5%	43.3%	40.8%	14.5%	11.6%	41.7%	22.6%	52.4%	71.7%	42.0%	55.4%	22.6%	50.4%	43.5%	38.9%
Highland 9	29.2%	38.7%	51.7%	39.9%	23.4%	16.1%	55.0%	31.5%	54.8%	60.9%	31.5%	49.1%	21.7%	51.4%	34.7%	35.9%
Highland 10	25.0%	41.1%	46.7%	37.6%	20.2%	12.9%	47.5%	26.8%	41.9%	59.2%	23.4%	41.5%	13.8%	38.1%	19.4%	23.7%
Highland 11	25.0%	45.2%	39.2%	36.5%	16.9%	8.9%	42.5%	22.8%	37.9%	56.7%	23.4%	39.3%	14.5%	38.3%	12.1%	21.7%
Highland 14	44.2%	43.6%	57.4%	48.4%	48.4%	17.0%	40.9%	35.4%	51.6%	35.8%	34.7%	40.7%	16.9%	29.4%	29.0%	25.1%
Total	32.7%	49.4%	48.7%	43.6%	22.3%	15.0%	48.8%	28.7%	52.1%	68.1%	37.9%	52.7%	20.6%	47.7%	36.4%	34.9%
TOTAL AVERAGE	42.5%	60.0%	59.1%	53.9%	30.6%	23.3%	49.4%	34.4%	63.2%	71.3%	47.8%	60.8%	29.9%	53.0%	41.8%	41.5%

Source: Trade Centre Limited

Table 30

Total Facility Utilization
Monthly Average 2001-2005

All Buildings	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	3rd Q	Jan	Feb	Mar	4th Q
Total Average	43.8%	61.7%	61.1%	32.4%	22.4%	52.5%	63.5%	72.8%	51.8%	62.7%	30.9%	54.8%	43.1%	43.0%



Source: Trade Centre Limited

Market Segment

From 2001-2005 the local associations made up nearly a quarter of the local events revenue held at the World Trade and Convention Centre. Local corporate events accounted for an additional 14 percent, while the next highest market segment was educational events at approximately 5 percent. Local events account for 46.13 percent of all events revenue held at the facility. Locally, the total revenue was about (\$C)2.8 million or \$2,000 per booking.

Outside the HRM, national corporate events held the majority of the Trade Centre's events revenue with approximately 16 percent. National associations were close behind at just under 15 percent. The next highest market segment was federal government events at just under 3 percent. The events that came from outside the HRM had much fewer bookings at around 300 compared with 1500 of the local clients. However, per booking, the outside events brought in much more money.

Non – local events accounted for just under 40 percent of all events revenue held at the facility. Total revenue for events from outside the HRM was (\$C) 2.4 million or \$9,000 per booking. Sports events accounted mostly for the rest, at just under 13 percent or (\$C) 3,500 per booking. Table 31 and Table 32 detail the market segment averages for the World Trade and Convention Centre from 2001 to 2005.

Table 31

World Trade Centre Events Market Segment Average 2001-2005

LOCAL CLIENTS

Market Segment	Bookings	Total	Rev/Booking	% of \$
Association Local	557	\$1,249,657	\$2,811	20.23%
Corporate Local	252	\$844,164	\$3,469	13.82%
Government Municipal	10	\$16,051	\$1,609	0.26%
Government Provincial	288	\$331,973	\$1,170	5.35%
Education	259	\$360,966	\$1,520	5.88%
St. Mary's University	103	\$35,401	\$508	0.60%
Total Local	1,429	\$2,838,211	\$2,056	46.13%

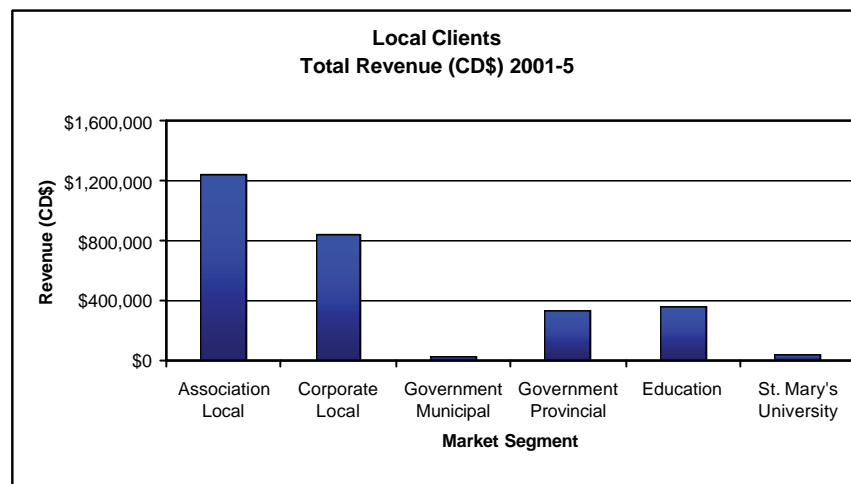
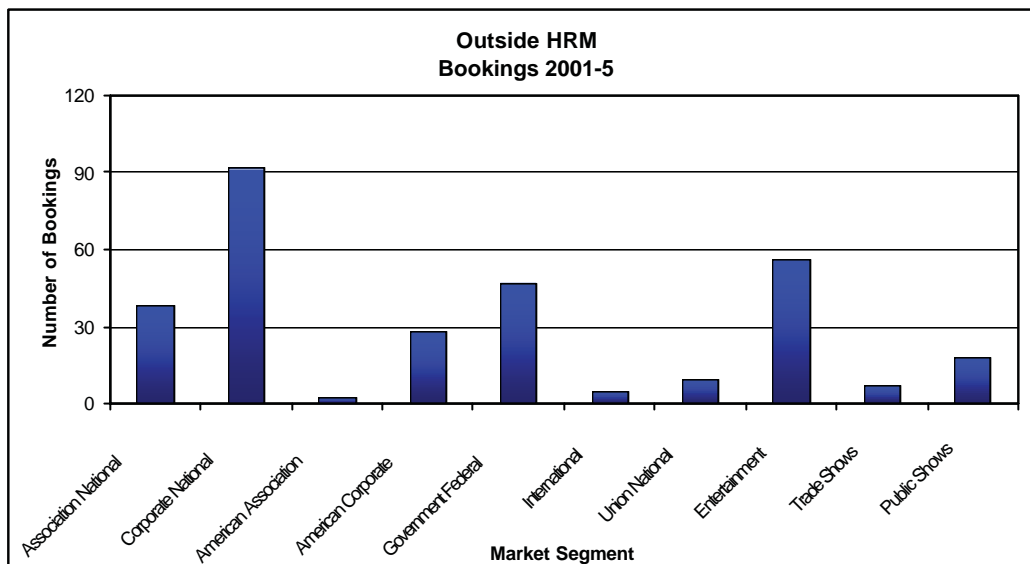
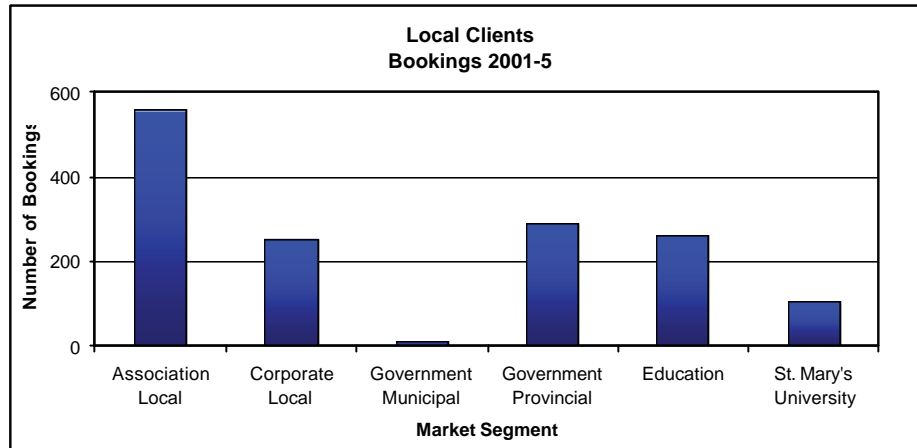
OUTSIDE HRM

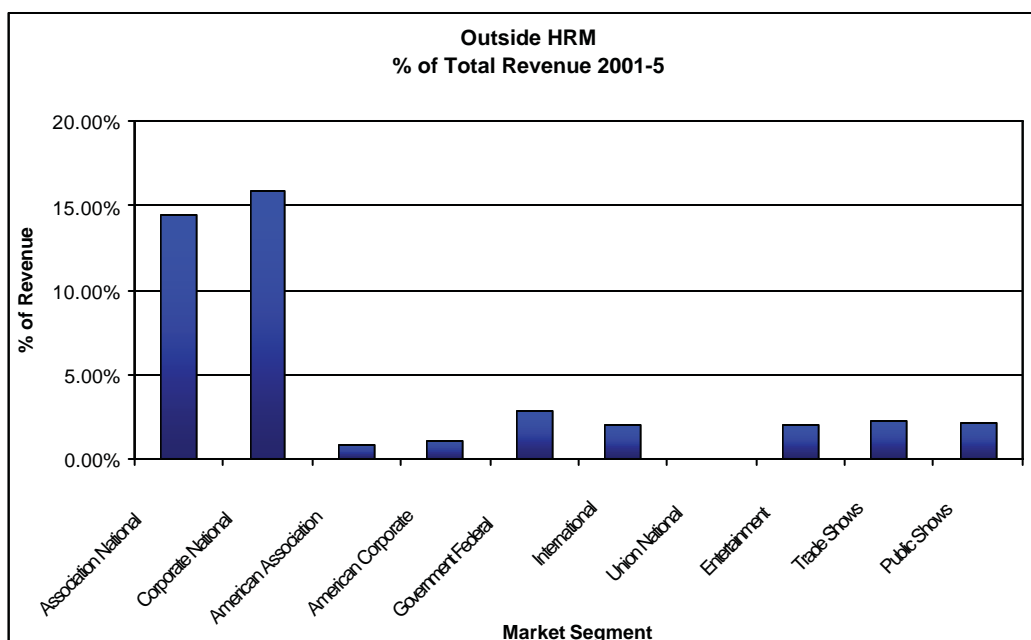
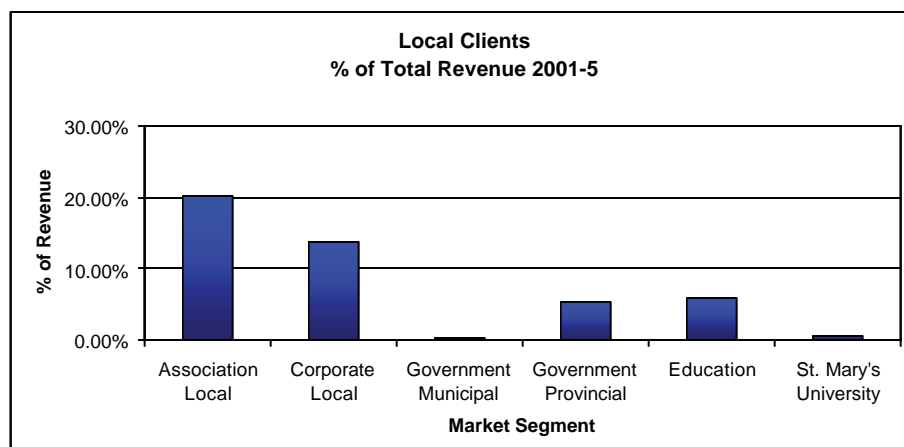
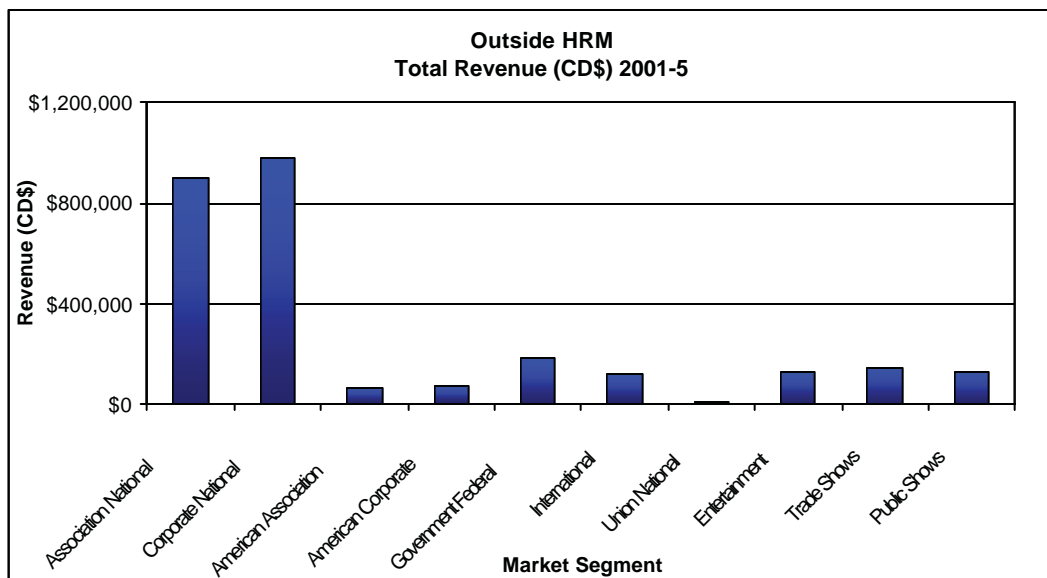
Market Segment	Bookings	Total	Rev/Booking	% of \$
Association National	38	\$902,706	\$23,695	14.43%
Corporate National	92	\$980,261	\$11,080	15.84%
American Association	2	\$61,447	\$20,780	0.89%
American Corporate	28	\$67,951	\$2,482	1.12%
Government Federal	47	\$180,244	\$3,969	2.82%
International	5	\$119,984	\$29,525	1.98%
Union National	10	\$4,160	\$2,375	0.07%
Entertainment	56	\$123,214	\$2,200	2.00%
Trade Shows	7	\$146,007	\$22,853	2.28%
Public Shows	18	\$129,226	\$6,484	2.13%
Total Outside HRM	278	\$2,439,968	\$9,002	39.16%
Sports	222	\$813,651	\$3,614	12.85%
Other	218	\$113,911	\$620	1.86%
Total Sports & Other	440	\$927,562	\$2,047	14.71%

Source: Trade Centre Limited

Table 32

World Trade and Convention Centre Market Share





Lost Business

From 1998 to 2005, the World Trade and Convention Centre has lost a total of 365 events. The majority of lost business came from Canadian associations with 115 events cancelled, followed by Incentive groups with 77 events cancelled. Canadian corporations had the next highest number with 50, followed by 45 U.S. associations.

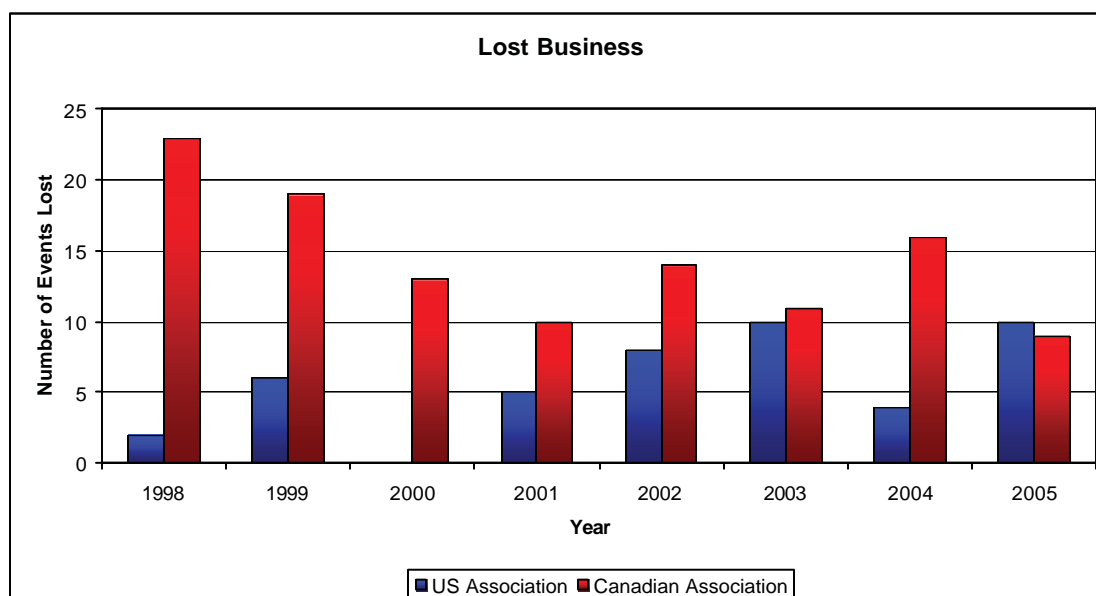
Following the September 11 terrorist attacks in the United States in 2001, there was a flurry of lost business, especially from the U.S. This trend has nearly corrected itself. Lost business numbers have returned in 2005 to 2001 levels of around 34 per year. They were peaking at 63 in 2002 following the attacks. Table 33 details the lost business from 1998-2005 by market segment.

Nearly one-third of the clients that cancelled gave a reason for their cancellation. The most prevalent reasons being date conflicts, hotel blocks, and outside influences such as the 9/11 attacks. Insufficient meeting space was picked the least as a reason for cancellation. Table 34 details the 1998-2005 lost business by reason for the World Trade and Convention Centre.

Table 33

Lost Business by Market Segment 1998-2005
World Trade and Convention Centre

Market Segment	2005	2004	2003	2002	2001	2000	1999	1998	Average	Total
U.S. Association	10	4	10	8	5	0	6	2	6	45
U.S. Corporation	1	2	2	1	0	0	0	0	1	6
Canadian Association	9	16	11	14	10	13	19	23	14	115
Canadian Corporation	7	6	10	10	2	12	1	2	6	50
Government	4	5	10	10	4	2	3	1	5	39
Incentive	1	11	11	16	8	14	16	0	10	77
SMERF	2	5	0	3	5	4	2	4	3	25
International	0	5	2	1	0	0	0	0	1	8
Total	34	54	56	63	34	45	47	32	46	365

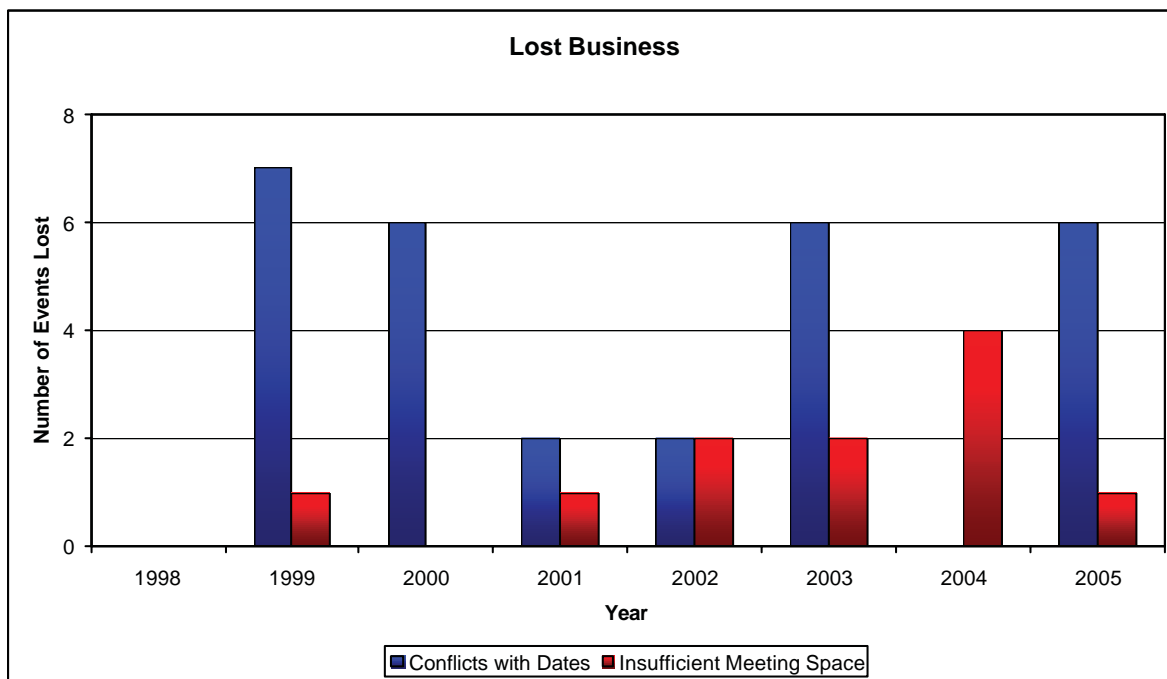


Source: Lost Business Reports, Trade Centre Limited

Table 34

Lost Business by Reason 1998-2005
World Trade Centre

Reason for Cancellation	2005	2004	2003	2002	2001 ²	2000	1999	1998	Average	Total
Conflicts with Dates	6	0	6	2	2	6	7	0	4	29
Insufficient Meeting Space	1	4	2	2	1	0	1	0	1	11
Hotel Block	1	2	1	7	3	2	2	2	3	20
Other ¹	3	5	5	5	8	5	2	4	5	37
Price	0	2	1	7	2	3	4	1	3	20
Total	11	13	15	23	16	16	16	7	15	117



¹ Includes Cancelled Events and No Client Response

² September 11 Terrorist Attacks in NY

Source: Lost Business Reports, Trade Centre Limited

Development Recommendations

In order to best meet this market opportunity the WTCC will need to be expanded. The goal of the development program should be to meet the requirements of simultaneous use by multiple groups during periods of peak demand. Existing space within the WTCC could remain as secondary space primarily used by local and contingent business. New space should be built to a “hotel quality” standard. Key recommended components include:

- Two levels of divisible ballroom space with an average size of 35,000 square feet each.
 - * These spaces should be divisible with movable walls into areas of approximately 16,000 square feet with multiple configurations possible.
 - * These spaces should have approximately 25-foot ceiling heights.
- Breakout rooms suitable to support the addition of the new main ballroom areas.
 - * ERA recommends a minimum average ratio of .6 to 1 of meeting room square feet to ballroom space.
 - * A minimum of approximately 42,000 square feet of meeting rooms would be recommended to support the required ballroom expansion.
- Pre function, lobby and circulation space
 - * This public area should be developed to a high level of finish comparable to a quality hotel.
 - * Support space and “back-of-house” space for catering and operations as well as administrative offices must also be included.

Summary and Implications

The WTCC has been effective in targeting the national level association business as well as corporate business from both Canada and the United States. This fits with the overall high amenity profile of both Halifax as a destination and the WTCC as a facility. These are strengths that can be built upon and a development program that seeks to improve market penetration in high-end business from both domestic Canadian and international sources. The largest potential for growth comes from the expansion of the hotel market to equal the demand of the attracted business to Halifax during its most desirable months. This will be a key core competitive strategy for any future development program.

An examination of the lost business reports indicates a strong demand for the WTCC during the peak period. This has resulted in conflicts with dates and an inability to obtain a hotel block suitable to accommodate potential business. At the same time, the size of space has increasingly been reported as a source of difficulty for potential users. Often lost business reports underestimate the importance of the size factor due to the fact that meeting planners have access to facility guides and know what their size requirements are before making an inquiry. Therefore, it is possible to anticipate that the real business volume that has been deflected from Halifax due to a lack of large enough available space may be considerably higher. The section that follows will present a competitive strategy and forecast of likely future business volumes for an expansion program at the facility.

6.7 Forecast of Utilization and Financial Analysis

Introduction

This section presents a utilization forecast for a proposed expansion of the WTCC facility in Halifax, along with a financial analysis of annual operations for the new facility that would be implied by an expansion program. In addition, this section will illustrate the performance of additional hotel room space to accommodate this expansion program. Additionally, it provides a financial analysis of a hypothetical hotel that would ideally be co-developed with any expanded WTCC facility.

Forecast Assumptions

ERA has prepared a forecast of utilization and potential attendance for an expanded program at the WTCC based on key assumptions about the development program, market conditions in the HRM, and the marketing disposition of the facility. The following key assumptions have been made:

1. *Focus on the peak season*—the goal of expanding space in the WTCC should be focused on the ability to host multiple events simultaneously during the peak season when Halifax is a desirable, general tourism destination. One of the critical issues that has impeded the growth of business at the existing WTCC is the availability of dates from May through October when Halifax is most in demand as a destination. Halifax's climate conditions, while not dramatically different from the rest of eastern Canada, do serve as a deterrent for group business during the winter months. Hoteliers, meeting planners, and related stakeholders report that there is an issue of perception about Halifax's inhospitability during this time of year that tends to deflect some business away from the community. Likewise, air transportation fluctuates seasonally in Halifax with key connections to U.S. cities not in operation from January until May. Northwest and other U.S. based airlines reduce flights to Halifax in the off season. On the whole, it is a long-term and difficult proposition to move market perception about basic geographic conditions about a community; however, it can be done. In the near and intermediate term the most effective is to accommodate existing market demand. As it stands now, Halifax is considered a highly - desirable destination during its season, and a strategy centered around meeting that demand, and being able to accommodate potential user groups desiring to be in Halifax with a new facility is more likely to yield dividends.
2. *Conference and association orientation*—Halifax is a high – amenity, urban environment which, in many respects, represents an “urban resort” type destination. Halifax is particularly attractive to groups with higher levels of education and average daily expenditures. Association groups, both national and international (primarily U.S. based), are likely to form the core of any expanded use of the facility. Again, because Halifax is a difficult drive-in market due to its physical geography, groups that will draw a wider, more affluent patronage to fly in for meetings and conferences, are likely to be attracted to Halifax when considering locations in which to hold meetings.
3. *Focus on non-local uses*—this forecast of utilization assumes that the facility's booking policy will be primarily oriented towards accommodating room night - generating pieces of business that come from outside the HRM and will deemphasize consumer shows, tradeshow, and other region - serving events and groups for hotels. For hotels, this analysis assumes that additional hotel capacity, adjacent to the expanded WTCC is made available. As it stands now, the city of Halifax's hotel capacity is nearly full, and it would be very difficult to accommodate any significant new blocks of group business within the confines of the existing hotel stock. If new convention

center hotel space cannot be co-developed along with the expansion of the WTCC, it is likely that the improved levels of utilization forecast in this report will not be achieved.

The forecast and assessment of opportunities and constraints that follow are qualified by the assumptions described above.

Forecast of Utilization—WTCC

ERA has produced a forecast of utilization based on the number of events by category of event and an expanded WTCC facility. This assumes that the facility will have available the ability to host multiple events in high-quality, 20,000-square-foot spaces. Ideally, the facility should be built with flexible programming that can accommodate two to three events simultaneously, with flexible space of between 20,000 and 40,000 square feet per event. Primary, high-quality space would be made available in a new expansion program, while the existing space would become useful as Class B space, overflow space, or space for use by lower - value pieces of business such as local groups and community events. Meeting and rent-out rooms will also be required.

The program also assumes that a hotel - quality level of amenities will be provided within these spaces, and that the booking policies and marketing strategy of the facility will be geared towards these objectives. Table 35 shows the overall forecast of utilization, and is based on an analysis of current business volumes as described in Section III, and an analysis of development opportunities in each case.

Table 35
Forecast of Utilization

Type of Event	Events	Average	Total	Move in	Percent
		Days/ Event	Event Days	Move out Days	of Total
Conventions					
International	21	4	84	1.5	3.74%
National	21	4	84	1.5	3.74%
Provincial and					
Regional	30	3	90	1.5	5.35%
Trade	15	4	60	2	2.67%
Corporate	181	1.5	271.5	NA	32.26%
Social and Community	285	1	285	NA	50.80%
Consumer	8	2	16	2	1.43%
Total	561		890.5		

Source: Economics Research Associates and Trade Center Limited

Market Opportunities

Conventions

“Conventions” means largely association meetings that may or may not include an exhibit portion. These are geared primarily to professional associations and similar affinity groups. Utilization from this group will largely be provided from a diverse variety of professional sectors including legal, medical, scientific, and research - based associations, as well as organizations focused around academic and applied disciplines.

The international category includes U.S.-based organizations, as well as international groups from outside North America. Recently this category has seen tremendous growth in other parts of Canada as businesses is being deflected from the United States to Canada over visa concerns post 9/11 in the United States. This is particularly true in scientific and technical fields where international participants are increasingly finding difficulty in obtaining visitor visas to the United States for the purpose of meeting attendance. ERA has forecasted an average of one event of this category a month with the understanding that they will be mostly concentrated during peak and most desirable months of the year ranging from May to October.

“National conventions” refers to Canadian organizations and is a category which has represented an important sector for the existing WTCC. Halifax is a desirable, general tourism destination within Canada, and association meeting planners report good attendance when events are held in Halifax. Hence, these planners often include Halifax as part of their regional rotation patterns. That being said, these groups are generally income qualified as fly-in pieces of business which limits their overall size and attendance. For this group ERA has forecast an average of two events per month.

“Provincial and regional associations” include province - wide or Maritime/eastern Canada subsets of the national professional associations, as well as regional government and educational associations. We forecast 16 events per year, with the understanding that these events are likely to be filled in the calendar in the less desirable months, and will largely be supported by drive-in attendance.

Tradeshows

Tradeshows generally refer to large, exhibit-oriented events that are geared towards professional trades such as homebuilders, pharmacists, specialized equipment (such as oil and gas drilling), etc. Tradeshows generally require a large population base and easy access to the industry which is being served as the basis of their business model. While tradeshows presently form a small amount of the WTCC's existing business profile, ERA does not anticipate any significant growth as a result of the development program, as the quality of spaces, along with the population base of the HRM, is unlikely to be broadly attracted to many tradeshow producers.

Corporate

Corporate meetings presently perform one of the key sectors of the WTCC's business. We anticipate that improved and upgraded amenities that would be implied as part of the expansion program would allow for the facility to continue its strong penetration in this market.

Consumer Shows

At present, the Expo Fairgrounds on the outskirts of the HRM is currently the focus for many of the region's consumer show facilities, and ERA does not anticipate that the WTCC development program will be specifically designed to compete in that market segment. There may be some consumer events which require quality, indoor space that is not available at the fairgrounds, and as a result we anticipate that perhaps once a quarter, the expanded WTCC might be able to attract a consumer show to the extended venue.

Social and Community Events

At present, the WTCC has an important role as providing good, quality meeting space to a broad variety of stakeholders and community groups within the HRM, and we anticipate that this will largely serve as “fill-in business” that will generate revenues through catering and limited service within the building, and will continue to grow and expand. These include social functions such as parties, fund raisers, etc.

Table 36 translates the forecast of utilization into forecasts for facility attendance based on average attendance in each category of event.

Table 36
Forecast of Attendance

Type of Event	Events	Average Attendance	Total Attendance	Percent of Total
Conventions:				
International	21	700	14,700	8.75%
National	21	500	10,500	6.25%
Provincial and Regional	30	175	5,250	3.12%
Trade	15	550	8,250	4.91%
Corporate	181	100	18,100	10.77%
Social and Community	285	250	71,250	42.40%
Consumer	8	5,000	40,000	23.80%
Total	561		168,050	

Source: Economics Research Associates and Trade Center Limited

Table 37
WORLD TRADE CENTRE EXPANSION
HALIFAX NOVA SCOTIA
Projected Events

Projected Events & Attendance	Year									
	1	2	3	4	5	6	7	8	9	10
Projected Convention Center Events										
Conventions										
International	15	18	21	21	27	27	30	30	33	36
National	21	21	21	21	27	27	27	27	33	33
Provincial and Regional	26	31	30	30	29	29	26	31	32	32
Trade	12	15	15	15	18	18	18	21	24	24
Corporate	180	181	181	181	201	202	203	202	201	220
SMERF and Community	285	280	285	295	320	350	352	360	360	365
Consumer	8	8	8	9	9	9	12	12	12	12
Total Projected Convention Center Events	547	554	561	572	631	662	668	683	695	722
Projected Per Event Convention Center Attendance										
Conventions										
International	700	700	700	700	700	700	700	700	700	700
National	500	500	500	500	500	500	500	500	500	500
Provincial and Regional	175	175	175	175	175	175	175	175	175	175
Trade	550	550	550	550	550	550	550	550	550	550
Corporate	100	100	100	100	150	150	150	150	150	150
SMERF and Community	250	250	250	250	250	250	250	250	250	250
Consumer	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Projected Total Convention Center Attendance										
Conventions										
International	10,500	12,600	14,700	14,700	18,900	18,900	21,000	21,000	23,100	25,200
National	10,500	10,500	10,500	10,500	13,500	13,500	13,500	13,500	16,500	16,500
Provincial and Regional	4,550	5,425	5,250	5,250	5,075	5,075	4,550	5,425	5,600	5,600
Trade	6,600	8,250	8,250	8,250	9,900	9,900	9,900	11,550	13,200	13,200
Corporate	18,000	18,100	18,100	18,100	30,150	30,300	30,450	30,300	30,150	33,000
SMERF and Community	71,250	70,000	71,250	73,750	80,000	87,500	88,000	90,000	90,000	91,250
Consumer	40,000	40,000	40,000	45,000	45,000	45,000	60,000	60,000	60,000	60,000
Projected Total Convention Center Attendance	161,400	164,875	168,050	175,550	202,525	210,175	227,400	231,775	238,550	244,750

Source: Economics Research Associates and Trade Center Limited

Financial Forecast

This section of the report will present operations forecasts for the proposed expansion of the WTCC based on the attendance forecasts described above. The focus of this analysis is on operations rather than capital costs with the assumption that any net-free cash flow available from operations could be directed towards offsetting a portion of capital costs, that the majority of capital requirements for the project will be generated from sources outside of the project.

An analysis of a hotel development program will be required to support the WTCC expansion is also presented. The analysis includes both operational and capital analysis for the project.

World Trade and Convention Centre Expansion

Table 37 shows the projected events and attendance with a stabilized year occurring in Year 4 with ramp up in Years 1 through 3. This represents a 10-year forecast of total, projected convention center events which is then translated into attendance for the total facility less community and in - market use.

Table 38 analyzes the revenues and expenses associated with space rental and the expanded WTCC which shows room rate revenues by type of event with varying per-square-foot-cost rental rates for the facility, along with the expenses that are required in order to maintain and operate the rental areas.

Table 39 presents forecasts of food and beverage revenues and expenses over the entire forecast period. Revenue opportunities from advertising and on - site vending commissions are presented in Table 40. Non - departmental operating expenses, principally made up of personnel costs for the facility are shown in Table 41. This represents the largest single category of expenses for the facility and includes estimates of expenditures associated with both permanent and contingent event staff. Table 42 summarizes the net operational revenues from all sources and displays a free cash flow for each year which ranges from a loss of 35 percent in the first year, growing out to net operating income surplus of 16 percent, and stabilizing at about C\$500,000 in Year 4, growing to about just over C\$700,000 income as a percent of operating income by Year 10.

Table 38
WORLD TRADE CENTRE EXPANSION
HALIFAX NOVA SCOTIA
Space Rental

	Year									
	1	2	3	4	5	6	7	8	9	10
Room Rental										
Rental Rate Per Event Type										
Conventions										
International	\$188,000	\$246,400	\$314,970	\$343,719	\$372,654	\$436,787	\$491,127	\$545,683	\$570,467	\$565,490
National	\$670,000	\$734,500	\$765,225	\$842,236	\$915,589	\$935,378	\$1,046,647	\$1,159,479	\$1,248,953	\$1,295,151
Provincial and Regional	\$355,000	\$367,250	\$359,863	\$347,856	\$346,248	\$355,061	\$369,314	\$379,090	\$409,231	\$421,943
Trade	\$175,000	\$186,250	\$202,813	\$234,703	\$251,938	\$279,535	\$292,512	\$350,888	\$374,682	\$383,961
Corporate	\$395,000	\$420,750	\$437,038	\$438,889	\$456,334	\$484,401	\$508,121	\$502,527	\$507,653	\$513,536
SMERF and Community	\$300,000	\$308,750	\$328,188	\$353,347	\$374,264	\$395,977	\$415,526	\$441,953	\$461,300	\$486,615
Consumer	\$102,000	\$106,100	\$111,305	\$118,620	\$161,051	\$173,604	\$181,284	\$189,098	\$212,053	\$220,156
Total Room Rental Per Event Revenue	\$2,185,000	\$2,370,000	\$2,519,402	\$2,679,370	\$2,878,078	\$3,060,743	\$3,304,531	\$3,568,718	\$3,784,339	\$3,886,852
Equipment and Services Rental	\$320,076	\$332,830	\$372,221	\$395,382	\$420,156	\$446,670	\$475,095	\$505,474	\$538,075	\$573,040
Total Room Rental Revenues	\$2,505,076	\$2,702,830	\$2,891,623	\$3,074,752	\$3,298,234	\$3,507,413	\$3,779,626	\$4,074,192	\$4,322,414	\$4,459,892
Room Rental Expenses (10% of Gross)	\$218,500	\$237,000	\$251,940	\$267,937	\$287,808	\$306,074	\$330,453	\$356,872	\$378,434	\$388,685
Equipment and Service Expenses (35% of Gross)	\$112,027	\$116,491	\$130,277	\$138,384	\$147,055	\$156,335	\$166,283	\$176,916	\$188,326	\$200,564
Total Room Rental Expenses	\$330,527	\$353,491	\$382,218	\$406,321	\$434,862	\$462,409	\$496,736	\$533,788	\$566,760	\$589,249
Net Income	\$2,174,549	\$2,349,340	\$2,509,405	\$2,668,431	\$2,863,372	\$3,045,004	\$3,282,890	\$3,540,404	\$3,755,654	\$3,870,643

Source: Economics Research Associates and Trade Center Limited

Table 39
WORLD TRADE CENTRE EXPANSION
HALIFAX NOVA SCOTIA
Food and Beverage

	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Year 10	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Food & Beverage																				
Food Revenue Per Capita Per Event																				
Conventions																				
International	\$100.00		\$103.00		\$106.09		\$109.27		\$112.55		\$115.93		\$119.14		\$122.99		\$126.68		\$130.48	
National	\$85.00		\$87.55		\$90.18		\$92.88		\$95.67		\$98.54		\$101.49		\$104.54		\$107.68		\$110.91	
Provincial and Regional	\$60.00		\$61.80		\$63.65		\$65.56		\$67.53		\$69.56		\$71.64		\$73.79		\$76.01		\$78.29	
Trade	\$5.00		\$5.15		\$5.30		\$5.46		\$5.63		\$5.80		\$5.97		\$6.15		\$6.33		\$6.52	
Corporate	\$60.00		\$61.80		\$63.65		\$65.56		\$67.53		\$69.56		\$71.64		\$73.79		\$76.01		\$78.29	
SMERF and Community	\$25.00		\$25.75		\$26.52		\$27.32		\$28.14		\$28.98		\$29.85		\$30.75		\$31.67		\$32.62	
Consumer	\$6.00		\$6.18		\$6.37		\$6.56		\$6.75		\$6.96		\$7.16		\$7.60		\$7.60		\$7.83	
Food Revenue Per Capita Per Event																				
Conventions																				
National	\$1,050,000		\$1,297,800		\$1,559,523		\$1,606,269		\$2,127,195		\$2,191,077		\$2,501,940		\$2,582,790		\$2,926,308		\$3,288,096	
Regional	\$892,500		\$919,275		\$946,890		\$975,240		\$1,291,545		\$1,330,290		\$1,370,115		\$1,411,290		\$1,776,720		\$1,830,015	
State	\$273,000		\$335,265		\$334,163		\$344,190		\$342,715		\$353,017		\$325,962		\$400,311		\$425,656		\$438,424	
Trade	\$33,000		\$42,488		\$43,725		\$45,045		\$55,737		\$57,420		\$59,103		\$71,033		\$83,556		\$86,064	
Corporate	\$1,080,000		\$1,118,580		\$1,152,065		\$1,186,636		\$2,036,030		\$2,107,668		\$2,181,438		\$2,235,837		\$2,291,702		\$2,583,570	
SMERF and Community	\$1,781,250		\$1,802,500		\$1,889,550		\$2,014,850		\$2,251,200		\$2,535,750		\$2,626,800		\$2,767,500		\$2,850,300		\$2,976,575	
Consumer	\$240,000		\$247,200		\$254,800		\$295,200		\$303,750		\$313,200		\$429,600		\$456,000		\$456,000		\$469,800	
Total Food Revenue	\$5,349,750		\$5,763,108		\$6,180,716		\$6,467,430		\$8,408,171		\$8,888,422		\$9,494,958		\$9,924,760		\$10,810,242		\$11,672,544	
Cost of Goods																				
Cost of Goods	\$1,605,285	30.0%	\$1,728,932	30.0%	\$1,854,241	30.0%	\$1,936,749	29.9%	\$2,522,434	30.0%	\$2,666,446	30.0%	\$2,850,322	30.0%	\$2,973,374	30.0%	\$3,242,995	30.0%	\$3,501,652	30.0%
Payroll																				
Payroll	\$1,872,833	35.0%	\$2,017,088	35.0%	\$2,163,281	35.0%	\$2,259,541	34.9%	\$2,942,840	35.0%	\$3,110,854	35.0%	\$3,325,376	35.0%	\$3,468,936	35.0%	\$3,783,494	35.0%	\$4,085,261	35.0%
Other expense																				
Other expense	\$374,567		\$403,418		\$432,656		\$451,908		\$588,568		\$622,171		\$655,075		\$693,787		\$756,699		\$817,052	
Total Expenses	\$3,852,685	72%	\$4,149,438	72%	\$4,450,178	72%	\$4,648,198	72%	\$6,053,842	72%	\$6,399,471	72%	\$6,830,773	72%	\$7,136,097	72%	\$7,783,188	72%	\$8,403,965	72%
Net Income	\$1,497,065		\$1,613,670		\$1,730,538		\$1,819,232		\$2,354,329		\$2,488,951		\$2,664,185		\$2,788,663		\$3,027,054		\$3,268,579	

Source: Economics Research Associates and Trade Center Limited

Table 40
WORLD TRADE CENTRE EXPANSION
HALIFAX NOVA SCOTIA
Advertising and Partnerships

Partnerships												
	CPI	Year										10 Year Total
		1	2	3	4	5	6	7	8	9	10	
Revenue												
Advertising	3.00%	\$5,000	\$7,725	\$12,000	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$139,662
Vending Commission	3.00%	\$8,000	\$8,240	\$8,487	\$8,742	\$9,004	\$9,274	\$9,552	\$9,839	\$10,134	\$10,438	\$91,711
Other												
Revenue												
		\$13,000	\$15,965	\$20,487	\$23,742	\$24,454	\$25,188	\$25,943	\$26,722	\$27,523	\$28,349	\$231,373
Sales Commissions												
Advertising		\$375	\$290	\$450	\$563	\$579	\$597	\$615	\$633	\$652	\$672	\$5,425
Vending Commission		\$600	\$309	\$318	\$328	\$338	\$348	\$358	\$369	\$380	\$391	\$3,739
Sales Commissions		\$975	\$599	\$768	\$890	\$917	\$945	\$973	\$1,002	\$1,032	\$1,063	\$9,164
Partnerships												
		\$12,025	\$15,366	\$19,719	\$22,851	\$23,537	\$24,243	\$24,970	\$25,720	\$26,491	\$27,286	\$222,209

Source: Economics Research Associates

Table 41

**WORLD TRADE CENTRE EXPANSION
HALIFAX NOVA SCOTIA
Operations Expenses**

Operating Expenses

				Year										
				1	2	3	4	5	6	7	8	9	10	
CPI				1	2	3	4	5	6	7	8	9	10	
Salaries & Wages				Number	Base									
Salaries & Wages	Event Manager	4	\$57,000	3.00%	\$228,000	\$234,840	\$241,885	\$249,142	\$256,616	\$264,314	\$272,244	\$280,411	\$288,824	\$297,488
	Event Technicians	4	\$35,000	3.00%	\$140,000	\$144,200	\$148,526	\$152,982	\$157,571	\$162,298	\$167,167	\$172,182	\$177,348	\$182,668
	Sound Technicians	2	\$48,000	3.00%	\$96,000	\$98,880	\$101,846	\$104,902	\$108,049	\$111,290	\$114,629	\$118,068	\$121,610	\$125,258
	Electrician	1	\$48,000	3.00%	\$48,000	\$49,440	\$50,923	\$52,451	\$54,024	\$55,645	\$57,315	\$59,034	\$60,805	\$62,629
	Gen. Manager	1	\$95,000	3.00%	\$95,000	\$97,850	\$100,786	\$103,809	\$106,923	\$110,131	\$113,435	\$116,838	\$120,343	\$123,953
	Admis Asst.	1	\$30,000	3.00%	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$36,896	\$38,003	\$39,143
	Total Salaries	13			\$637,000	\$656,110	\$675,793	\$696,067	\$716,949	\$738,458	\$760,611	\$783,430	\$806,933	\$831,141
Fringe Benefits & Taxes														
Total Salaries														
Convention Center Staff (Part Time)														
Convention Center Staff (Part Time)	No. of Events			547	554	561	572	631	662	668	683	695	722	
	Average Staff / Event			8	8	8	8	8	8	8	8	8	8	
	Average Hours/Person			8	8	8	8	8	8	8	8	8	8	
	Average \$/Hour			\$21.00	\$21.63	\$22.28	\$22.95	\$23.64	\$24.34	\$25.08	\$25.83	\$26.60	\$27.40	
Convention Center Staff (Part Time)														
Salaries & Wages														
Administrative Expenses														
Administrative Expenses	Administration	1.00												
	Sales and marketing													
	Contract Services													
	Insurance													
Administrative Expenses														
Utilities & Maintenance														
Utilities & Maintenance	Utilities	1.00												
	Building R & M													
	Taxes													
Utilities & Maintenance														
Operating Expenses														

Source: Economics Research Associates and Trade Center Limited

Table 42

**WORLD TRADE CENTRE EXPANSION
HALIFAX NOVA SCOTIA
Convention Centre Pro Forma Summary**

	Year									
	1	2	3	4	5	6	7	8	9	10
Number of Events	547									
Annual Attendance	161,400	164,875	168,050	175,550	202,525	210,175	227,400	231,775	238,550	244,750
Operating Revenues										
Food & Beverage	\$5,349,750	\$5,763,108	\$6,180,716	\$6,467,430	\$8,408,171	\$8,888,422	\$9,494,958	\$9,924,760	\$10,810,242	\$11,672,544
Room Rental	\$2,505,076	\$2,702,830	\$2,891,623	\$3,074,752	\$3,298,234	\$3,507,413	\$3,779,626	\$4,074,192	\$4,322,414	\$4,459,892
Partnerships	\$13,000	\$15,965	\$20,487	\$23,742	\$24,454	\$25,188	\$25,943	\$26,722	\$27,523	\$28,349
	\$7,867,826	\$8,481,903	\$9,092,826	\$9,565,924	\$11,730,859	\$12,421,023	\$13,300,527	\$14,025,674	\$15,160,179	\$16,160,785
Expenses										
Food & Beverage	\$3,852,685	\$4,149,438	\$4,450,178	\$4,648,198	\$6,053,842	\$6,399,471	\$6,830,773	\$7,136,097	\$7,783,188	\$8,403,965
Room Rental	\$330,527	\$353,491	\$382,218	\$406,321	\$434,862	\$462,409	\$496,736	\$533,788	\$566,760	\$589,249
Partnerships	\$975	\$599	\$768	\$890	\$917	\$945	\$973	\$1,002	\$1,032	\$1,063
	\$4,184,187	\$4,503,527	\$4,833,164	\$5,055,409	\$6,489,621	\$6,862,824	\$7,328,482	\$7,670,887	\$8,350,980	\$8,994,277
% of Operating Revenue	53%	53%	53%	53%	55%	55%	55%	55%	55%	56%
Operating Expenses										
Salaries & Wages	\$1,512,308	\$1,567,367	\$1,624,369	\$1,689,255	\$1,829,181	\$1,932,357	\$1,999,956	\$2,084,749	\$2,167,722	\$2,280,102
Administrative Expenses	\$1,015,000	\$1,065,750	\$1,119,038	\$1,174,989	\$1,233,739	\$1,295,426	\$1,360,197	\$1,428,207	\$1,499,617	\$1,574,598
Utilities & Maintenance	\$1,795,000	\$1,846,000	\$1,898,581	\$1,952,799	\$2,008,709	\$2,066,372	\$2,125,848	\$2,187,203	\$2,250,501	\$2,315,813
	\$4,322,308	\$4,479,117	\$4,641,988	\$4,817,043	\$5,071,629	\$5,294,154	\$5,486,002	\$5,700,159	\$5,917,841	\$6,170,513
% of Operating Revenue	55%	53%	51%	50%	43%	43%	41%	41%	39%	38%
Expenses										
	\$8,506,495	\$8,982,645	\$9,475,152	\$9,872,452	\$11,561,251	\$12,156,979	\$12,814,484	\$13,371,046	\$14,268,821	\$15,164,790
% of Operating Revenue	108%	106%	104%	103%	99%	98%	96%	95%	94%	94%
Payments										
Transfer to TCL by WTCC	(\$2,130,000)	(\$2,193,900)	(\$2,259,717)	(\$2,327,509)	(\$2,397,334)	(\$2,469,254)	(\$2,543,331)	(\$2,619,631)	(\$2,698,220)	(\$2,779,167)
Net Operating Income										
	(\$2,768,669)	(\$2,694,642)	(\$2,642,043)	(\$2,634,037)	(\$2,227,725)	(\$2,205,210)	(\$2,057,288)	(\$1,965,003)	(\$1,806,862)	(\$1,783,172)
% of Operating Revenue	-35%	-32%	-29%	-28%	-19%	-18%	-15%	-14%	-12%	-11%

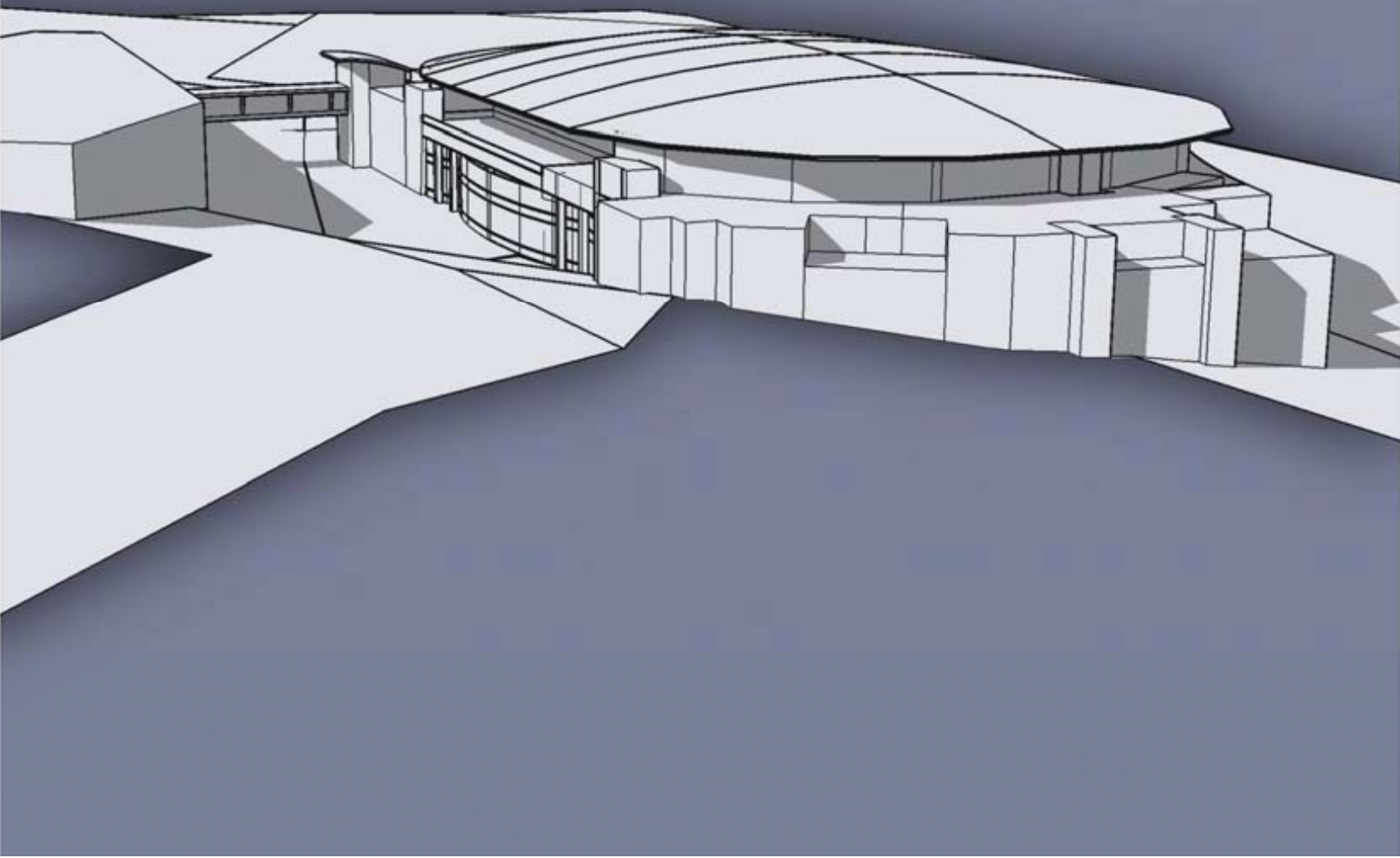
Source: Economics Research Associates and Trade Center Limited

Summary and Implications

The WTCC expansion program will require additional hotel room block to be available in the Halifax market in order to achieve the forecasted levels of utilization. That being said, if that hotel space was available, and the facility is developed in a manner that allows for a marketing strategy focused on accommodating multiple pieces of business during Halifax's peak season, it is likely that the facility will appreciably cover its operating costs, and serve to drive room night generation and overall facility use in the market.

Section 7

Metro Centre II Site Selection



7 Metro Centre II Site Selection

7.1 Selection Criteria

To determine where a new arena should be located, three potential locations, one pre-determined and two to be identified, are to be compared and ranked based on a number of criteria such as site adaptability, image, land use, transportation, and cost and scheduling implications. To determine the three sites, a preliminary review of fifteen, varied, potential sites was undertaken based on project team suggestion and professional judgment. Sheets describing each site were developed and twice distributed for comments from the project team, then revised until two additional sites emerged as clear and consensual favorites for further design consideration.

The following is a brief outline of the selection criteria considered and the implications and importance arrived at for each area through discussions amongst the project team. A review of the selected sites will follow.

Site Adaptability

Good site adaptability refers to the physical characteristics of the site and their appropriateness for an arena. Is the site large enough with proper proportions and dimensions? Does the site allow for expansion? Will the site require significant infrastructure upgrades and are these achievable? Is the site currently in use, and what work is required to begin arena construction on site? Will the site be available; who owns it?

A minimum site size with a suitable width and length to accommodate an ice surface and surrounding bowl seating became a basic initial requirement of all sites considered. A few properties that seemed worthy of consideration, but did not quite meet this requirement, were included in the initial review so that their dismissals were more clearly articulated.

The potential for future expansion, infrastructure and physical barriers were generally divided into two types of sites; denser, more confined, urban sites with existing services, but with encumbrances from previous uses, and peripheral green-field locations with ample room for expansion but limited existing services. Ultimately, if costs associated with particular site restrictions could be justified, this division did not factor in which type of site was chosen.

Site ownership and current occupation consideration have obvious land costs and scheduling implications. A site may be public or privately owned. If publicly owned, does the government controlling the land have other intentions for the property? If privately owned, will a king's ransom be required to convince the owner to sell? Land may also be held by multiple owners. Will relocation or inclusion of an existing use compromise the site or create scheduling delays?

Site Image

Will the site give the arena high visibility for community awareness, civic importance, and potential advertising? Will the area that the building is located within reflect positively on the arena?

Spending a great deal of money on an arena that no one can find or that is not in the public consciousness is not the desired route. The building should have good street presence from a reasonable distance, acting as a community and city landmark. This means a location at the intersections of major streets, or near large, frequented open areas such as the harbour or the commons, or visible from the bridges. The building will be a symbol of community pride and vitality.

Good visibility will also enable the arena to generate greater revenues through naming rights and advertising.

The degree to which the surrounding area reflects on the image of an arena is debatable. Large civic buildings the size of arenas have the capacity to alter or determine the perceptions of areas by their very presence. Arenas can make green field sites suddenly valuable, or turn brown field sites or areas of urban decline into desirable neighbourhoods.

Land Use

Does the use of the site support local planning strategies or zoning for the site and will its approval be timely? Does the site allow for a maximum utilization of an arena's capacity to support and expand existing pedestrian based entertainment districts? Will the site create practical and political conflicts with adjoining neighbourhoods? Are the city's inhabitants likely to support the site selection or will particular groups attempt to block a particular site?

For most sites examined, zoning was consistent with an arena or non-existent. In either case, a building the size and importance of a large arena would require a development agreement with the city which would include a public consultation process. This process may require a scheduling allotment of approximately one year.

The existing Metro Centre plays an important role in supporting the economic and civic vitality of downtown Halifax. The downtown's pedestrian bias has allowed bars, restaurants and hotels around the Metro Centre to capitalize on the sheer number of visitors that the Metro Centre brings downtown. The possible economic benefits an arena would give to a development outside of the downtown area would have to be weighed against damage to the existing community, and the ability of that site to realize those benefits. A suburban green field site may allow for plenty of parking, but the quick transition from arena to car would diffuse the secondary economic impact of the site. Robbing Peter to pay Paul could result in less economic activity, not more, and destabilize an existing community. For this reason, any site outside of Halifax's downtown core would require substantial benefits to offset urban dis-investment.

With the need for civic approvals and funding, will communities support the site? Predominantly residential neighbourhoods will not look favourably on the noise and traffic disruptions brought on by an arena neighbour. Heritage groups will take exception to a large structure next to smaller protected buildings. Business groups will not want disruption of existing commercial districts reliant on the existing arena. While none of these exceptions is insurmountable, they do present reasonable concerns and represent the potential lengthening of the approval process.

Transportation

Arenas mean large numbers of people attending events for short pre-determined times. Does the surrounding road system have the capacity to handle large numbers of cars? Is it reliant on one principle route or does it allow for dispersal in several directions? Does the site have adequate parking within a reasonable walking distance and how is it provided? Will parking and roads be reduced by similar large simultaneous events nearby such as concert halls, convention centres, or factory shift changes?

Is temporary traffic congestion directly around arenas avoidable? Probably not, but it can be managed. Selecting a site where every visitor arrives by car and leaves by car will exasperate congestion without substantial investments in road infrastructure. Does the city have the ability or desire to build and maintain that infrastructure and provide the land required for it? Do large, high-volume roads create pleasant, memorable places? Does required automobile use have negative environmental consequences, and do these consequences have real costs?

Is the site serviced by public transit, or could it easily be serviced? Is it near a transit hub? Would the site allow or promote pedestrian access? Even if someone has driven to the arena, pedestrian accessible uses around arenas allow people to arrive early or delay their departure. They have a drink, eat a meal or shop, easy alternatives to sitting in traffic. Does the site provide this opportunity? Alternatives to automobile access are required if the arena is to be economically and socially beneficial to the community.

Cost and Scheduling

All of the above discussed items will have cost and scheduling implications for each site. Some of those costs or time delays may emerge to kill otherwise good sites. Ultimately, the cost of developing a site and the ability to do so in a timely manner will have to be weighed against the end product. The best location may be worth a premium price and a period of delay, or it may be simply unaffordable. A site with a bargain price tag and immediate access could meet most of the programmatic and social demands of the project, or it could leave a white elephant of a building.

7.2 The Sites

The following sites were considered for further investigation by the project team. Sheets locating and describing preliminary pro's and con's of each site, and project team comments for each site are provided in the appendices.

01. Grafton Street (site previously discussed in this report as WTCC alternative site)
02. Old Infirmary Site, Queen Street, Halifax
03. Lower Water Street Provincial Law Courts, Halifax Waterfront
04. Alderney Rail Yard, Downtown Dartmouth waterfront
05. Cornwallis Square (grocery store to south of square), South End Halifax
06. Wright's Cove, Burnside Industrial Park, Dartmouth
07. Centennial Pool Site
08. Dartmouth Cove
09. Power Plant, Halifax Waterfront
10. M Block, Halifax Waterfront
11. Dartmouth Crossing development, Burnside Industrial Park, Dartmouth
12. Windmill Road at the MacDonald Bridge, Dartmouth
13. Halifax Forum complex, North End Halifax
14. Cogswell Interchange, Downtown Halifax
15. Trade Mart Building, Downtown Halifax

Four locations emerged from this list as clear favorites; the Dartmouth waterfront Alderney Rail Yard, the Halifax waterfront power plant site, the Cogswell Interchange, and the Cogswell adjacent Trade Mart Building. The following discussion will examine each site's strengths, its shortcomings, its preliminary design findings and ultimately the reasoning behind the success or failure of each site.

Alderney Drive Rail Yard



Looking North to Alderney rail yard from Alderney Landing (parking lot noted below)

The Alderney rail yard is a marshalling yard on the Dartmouth waterfront just north of the historical downtown commercial district. To the north-east is an elevated low-rise residential neighbourhood, across Alderney Drive to the north is the sloped Dartmouth Commons, and to the east, a small marina and the downtown.



Alderney rail yard and surrounding communities

Site Adaptability

A planned new centralized marshalling facility will reduce rail usage on site to one line and open up the remainder of the site for new uses. The new yard has not been finalized and an availability date for the site has not been determined. Access up and over the remaining line will be a requirement of the schematic preliminary design as would increased structural rigidity to mitigate vibrations from rolling trains. The site is privately owned by Canadian National Railways and its purchase and environmental remediation would have to be negotiated.

Physically, the site is low, long and narrow. Pre-confederation water rights would allow for harbour infilling (a process that increasingly requires greater government approvals) that would provide the site width required for the arena. Raising the site slightly would be required to avoid storm surge and the near sea level elevation would require a building design where substantial lobby areas are needed at ice level (vs. a sunken lower bowl design).

Site Image

The harbour-side site enjoys a privileged position within the city. It is highly visible from the water, the adjacent Halifax peninsula, especially Citadel Hill, and from the Angus. L. MacDonald Bridge. It has southern harbour exposure and views from the site take in the Bridge, North End Halifax and the Naval Dockyards, downtown Halifax, and the harbour mouth.

Land Use

Like many downtowns, downtown Dartmouth has struggled as a commercial and cultural centre. Developing the area as a high density commercial/mixed-use district is a priority of the municipal regional plan, and recent municipal waterfront projects, a theatre, a library, city offices, and a bus and ferry commuter hub, support this and have helped rejuvenate the area. The arena would continue this trend, substantially increasing the 'critical mass' of downtown. The site would pull development north along the harbour front and solidify the developing public boardwalk and harbour-side pathway system.

Existing entertainment services (bars, restaurants, hotels, shopping) in the area are minimal and the downtown, particularly the remaining rail lands, would need to grow to fully capitalize on the opportunities presented by the arena. For that reason, we propose that the arena be seen as a component in the rail lands development and preliminary design will suggest other uses and built form on the site.

On the negative side, the low-rise residential neighbourhood to the north-east would require convincing that a development of this nature is feasible in their back yard. Also, while supporting downtown Dartmouth, this site pulls energy out of downtown Halifax. Is downtown Halifax large and strong enough to survive this loss? It would become a contentious political issue.

There are also several issues arising from the municipalities "downtown Dartmouth Secondary Planning Strategy. While the proposed design does meet with the policy approach of mixed-use, marine related activities with public water access with an articulated water's edge, and places the larger massing of the arena to the south of the site, it does not stay within the recommended height of five storeys, nor is it likely that the "traditional small town character" sought after, as defined by the strategy in Policy D-1 sentences A and D, and by the section 8 building design requirements of the "Land Use-By-Law for Downtown Dartmouth", can be appropriately applied to a 15,000 seat, 10 storey arena, nor should it. Sentence J of the same policy regarding important views is also of concern. View planes from the Dartmouth Commons and Brightwood Golf Course cover the site and infringing on these view planes would require a development agreement with the municipality.

Transportation

Major vehicle access to the site is limited, confined to north-south running Alderney Drive. To the north Alderney Drive connects to Windmill Road, which provides access to the McKay Bridge and North Dartmouth, and to Wyse Road which provides access to the MacDonald Bridge. Traveling south on Alderney Drive brings one into downtown Dartmouth through which one gets to southern Dartmouth neighbourhoods serviced by Prince Albert Road and Portland Street. Event congestion would be a concern.

Parking is currently in short supply in the area with an adjacent municipal surface lot for ferry commuters and other private surface lots scattered around the downtown. As a preliminary number of 5,000 parking spots was used as a baseline for the new arena, a new, multi-level parking facility would be required as part of the arena development.

The municipally owned Dartmouth Sportsplex is a short walk north of the site. If well co-ordinated, the existing parking at the Sportsplex could be utilized by the new arena. On the down side, large events occurring simultaneously at the Sportsplex and Metro Centre 2 could create traffic, parking and transit conflicts.

The site is well served by public transportation. The existing bus and ferry hub located just off site provides good public transportation from Dartmouth and downtown Halifax and a major bus transfer station is also a ten minute walk away.

On foot, the site is accessible to the surrounding residential neighbourhoods (largely mature early 20th century subdivisions) the Dartmouth Commons, downtown Dartmouth and an expanding waterfront path system. New and proposed higher density developments are adding to the pedestrian friendly nature of the downtown, park and neighbourhoods.

Preliminary Design

The development of the rail yard site is proposed as an extension of the existing marina, boardwalk and park system. The required remaining rail line is pushed to the north of the property and harbour infilling creates the required area for the arena and gives form to a new protected marina area. Public access is pushed to the water's edge continuing the harbour trail system. Mixed use buildings are proposed for the northern end of the site along the marina's edge up to the existing rock infill pier, which is shown as green space. Service access would be from the north-western corner of the site.

A one thousand car garage and additional surface parking is proposed to the north of the arena between the re-located rail line and Alderney Drive. The rail line would require all visitors from the new parking to use a raised access bridge to safely clear the rail line. At grade pedestrian access across the rail line would require careful co-operation with CN.

For the arena itself, it will use a three tiered design that will be further described in following sections. Adapting this model to this sea level site requires an at grade event level, and with lobbies, shops and restaurants also at grade on the south and west sides of the building. Stairs, escalators and elevators are required to move patrons to the main concourse above. The main concourse would align with the elevated access over the rail line. Service areas are located towards the north-west corner of the building.

Costs and Scheduling

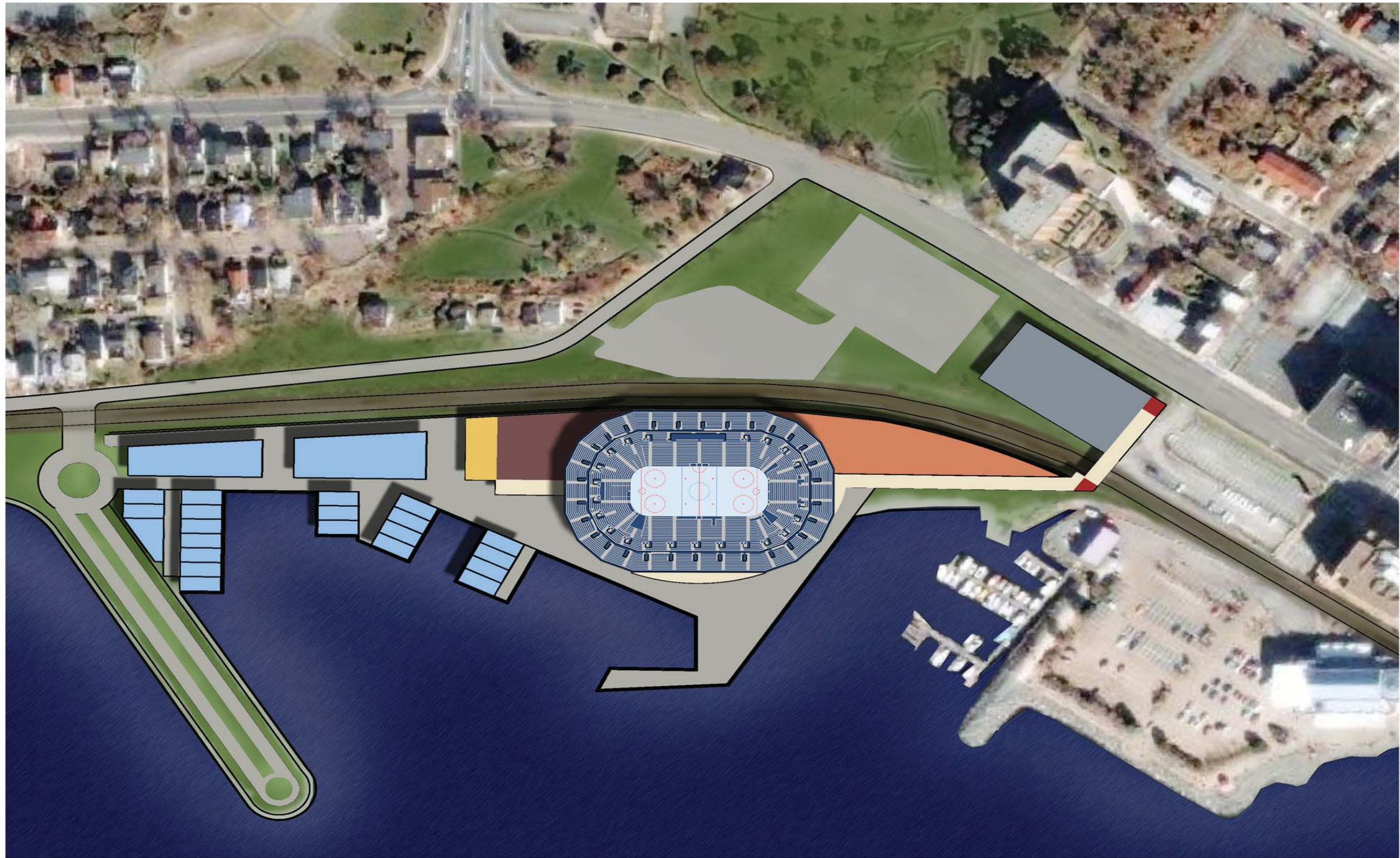
An order of magnitude budget for the Alderney site (see appendices) pegged the total project budget at 116.7 million dollars, approximately six million higher than the Cogswell site but four million lower than the Power Plant site. Land purchase, soil remediation and structural stiffening costs were not included.

Unfortunately, given the current railway use, the site may not be available for use when required. An arena project may spur on relocation of the marshalling yards, but ultimately, any scheduling for work on this site must be relative to the removal of the yards, and the time line for that relocation has not been made public. Assuming that land acquisition happens in a timely manner, this site would present the least number of encumbrances and time delays before actual arena construction could begin.

Conclusion

The Alderney rail yard site is a prime location for a new civic institution and the subsequent development that an institution would foster. Any number of civic projects would work well on this site. However, is such a prime location suitable for an arena, given an arena's inherent introverted, event-centered nature? Would the site better suit an extroverted use which would take better advantage of the site's views?

Ultimately the site's traffic and neighbourhood compatibility issues, availability, costs and considerations of the site's best use meant this site was judged as a good arena location, but not superior to the other short-listed sites.



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Alderney Site
Option

Scale: 1"=60'-0"

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MC2 Arena - Alderney Site Option



MTS Arena - Winnipeg



MTS Arena - Winnipeg



MTS Adjusted to Alderney and Power Plant Height



MTS Arena - Interior Bowl

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Power Plant, Halifax Waterfront

The Power Plant is a partially abandoned, partially re-used concrete structure with a long history of power generation on the Halifax Waterfront in the southern end of downtown Halifax. The site is bounded by the harbour on the west, Lower Water Street to the west and south, and by a parking lot to the north, which will be considered as part of the arena site.

Immediately to the south is a historic seawall complex which is undergoing transformation into a collection of cultural institutions including a fine arts school and a museum. To the south-west is the city's largest hotel and inter-city train and bus station. The block to the west is mostly occupied by a mid-rise office building and surface parking lots. To the north are condominiums and mixed-use waterfront redevelopment.



Power Plant and surrounding communities

Site Adaptability

The site currently has two owners, the Harbour Development Corporation, a provincial crown corporation, owns the parking lot to the north and would likely be a willing participant in re-development of the site. The Nova Scotia Power Corporation owns the power plant facility and uses a portion of the south-west corner of the site as a substation. The original offices adjacent the substation are leased to a fine art gallery and portions of the concrete volume of the building have been leased and renovated into stages for the movie industry. The design will propose demolition of the concrete building and potential infilling of the harbour to provide the required space for an arena. The substation would stay as is.

A few issues arise with the demolition of the existing building. One is practicality and cost. The plant is a massive concrete structure reputedly built to withstand early atomic blasts, and would take considerable effort to remove. Another is the relocation of existing tenants. And finally, the utility still holds a license to generate power on the site which is a grand-fathered and otherwise difficult to obtain a license. Abandoning the site would mean abandoning the license.

A portion of the site is restricted to approximately 120' vertically by a Citadel Hill view plane. This should not infringe on an arena, but could limit possibilities for joint development.

Site Image

The power plant is also a prime harbour-side site. It is highly visible from the water, especially to ships entering the harbour, the adjacent Dartmouth waterfront, Citadel Hill and from the MacDonald Bridge. The existing Halifax waterfront boardwalk runs across the site connecting the downtown to the developing cultural centre and provides views from the site take in the Dartmouth shoreline and St. George's Island. On land, the new building would form a visual terminus to Morris Street and the northern end of Marginal Road.

Land Use

Halifax harbour is the cultural heart of Halifax and the waterfront boardwalk, on to which the arena would face, is one of the most vibrant and quickly developing public spaces in the city. Combine this important cultural positioning with a park square and cultural and transportation infrastructure to the south, and dense mixed-use and commercial neighbourhoods to the north and south, and the Arena would be a compliment and strengthening the existing neighbourhood.

Economically, its location on the edge of the existing downtown would shift the impact of the existing arena south, but it can be argued that its influence would remain over the downtown as a whole. Note the distribution of bars, restaurants and hotels in the diagram above. The effect would be the expansion of the perceived 'downtown' to include the areas around Cornwallis Square and the lands stretching to the container pier, not out of keeping with the existing general pattern of development.

Transportation

Like the Alderney site, the Power Plant suffers from restricted road access as cars are required to filter through the downtown core and South End to access the site, and like Alderney, existing adjacent parking is limited and current day-time demand is high. Although a civic garage and private waterfront parking are a short walk north of the site, an arena would require provision of a minimum one thousand additional car spaces within a reasonably short walk of the site. Providing these spots on different lots at different distances from the arena could help alleviate event traffic congestion.

The site, on the waterfront and downtown, is well served by existing transit services including Barrington Street busses and the ferry. An expanded transit system could incorporate an on-site high-speed ferry facility and facilities for accessing a potential future commuter rail system.

Being downtown, the site and its neighbourhood are very pedestrian friendly. Visitors have easy walking access to existing adjacent museums, hotels, restaurants, bars and the historic waterfront district.

Preliminary Design

Maintaining the existing use and character of the boardwalk is key to the success of the Power Plant site. To meet this requirement and also minimize the amount of harbour infilling required the arena is orientated parallel to the water and additional smaller new buildings are proposed along the harbour and the northern edge of the property. These additional buildings maintain the historical warehouse pattern of the waterfront and soften the transition from existing development to the north and the mass of the arena.

As a consequence of retaining the power substation and an orientation long to the street, the arena forms a terminus looking east on Morris street. Blocking views of the water is generally regarded as contrary to the overall development plan for the waterfront and may require further infilling on the site so that the arena can be orientated perpendicular to the water to maintain the street view of the water. That said, terminating the street may be an

appropriate siting solution. Terminating a view gives emphasis to important civic buildings and Halifax is a city of framed, terminated views, shaped by historical layers of street development, intersecting street grids, and the inherent confined nature of a peninsular settlement.

For additional parking, the design proposes building a parking structure on a vacant lot directly west of the arena site, currently owned by the power utility. The garage is buffered on its two street elevations with commercial space to maintain the street life and character of the neighbourhood and to capitalize on the opportunities presented by the arena. The garage would have a positive impact on the surrounding community given its mixed use, high to medium density character and the current shortage of neighbourhood day-time parking.

Like the Alderney design, a three tiered design is employed and adapted to the sea level site with lobbies, shops and restaurants placed at grade on the west, north and west sides of the building. Service areas are located towards the southern end of the building.

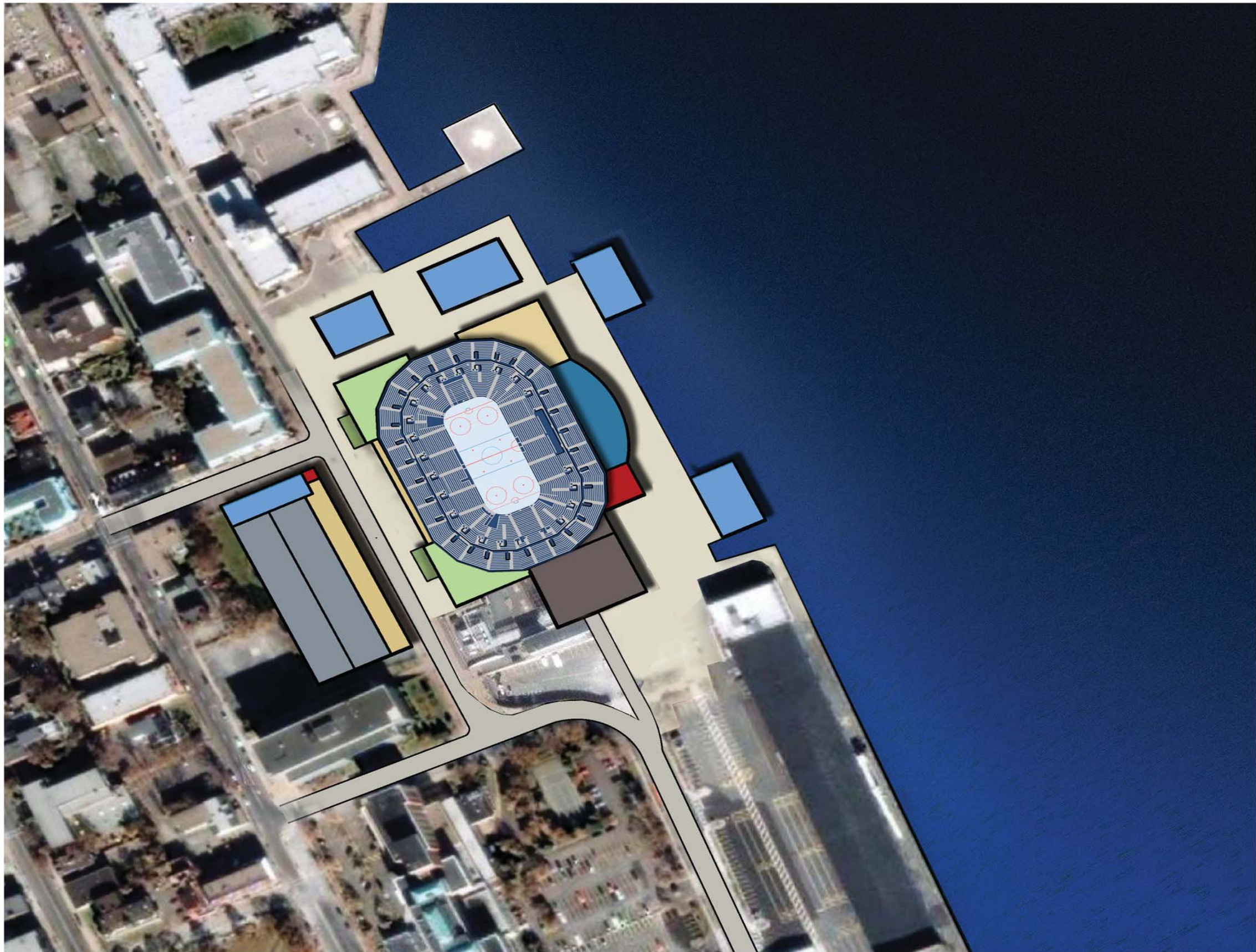
Costs and Scheduling

An order of magnitude budget for the Alderney site (see appendices) pegged the total project budget at 121 million dollars, the highest of all the sites costed. Land purchase, soil remediation and water infilling were not included.

Like the rail yard relocation required for Alderney, the Power Plant site is dependent on land acquisition from an occupied privately held site and the scheduling of any work on site would be dependent on when (if) the owner would make the property available. Assuming the site is available when required, removal and alterations to the existing buildings would add upwards of one year to the construction schedule.

Conclusion

This site has many strengths. Highly visible and culturally and economically linked to the urban core of the city, a Power Plant Arena would play a large role in solidifying the Halifax waterfront as the social heart of the city. Unfortunately, given the high cost of the site, its uncertain availability, and possible traffic and access issues this site was considered inferior to the other short-listed sites.



MC2 Arena - Power Plant Site Option

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Power Plant Site
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Trade Mart Building



Trade Mart Building from Dartmouth

The Trade Mart site is a privately owned, five storey office building set into a steep hill side at the corner of Brunswick and Cogswell Streets one block north of the existing Metro Centre and just north of the Cogswell Interchange. It includes an adjacent two storey parking structure. Because of its close proximity and similarity to the Cogswell site, many of the general characteristics of the site will not be discussed here but rather the Trademart site will be discussed in relation to how it differs from the Cogswell Site.



Trade Mart Building terminating Market Street

Site Adaptability

The Trade Mart site forms the western edge of the Cogswell Interchange which greatly limits access to the site on its southern and eastern sides. Note the highway ramp on the southern side of the site in the photo above. Beyond the demolition of the existing building, the removal and at-grade replacement of the interchange would be a requirement for the arena development to enable integration of the building into its immediate site, to allow for appropriate service access at the north-east corner of the building and to allow for better access to the city's waterfront.

The site is a tight fit considering the area requirements for the arena. the entire site would be required for the building and additional amenities such as shops or restaurants would be difficult to provide.

Site Image

The Trade Mart sits higher on the downtown hillside which affords it greater visibility than the lower Cogswell Interchange, especially from the water and the northern slopes of Citadel Hill. It also sits at the corner of two prominent city streets similar to the existing Metro Centre, but without the direct relationship to the Citadel Hill.

Development of the Trade Mart's would hopefully inspire redevelopment or improvements to some of its existing neighbours which currently include an at-grade hotel parking lot, a high-rise apartment building with an above grade parking garage podium, another parking garage and the historically important, yet poorly maintained, Churchfield Barracks.

Land Use

Strengthening connections between downtown Halifax and its Central Halifax community to the north is a clear goal of the municipal planning strategy for the neighbourhood. The redesign of Cogswell Street and its interchange alone would significantly improve on this connection. Placing a large civic building on the northern side of the perceived existing barrier would again reinforce this reconnection and promote northern growth of the downtown district. Like the Power Plant to the south, this site is peripheral to the downtown, but the downtown still retains its positive influences while at the same time expanding its borders.

The neighbourhood immediately north of the Trade Mart is predominantly residential and Northern growth via the Trade Mart site would immediately transform this neighbourhood into a more vibrant and noisy, community. The Cogswell site offers a more gradual and buffered transition as the downtown moves north.

Historically, a street diagonally intersected the property connecting the corner of Cogswell and Brunswick with Barrington Street below. The street has been closed but still physically exists as an access drive for the building. The opportunity to re-open this connection to the public would be lost should an arena be built on the site.

Transportation

The transportation issues facing the Trademart are much the same as those facing the Cogswell Interchange site, and assuming the interchange site is reconfigured, both sites would utilize the same existing parking facilities.

Cost and Scheduling

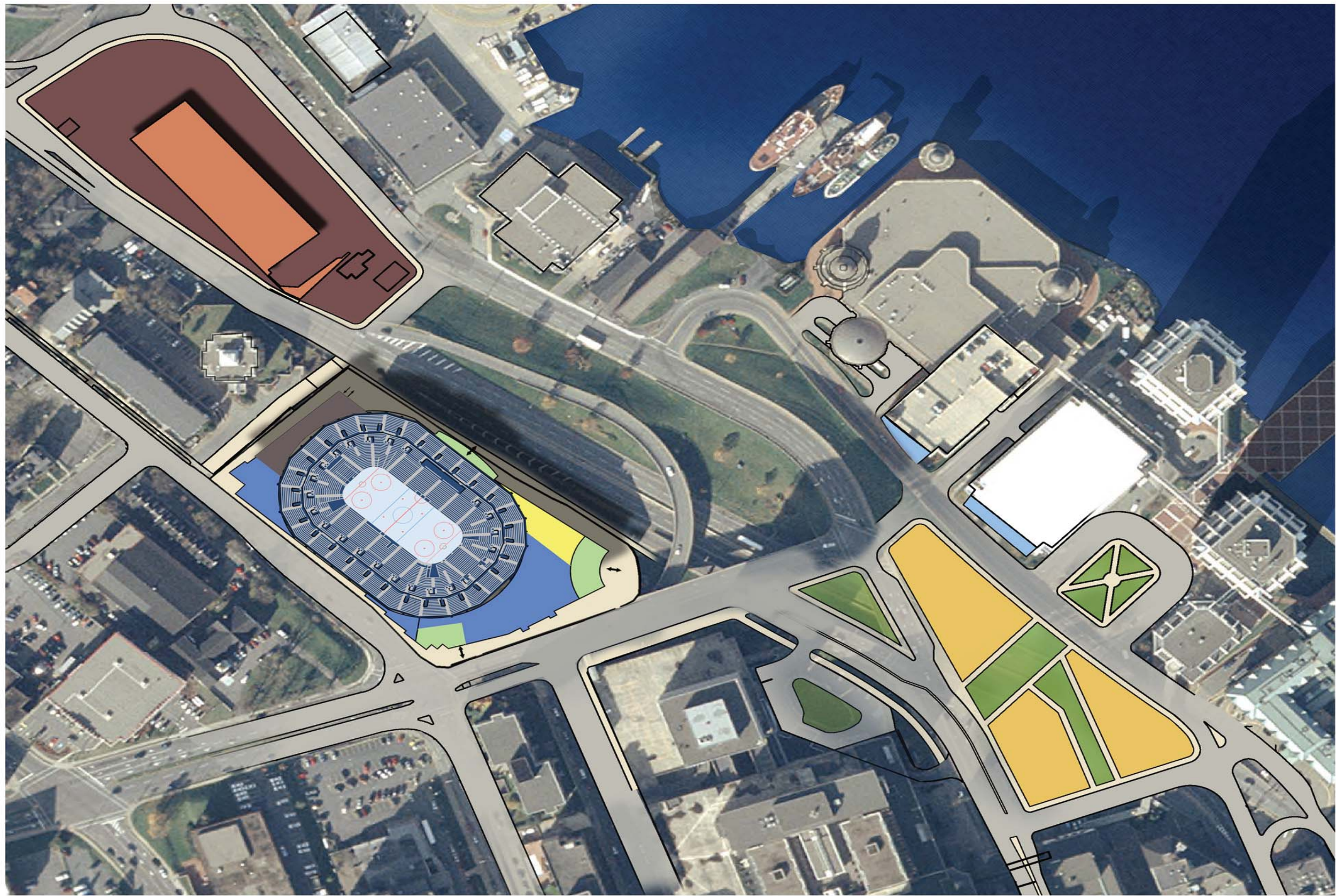
The greatest cost and scheduling issue facing the Trademart building is that , in addition to requiring the redevelopment of the Cogswell interchange, the site would also require the purchase of the building and property and relocation of the existing tenants. With a potential price tag reasonably approaching thirty million dollars, the Trade Mart site will need to present opportunities not inherently present with the Cogswell site alone.

Preliminary Design

The schematic design proposed for the Trademart site is similar to that of the Cogswell site with the hill side site allowing for access at various grade levels around the building. Main lobbies would be focused on the southern end of the building and terminate the northern view on Market Street. On the Northern end of the property an exterior public stair would provide access down the hill, with continuation through the re-developed interchange, to the harbour. North-western and eastern lobbies would also provide access for people arriving from the North End of the city.

Conclusion

This Trademart site is very similar to the Cogswell site, which will be discussed next, but judged on the above criteria, its additional costs and site constraints are not off-set by any particular feature that the Cogswell site can not provide. Additionally, it will be shown that the Cogswell site achieves a workable design without major additional land acquisitions, and so, the addition of the Trade Mart site to the interchange properties has little direct advantage.



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Trademart Site
Option

Scale: 1"=60'-0"

DEC. 07, 2005

Cogswell Interchange

The Cogswell Interchange is a thirteen acre collection of elevated highway exchange ramps and underpasses left over from a failed attempt to run an expressway through downtown Halifax in the late 1960's. A barrier between communities, vastly over built, and a substantial reservoir of developable land, the interchange has been the subject of recent debate and study looking at replacing it with an urban surface street system which will remove barriers between communities and create new development land parcels. The site has many obvious advantages and, as the site stipulated by the client for inclusion in the study, was subject to additional deliberate critical attention in order to avoid prejudicing the client's preferred location.



Cogswell Interchange aerial view

Site Adaptability

Two previous studies have assessed different aspects of removing the Cogswell Interchange. In 2001, Vaughan Engineering prepared an assessment of transportation engineering options for the removal of the interchange. This study identified approximately ten reconfiguration scenarios for the site, and concluded that it was possible to demolish the interchange and replace it with an at grade road network. The Vaughan study assessed the cost of removing the interchange at just over \$9 million.

In 2004 HRM retained Cantwell & Company to assess planning options, and the financial feasibility of redeveloping the Cogswell Interchange. The final study included six case studies of similar projects planned or completed elsewhere in North America, and identified a planning process that HRM could use to redevelop the Cogswell Interchange. The feasibility component of the report updated the cost estimate generated in the Vaughan report, which was increased to \$12.6 million to allow for master planning and public consultation, archaeological work and

possible environmental remediation of the property. The report also demonstrated the relationship between land use and density (i.e., the more density/FAR allowed, the greater the land value), thus proving the redevelopment project was viable, and did not require any subsidies.

Cantwell & Company was asked to review their 2004 report and comment on how the current proposal for the Metro Centre fits within the context of their previous work. In their 2004 plan, Cantwell & Company assumed that after the redevelopment of the interchange, 5.8 acres of the 16.5 acre total would be available for development, with the remaining 10.7 acres used for roads (8.1 acres) and the new sewage treatment plant (2.6 acres). The following table illustrates the proposed allocation of land, and an estimate of the possible revenue potential.

Cosgwell Interchange Revenue Potential

Land Use	Acres	S.F.	\$ Per SF	Total
Institutional (Law Court, Metro Centre)	2.0	87,120	\$65	\$5,662,800
Residential (High Rise Apt. or Condo)	1.8	78,408	\$45	\$3,528,360
Commercial (Hotel, Convention, Office)	1.5	65,340	\$80	\$5,227,200
Undeveloped Public Lands (10%)	0.5	21,780	\$-	\$-
TOTAL REVENUE	5.8	252,648		\$14,418,360

Source: Cantwell & Company, Cogswell Interchange Best Practices Study, 2004

Based on the current site planning work it has been established that a new Metro Centre complex would require about 3.5 acres, or 60% of the total 5.8 acres of land available for development. Although slightly larger than the allocation assumed in the 2004 Cantwell & Company study, the Metro Centre is a public use that is quite appropriate for the site, and is the anchor use needed to “kick start” the redevelopment of the interchange. On these two points, the use of a large portion of the interchange for a new Metro Centre is quite appropriate, and falls within the intent of the previous study.

As the previous table illustrated, the residual 5.8 acres of land was capable of generating \$14.4 million of revenue. In order to be indifferent, HRM would require approximately \$8.6 million for the land used to build the Metro Centre (60% of \$14.4 million). This would most likely be an in kind contribution towards HRM’s portion of the total project budget.

From a project perspective, when this land cost is added to the total \$150 million proposed budget for the Metro Centre (including soft costs), the land portion \$8.6 million would represent just over 5% of the total project cost of \$158.6 million. This is a reasonable allocation of land cost from a total project development perspective. Compared to alternate sites this is a very modest allocation of land cost.

Physically, the site is long and narrow with a central area offering a wide enough girth to accommodate an arena and the required new connecting streets. With this north south constriction, the need to generate other saleable parcels of land, and general urban design concerns, the arena site that will be carved from the property will be a finite land parcel, suitable for the arena but not conducive to future expansion. The final design of this site, and by extension, the design of the remainder of the property, will need to consider vehicle traffic flows, pedestrian access and the sites urban character. Compared to a suburban green field site, it is a complex puzzle involving many pieces, reflecting a level of design input expected with any large urban development.

One great physical advantage of this site is its slope. With thirty five feet of elevation from east to west, the site allows for at-grade entry to a number of arena levels, reducing the need to push patrons up and down between seating areas and entry lobbies.

As shown on the next page, the site is free of the conical view planes restricting development heights over much of the downtown. Not only will this freedom allow the development of a sizable arena, it also suggests that surrounding parcels of land will be able to maximize the benefits gained by proximity to the arena. The capacity for high density development is also supported by the relatively dense development already facing the site, including the Scotia Square and Purdy’s Wharf complexes.



Halifax Citadel Hill Conical View Planes surrounding Cogswell Interchange

The northern end of the site was recently developed with the construction of a sewage treatment plant which necessitated the location of several collection pipe lines, tunnels and pumping stations on the site. This infrastructure does cross the arena site and will require some additional co-ordination and cost in the design and building of the arena.

Some soil remediation work was carried out on the site for the sewage project, and while there may be additional required remediation, earlier preliminary investigations had not uncovered contamination.

Site Image

The Cogswell Interchange shares essentially the same exposure to the Halifax waterfront as the Trade Mart Building, and while the Trade Mart sits higher on the hillside, the Interchange lands enjoy a closer relationship to the harbour front itself. On land, the site is blocked from most of the Citadel Hill views by existing buildings, but it enjoys an enviable position as both terminus and gateway to the historic district of southern Barrington Street. Looking north on southern Barrington Street, the interchange terminates the street view as Barrington doglegs west. Looking south on North Barrington, the site ends a harbour-side drive paralleling industrial shipyards and military dockyards and marks the transition to the tighter pedestrian friendly street grid of the central business district.



View north on Barrington towards interchange site

Land Use

Current municipal planning does not exist for the site and a planning strategy involving community participation and review would be a requirement before redevelopment work could proceed. Therefore, it is essential that municipal planning strategy approve in principle of the arena, both from land use and urban design perspectives.

The urban neighbourhood repair associated with the site's redevelopment and as previously mentioned above is a paramount concern for the municipality. The arena provides this redevelopment with both the momentum to begin the project and with the public amenity required to anchor a larger mixed-use, commercial and residential development. The public life associated with the arena will also promote the calming and re-orientation of northern Barrington Street as just that, a street, not a highway, and promote the re-development and integration of many of the site's neighbours such as the Trade Mart Building, the nearly marooned Casino and Purdy's Wharf towers, and perhaps most importantly, the Scotia Square complex.

Economically, this new property is only two blocks north of the existing arena and would mean a minimal shift in the economic influence of the facility. This close proximity to the existing WTCC would also allow for some of the current joint uses and management to continue.

Transportation

The site has vehicular traffic access that equals or exceeds the existing arena. The northern portion of Barrington Street is a high-volume artery connecting downtown to both harbour bridges and to the Bedford Highway, and Cogswell Street provides access from western arterials. Equally important, the site sits in the middle of the three parking garages that are currently principally utilized for arena events. These garages provide 3,450 spaces and would be immediately adjacent to the new facility.

The downtown is well served by public transit and the site is a short walk from the existing ferry landing. On foot, a twenty minute walk takes in Central Halifax, eastern portions of the West End neighbourhoods, the entire downtown district and much of the high-density Spring Garden Road Neighbourhood. With these communities and the additional parking facilities scattered throughout downtown, the arena would maintain the strong tradition of a true 'walk-up' crowd.

Cost and Scheduling

The cost estimate for this arena site was \$109.9 million, the lowest of the three costed sites, with a \$10 million allowance included for the demolition and at-grade reconstruction of the interchange. This allowance was later reduced to \$8.6 million. Land acquisition, soil remediation, and civic services co-ordination or alteration costs were not included.

The scope of the project, which goes beyond the arena itself, will require some additional upfront time for developing consensus on the appropriate uses and configuration of the site. This may take a year or more depending on the process undertaken by the municipality. With a need to maintain traffic flow during the actual reconstruction of the site, that work should be complete before proceeding with constructing the arena. This may add an additional year to the project schedule depending on the municipal approvals process used and its ability to overlap with the design of the new road system.

As a historic downtown site, full archeological review will be required for the property which has both some cost and scheduling implications.

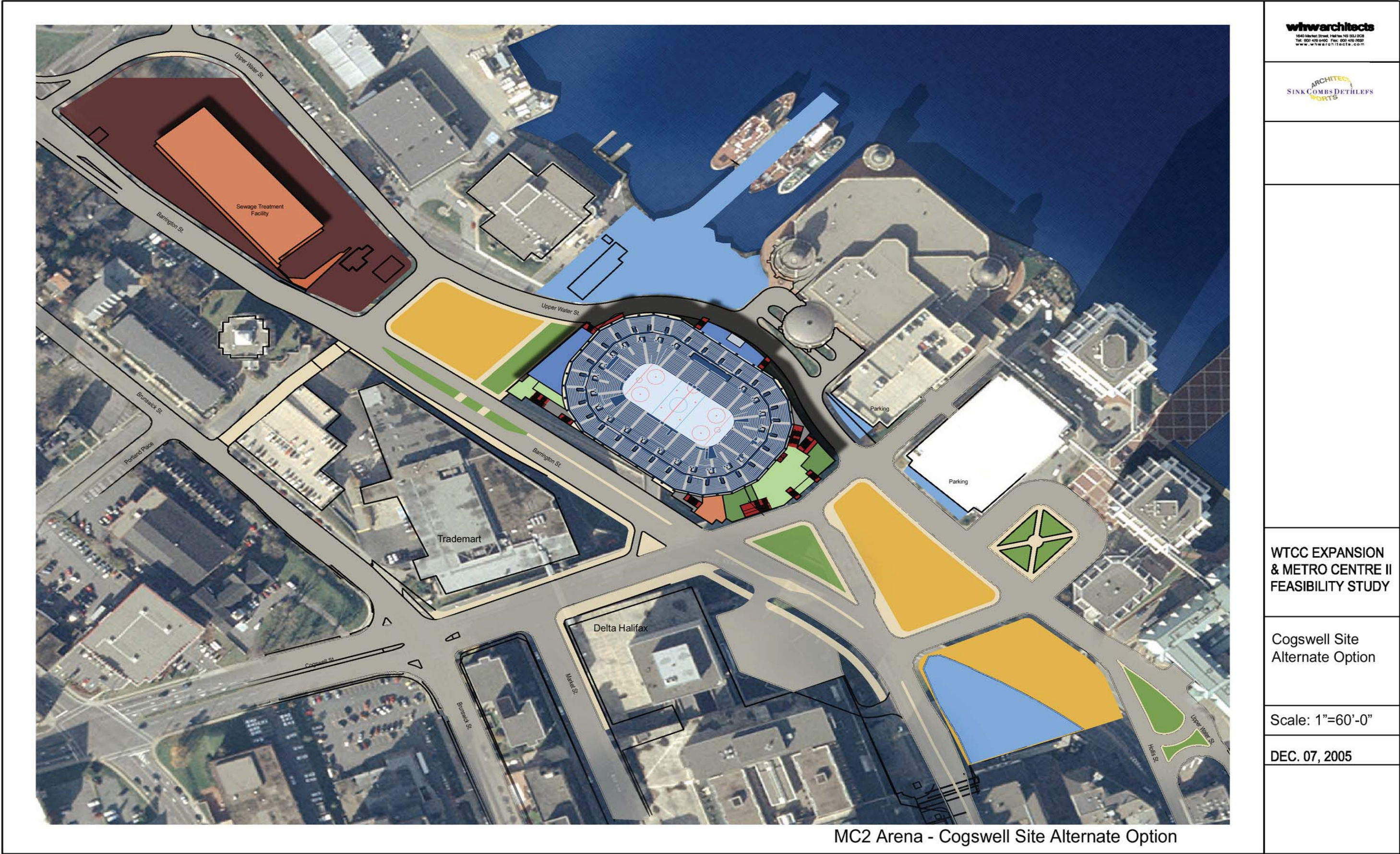
Preliminary Design

Below are the two possible road configurations developed for the Cogswell site concurrent with the other three sites discussed here. As the design of this site was developed further as the preferred site, an in-depth presentation of this design will follow in later portions of this report.

Conclusions

The Cogswell Interchange was the earliest identified site for good reason. It addresses many of the practical issues related to arena design; neighbourhood compatibility, access, parking, high visibility and civic importance, maximizing beneficial economic impact, and it allows the arena to act as a catalyst for larger urban renewal. While many of the other sites studied offer suitable alternative to Cogswell, none match its across the board suitability to arena use. Possibly the greatest challenge to building an arena on the Cogswell Interchange will be the willingness of Halifax's citizens to agree that an arena should be a primary piece of a redevelopment project for a site that has the capacity to facilitate a multitude of urban design solutions.







MTS Arena - Winnipeg



MTS Arena - Winnipeg



MTS Adjusted to Cogswell Height



MTS Arena - Interior Bowl

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Section 8

Metro Centre II Building Program



8 Metro Centre II Building Program

8.1 Comparable Facilities

8.1.1 Three Comparables

As a part of this study, the team looked at event centres that are comparable to the proposed Metro Centre 2.

Halifax is a mid sized city that is a regional centre and has both a local and regional draw depending on the type of event. Halifax also is the home of a minor league hockey team that anchors the existing Metro Centre.

In looking at similar cities, there are three major types of event centres that have been built. Some cities have built smaller event centres that have the seating capacity to host minor league teams and small to medium sporting events and concerts. These cities are often not regional centres or are close to a major metropolitan center. These facilities can range in size from 5,000 seats up to 8,000 seats

The second type of facilities that are commonly built have a single seating bowl and can accommodate medium sized sporting events and concerts. They often have more seating than is needed by the minor league anchor tenant. A single bowl facility is often difficult to curtain off seating areas and therefore the anchor tenant venues have a significant number of seats that have not sold and remain empty. These cities have built facilities that are similar in size to the existing Metro Centre; however they are updated in many respects. The single bowl facilities may seat between 8,000 and 12,000.

The third major type of event centre includes larger capacities to accommodate the largest touring sporting events and concerts. The larger capacity buildings usually feature an upper and lower seating bowl and separate concourses. Modern curtaining systems allow the upper seating bowl to be closed off. Using only the lower bowl significantly reduces capacity for smaller events such as the home minor league team. This type of facility is designed to hold both large and smaller events. Their capacity can range from 12,000 up to 17,000 for certain events.

The study team recommends the third building type for Halifax and the Nova Scotia and maritime region. The study team looked at other similar examples of this type and size of event centre.



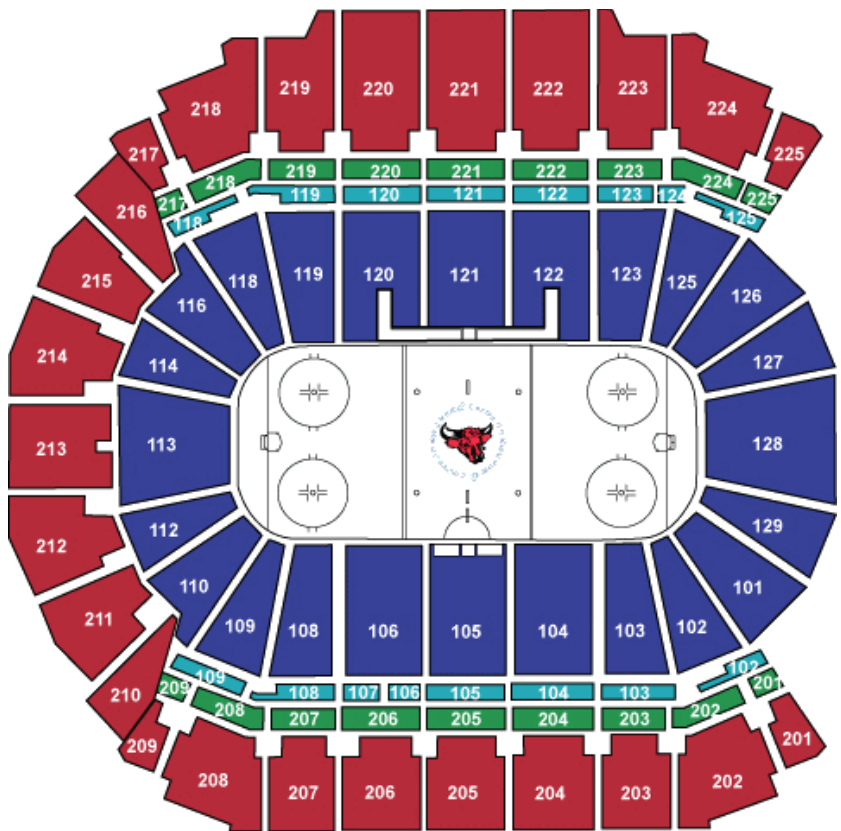
8.1.2 Qwest Center – Omaha, Nebraska - www.qwestcenteromaha.com

QUICK FACTS

Opened:	2003
Initial cost:	\$291M (US) (including convention centre)
Hockey Seating:	14,700
Luxury Suites:	32
Club Seats:	1,100
Parking Spaces:	4,500
City metropolitan population:	409,416 (2004) (Halifax metro: 359,183)

DESCRIPTION

The first example is the Qwest Center in Omaha, Nebraska. Omaha is a mid sized city and the largest in Nebraska. It has a regional draw for spectators. The facility was built as a part of a complex that includes an adjacent convention center. It was built on the edge of the downtown area and is a part of their redeveloped river front. The building hosts a collegiate hockey team similar to a minor league team. It also hosts the Creighton University men's basketball team. The building can seat up to 17,000 for concerts and has allowed Omaha to attract the largest touring acts in North America, groups that would have previously bypassed Omaha due to unsuitable event facilities.



Hockey Seating Layout



Interior View



8.1.3 Save Mart Center – Fresno, California - www.savemartcenter.com

QUICK FACTS

Opened:	2004
Initial cost:	\$103M (US)
Hockey Seating:	14,000
Luxury Suites:	32
Club Seats:	1,000
Parking Spaces:	NA
City metropolitan population:	427,652 (2000) (Halifax metro: 359,183)

DESCRIPTION

Another example of a similar facility is the Save Mart Center in Fresno, California. Fresno is the largest city in the southern portion of California's Central Valley and is a regional center. The Save Mart Center hosts the Fresno Falcons an ECHL league team. It also hosts the Fresno State collegiate men's and women's basketball teams. The building seats 15,000 for basketball and has a maximum capacity of 16,500. Some of the largest touring concerts have performed in the Save Mart Center. It hosted the only indoor arena concert in California for the recent Rolling Stones tour. Andrea Bocelli has performed there twice, as well as Elton John and Madonna. All of these large acts had bypassed Fresno when they only had the smaller outdated Selland Arena in town. The building has put Fresno in the spotlight as a place international touring shows should visit.



Hockey Seating Layout



Interior View



8.1.3 MTS Centre – Winnipeg, Manitoba - www.truenorthproject.mb.ca

QUICK FACTS

Opened:	2004
Initial cost:	\$133.5 M (total capital costs)
Hockey Seating:	15,015 (7,684 lower bowl)
Luxury Suites:	48
Club Seats:	936
Parking Spaces:	13,000 within 10 min. walk
City metropolitan population:	427,652 (2000) (Halifax metro: 359,183)

DESCRIPTION

The final example of a similar facility is the MTS Centre in Winnipeg, Manitoba. This event centre hosts the minor league Manitoba Moose hockey team. It has also hosted the largest touring acts in North America. The building is very similar to the configuration suggested for Halifax. It seats 15,000 for hockey and has a maximum capacity of 17,000. The building and team owners sell the upper and lower bowls seating for the opening hockey game and the playoffs. For regular season hockey games they curtain the upper seating bowl and sell only seats in the lower bowl. This allows for events that have few unsold or empty seats throughout the arena.

The MTS Centre was constructed in the centre of downtown Winnipeg and has greatly helped the rebirth of the downtown area. Similar to Halifax, the MTS Centre links into an enclosed elevated pedestrian walkway system allowing easy access from parking areas throughout the downtown area. In the year and half since the building has opened retail sales taxes have increased. The adjacent downtown shopping center was losing business and sales taxes were dropping. This has been reversed and people believe the MTS Centre has been the most significant element in improving the perception of the entire downtown area.



Hockey Seating Layout



Artist's Interior View

Sources

QWEST CENTER

<http://www.qwestcenteromaha.com/>
<http://www.visitomaha.com/>
<http://www.city-data.com/city/Omaha-Nebraska.html>
<http://www.omahasports.org/images/venues-qwest-2.jpg>

SAVE MART CENTER

<http://www.savemartcenter.com>
www.worldstadiums.com/.../fresno_save_mart.shtml
http://california.construction.com/features/archive/0401_Feature1.asp

MTS CENTRE

<http://www.truenorthproject.mb.ca/>
<http://www.truenorthproject.mb.ca/footer/fanguide.pdf>

8.2 Program Development

8.2.1 Building Concept

Metro Centre II is planned as a multi-purpose Event Centre that can accommodate the widest variety of spectator events. The events will include hockey, ice events, basketball, other sporting events, concerts, symposiums, family shows, community events and trade shows. The facility will be designed to seat 15,000 for ice and hockey events and will have a maximum capacity of 17,000. It will be sized to accommodate the largest touring concerts in North America and to host international events and tournaments. Because many of the events will attract smaller capacities, the building will be designed to easily accommodate those smaller events with the use of curtaining systems, lighting controls and by not using the upper bowl seating.

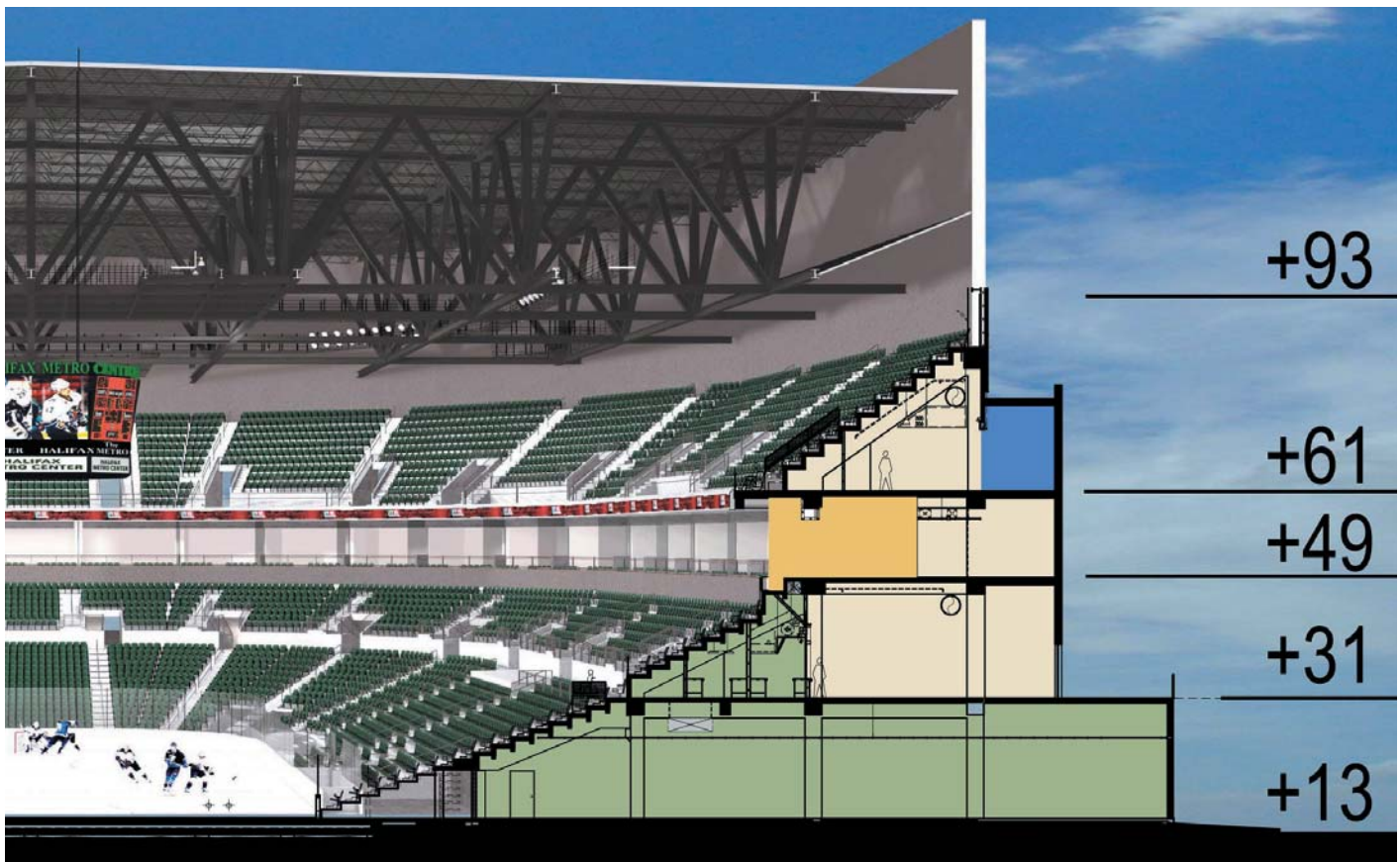
In addition to the Event Centre functions, the building will have a major multi-level public lobby that can be used by the venue as a part of the enclosed public walkway system. There will be stairs, elevators and escalators connecting the levels.

8.2.2 Building Organization

Metro Centre II is organized on five levels; the Event Floor Level, the Main Concourse Level, the Suite Level, the Upper Concourse Level, and the Catwalk/ Press Box Level.

The Event Centre site slopes downhill from west to east. Using the hill as a design opportunity, the Event Centre will be configured to allow spectators to enter the building at numerous different levels. There will be a major southeast lobby entry at concourse level (+31 level). There will be a west lobby entry at concourse level (+31). There will be a south entry at suite level (+49) at the intersection of Cogswell and Barrington. There will be an event level (+13) public entry at Water Street directly southwest of the Casino Nova Scotia entry.

Tunnel and or bridge connections are possible and could connect to the Trade Mart, Scotia Square, the Casino and parking garage as well as the adjacent future development south of the proposed Event Centre. A future pedestrian bridge is planned to allow access from the west. This bridge will add direct access to the upper concourse level, thereby creating pedestrian entries to all major spectator levels of the building. The entries on each level provide access to the building from all directions in the downtown area. The building will be designed to open up to all of its surrounding streets and to create a pedestrian friendly environment that is an asset to the community.



Section Showing Stacking of Concourses

Concourse Level (+31)

Spectators can enter two main large lobbies at the main concourse level. They are located at the west corner and southeast side of the Metro Centre II. In addition, the major southeast lobby will have direct access, via a tunnel, from Scotia Square and its parking structures. If spectators are seated in the lower bowl, they will enter the main concourse area. If they are seated in a suite or the upper bowl, they will use vertical circulation to go to those levels. The main concourse primarily aligns with exterior walls and rings the lower seating bowl. Portals lead from the concourse to the seating bowl aisles. Patron support facilities such as restrooms, concessions, family restrooms, grills and vendor depots will be located along the inside of the concourse all the way around the seating bowl.

A club seating area will be located in the lower bowl. This seating area will have wider seats and more amenities for patrons. The current plans indicate the club seats in the two center sections on the northeast side of the bowl. The plans show a club bar facility at the concourse and club dining/amenity space at the event level to serve the club seats. Other concourse amenities include a public restaurant at the northwest side of the building and a wider concourse at the north east side with bars and larger concessions. This will allow all of the spectators in the facility to have the highest levels of amenities and services.

Suite Level (+49)

The suite level is accessed directly from the street level south lobby or from stairs, escalators and elevators at the west and southeast lobbies. From the entry lobbies, suite patrons would gain access to a private corridor providing access to the suites. All suite patrons would be allowed access to this corridor. Suite size will relate to the structural grid so that all columns are integrated with suite demising partitions. The suite level will provide 48 suites with a minimum width of 18 feet. Some smaller suites similar to those in the existing Metro Centre are desired. With the use of smaller suites, up to 72 suites could be leased. The final mix of suite size will be determined by pricing, demand and market research. The final suite count will most likely be a mixture of smaller and larger suites creat-

ing a suite mix that serves the Halifax market. Amenities serving the suite level will be located along the corridor and include upgraded restrooms, concessions and suite service pantries. The suite level will be designed with controlled access and the suites will not connect or have access via aisles from the lower seating bowl.

Upper Concourse (+61)

The upper concourse will be accessed from vertical circulation at each of the entry lobbies. An option of a bridge connecting to the Trade Mart site could provide direct access to this level.

The upper concourse provides access to the upper seating bowl. Portals perpendicular to the concourse provide access to the lowest part of the upper bowl aisles. Patrons then ascend an upper bowl aisle to reach their row and seat.

The upper concourse will have its own patron amenities such as restrooms and concessions along its length. The upper bowl patrons do not have to use the main concourse for restrooms and concessions. Fixed concession stands, vendor depots, and novelty carts will be distributed throughout the concourse. Lighting and security of the concession stands will be handled in a similar manner as those on the main concourse. Mobile food carts will supplement the fixed concession stands. TV monitors, public telephones, drinking fountains, and ATM's will also be distributed throughout the concourse for the patrons convenience. Advertising on the upper concourse will be tightly controlled, using a limited number of larger advertisement panels and banners that will be carefully integrated throughout the concourse. The upper concourse, like the rest of the Event Centre, will feature excellent views out to the city and the harbour.

Seating Bowl

The seating capacity of the lower bowl will vary from event to event. The various event configurations of the lower bowl are achieved through the use of movable and telescopic seating platforms located in the first rows beyond the dasher boards on the sides and ends. This allows the changing of the staging and concert capacity. Folding chairs on the event floor will be used for certain events. All seating in the arena will be padded.

Seating Capacities are as follows:

Hockey	15,000
Curling	15,000
Basketball	16,000
Center Stage Event	17,100
End Stage Event	16,700

Rows 1-16 in the lower seating bowl will have 9 rows 35 inch row depth. Rows 17-23 will have a 34 inch depth. Suite rows are deeper and more spacious with wider seats. Upper bowl rows are indicated at 33" deep. Upholstered seats are shown with a minimum width of 19". All club seats will be between 21"-22" wide.

The seating bowl corner radiuses align with NHL ice radii (85 feet wide). The lower rows of retractable telescopic seating allow flexibility of arrangement, and allow the use of the 100 foot wide Olympic ice. The telescopic seating allows a width of 120 feet side to side, an excellent dimension for trade show configurations.

The angle and rake of the seating bowl is configured to allow excellent sight lines for all events including hockey, curling, concerts and family shows. All seating for the facility will meet Canadian Barrier Free requirements as well as those of the Americans with Disabilities Act (ADA).

Seating capacity for hockey would be approximately:

Lower Bowl	7,800
Suite Level	1,100
Upper Bowl	6,100

The seating bowl is designed so that the bowl can be configured and curtained for smaller capacity events. If the upper seating bowl capacity is not needed for events, it can be curtained off, the lights can be turned off, and the upper concourse can remain closed, saving staffing and cleaning costs.

Press Level (+93)

The catwalk level will be located at the bottom chord of the arena roof trusses, approximately 80 feet above the event floor. Access to the catwalk (by approved personnel) will be provided from stairs and from elevators. This will allow press personnel easy access from the press box to the press interview room on the Event Level.

The catwalk provides access to the scoreboard, follow spot locations and the rigging locations over center and end stage areas. Sports lighting for the arena floor will be attached to the railing of the catwalk, thus simplifying maintenance operations. Electrical panels for lighting will be located in wider areas of the catwalk. An upper level catwalk provides access to the scoreboard hoist platform.

The Press Box includes areas for the writing press, radio, and television personnel. It will also house the sounds and video control room. The Press Box will be located with great visibility to the ice. Restrooms will also be provided on the press level.

Event Level (+13)

The Event Floor level will be located at the same grade as Water Street to the northeast. It will be located 18 feet below the main concourse level and it is at this level that the loading and staging area is provided. The Event Level is conceptually organized by its functions; the service areas, the player and user areas and spectator areas. The service area houses the loading dock and staging area, operations, maintenance, mechanical area, storage areas and the main food service commissary. The user and player areas house the locker rooms for home and visiting teams, dressing rooms for performers, the press interview area and offices. The spectator areas include an event level club, entries from Water Street, circulation spaces and washrooms and concessions serving patrons on the event level. A corridor links most spaces on this level. It is a minimum of 10-foot wide and has been enlarged at key spectator areas. Direct access and exits will be provided to Water Street. Four large exit stairs (one per quadrant) will be located near each of the corner vomitories from the event floor and link to the upper levels. A large open stair and escalator, as well as elevators, will also connect the event level to the upper concourse levels.

The loading dock area and staging area will be located at the northwest end of the event level. These areas will be dedicated to the delivery for food and supplies and for the setup of the various events within the arena. There are a total of eight loading docks for the Event Centre. In addition, there is a wide ramp that will provide direct access to the arena floor itself. Both the Event Center floor and the loading area will be designed to accommodate truck load weights and capacities. The trash compactor and roll-off container, emergency generators, and main switchgear will be located in the loading and staging area.

Just east of the loading and staging area will be the main security/ check-in office. This space will have security personnel that will check in deliveries and visitors to the facility. A television control room and area for studio production trucks will be located just west of the loading area. Also west of the loading / staging area are three promotions offices for the visiting staff that is needed to plan and set up events. The main access portal from the loading to the arena bowl will be centered on the seating bowl. It is 18 feet wide and has a clear height of 15 feet. Another large vomitory at the west corner of the seating bowl provides access from the loading and staging areas to the event floor. The west and northwest access portals provide easy load in of events and the set up of events. A service elevator, located adjacent to the loading/ staging area will provide access all upper levels.

The main food service commissary and kitchen will be located adjacent to the loading / staging area in the north corner of the Event Center. It will be located near a freight elevator that would serve the restaurant above and the rest of the building. It will have easy access for food load-in from the adjacent loading dock area.

The Visitor's Locker Complex will be located in the southwest side of the event level. It will consist of eight locker rooms and seven flex rooms. These locker rooms are designed as pairs so that the building will have eight smaller rooms or four larger pairs of locker rooms. Some of these rooms would be used as the Green Room and Star's dressing rooms. They can also be used during hockey games by the officials. In addition to the eight locker rooms, two more locker rooms are planned adjacent to the south portal. These locker rooms can be used as locker

rooms for event performers or as locker rooms for the public when there is open public skating being scheduled on the ice surface.

The locker rooms planned are far above average for a minor league facility and they will accommodate the Tattoo event, and large tournaments and international events.

To the northwest of the visitors locker rooms and directly adjacent to the loading area a backstage meeting room has been shown. This will be used to feed concert set up personnel and as a “meet and greet” room for events.

The Home Team Locker Complex will be located at the southwest side of the arena. It includes a players locker room, a street clothes changing room, coaches’ lockers and offices, an equipment room, and a laundry room. The Home Team Lockers have direct access to the player’s bench via a vomitory in the center of the complex as well as from the south corner portal. In addition, an adjacent sports medicine training area and fitness and weight room will serve all tenants and visitors at the Event Centre.

The event personnel locker rooms will be located in the southeast end of the event level with an adjacent elevator to provide vertical circulation to the upper levels.

Large storage and staging areas will be located at the northwest, the northeast and southeast sides of the event level. The press interview room and press work room will be located at the southeast side. There are additional restrooms and concession stands in this corner to service patrons during concerts and sporting events.

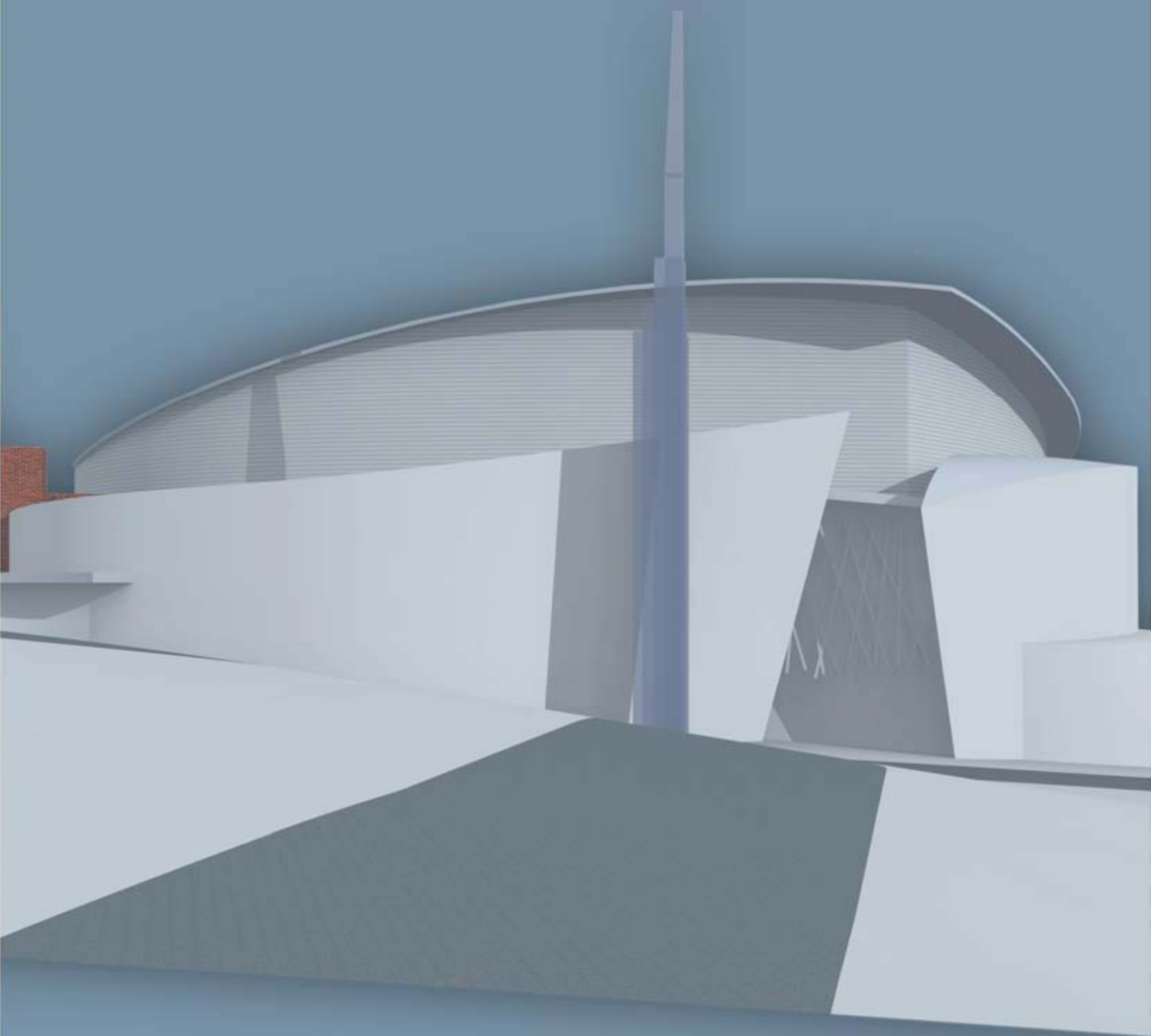
The Club will be located at the northeast side of the facility. It contains an exhibition cooking area and is in close proximity to the building’s food commissary. Club members can access this area directly from the club seats or from the adjacent entry. A corridor provides access to escalators and stairs that go up to the main south lobby, providing access to all seating levels. This corridor can also be used to provide access for floor events such as trade shows and floor seating for concerts. Restrooms and concessions will be located near this corridor and the large corner portals that provide access to the floor seating. This allows spectator services to be located close by when using the floor for events. This eliminates the need for spectators to use restrooms and concessions on the main concourse level above.

Each quadrant has its own set of areas used for electrical, mechanical and tele-data purposes. The main electrical room and the main mechanical/fire pump and boiler room are located at the southeast of the Event Level.

An area for street level commercial, office and retail space has been located along Water Street at the east corner of the event level. This provides for a flexibility of use. The view of the activities in these spaces will provide street front interest.

Section 9

Metro Centre II Design Development



9 Metro Centre II Design Development

9.1 Urban Design

9.1.1 Redeveloping the Cogswell Interchange

The redevelopment concept for Cogswell includes removing the elevated roadways that were originally designed to serve an un-built freeway which would have continued south through downtown Halifax. Without that high speed linkage there is little reason for the current Cogswell Street network to exist. The existing arrangement of higher speed roads has no pedestrian orientation and cuts off the areas west of Barrington from the Harbour and the properties along Lower Water Street. Renovating the interchange will provide developable land parcels and allow the development of a pedestrian friendly environment, achieved through a thoughtful layout of new streets which emulates the grid pattern of Halifax's traditional streets while accommodating the traffic need of the area.

Barrington Street

The concept as outlined in this report is to bring Barrington Street to grade along its entire length. It will be a two way five lane road from its north entry to just north of the Delta Barrington. At that point the road would narrow and a new east-west road will be added just to the north of the Delta Barrington. This will be a one way road that will allow easy access from Barrington east towards Lower Water and Hollis Streets which are key to vehicular movements in the downtown area. The east-west road does not currently exist and will be located where the parking lot is just north of the Delta Barrington.



Cogswell Interchange Aerial View

This site has been previously approved for development and negotiations with the owners of the site will be needed to gain access to the site. The new east-west road creates two new developable sites adjacent on the north side of the new road. If negotiations are not successful an alternate road plan has been developed that moves the east-west road further to the north.



View North Over Granville Mall End Parking Lot



Cogswell Interchange Aerial View with Proposed Arena and Development Sites

Cogswell Street

Cogswell Street west of Barrington will have five lanes, including two lanes in each direction and a turn lane. East of Barrington, Cogswell will have four lanes.

Water Streets (Lower and Upper)

Water Streets going northbound will have four lanes between Cogswell and the planned east-west street. North of Cogswell, Water Streets will have three lanes, one lane of which may be reversible. It has been designed to allow on street parking in the area north of Cogswell. Barrington and Water Streets have been separated and Water Street features a gently arcing curve. This will allow a large enough site to accommodate a new Metro Centre with a 15,000 seat hockey capacity.

Parks

Other development, parklands and open space will also be created by the re-development of the Cogswell interchange. The plan as envisioned would create a major urban green space and park directly across Water Street from the existing park at Purdy's Wharf. The existing pedestrian street at Granville Street is extended from its existing location, north to connect to this new park space. Barrington Street would be extended straight to the northwest one block to allow easy and direct access to the Metro Centre II. This street would allow one-way traffic to the north as well as on street parking. The concept as shown indicates that the street and parking areas will be paved with brick and coloured concrete, not asphalt. This street could be closed during events to become a pedestrian and event plaza directly southeast of the main entry to the Event Center. Between this Barrington extension and the five lanes main Barrington Street a triangular site is formed. The plans call for this to be a small park and perhaps a small amphitheatre for festival type events. This park will slope downhill from west to east, similar to the slope at Cogswell Street directly to the northwest.

An additional pedestrian park and plaza is planned directly to the northwest of the Metro Centre II. This park will slope downhill from west to east. This will allow access from the Trade Mart site and areas to the west to the new planned event centre and surrounding development including the Casino Nova Scotia and the Harbour front boardwalk. The concept of the park is to have ramps, stairs and landscaped space that could be lined on both sides with restaurants and outdoor dining space.



In addition to the open space and parks, major landscaping and streetscaping have been planned for the development that will be created when the Cogswell interchange is transformed. The plans indicate an option of raising the elevation of Water Street at the intersection of Cogswell up to 10-12 feet to reduce the steepness of the slope from Water Street up to Barrington Street. This is preferred for both pedestrian and vehicular use. Water Street would transition down from this raised portion creating a slope from the Cogswell corner to both the north, south and east. The higher level of Water Street would require a reconfiguration of the entry of the parking structure at Purdy's Wharf. The proposal is to widen the parking entry located east on Cogswell on the northwest side of the parking structure. It would align with the southeast entry of the Casino Nova Scotia parking structure directly to the north. Both structures show the option of adding pedestrian oriented mixed use on the southwest side of each garage. Both parkades currently have very little pedestrian interest or orientation on their southwest facades. A relatively narrow addition would allow pedestrian oriented mixed uses.

Cogswell Land Acquisitions

The plans as currently configured would require the purchase of small pieces of land from the owners of adjacent sites including the Trade Mart, Scotia Square and the pier site just north of Casino Nova Scotia. See the Property

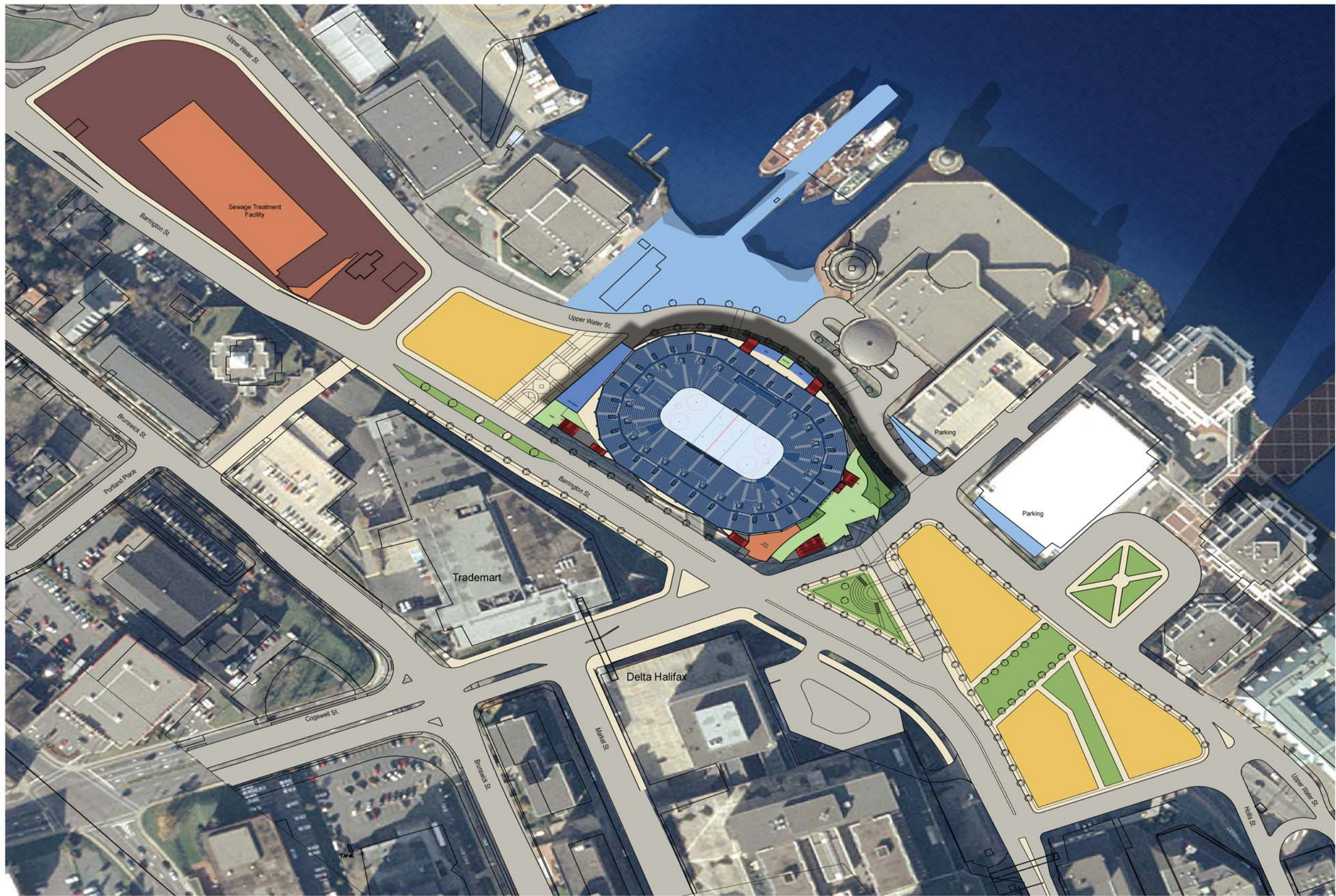
Acquisition Plan below. The roads can be arranged without those purchases but they will have tighter turns and less desirable layouts.

Parking And Public Transportation

The location of the Metro Centre II, at the intersection of major streets, will permit vehicular access from any direction. The parking for the Event Center will utilize existing parking structures in the downtown area, particularly three very large parking structures directly adjacent to the Metro Centre II site. They include the Scotia Square parkade, the Casino Nova Scotia parkade and the parkade at the Purdy's Wharf development. These parkades will have sufficient capacity to serve a large portion of the event centre patrons. There are numerous other parking spaces available in the downtown area with many of them within a five minute walk of the arena. As adjacent land parcels are developed, they most likely will include parking which can be available for events, thereby further enhancing the parking situation. The dispersed nature of the parking lots and the various entry and exit points will minimize traffic congestion following a game or concert.

The site is easily accessible by public transportation, with numerous transit routes already stopping at the adjacent Scotia Square and ferry terminal. These routes connect to all parts of the city and many people will find it easy to use public transportation to get to the Metro Centre II. The design of the Event Centre will make transit use even more convenient, by providing sheltered waiting areas and pedestrian access to nearby bus stops.





Metro Centre II Site Context

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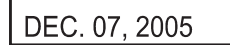
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**WTCC EXPANSION
& METRO CENTRE II
FEASIBILITY STUDY**

Metro Centre II
Site Context

Scale: N.T.S

April 28, 2006



9.1.2 The Site

The site for the proposed Metro Centre II is surrounded by Cogswell on the southeast, Water Street on the northeast and Barrington on the southwest on one portion of the area currently used by the Cogswell interchange. The site proposal will be the largest parcel that will be developed as a result changing the Cogswell interchange and its higher speed roadways to an area of on-grade urban streets similar to the rest of downtown Halifax.

The concept for the Cogswell redevelopment is to create an urban grid of pedestrian friendly streets that allows traffic to access the center of Halifax at speeds similar to the surrounding streets. The concept is to provide friendly pedestrian oriented streets, buildings, landscaping and parks that will extend the downtown area. When the raised portions of the highways are eliminated, the Cogswell interchange will have a significant slope downhill from west to east. The new at grade streets must be planned so that this slope allows for both pedestrians and vehicular traffic. However the slope of the new Cogswell Street is manageable, evidenced by the existing downtown streets directly to the south of the Cogswell interchange have an even steeper east west slope to contend with.

Interior Pedestrian System

The Event Centre will be adjacent to the elevated pedestrian walkway system that runs throughout downtown Halifax with Scotia Square being the closest access point. A key concept for the redevelopment of the area is to provide enclosed walks to Scotia Square and other new adjacent developments which can either be above or below grade. In addition, the design of the Metro Centre II will include a new interior pedestrian walkway, which will run along the southern edge of the building, and include retail and public spaces. In addition, enclosed walks are planned to the Casino Nova Scotia and to the west, if the existing Trade Mart site is redeveloped for mixed use.



Looking South on Barrington to North-West Corner Entry

9.1.3 Building Image

As a response to the client request, this study provides the possible form and imagery for a new Metro Centre II. There are many different forms the building could take, but the images developed for this study indicate the scale the building will have within the cityscape and along its newly developed streets.

Metro Centre II will have a large lobby at its northwest corner on Barrington Street indicated as a transparent glass multi-story lobby. The lobby will contain stairs and escalators and allows the public outside to see the movement within the building. The computer rendering also shows the option of a transparent glass arched bridge that would span Barrington Street. It would connect up the hill to a redeveloped Trade Mart site and would provide easy access to the neighborhoods to the west. The glass lobby is anchored visually on the northwest and southwest facades by a combination of stone, brick and glass. The northwest façade would have a restaurant overlooking a new park and plaza. That area would have clear glass and exterior terrace seating areas. Above the restaurant on the northwest side, a translucent glass wall is shown. The concept is for this wall to lightly glow and slowly change color at night to activate the façade.



Dusk View Looking West from North Plaza to North-West Corner Entry

The southwest façade beyond the northwest lobby that is seen driving down Barrington will have a gently curvilinear wall. This façade will have a balcony at the suite level and windows looking out from each concourse level. The concept visually creates horizontal and linear movement while at the same time creating a very friendly pedestrian scale. The pedestrian scale is reinforced with the use of warm colored masonry accent paving and street trees located between the pedestrian walk and the street. With the combination of the tall glass lobby and both of these facades being seen by drivers and pedestrians, a gateway into the downtown area will be created.



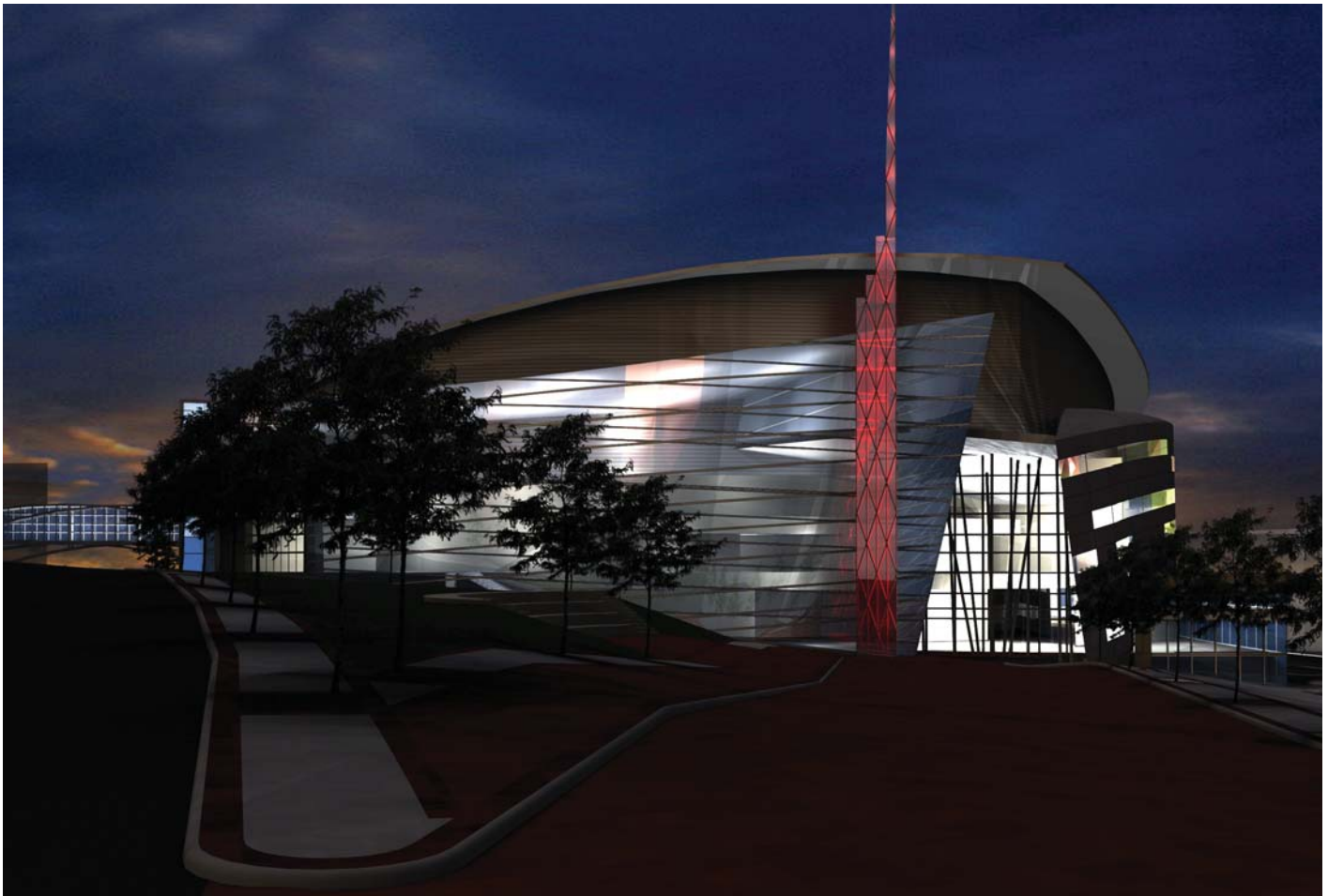
Looking North on Barrington from Cogswell



Looking East on Cogswell to South-West Entry

As people approach Cogswell on Barrington Street the road slopes up hill. This allows the opportunity for a lobby at the south corner of the building at the suite level. A key concept of the design scheme is that the building be sculptural and that the image evolves as one circles it. Each façade and corner has unique features. At the south side of the building a number of the streets meet at different angles and as those streets slope downhill from west to east. The concept is to create more sculptural elements that will face some of the taller, denser commercial and office structures to the south. The building form is reinforced with sweeping arcs and angles that are anchored by the pedestrian scaled façade to the west. The arcing forms focus the eye to two major elements. The first is the tall recessed glass entry which provides access to the multi-story southeast public lobby. The second element is a tall translucent glass tower that we envision as a symbol of the new Event Centre. Both of these elements conclude the long visual axis looking north along Barrington Street. This view will be reinforced with the use of landscaping and with a newly developed park just south of the Event Centre. The concept is that the glass tower will be lit at night and will change color similar the north glass façade of the building.

At the east corner where Cogswell and Water Streets meet, the concept is to have a glass element containing retail uses that visually reinforce the corner and provide juxtaposition to the arcing façade above and behind it.



Night View Looking North on Barrington to Main South Entry



Dusk View Looking North on Lower Water Street to South-East Corner

The northeast façade on Water Street that faces Casino Nova Scotia will follow the new form of the gently arcing street. The concept for this side is to provide a stone base with punched windows as a more traditional form. The center portion of this façade will have masonry and glass with numerous balconies stepping back up the façade. This provides a transition of scale and allows patrons on each of the concourse to step outside and get some fresh air and at the same time to have excellent views of the harbour. The use of balconies activates the building during events and also allows the fans to view the action on the street.



Metro Centre II from the Water

The north curving portion of the Event Centre will have linear windows and metal siding above a stone base with punched windows. Using these proportions at street level provide a traditional pedestrian scale for the building.

The use of an evolving image as one travels around the building as well as the effective use of human scaled elements the building will be an asset to the community. The goal is to create a building that is both sculptural when viewed from a distance and appropriately scaled when viewed up close. Unlike many arenas that use little glass, the design concept is for the building to open up to the surrounding streets and the community with the use extensive clear glass. By seeing the activity both day and night, the facility will become an active part of a re-energized downtown.



9.2 Green Building Strategies

The deconstruction of the existing Metro Centre, the subsequent expansion of the WTCC and the construction of a new event facility, MC2, at the current Cogswell interchange site will be significant additions to the HRM Capitol District. The necessary twinning of these projects will mean they will be constructed in sequence over a time period of approximately four years. The buildings will be expected to function effectively over a period of several decades in an urban environment which will increasingly be planned and developed for sustainability. Their design will be critical factors in the quality of HRM's downtown, urban context. Particular care will be required in providing an appropriate architectural aesthetic, a comfortable and efficient functionality and an economy of operation. All these elements will be supported with the implementation of Green Building strategies.

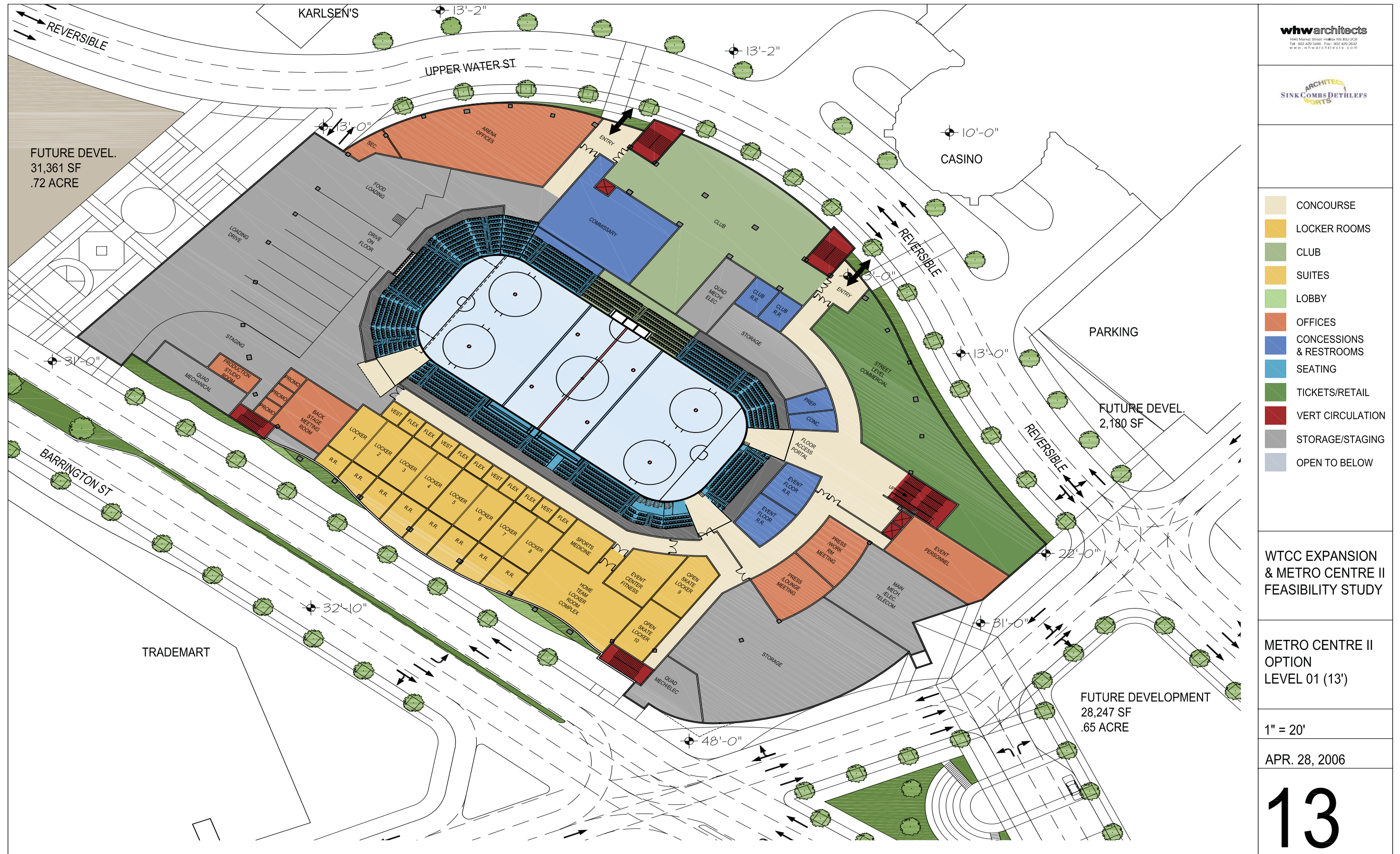
As with the WTCC, a LEED Project checklist for the Metro Centre II has been prepared as part of this feasibility study and can be found in the report appendices. It represents anticipated credits that may reasonably be targeted and is not the result of client/team generated goals or an integrated design process. Both will be critical elements in the next stage of project development if a meaningful level of green building success as defined by LEED. The only effective strategy for achieving LEED will commence with the commitment of all team members – owners, operators, consultants, users and ideally builders to the LEED process. With that commitment in place targets and goals can be identified and incorporated in an integrated design process.

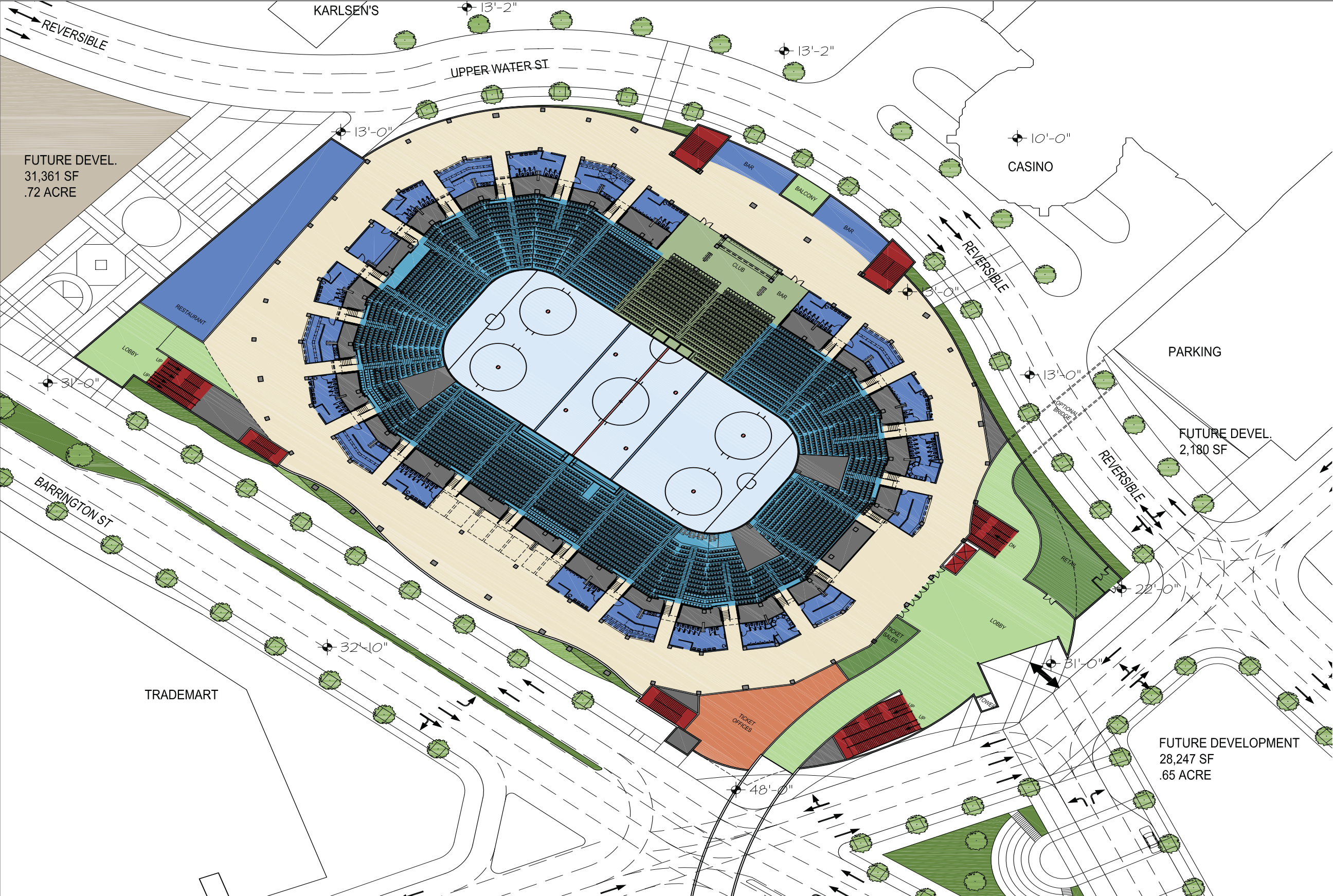
With operating expenses a major factor in the life-cycle costing of arenas, capital investment in green building strategies that reduce those costs should figure prominently in the program objectives. The degree to which those strategies will affect the capital cost of the arena is unknown given the preliminary and somewhat hypothetical nature of the work. Historical data from the United States Green Building Council suggests a minimal impact on capital costs if the Integrated Design Process is deployed at the earliest project stages, is genuinely championed by the owner and embraced by all team members. Operational cost savings will vary depending on the level of achievement but should be considered significant over the lifespan of each building.

9.3 Americans with Disabilities Act Implications

The Americans with Disabilities Act (ADA) is a United States Federal act legislating required accessible design standards in that country. It is direct relevance to the MCII is limited but as with the WTCC, would be applicable to American organizations using the MCII as a potential conference venue. If the MCII does not meet ADA, it is not eligible for that American business.

The project team has experience with ADA and Canadian accessibility standards, and as a general rule, the standards are comparable with minor variations on the similar theme of ensuring universally accessible design. With early consideration of accessibility requirements in further stages of design the cost implications of ADA will be minimal for what will be a new building.





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STORAGE/STAGING

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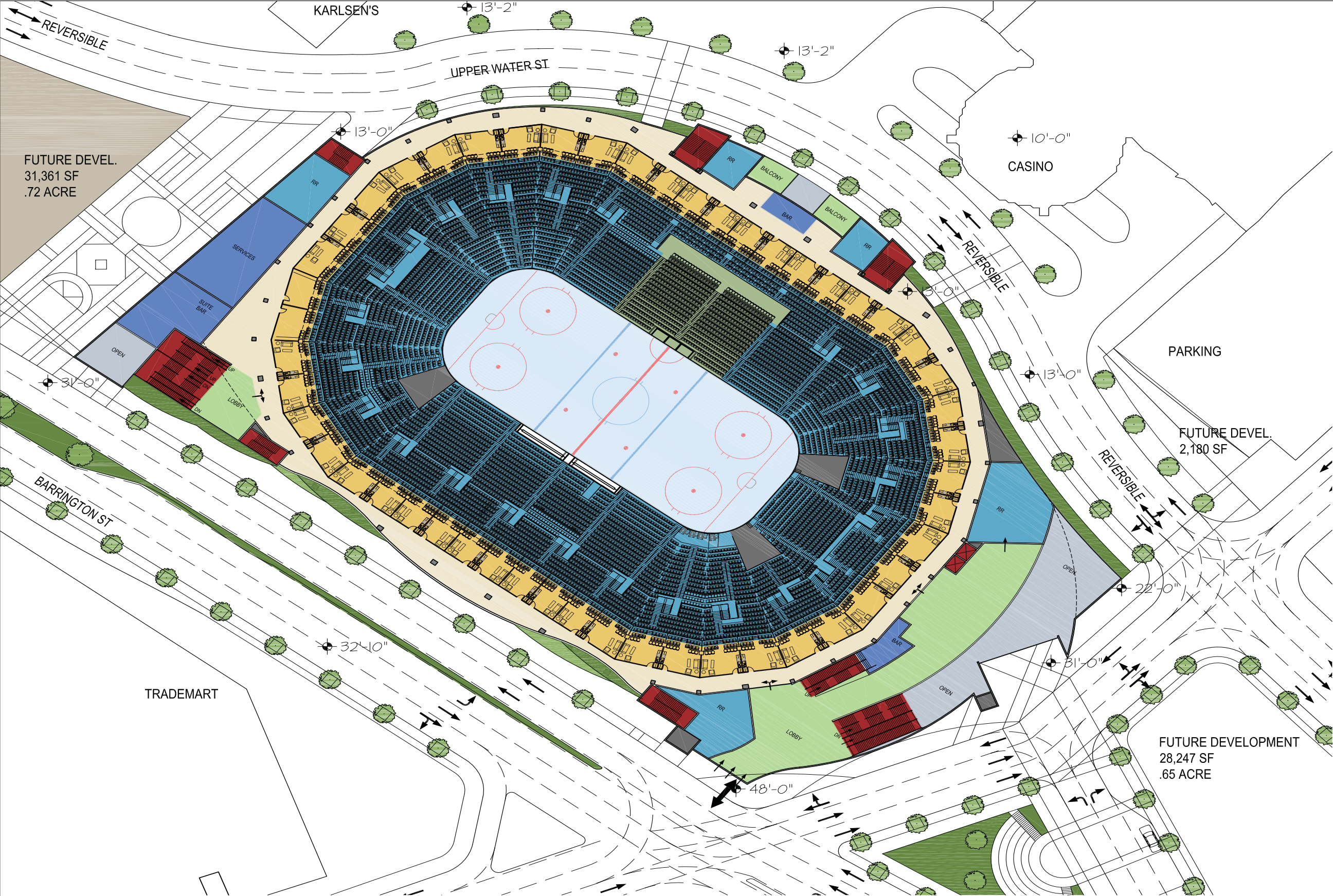
WTCC EXPANSION & METRO CENTRE II
FEASIBILITY STUDY

METRO CENTRE II
OPTION
LEVEL 02 (31')

1" = 20'

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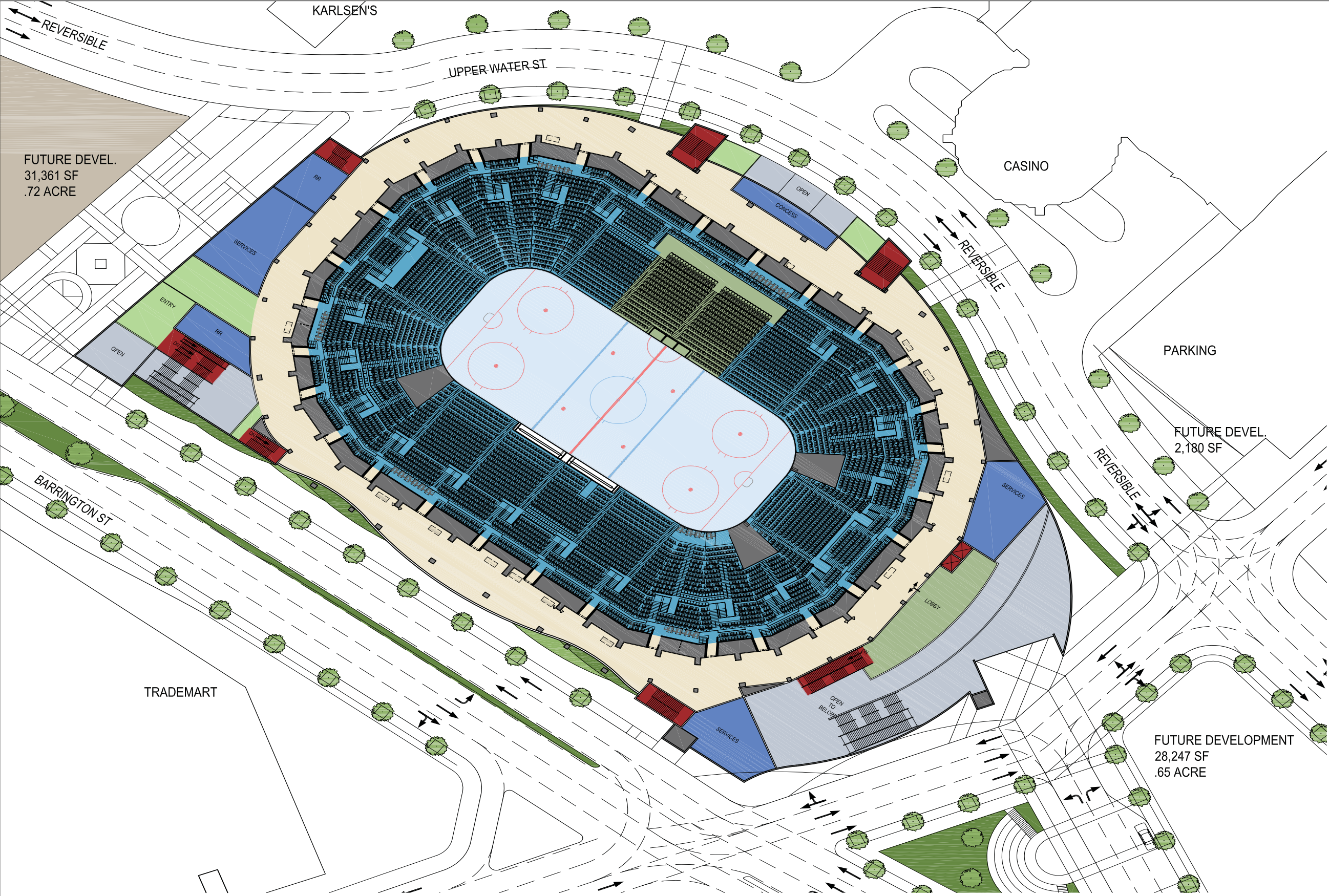
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FEASIBILITY STUDY

METRO CENTRE II
OPTION
LEVEL 03 (49')

1" = 20'

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- OPEN TO BELOW

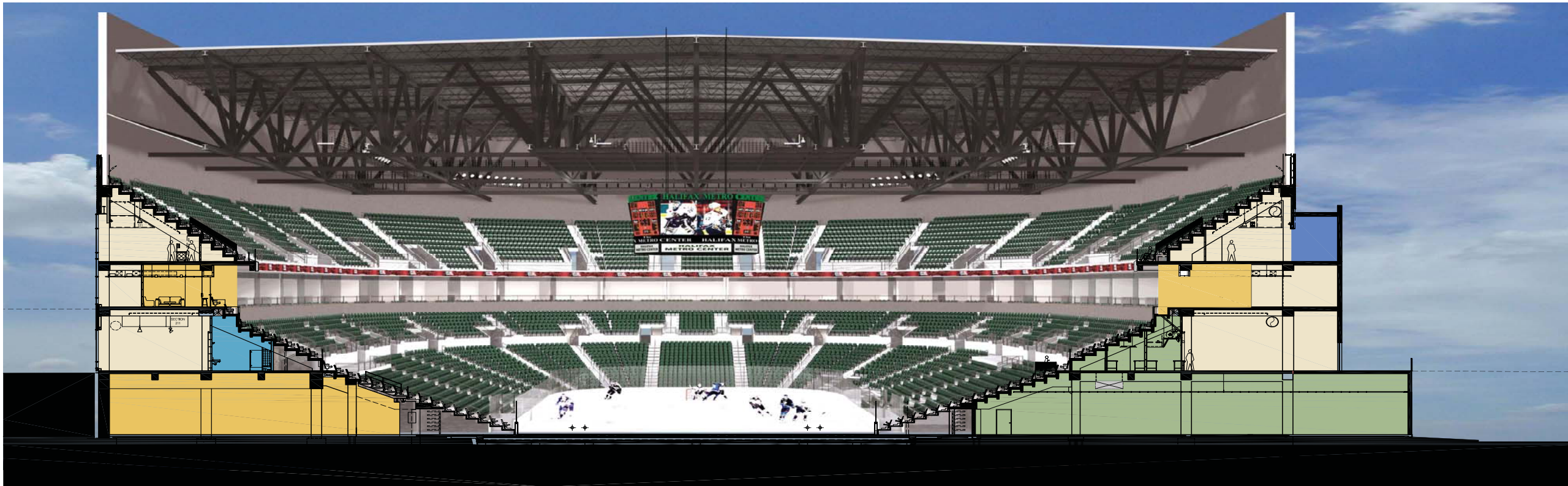
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FEASIBILITY STUDY

METRO CENTRE II
OPTION
LEVEL 04 (62')

1" = 20'

APR. 28, 2006

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SECTION PERSPECTIVE - COGSWELL SITE

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FEASIBILITY STUDY

SITE AND BUILDING
SECTION

APR. 28, 2006

Section 10

Metro Centre II Costing and Scheduling



10 Metro Centre II Costing and Scheduling

An order of Magnitude budget and project schedule for both the WTCC expansion and the new Metro Centre II was prepared by PCL for this report. A copy of their final report and two interim reports is located in the appendices. Please refer to the reports for an in depth view of how costs were determined and what they represent.

10.1 Project Costs

PCL determined the total direct costs for constructing the Metro Centre II alteration \$87,444,768, including \$8.6M for Cogswell land acquisition as described in section 8.0. An allowance of 10% plus general contractor expenses and fees are added to this number for a total budget cost of \$108,212,900. Soft costs, costs for items such as professional fees, advertising signage, netting, restaurant fit-up, score boards, special lighting and curtains., have with few exceptions not been included in this number. A firm set of itemized numbers on soft costs has not been provided. Soft costs are difficult to determine given their flexible nature and the need for intensive client input and further design/project refinement that is beyond the scope of this study. Some soft costs may be avoided by utilizing existing equipment, others may be included in tenant lease agreements and others are simply discretionary or unknown (advertising signage, professional fees etc). To a certain degree what soft costs will be incurred and how they will be handled will be determined by the final project budget, not the other way around. That said, to plan for a reasonable amount for soft costs based on previous experience, soft costs could represent upwards of 40% to 50% of the hard costs of the project.

10.2 Project Schedule

PCL's project schedule for the Metro Centre II begins with the demolition and reconstruction of the Cogswell Interchange. This civic work would involve a period of urban planning process involving the development of an official plan for the lands and the review of that plan through public consultation. The schedule assumes a one year period for this exercise. Whether that schedule can be met will be determined by the City's willingness to match the process to the schedule. MCII construction will not begin until the exchange reconstruction is largely complete, due to the need to maintain some traffic flow in the interchange during construction and the confined nature and large volume of work for both projects. With a Cogswell design and construction time of one and a half years, arena construction begins two and a half years after the commencement of the area planning process. With a two year arena construction period, a planning process that begins at the start of 2007 sees the new Metro Centre II opening its doors in the summer of 2011.

Section 11

Metro Centre II Arena Economics



11 Metro Centre II Arena Economics

WHW Architects (WHW) retained Economics Research Associates (ERA) to evaluate the potential of replacing the Halifax Metro Centre with a new, updated arena (Halifax Sports Entertainment Complex). This section is divided into the following eight sections:

- 11.1 Summary
- 11.2 Introduction
- 11.3 Halifax Metro Centre
- 11.4 Promoter Interviews
- 11.5 Potential Anchor Tenants and Sports Leagues
- 11.6 Arena Sizing Recommendations
- 11.7 Financial Analysis
- 11.8 Potential Financing Mechanisms

11.1 Summary

Below are some of the key findings that are located throughout this section:

- Trade Centre Limited (TCL) is currently positioning Halifax as a top North American event city. Currently TCL has developed a new strategic plan with the intent to establish Halifax as one of the best event cities in North America within 15 years. A key ingredient to this is its current level of infrastructure especially as it relates to sports and entertainment. The current Halifax Metro Centre is more than 25 years old and lacks many of the amenities expected by today's patrons. Without major state-of-the-art facilities, TCL will have difficulty achieving its strategic intent. This section focuses on only one of these facilities – the Halifax Sports Entertainment Complex.
- An experienced management team at Trade Centre Limited is already in place and has a dedicated group within itself (Events Halifax). This group will need to put a strong effort toward securing major events at the proposed Halifax Sports Entertainment Complex.
- Based on the results of promoter interviews, as well as the interviews that were made with local Halifax business people, the consensus is that Halifax could potentially be positioned as a 12,000 to 16,000 seat market. Many feel, and we concur, that there is no need to expand beyond that range. Some of the promoters have suggested that in order to get the events that you are hoping to attract (the Elton John's of the world) that you will need to construct an arena in the 20,000 seat range. An arena of that size would be a major investment and a potential huge 'white elephant' in the Halifax marketplace.
- This analysis is based on one major tenant (the Halifax Mooseheads). The proposed Halifax Sports Entertainment Complex could have the capacity for a second major sports tenant, although it does not appear that at the current time one is viable for the Halifax marketplace.
- Based on promoter interviews, interviews with the Halifax Mooseheads, the Halifax marketplace, potential events (discussed later in this section) and industry trends, among others, our recommendations for a new sport entertainment complex are as follows:
 - * Approximately 15,000 seats
 - * Two concourses
 - * Sophisticated curtain system
 - * Approximately 45 luxury suites
 - * Approximately 500 club seats
 - * Minimum of 3 major locker rooms for anchor tenants and room for auxiliary locker rooms for major

- hockey tournaments
- * Sports bar/restaurant
- * Ample storage space
- * Office space to house a minimum of 1 to 2 franchises, arena management and 1 to 2 conference rooms to be utilized by luxury suite and club seat holders
- * Additional public space
- * Areas for sponsor entertainment or display
- * Large, modern wash rooms

- The table below presents a summary of the forecasted number and type of events and the estimated paid attendance per event for year 1 of the cash flow. It should be noted that certain events are not assumed to occur each year.

Number and Type of Events– Year 1

Event	Number of Events	Average Paid Attendance - (1)	Total Paid Attendance
Anchor Tenants			
Hockey - Pre Season	2	5,904	11,808
Hockey - Regular Season	36	8,404	302,544
Hockey - Post Season	2	10,404	20,808
Other Sport Tenant	0	5,000	0
Concerts			
Minor	8	7,904	63,232
Major	4	10,404	41,616
Other	2	6,404	12,808
Family Shows			
Motor Related	2	7,814	15,627
Circus	5	5,223	26,116
Ice Shows	5	4,223	21,116
Stage Shows	5	5,723	28,616
Nova Scotia International Tatoo	9	7,723	69,509
Other Sports			
Boxing	2	3,814	7,627
University	3	4,404	13,212
Wrestling	3	7,542	22,627
Professional Exhibitions	2	9,904	19,808
Miscellaneous	6	5,133	30,797
Other Events			
General Entertainment	8	4,000	32,000
Major Sports	4	7,223	28,893
Averages/Totals	108	7,118	768,764

(1) - Includes luxury suite and club seat seating.

- The base case cash flow model developed for the proposed venue utilizes assumptions that were developed based on our review of the current operations at the Halifax Metro Centre, the marketplace, surveys with comparable arenas, among others. Although these assumptions appear reasonable based on the current and anticipated market conditions, actual results depend on the actions of management and other factors both internal and external to the project, which frequently vary. It is important to note that because events and circumstances may not occur as expected, there may be substantial significant differences between the actual results and those estimated in this analysis. The key assumptions and estimated base case arena cash flows are presented in detail at the conclusion of this section. The following table provides cash flow summaries for the proposed new Metro Centre for the first five years of operation.

**Halifax Sports Entertainment Complex
Cash Flow Summary – Years 1 through 5**

Base Case (in 000's)	1	2	Year 3	4	5
Operating Revenues					
Ticket Revenues	\$1,120	\$1,180	\$1,152	\$1,179	\$1,225
Other Revenues	5,556	5,633	5,673	5,730	5,929
Total Operating Revenues	\$8,229	\$6,677	\$6,813	\$6,825	\$6,909
Total Operating Expenses	\$4,614	\$4,944	\$5,050	\$5,159	\$5,256
Surplus/Deficit from Operations (before debt service)	\$3,615 \$1,120	\$1,733 \$1,180	\$1,763 \$1,152	\$1,667 \$1,179	\$1,653 \$1,225

11.2 Introduction

TCL is currently positioning Halifax as a top North American event city. TCL has developed a new strategic plan with the intent to establish Halifax as the best event cities in North America within 15 years. A key ingredient to this is its current level of infrastructure especially as it relates to sports and entertainment. The current Halifax Metro Centre is close to 30 years old and lacks many of the amenities expected by today's patrons. Without a major state-of-the-art facilities, TCL will have difficulty achieving its strategic intent. This section focuses on only one of these facilities – the Halifax Sports Entertainment Complex.

The age of the Halifax Metro Centre; the costly annual capital upgrades; the comfort of the patrons while in the facility; the site lines (especially in the upper bowl); the shortcomings in the washrooms; the lack of concession stands and other public spaces; the aged equipment - chairs; rinkboards; glass; etc; the confined entrance areas all make it difficult to maximize revenues at the Halifax Metro Centre. Even though the Halifax Metro Centre has 10,500 seats, in a concert configuration, it can only accommodate 7,000 to 8,000 persons. A major portion of the analysis focused on interviewing promoters, current tenants and analyzing the Canadian arena marketplace.

Not only is the Halifax Metro Centre configuration small for concerts, it does not have all of the state-of-the-art amenities that can generate acts and revenues. These amenities go along with the changing arena industry, include modern locker room facilities, additional points-of-sale, wider concourses, good site lines from every seat, modern technology, to name a few.

A new modern arena could give Halifax 'studio' quality conditions for major events which potentially could give the City of Halifax added national and international exposure. It is extremely difficult, if not impossible to do this in the current Halifax Metro Centre.

A significant contributor to any major national or international event is based on the ability to televise. This includes such events as World Junior Hockey, World Wrestling Entertainment, World Figure Skating, among others. As TCL aspires to develop Halifax as a major events destination, TCL must be able to host these type of events on a local level, but with the ability to have them televised in the highest quality possible. The Halifax Metro Centre limits TCL's ability to showcase or brand the City as a destination via television of these major events.

A new arena in Halifax can create many benefits to the area. If located at the Cogswell site, it is a major opportunity to provide additional activity to the downtown and specifically the existing casino. Due to their attractiveness, casino sites have been targeted for entertainment-orientated uses in many marketplaces throughout North America. The new arena could energise this important part of Halifax, catalyzing adjacent retail, entertainment, and restaurants as well as attracting additional people to the existing casino. Developing adjacent retail and entertainment could enhance the area as a 365-day a year destination and the potential tax revenues from the area may be a source of revenue for the Halifax Sports Entertainment Complex. This new arena would be a state-of-the-art facility with a stronger, more sustainable economic profile and significant economic benefits to the community. It should be noted that the evaluation of an entertainment 'district' surrounding the proposed Halifax Sports Enter-

tainment Complex is beyond the scope of this engagement. A modern arena coupled with an 'entertainment district' could potentially be a showcase for the City.

In terms of local venue competition, there are virtually no comparable arenas to the Halifax Metro Centre in the eastern portion of Canada. This is an advantage and a disadvantage for the Halifax Metro Centre. The major disadvantage is that it is difficult for promoters to bring their respective acts to the Halifax marketplace and not be able to easily access another venue to perform the same act. Challenges currently exist in attracting touring shows to eastern Canada. In order to attract new arena business, the current facility management must either be more willing to 'self promote' and/or be willing to enter into significant partnerships to attract more businesses looking for either stand alone play in the Halifax marketplace or to use Halifax as an anchor.

An experienced management team at Trade Centre Limited is already in place and has a dedicated group within itself (Events Halifax). This group will need to put a strong effort toward securing major events at the proposed Halifax Sports Entertainment Complex.

Communities throughout Canada have not developed many new arenas in the last few years. It should be noted that newer 'major league' arenas have been built throughout Canada in the 1990s including: Toronto; Montreal; and Vancouver. The table below illustrates some arenas that were recently built in Canada. It should be noted that a majority of these arenas are on the smaller side and all of them do not have all of the amenities that the proposed Halifax Sports Entertainment Complex to have. The arena in Toronto (Ricoch Coliseum) is a major renovation of the Coliseum Complex located at Exhibition Place. This arena is to be the home of the American Hockey League (AHL) Toronto Roadrunners. Costs have been inflated to 2006 dollars.

New Canadian Arenas

Location	Arena	Capacity	Year Opened	Construction Cost (\$m)
Brampton, ON	Brampton Sports & Entertainment Centre	5,000	1997	\$19
Mississauga, ON	Hershey Centre Mississauga	5,300	1997	\$19
Sarnia, ON	Sarnia Sports & Entertainment Centre	4,200	1997	\$13
Guelph, ON	Guelph Sports & Entertainment Centre	5,026	1999	\$21
Toronto, ON	Ricoch Coliseum	9,000	2003	\$38
Winnipeg, MA	MTS Centre	15,105	2004	\$133.5

Source: Economics Research Associates.

11.3 Halifax Metro Centre

The Halifax Metro Centre was originally built in February 1978. It is the current home to the Halifax Mooseheads hockey club. Over the years the Metro Centre has been very successful hosting events such as National Hockey League (NHL) exhibition games, Harlem Globetrotters, numerous wrestling events, numerous ice shows, numerous concerts, among others. The Halifax Metro Centre regularly and successfully features popular shows such as Garth Brooks and Wayne Newton and the touring production of the Broadway musical CATS. The Nova Scotia international Tattoo, Canada's largest military festival and the world's largest annual indoor show, has been presented at the Halifax Metro Centre since 1978. Other major one-time or periodic events have included: the Labatt/Nokia Brier (1981, 1995 and 2003); G-7 Summit (1995); and the World Junior Hockey Championships (2002) to name a few.

Based on our review of the historical event calendar that TMC provided to us, the Halifax Metro Centre ranges from approximately 85 to 110 paid events annually. Because the Halifax Metro Centre hosts a number of annual 'series events' (Tattoo, CIS Basketball, etc.) use days have actually exceeded 200 in some years. In some years, there are major events which boost attendance. Some of the annual events are obviously more successful than others. The one major constant has been the Halifax Mooseheads being the anchor tenant in the arena.

Major venue upgrades have included executive suites (1996), sky boxes and VIP lounge (1998 and 2000), and a new state-of-the-art video score board and production studio (2002).

The Halifax Metro Centre offers several premium seating options that range in seating capacity and lease terms. The 20 East SkyBoxes can seat up to 8 people and lease for \$30,000 annually. Currently, 80 percent of the East SkyBoxes are leased, many of which are up for renewal. The 17 West SkyBoxes can seat 8 to 30 people, and cost \$36,000 to \$135,000 annually. Approximately 77 percent of the West SkyBoxes are presently occupied, the majority of which are up for renewal. Fully occupied at 100 percent, the 11 Executive Suites that can seat up to 12 to 20 people and cost \$40,000 to \$65,000 annually. The Rafter's Lounge can seat 40 people and cost \$1,000 to \$5,000 per event. Occupancy at the Rafter's Lounge is approximately 75 percent. Excluding the Rafter's Lounge, all SkyBoxes and Executive Suites include tickets to all events and are leased for 5-year terms. The following table summarizes the premium seating options at the Halifax Metro Centre.

**Halifax Metro Centre
Premium Seating Prices And Terms**

Suite Type	Number / Product	Seating Capacity	Lease Price Per Year	Lease Terms	Current Occupancy
East SkyBoxes	20	8	\$30,000	5-years; includes all events	80%
West SkyBoxes	17	8 to 30	\$36,000 to \$135,000	5-years; includes all events	77%
Executive Suites	11	12 to 20	\$40,000 to \$65,000	5-years; includes all events	100%
Rafter's Lounge	1	40	\$1,000 to \$5,000	Per event	75%
Club Seats	316	316	\$1,000	3-years	80%

Sources: Halifax Metro Centre, and Economics Research Associates.

11.4 Promoter Interviews

ERA has interviewed several promoters who have promoted events at the Halifax Metro Centre. We have also interviewed TCL staff, as well as management of the Mooseheads hockey club. Nearly everyone that we have interviewed (promoters, users, patrons) have given TCL's management team great praise. Many of the promoters asked that we keep their names in confidence, as they did not want any of their answers to effect the way that TCL does business with them in the future.

Based on the results of promoter interviews, as well as the interviews that were made with local business people, some believe that Halifax should stay positioned as a 10,000 to 12,000 seat market., while others believe that the building should be in the 15,000 seat range with an excellent curtain system. Some of the promoters have suggested that in order to get the 'super act' events that you are hoping to attract (the Elton John's of the world) that you will need to construct an arena in the 20,000 seat range. An arena of that size would be a major investment and a potential huge 'white elephant' in the Halifax marketplace.

The management of the Halifax Mooseheads did not give an absolute answer to their opinion of the size of the proposed Halifax Sports Entertainment Complex, but they indicated that the current size of the Halifax Metro Centre suits them just fine. They indicated that constructing an arena much larger would make it a lot tougher for them to sell season tickets, but they did buy into the curtain concept (with two different bowls). They appear to be very happy in the Halifax Metro Centre, but would greatly appreciate the opportunity to play in a newer arena with all of the 21st century amenities. Depending on their lease terms, the Mooseheads could significantly increase their revenues in a newer arena.

11.5 Potential Anchor Tenants and Sports Leagues

This analysis is based on one major tenant (the Halifax Mooseheads). The proposed Halifax Sports Entertainment Complex could have the capacity for a second major sports tenant, although it does not appear that at the current time one is viable for the Halifax marketplace. Below is a listing of other potential leagues that may want to be considered if you decide to add an additional tenant to the arena in the future. A establishment of second tenant could potentially reduce the risk associated on a one tenant facility, and could also increase revenue streams.

In assessing the potential demand for the proposed Halifax Sports Entertainment Complex, ERA identified several leagues that show potential for utilizing the Halifax Sports Entertainment Complex as their home. There can be arguments made as to the positives and negatives to each of the different professional sports league options available. These leagues include: Arena Football 2 (AF2); National Indoor Football League (NIFL); Major Indoor Soccer League (MISL); Continental Basketball Association (CBA); National Lacrosse League (NLL); and National Basketball Development League (NBDL). This list is not intended to be inclusive, rather it is a representation of possible leagues to be considered as tenants. We have had preliminary discussions with representatives of all of the previously mentioned leagues and they have all indicated that they would be interested in potentially expanding to the Halifax marketplace.

Arena Football 2

The first arena football game was played in 1986 in Rockford, Illinois and the Arena Football League played its inaugural season in 1987 with four teams. The league evolved over the years with annual attendance reaching over 1,000,000 several times in the mid to late 1990's.

With the popularity of the sport evolving, Arena Football 2 (AF2) was formed in late 1999 to early 2000. While AF2's inaugural season consisted of 15 franchises located primarily in the southeastern United States, the league had 23 franchises in the recently completed 2005 season. The league is set up as a single entity league, with all of the players and coaches actually employed by the league. Historically, these franchises have averaged approximately 4,000 to 7,500 attendees per game. In 2004-05, franchises averaged 4,864 per game.

The following table lists the 25 franchises and their respective arenas for the 2005 season.

Arena Football 2

Franchise	Town	Arena	Seating Capacity ¹
Albany Conquest	Albany, NY	Pepsi Arena	17,500
Amarillo Dusters	Amarillo, TX	Amarillo Civic Center	4,870
Arkansas Twisters	North Little Rock, AR	Alltel Arena	16,500
Bakersfield Blitz	Bakersfield, CA	Centennial Garden	10,400
Birmingham Steeldogs	Birmingham, AL	Birmingham-Jefferson Cnvntrn Center	19,000
Bossier-Shreveport Battle Wings	Bossier City, LA	CenturyTel Arena	14,000
Central Valley Coyotes	Fresno, CA	Selland Arena	8,950
Everett Hawks	Everett, WA	Everett Events Center	10,000
Florida Firecats	Estero, FL	TECO Arena	7,500
Green Bay Blizzard	Green Bay, WI	Resch Center	8,300
Louisville Fire	Louisville, KY	Freedom Hall	19,800
Macon Knights	Macon, GA	Macon Coliseum	7,182
Manchester Wolves	Manchester, NH	Verizon Wireless Arena	11,000
Memphis Xplorers	Southaven, MS	De Soto Civic Center	10,100
Oklahoma City Yard Dawgz	Oklahoma City, OK	Ford Center	14,747
Quad City Steamwheelers	Moline, IL	Mark of the Quad Cities	12,200
Rio Grande Valley Dorados	Hidalgo, TX	Dodge Arena	6,800
South Georgia Wildcats	Albany, GA	Albany Civic Center	7,745
Spokane Shock	Spokane, WA	Spokane Arena	12,210
Stockton Lightning	Stockton, CA	Stockton Arena	10,000
Tennessee Valley Vipers	TBA	TBA	TBA
Tulsa Talons	Tulsa, OK	Tulsa Cnvntrn Center	9,140
Wilkes Barre/Scranton Pioneers	Wilkes Barre, PA	Wachovia Arena	10,500

Sources: Arena Football 2, AudArena Stadium Guide (2005), and Economics Research Associates.

Note: (1) Total capacity including permanent and portable seating.

National Indoor Football League

The National Indoor Football League (NIFL) is a similar league to the AF2. The NIFL was founded in 2001 with 18 franchises. After the Indoor Professional Football League (IPFL) ceased its operations in 2001, few teams made the jump to the new NIFL. The league had 24 franchises in the recently completed 2005 season. Historically, these franchises have averaged approximately 2,500 to 7,000 attendees per game.

The following table illustrates the NIFL franchises for the 2006 season and their respective arenas.

2006 National Indoor Football League

Franchise	Town	Arena	Seating Capacity ¹
Arkansas Stars	Fayetteville, AR	Randal Tyson Track Center	5,100
Beaumont Drillers	Beaumont, TX	Beaumont Civic Center	6,000
Big Sky Thunder	Bozeman, MT	The Valley Ice Garden	3,200
Billings Mavericks	Billings, MT	MetraPark Arena	7,500
Cincinnati Marshals	Cincinnati, OH	U.S. Bank Arena	16,500
Dayton Warbirds	Beavercreek, OH	F.J. Nutter Center	10,000
Fayetteville Guard	Fayetteville, NC	Crown Coliseum	13,500
Greensboro Revolution	Greensboro, NC	Greensboro Coliseum	23,500
Hammond Heroes	Hammond, LA	TBA	n.a.
Katy Connerheads	Katy, TX	Leonard F. Merrell Center	5,600
Lakeland Thunderbolts	Lakeland, FL	Lakeland Center	10,000
Lincoln Caniels	Lincoln, NE	Pershing Center	4,500
Lubbock Gunslingers	Lubbock, TX	Lubbock Municipal Coliseum	7,050
Miami Morays	Miami, FL	Miami Arena	14,696
Montgomery Maulers	Montgomery, AL	Garrett Coliseum	8,528
New Jersey Xtreme	Rutherford, NJ	Continental Airlines Arena	19,040
Osceola	Kissimmee, FL	Silver Spurs Arena	8,300
Rapid City Flying Aces	Rapid City, SD	Rushmore Plaza Civic Center	6,000
River City Rage	St. Charles, MO	Family Arena	10,000
San Angelo Stampede	San Angelo, TX	San Angelo Coliseum	17,500
SW Louisiana Swashbucklers	Lake Charles, LA	Lake Charles Civic Center	7,450
Tennessee River Sharks	East Ridge, TN	Camp Jordan Arena	4,000
Tri-Cities Fever	Kennewick, WA	Three Rivers Coliseum	5,780
Wyoming Cavalry	Casper, WY	Casper Events Center	8,776

Sources: *International Professional Football League, AudArena Stadium Guide (2004), SportsBusiness Journal Resource Guide & Fact Book 2006, and Economics Research Associates.*

Note: (1) Total capacity includes permanent and portable seating.

Major Indoor Soccer League

In 2001, the National Professional Soccer League (NPSL) reorganized into the new Major Indoor Soccer League (MISL) with seven NPSL franchises. Established in 1984 with six franchises, the NPSL became the major league of professional indoor soccer in North America, with teams in the United States and Canada. The following NPSL teams joined the current MISL: Baltimore Blast; Cleveland Crunch; Detroit Rockers; Harrisburg Heat; Milwaukee Wave; Philadelphia Kixx; and Toronto Thunderhawks.

In December 2001, the MISL agreed to merge with the four-year World Indoor Soccer League (WISL) to form began a single entity under the MISL banner beginning with the 2002-03 season. The WISL began after the Continental Indoor Soccer League (CISL) ceased its operation with four of the CISL franchises. The WISL had 10 franchises

during the 2005-06 season and averaged nearly 5,000 paid attendees per game with ticket prices ranging from \$11.00 to \$27.75. The MISL season consists of 36 games (18 home and 18 road), operating from late September through late March, when many arenas have open dates. The following chart lists the current MISL franchises and their respective arenas for the current 2005-06 season.

2005-06 Major Indoor Soccer League Franchises and Arenas

Franchise	Town	Arena	Seating Capacity ¹
Baltimore Blast	Baltimore, MD	1st Mariner Arena	13,700
California Cougars	Stockton, CA	Stockton Arena	12,000
Chicago Storm	Chicago, IL	UIC Pavilion	10,122
Cleveland Force	Cleveland, OH	CSU Convocation Center	12,500
Kansas Town Comets	Kansas City, MO	Kemper Arena	18,008
Monterrey Tigres	Monterrey, Mexico	Monterrey Arena	17,000
Milwaukee Wave	Milwaukee, WI	U.S. Cellular Arena	9,000
Philadelphia Kixx	Philadelphia, PA	Wachovia Spectrum	14,500
St. Louis Steamers	St. Charles, MO	Family Arena	10,500
San Diego Sockers	San Diego, CA	San Diego Sports Arena	13,100

Sources: Major Indoor Soccer League, 2005 Revenues From Sports Venues Pro Edition, and Economics

Note: (1) Total capacity includes permanent and portable seating.

Continental Basketball Association

The original Continental Basketball Association (CBA) operated for over 50 years as an unofficial minor league/feeder program to the National Basketball Association (NBA). The CBA seized its operations in February 2001. In late 2001, the league formed a new LLC. The league has the same name with new opportunities. The league began play in mid-November 2001. The league averaged approximately 2,373 persons per game during the regular 2001-02 season and reports are that the attendance was approximately the same for the past three seasons. The table illustrates the CBA franchises, their home arenas, and seating capacity.

2005-06 Continental Basketball Association Franchises

Franchise	Town	Arena	Seating Capacity ¹
Albany Patroons	Albany, NY	Washington Avenue Armory	4,000
Dakota Wizards	Bismarck, ND	Bismarck Civic Center	9,000
Gary Steelheads	Gary, IN	Genesis Convention Center	6,900
Idaho Stampede	Boise, ID	Qwest Arena	7,773
Michigan Mayhem	Muskegon, MI	L.C. Walker Arena	5,178
Rockford Lightning	Rockford, IL	Rockford MetroCentre	8,900
Sioux Falls Skyforce	Sioux Falls, SD	Sioux Falls Arena	6,400
Yakima Sun Kings	Yakima, WA	Yakima Sun Dome	5,300

Sources: Continental Basketball Association, AudArena Stadium Guide (2004), SportsBusiness Journal Resource Guide and Factbook 2006 and Economics Research Associates.

Note: (1) Maximum capacity for basketball games.

National Lacrosse League

Lacrosse as a sport was invented in the 1300s by North American Indians and is considered to be the oldest existing sport in North America. The National Lacrosse League (NLL) played its inaugural season in 1998. The history of lacrosse as a competitive sport can be traced to the late 1880s when collegiate level lacrosse was first introduced in the Ivy League. Professional lacrosse began in the mid to late 1960s with the formation of the National Lacrosse Association (NLA). In 1987, Russ Cline and Chris Fritz introduce the Major Indoor Lacrosse League (MILL). In the next ten years, the MILL increased in popularity and attendance. It should be noted that a NLL exhibition game was played in the Metro Center four years ago between the Toronto and Montreal franchises.

The following table lists the ten NLL franchises (2005-2006 season), their respective home arenas, and seating capacities.

National Lacrosse League Franchises and Arenas

Franchise	Arena	Seating Capacity
Arizona Sting	Glendale Arena	19,023
Buffalo Bandits	HSBC Arena	21,500
Calgary Roughnecks	Pengrowth Saddledome	20,240
Colorado Mammoth	Pepsi Center	20,000
Edmonton Rush	Rexall Place	16,839
Minnesota Swarm	Xcel Energy Center	18,064
Philadelphia Wings	Wachovia Center	17,500
Portland Lumberjax	Rose Garden	20,000
Rochester Knighthawks	Blue Cross Arena	9,337
San Jose Stealth	HP Pavilion	20,000
Toronto Rock	Air Canada Centre	19,800

Sources: National Lacrosse League, SportsBusiness Journal Resource Guide &

National Basketball Development League

The NBA recently started a development league known as the National Basketball Development League (NBDL). The NBDL tipped off its inaugural season in November 2001 with teams based in eight Southeastern U.S. cities and a 56-game regular season schedule that ran from mid-November through March, followed by playoffs. The current schedule holds 48 regular season games over 20 weeks.

Players must be 20 years of age or older to play in the NBDL. Although NBDL teams do not have direct affiliation with specific NBA teams, development league players are eligible to play for any NBA team.

Designed to help grow the sport of basketball both domestically and internationally, the NBDL offers players the opportunity to develop their talent in a highly competitive atmosphere under the NBA's umbrella. In addition to being a source of on-court talent for the NBA's 29 teams, the NBDL also serves as a diverse human resource pool for the NBA and its teams, as it trains employees in management, operations, public relations and marketing positions in each NBDL city.

The following table lists the NBDL franchises, their corresponding arenas, and seating capacity for the 2005-2006 season. The league averages less than 2,000 persons per game.

Again, the leagues are only examples of potential sports leagues to be used as 2nd anchors. Other leagues may form in the coming years. A second franchise could potentially be a major asset to the Halifax Sports Entertainment Complex from a date and revenue perspective. Unfortunately, at the current time, none of the aforementioned leagues appear to be viable for the Halifax marketplace. An unsuccessful 2nd anchor tenant could be a liability to the proposed Halifax Sports Entertainment Complex.

National Basketball Development League Franchises

Franchise	Town	Arena	Seating Capacity ¹
Albuquerque Thunderbirds	Albuquerque, NM	Tingley Coliseum	11,571
Arkansas RimRockers	Sherwood, AR	Alltel Arena	18,000
Austin Toros	Austin, TX	Austin Convention Center	16,079
Fayetteville Patriots	Fayetteville, NC	Crown Coliseum	11,200
Fort Worth Flyers	Fort Worth, TX	Fort Worth Convention Center	11,200
Florida Flame	Ft. Myers, FL	Germain Arena	8,500
Roanoke Dazzle	Roanoke, VA	Roanoke Civic Center	10,105
Tulsa 66ers	Tulsa, OK	Expo Square Pavilion	6,311

Sources: National Basketball Development League, AudArena Stadium Guide (2004), SportsBusiness Journal

Note: (1) Maximum capacity for basketball games.

11.6 Arena Sizing Recommendations

Based on promoter interviews, interviews with the Halifax Mooseheads, the Halifax marketplace, potential events (discussed later in this section), industry trends, among others, our recommendations are as follows:

- Approximately 15,000 seats
- Approximately 45 luxury suites
- Approximately 500 club seats
- Two concourses
- Sophisticated curtain system
- Minimum of 3 major locker rooms for anchor tenants and room for auxiliary locker rooms for major hockey tournaments
- Sports bar/restaurant
- Ample storage space
- Office space to house a minimum of 1 to 2 franchises, arena management and 1 to 2 conference rooms to be utilized by luxury suite and club seat holders
- Additional public space
- Areas for sponsor entertainment or display
- Large, modern wash rooms
- Even though the size of the suggested amenities are close to the current Halifax Metro Centre, making a facility with a much larger seating capacity for a potential minimal amount of events per year will jeopardize the ability for the building to generate the cash flow as illustrated in this section report.

11.7 Financial Analysis

The following presents a summary of the financial analysis completed in connection with the proposed Halifax Sports Entertainment Complex. We have prepared the project's financial analyses based on the following primary facility uses:

- Anchor Sports Tenants
- Concerts
- Family Shows

- Other Sports
- Other Events

The assumptions discussed in this section reflect the 'Base Case' scenario, unless otherwise noted. The base case model utilizes assumptions developed based on our market analysis, discussions with City officials, business leaders, sports league representatives, promoters, and surveys of comparable arenas throughout the Canada and the United States. These assumptions appear reasonable based on the current and anticipated market conditions. It is important to note that because events and circumstances frequently do not occur as expected, there may be significant differences between the actual results and those estimated in this analysis. We have not reviewed any developer projections or architectural plans.

The base-year assumptions in the cash flow are stated in 2006 dollars. Comparable data has been gathered in current dollars (when available) and have been adjusted when used in the cash flow to account for inflation. The figures reflect an annual inflation rate of 2.5 percent, unless otherwise noted. The detailed cash flow is located at the conclusion of this section.

The major determinants of a financial feasibility for the Halifax Sports Entertainment Complex include:

- Arena Operating Revenue Assumptions
 - * Potential Utilization of the Proposed Arena
 - Type of Events
 - Key Arena Lease Terms
 - Sales Tax
 - Estimated Number and Types of Events
 - Estimated Paid Attendance
 - Event Related Revenues (including tickets, concessions, novelties, and parking)
 - * Contractually Obligated Income
 - Luxury Suite Premium Revenues
 - Club Seat Premium Revenues
 - Arena Naming Rights and Arena Sponsorships
 - Advertising Revenues
 - Additional Revenues
- Arena Operating Expense Assumptions
 - * Staffing Expenses
 - * Utility Expenses
 - * Non-Recoverable Event-Related Expenses
 - * Management Fee
 - * Other Arena Operating Expenses (including administrative costs, building expenses, professional fees, property/real estate taxes, and capital replacement reserve, etc.)
 - * Investment
 - Capital Replacement Reserves

It should be noted that we have not included major events, such as your World Junior Hockey tournament, etc. in the cash flow forecast. These type of events obviously would have positive effect to the arena cash flow.

Arena Forecast

The forecast of the market potential for the proposed Halifax Sports Entertainment Complex is summarized in the following section.

Operating Revenue Assumptions

In developing the estimated cash flow from operations, ERA has made significant assumptions related to the proposed Halifax Sports Entertainment Complex's operating revenues, including: securing the minor league sports franchises and arena management agreement; number and type of events; average attendance; average ticket prices; concessions; novelties; club seats, luxury suites; advertising; naming rights and sponsorships. ERA utilized information obtained from our market analysis, information provided by the City, interviews with community leaders and representatives from comparable arenas, and our internal database.

In order to obtain information while conducting these surveys, ERA agreed to maintain the confidentiality of the participants and, as a result, cannot identify the comparable arenas in conjunction with some of their responses. Arenas and franchises providing information presented in this report are referred to as Arena A, B, C, etc. in order to conceal their identity. The following section details the key revenue-related assumptions utilized in our analysis.

Potential Utilization of the Proposed Halifax Sports Entertainment Complex

The following forecasts the estimated number and type of events to be held at the proposed Halifax Sports Entertainment Complex, the estimated average attendance, and the estimated total attendance. Utilized in the financial analysis section of this report, the assumptions are based on data from comparable arenas, data from comparable leagues, ERA's in-house database and the results of the facility interviews.

Type of Events

Based on the results of the market analysis, we have assumed the following tenant mix:

- Minor League Sports League
 - * Hockey – Pre-Season
 - * Hockey – Regular-Season
 - * Hockey – Post-Season
 - * Other Sport Tenant
- Concerts:
 - * Minor
 - * Major
 - * Other
- Family Shows
 - * Motor Related
 - * Circus
 - * Ice Shows
 - * Stage Shows
 - * Nova Scotia International Tatoo
- Other Sports
 - * Boxing
 - * University
 - * Wrestling
 - * Professional Exhibitions
 - * Miscellaneous

- Other Events
 - * General Entertainment
 - * Major Sports

Key Arena Lease Terms

Throughout the industry, there are several different variations in sports leases and other event leases, ranging from a 'flat' base rent level to different percentages of gate receipts. We have reviewed the current leases with the Mooseheads and other events. Leases can vary significantly if the operator of the arena also owns the sports franchises. For purposes of this analysis, we have assumed that the sports franchises are owned independently and do not have any arena affiliation. There are also variations in the different revenue sources as well as the different expenses. Based on the findings in the market analysis, conversations with local community leaders, several sports leagues, management companies, promoters, and TCL we have forecasted the following lease terms as illustrated in Table 1, which we believe are reasonable for purposes of this analysis. A variance in these terms can impact the results of this analysis.

Table 1
Proposed Halifax Sports Entertainment Complex – Lease Terms

Revenue/Event	Base Rent	Net General Tickets	Net Club Tickets	Net Suite Tickets	Net Concessions	Net Novelties	Net Parking
Luxury Suite Premium	75%	N/A	N/A	N/A	N/A	N/A	N/A
Club Seat Premium	75%	N/A	N/A	N/A	N/A	N/A	N/A
Advertising	75%	N/A	N/A	N/A	N/A	N/A	N/A
Naming Rights	100%	N/A	N/A	N/A	N/A	N/A	N/A
Taxes and Surcharges							
HST	N/A	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Ticket Surcharge	N/A	\$1.00 to \$2.25	\$1.00 to \$2.25	N/A	N/A	N/A	N/A
Admission Tax	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A
Anchor Tenants							
Hockey - Pre Season	N/A	10%	10%	10%	50%	0%	0%
Hockey - Regular Season	N/A	10%	10%	10%	50%	0%	0%
Hockey - Post Season	N/A	10%	10%	10%	50%	0%	0%
Other Sport Tenant	N/A	10%	10%	10%	50%	0%	0%
Concerts							
Minor	N/A	5%	5%	100%	100%	15%	0%
Major	N/A	3%	3%	100%	100%	15%	0%
Other	N/A	8%	8%	100%	100%	15%	0%
Family Shows							
Motor Related	N/A	8%	8%	100%	100%	15%	0%
Circus	N/A	8%	8%	100%	100%	15%	0%
Ice Shows	N/A	8%	8%	100%	100%	15%	0%
Stage Shows	N/A	8%	8%	100%	100%	15%	0%
Nova Scotia International Tatoo	N/A	6%	6%	100%	100%	15%	0%
Other Sports							
Boxing	N/A	10%	10%	100%	100%	15%	0%
University	N/A	10%	10%	100%	100%	15%	0%
Wrestling	N/A	10%	10%	100%	100%	15%	0%
Professional Exhibitions	N/A	5%	5%	100%	100%	15%	0%
Miscellaneous	N/A	10%	10%	100%	100%	15%	0%
Other Events							
General Entertainment	N/A	5%	5%	N/A	100%	15%	0%
Major Sports	N/A	5%	5%	N/A	100%	15%	0%

Sales Tax

We have not applied sales taxes to tickets, concessions or novelty sales. If this should change, significant changes to the base case cash flow may occur.

Estimated Number and Type of Events

Based on our market analysis, and the information presented above, we have forecasted that the proposed Halifax Sports Entertainment Complex is anticipated to host between approximately 110 and 114 annual events in the first 5 years of operation. Table 2 is a summary of different event mixes (paid events) at 14 selected comparable arenas. These 14 North American arenas are located in similar sized markets to Halifax and all have seating capacities in the 8,000 to 16,000 seat range. Many of the miscellaneous events are not revenue producing events, and we have not included them in our analysis. It should also be noted that many of the listed arenas have multiple anchor tenants.

Table 2
Comparable Arena Facilities Event Breakdown – (1)

	Collegiate/Minor League						
	Basketball	Hockey	Concerts	Family Shows	Other Sports	Miscellaneous Events	Total
Arena #1	0	35	20	35	5	35	130
Arena #2	17	35	22	5	23	17	119
Arena #3	28	40	19	14	20	25	146
Arena #4	0	47	21	21	28	20	137
Arena #5	14	47	18	19	11	8	117
Arena #6	30	45	12	21	15	17	140
Arena #7	0	35	14	24	21	38	132
Arena #8	35	39	14	3	12	16	119
Arena #9	0	45	12	26	32	25	140
Arena #10	25	36	20	38	40	14	173
Arena #11	0	45	21	24	27	23	140
Arena #12	28	35	22	40	32	22	179
Arena #13	38	36	14	19	12	0	119
Arena #14	0	36	5	13	10	45	109
Average	15	40	17	22	21	22	136

Sources: Facility Interviews and Economics Research Associates.

Note: (1) Data presented in latest available fiscal year. In some cases, figures represent planned number of estimated number of events.

Estimated Paid Attendance

Forecasts for the average paid attendance (including luxury suite seating and club-seat seating) and total attendance assumptions utilized in the cash flow model for each major event category have been made. We have forecasted that the total paid attendance at the proposed Halifax Sports Entertainment Complex will be approximately 769,000 in the first year of operation, fluctuating to approximately 718,000 in year 4. This includes a reduction in attendance for the anchor tenant after the first year (honeymoon period). Anchor tenant attendance is assumed to stabilize at approximately 85 percent of the year 1 attendance in the fourth year of operation. Attendance levels include club seats and luxury suites.

We have also forecasted the percentage of complimentary tickets per event as well as the percentage of no-shows (unused paid tickets). These also directly correlate to the “honeymoon period.” We have concluded through our interview process that each sports tenant/franchise discounts and/or distributes complimentary tickets differently (depending on market characteristics/demand).

Table 3 presents a summary of the forecasted number and type of events and the estimated paid attendance per event for year 1 of the cash flow. It should be noted that certain events are not assumed to occur each year.

Table 3
Base Case Events and Attendance – Year 1

Event	Number of Events	Average Paid Attendance - (1)	Total Paid Attendance
Anchor Tenants			
Hockey - Pre Season	2	5,904	11,808
Hockey - Regular Season	36	8,404	302,544
Hockey - Post Season	2	10,404	20,808
Other Sport Tenant	0	5,000	0
Concerts			
Minor	8	7,904	63,232
Major	4	10,404	41,616
Other	2	6,404	12,808
Family Shows			
Motor Related	2	7,814	15,627
Circus	5	5,223	26,116
Ice Shows	5	4,223	21,116
Stage Shows	5	5,723	28,616
Nova Scotia International Tatoo	9	7,723	69,509
Other Sports			
Boxing	2	3,814	7,627
University	3	4,404	13,212
Wrestling	3	7,542	22,627
Professional Exhibitions	2	9,904	19,808
Miscellaneous	6	5,133	30,797
Other Events			
General Entertainment	8	4,000	32,000
Major Sports	4	7,223	28,893
Averages/Totals	108	7,118	768,764

(1) - Includes luxury suite and club seat seating.

Event Related Revenues

Below is a listing of event related revenues which consist of tickets, concessions, novelties, and parking. These revenues are a direct relationship to the number of attendees at the respective events to be performed at the proposed Halifax Sports Entertainment Complex.

HST

Based on conversations with TCL representatives, it is our understanding that a 15 percent HST is applicable to all ticket, concession, novelty and parking revenues. If this should change, significant changes to the base case cash flow may occur.

Average Ticket Prices

We have evaluated historical ticket prices at the Halifax Metro Centre, evaluated industry data, reviewed price points at comparable arenas, and interviewed professional and collegiate sports tenants/franchises, as well as event promoters. We have also surveyed several minor league sports league representatives in order to estimate the average ticket price for each event in the proposed Halifax Sports Entertainment Complex.

Typically, minor league sports tenants/franchises present ticket prices within their respective year books, media guides, internet web pages, etc. These ticket prices are based on full value, excluding any discounting for store coupons, season tickets, students, seniors, etc. Therefore, the presented ticket prices are often an overstatement of what the individual franchises or arenas actually collect from each paid patron. These prices are announced ticket prices prior to any discounting.

Based on the Halifax market area and our interviews, we have forecasted the following general seating ticket prices (net of the assumed discounting) for the individual events in year 1 as illustrated in Table 4:

Table 4
Base Case Events and Average Ticket Prices – Year 1

Event	Number of Events	Average General Ticket Price	Average Club Seat Ticket Price
Anchor Tenants			
Hockey - Pre Season	2	\$13.00	\$16.25
Hockey - Regular Season	36	\$16.00	\$20.00
Hockey - Post Season	2	\$20.00	\$25.00
Other Sport Tenant	0	\$12.00	\$15.00
Concerts			
Minor	8	\$40.00	\$50.00
Major	4	\$60.00	\$75.00
Other	2	\$30.00	\$37.50
Family Shows			
Motor Related	2	\$25.00	\$31.25
Circus	5	\$15.00	\$18.75
Ice Shows	5	\$50.00	\$62.50
Stage Shows	5	\$40.00	\$50.00
Nova Scotia International Tatoo	9	\$15.00	\$18.75
Other Sports			
Boxing	2	\$20.00	\$25.00
University	3	\$25.00	\$31.25
Wrestling	3	\$40.00	\$50.00
Professional Exhibitions	2	\$60.00	\$75.00
Miscellaneous	6	\$40.00	\$50.00
Other Events			
General Entertainment	8	\$17.00	\$21.25
Major Sports	4	\$25.00	\$31.25
Averages/Totals	112		

Based on the leases illustrated in Table 1, the proposed Halifax Sports Entertainment Complex is forecasted to receive approximately \$1.12 million in ticket revenues in Year 1, fluctuating to approximately \$1.23 million in Year 5.

Ticket Surcharge

Based on the local statute, a ticket surcharge is a fee (or rent) taken from the ticket price with the revenues being awarded to the facility. Comparable venues have similar fees ranging from approximately \$0.25 per to over \$2.00 per ticket. Others are a percentage of the ticket price ranging from ½ of 1.0 percent to nearly 5.0 percent.

At times, given show promoters will request that the surcharge revenue be granted to them, and it will be up to the arena management team to negotiate this point. For purposes of this analysis, we have assumed that all of the ticket surcharge revenues will be applied to the arena.

We have included a ticket surcharge (or its equivalent) of \$1.00 per ticket to general and club seats for hockey and smaller events and \$2.25 for concerts and major events. Total ticket surcharges is forecasted to average \$1.05 million in the first five years of operation.

Concession and Novelty Revenues

Concessions and novelties are anticipated to provide a significant source of revenue at the proposed Halifax Sports Entertainment Complex. Concession and novelty spending typically increases at newer facilities due to the increased number of points-of-sale and the improved location of the concession and novelty stands throughout the arena. To develop appropriate concession and novelty per capita assumptions, we have reviewed Halifax Metro Centre historical data, conducted facility interviews, reviewed historical industry data, and utilized ERA's internal database. Table 5 details the gross concession per capitas from comparable facilities. These North American arenas range in seating capacities from 8,000 to 16,000 seats and are located in similar sized markets to Halifax.

Table 5
Comparable Arena Concession Per Capita

	Collegiate/Minor League Basketball	Hockey	Concerts	Family Shows	Other Sports
Arena #1	N/A	\$5.71	\$6.05	\$5.38	\$4.70
Arena #2	\$4.37	N/A	\$5.87	\$4.70	\$2.22
Arena #3	\$4.13	N/A	\$5.11	\$3.73	\$1.68
Arena #4	\$5.31	\$5.15	\$6.00	\$4.24	\$1.86
Arena #5	\$4.53	\$5.42	\$3.66	\$5.49	\$4.47
Arena #6	N/A	\$4.76	\$3.78	\$2.22	\$2.53
Arena #7	\$4.60	\$5.25	\$4.00	\$4.50	\$2.50
Arena #8	N/A	\$4.39	\$5.00	\$2.50	\$1.90
Arena #9	\$5.85	\$6.10	N/A	N/A	N/A

Sources: Facility Interviews and Economics Research Associates.

Based on the comparable data as well as the demographics of the proposed Halifax Sports Entertainment Complex, we have estimated average concession and novelty per capitas stated in 2006 dollars. Table 6 details our assumptions per event.

Concessions will be subject to cost of goods sold (COGS), concession operating expenses, HST and distributions. Based on interviews with comparable arenas and several concessionaires, concession COGS typically range from 45 percent to 65 percent of gross concession revenue. These expenses, however, vary significantly depending on the local market area, policies implemented by the facility, and the strategy for concession pricing. For analytical purposes, concession expenses (including operator profit margin) are assumed to be 55 percent of gross concession sales, which are reasonable for purposes of this analysis. Net concessions revenues (less sales tax and distributions) range from approximately \$1.54 million in the first five years of operation.

Novelties will be subject to COGS, novelty operating expenses, HST and distributions. Based on interviews with comparable arenas and several concessionaires, novelty COGS typically range from 65 percent to 80 percent of gross novelty revenue. For analytical purposes, novelty expenses (including operator profit margin) are assumed to be 75 percent of gross novelty sales, which are reasonable for purposes of this analysis. As illustrated in Table 1, we have assumed that all net novelty revenue will be distributed to the anchor tenants, and the arena splits novelty revenues with all other events. Therefore, the proposed Halifax Sports Entertainment Complex is projected to receive approximately \$15,000 in net novelty revenues in the first five years of operation.

Table 6
Base Case Gross Concession and Novelty Per Capitas – Year 1

Event	Number of Events	Concessions Per Caps - (1)	Novelties Per Caps - (1)
Anchor Tenants			
Hockey - Pre Season	2	\$9.00	\$1.00
Hockey - Regular Season	36	\$9.00	\$1.00
Hockey - Post Season	2	\$10.00	\$1.00
Other Sport Tenant	0	\$8.00	\$1.00
Concerts			
Minor	8	\$8.00	\$3.00
Major	4	\$8.00	\$2.00
Other	2	\$8.00	\$5.00
Family Shows			
Motor Related	2	\$8.00	\$2.00
Circus	5	\$5.00	\$2.00
Ice Shows	5	\$5.00	\$2.00
Stage Shows	5	\$5.00	\$2.00
Nova Scotia International Tatoo	9	\$5.00	\$2.00
Other Sports			
Boxing	2	\$10.00	\$1.50
University	3	\$8.00	\$2.00
Wrestling	3	\$10.00	\$1.00
Professional Exhibitions	2	\$10.00	\$3.00
Miscellaneous	6	\$8.00	\$1.00
Other Events			
General Entertainment	8	\$7.00	\$0.50
Major Sports	4	\$10.00	\$1.50
Averages/Totals	108		

(1) - Includes luxury suite and club seat seating.

Parking Revenues

We have assumed for purposes of this analysis, that the arena will not have control of all of the parking. We have assumed that each automobile will be charged approximately \$6.00 for parking. The number of persons per automobile varies from event to event, as presented in the detailed base case cash flow. If parking revenues should be part of the proposed Halifax Sports Entertainment Complex revenue stream, a significant change to the cash flow will obviously occur. Total revenues could total over \$1.0 million annually.

Contractually Obligated Income

ERA has assumed that a significant portion of revenues from operations will be generated from sources of contractually obligated income (COI) inventory which are secured by multi-year contracts for luxury suites, club seats, advertising, and naming rights.

Luxury Suite Premium Revenues

Luxury suites represent an increasingly important revenue source for many anchor tenants and venues. Luxury suites offer the potential to provide a steady, contractually guaranteed source of revenue and are typically used for corporate marketing and entertaining. Based on the results of the market analysis and discussions with City officials, we have assumed that the proposed Halifax Sports Entertainment Complex will include 45 luxury suites with approximately 12 seats per suite. Luxury suite prices in comparable arenas lease for an average of \$25,000 to \$75,000 annually. Many of the arenas, which include the lower priced luxury suites, do not include tickets to the events. However, some arenas do include tickets to some of the events, while others include tickets to all of the events.

For purposes of this analysis, we have assumed that tickets to all events would be included in the luxury suite price.

We have assumed that 43 of the 45 luxury suites would be available for lease, and that approximately 42 (97.8 percent) of the luxury suites would be leased at an average year 1 gross price of approximately \$42,500. The premium luxury suite gross revenues range from approximately \$1.3 million to \$1.8 million in the first five years of operation.

Club Seat Premium Revenues

Based on our analysis of the Halifax marketplace, we have assumed that the proposed Halifax arena will offer approximately 500 club seats. Club-seats are typically located in the best locations in the arena, which vary from event to event, and are targeted to season ticket holders. Not all of the comparable arenas offer club seating. The number of club seats range from approximately 200 to 2,000 and average prices (including tickets to all or a majority of the events) range from \$250 to \$2,000 (annually).

The club seats are applicable for the anchor tenant events at the proposed Halifax Sports Entertainment Complex. These seats include the right of first option to purchase tickets to all of the other events at the proposed Halifax Sports Entertainment Complex (factored at 1.25 times the general seat ticket).

We have assumed that all of the club seats would be available for lease, and that 90 percent of the club seats would be leased at approximately \$1,000 per seat. Total club seat premium revenues (less ticket revenues) attributed to the arena in years 1 through 5 range from approximately \$179,000 to \$201,000 per year.

Naming Rights and Arena Sponsorships

Historically, arenas and stadiums were named after the city, county or, in some instances, to honor or memorialize a significant individual or group. Selling the naming rights of a facility to an unrelated corporation was, and can still be, a political issue, but there has been a definite trend towards the sale of naming rights to the private corporation. Naming rights have typically been sold to corporations in the following industries:

- Financial Services
- Airline
- Beverage
- Energy
- Automobile
- Retail
- Consumer Product
- Computer
- Internet
- Other

Several sports facilities have recently licensed the name of the facility to major corporations. We have obtained arena naming rights information from recently constructed (or under construction) comparables. It is often difficult

to gather complete information regarding naming rights as some of the recent deals do not necessarily reflect 'arms-length' transactions. For example, naming rights sold to a family or a bank may have other provisions, which could result in misleading conclusions. Furthermore, some transactions include significant advertising opportunities or other amenities, thus inflating the reported price. We have attempted to adjust for those considerations in our assumptions.

These naming rights deals in comparable arenas range from a low of \$250,000 to a high of approximately \$1,000,000 annually. A majority of these naming rights deals are for 10-to 15 year periods. Naming rights licensing fees vary considerably and are typically based on the amount of media coverage the arena will receive (e.g. television, radio, print, etc.), arena attendance and prestige. Table 7 illustrates some recent 8,000 to 16,000 seat arena naming rights deals in similar North American markets.

Table 7
Naming Rights

Arena	Total	Term	Annual
Arena #1	\$9,450,000	15	\$630,000
Arena #2	\$9,450,000	10	\$945,000
Arena #3	\$10,935,000	15	\$729,000
Arena #4	\$4,050,000	10	\$405,000
Arena #5	\$3,611,250	10	\$361,125
Arena #6	\$14,850,000	15	\$990,000
Arena #7	\$2,500,000	10	\$250,000
Arena #8	\$4,016,250	15	\$267,750

Sources: ERA and Sports Publications

For purposes of this analysis, we have forecasted that the proposed Halifax Sports Entertainment Complex would generate approximately \$650,000 in 'net' naming rights revenue in year 1, increasing approximately 3.0 percent per year. Net naming rights include potential trade, barter, and commissions.

Advertising Revenues

Arena advertising revenues are generated by the following sources:

- Display Advertising: Signage throughout the concourses, concession stands and other common areas in the building.
- Scoreboard Advertising: Fixed signage, electronic advertising on the scoreboard and video message boards.
- Football/Basketball/Soccer Advertising: Advertising on the football/basketball/soccer standards, football/basketball/soccer floor, ball carts, scorers' table and players benches.
- Dasherboard Advertising: Signage on the hockey/soccer/football dasherboards.

It is important to note that direct comparison of advertising revenue among arenas often includes trades and/or barter arrangements. Gross advertising revenue may be significantly higher than net advertising revenue depending on the additional benefits associated with the particular deal.

The current gross annual advertising revenues for the comparable arenas range from approximately \$250,000 to \$2.25 million. The advertising revenue figures were obtained through the primary tenants, arena management or our database.

We have assumed that the proposed Halifax Sports Entertainment Complex would offer advertising packages to approximately 10 to 12 founding partners. Target founding partners typically include companies from the following industries:

- | | |
|--------------------------|--------------------------------------|
| • Airline | • Credit Card |
| • Grocery | • Newspaper |
| • Automotive | • Electronics |
| • HVAC/GE/York | • Pharmacy |
| • Automotive After parts | • Family Restaurant |
| • Health / Hospital | • Soft Drink |
| • Beer | • Fast Food |
| • Hotel | • TV/Radio Rights |
| • Cable | • Financial – Bank and/or investment |
| • Insurance | • Telecom |
| • Computers | • Gas/Convenience |
| • Internet/ISP | • Utility |

Based on the demographics and the number of expected events and tenant mix, we have forecasted that the proposed Halifax Sports Entertainment Complex would generate approximately \$1.0 million in annual advertising revenue, net of trades, barbers, and commissions, etc., increasing 3.0 percent annually.

Additional Revenues

For the purpose of this base case analysis, we have not assumed any additional revenues. Below is a listing of some additional revenue sources. These additional revenues could have significant impact on the proposed Halifax Sports Entertainment Complex pro forma.

- Public skating
- Ticketatlantic/Ticketmaster/etc.
- Box office
- Sports bar/restaurant
- Amusement game area
- Large novelty store

Total Operating Revenues

Total operating revenues for the proposed Halifax Sports Entertainment Complex is forecasted to range between \$6.68 million to \$7.16 million in the first five years of operation.

Operating Expenses Assumptions

ERA developed assumptions regarding the operating expenses for the proposed Halifax Sports Entertainment Complex based on surveys with comparable arenas and ERA's internal database. The following section summarizes the results of our analysis and the operating expense assumptions utilized in the cash flow model. All operating expense information related to comparable arenas are presented in 2006 dollars based on an annual inflation rate of 2.5 percent, unless otherwise noted.

Staffing Expense

In order to estimate the staffing requirements and the expenses to be incurred by the proposed Halifax Sports Entertainment Complex, we surveyed comparable arenas to determine the number and positions of full-time "equiva-

lent” employees. These arenas have full-time staffs ranging from 17 to 29, and average 24 full-time employees. Table 8 below summarizes the number of full-time “equivalent” employees for selected comparable arenas:

Table 8
Comparable Arenas
Full-Time Employees

Arena	Full-Time Employees
Arena #1	28
Arena #2	22
Arena #3	17
Arena #4	25
Arena #5	21
Arena #6	29
Arena #7	28
Arena #8	18
Arena #9	24
Average	24

Sources: Facility interviews and ERA.

Based on a review of this information and the operating assumptions detailed in this report, we have assumed that the arena’s operations will require approximately 24 full-time “equivalent” employees. We have used the term “equivalent” only to estimate the salary and wage expenses likely to be attributed to the arena.

Table 9 illustrates the total staffing expenses for comparable arenas, escalated to 2006 dollars.

Table 9
Comparable Arenas
Staffing Expense

Arena	Total Arena Salaries
Arena #1	\$1,602,476
Arena #2	\$1,219,187
Arena #3	\$889,152
Arena #4	\$1,909,781
Arena #5	\$1,338,533
Arena #6	\$1,148,853
Arena #7	\$703,297
Arena #8	\$1,774,882
Arena #9	\$1,426,073
Arena #10	\$1,134,535
Average	\$1,314,677

Sources: Facility interviews and ERA.

- Total staffing expenses (including benefits) for the comparable facilities range from a low of approximately \$890,000 to a high of approximately \$1.9 million, with an average of approximately \$1.3 million. The variance between these facilities is due to several factors, including: local wage levels; event mix and schedules and the reimbursement policies for game/event related staffing expenses.
- The total wage expense (including overhead fees, but excluding benefit costs) for the proposed Halifax Sports Entertainment Complex is estimated to be approximately \$1.49 million (year 1). We have forecasted that benefits and indirect staffing expenses are estimated to be approximately 30 percent of gross wages. Based on these assumptions, the total annual staffing expense in 2006 dollars have been forecasted to be approximately \$1.94 million (year 1). This figure is for the arena's operations only and does not include concession/novelty staffing requirements.

Utility Expenses

Utility expenses typically differ among arenas due to the number of events that the arena hosts, the local climate, and other factors. Table 10 below details the utility expenses among comparable arenas and illustrates that these differences may be material:

Table 10
Comparable Arenas
Utility Expenses

Arena	Total Utilities
Arena #1	\$664,627
Arena #2	\$244,382
Arena #3	\$640,012
Arena #4	\$650,227
Arena #5	\$476,865
Arena #6	\$439,842
Arena #7	\$297,514
Arena #8	\$395,028
Arena #9	\$472,778
Average	\$475,697

Sources: Facility interviews and ERA.

Total utility expenses for the comparable arenas surveyed ranged from a low of approximately \$300,000 to a high of approximately \$665,000, with an average of approximately \$476,000.

Due to the anticipated use of the arena in addition to our review of the utility expenses of comparable arenas, we have forecasted approximately \$725,000 for utility expenses in year 1 of operations.

Non-Recoverable Event-Related Expenses

Game-day and event-related expenses typically include event set-up and tear down, staffing of ushers, ticket takers, security, cleaning and other expenses directly related to the game or event. Total game-day expenses at comparable arenas with hockey tenants currently range from \$2,000 to \$3,000. Other event related expenses varied significantly among the comparable arenas depending on the unique requirements of the event. Although a majority of event related expenses are assumed to be passed through to the tenant, some of the change-over costs between concerts and events as well as certain other event-day expenses are typically not reimbursed as a

result of rental negotiations. For analytical purposes, the non-recoverable event related expenses are forecasted to be approximately \$4,500 per event, or average approximately \$490,000 in the first 5 years of operation.

Management Fee

Not all of the comparable arenas engage a management company to operate their respective arena. Comparable arena management agreements vary depending on base fee, incentives, as well as other managed facilities owned by the same municipality/owner, etc. Base fees (excluding incentives) for the comparable arenas range from approximately \$150,000 to \$500,000 per year.

With the track record of the current TCL management team, we assume that they would continue in the same capacity in the proposed Halifax Sports Entertainment Complex. If a decision is made to contract an outside management company, the cash flow would change. Base fees for outside management company services are approximately \$450,000 per year. This does not include management incentive fees.

Other Arena Operating Expenses

The arena will incur other expenses as a result of general operations. These expenses include a variety of items, including: administrative; building; insurance; professional fees; among others. Based on interviews with comparable arenas, we have forecasted that other operating expenses will average nearly \$940,000 in the first 5 years of operations.

Property/Real Estate Taxes

Property/real estate tax expenses vary significantly among comparable facilities depending on the specific arrangements negotiated with the local municipalities. For purposes of this analysis, we have not included property/real estate taxes. If the property/real estate structure is different for this proposed Halifax Sports Entertainment Complex, potential significant variations may occur to the base case cash flow.

Investment

For purposes of this analysis, we have estimated that the arena will have an additional expense of approximately \$400,000. This is due to a potential investment in supporting and creating event activity.

Capital Replacement Reserve

Capital replacement expenses vary significantly among comparable arenas and on a year-by-year comparison. Typically, however, comparable arenas set aside annual amounts in order to fund required capital replacement expenditures. The amount set aside is generally a function of the cost of the facility. For analytical purposes, the annual payments required to fund capital replacement expenses are assumed to be ½ of one percent of the hard arena construction costs (estimated \$100 million) or approximately \$500,000 in year 1, which are reasonable for purposes of this analysis.

Total Operating Expenses

As illustrated in Table 11, the comparable facilities surveyed, the total operating expenses range from a low of approximately \$2.10 million to a high of over \$5.94 million, with an average of approximately \$3.35 million in current dollars. The range in total arena operating expenses is due to a number of factors, the most significant being: event mix and schedule; climate; cost of living; and lease agreements. Many of these comparable arenas do not include capital reserve refunds in their total expenses. Total operating expenses are forecasted to be approximately \$5.16 million in the first 5 years of operation.

Table 11
Comparable Arenas
Total Expenses

Arena	Total Arena Expenses
Arena #1	\$2,912,449
Arena #2	\$2,241,700
Arena #3	\$2,173,951
Arena #4	\$4,916,517
Arena #5	\$3,082,370
Arena #6	\$3,207,224
Arena #7	\$2,088,107
Arena #8	\$3,427,203
Arena #9	\$3,326,991
Arena #10	\$4,372,402
Arena #11	\$5,941,910
Arena #12	\$3,127,022
Arena #13	\$2,751,814
Average	\$3,351,512

Sources: Facility interviews and ERA.

Summary of Arena Financial Results

The base case cash flow model developed for the proposed Halifax Sports Entertainment Complex utilizes assumptions that were developed based on our review of the current operations at the Halifax Metro Centre, the marketplace, surveys with comparable arenas, among others. Although these assumptions appear reasonable based on the current and anticipated market conditions, actual results depend on the actions of management and other factors both internal and external to the project, which frequently vary. It is important to note that because events and circumstances may not occur as expected, there may be substantial significant differences between the actual results and those estimated in this analysis. The key assumptions and estimated base case arena cash flows are presented in detail at the conclusion of this section. Table 12 provides cash flow summaries for the proposed Halifax Sports Entertainment Complex for the first five years of operation.

Table 12
Cash Flow Summary – Years 1 through 5

Base Case (in 000's)	1	2	Year 3	4	5
Operating Revenues					
Ticket Revenues	\$1,120	\$1,180	\$1,152	\$1,179	\$1,225
Other Revenues	5,556	5,633	5,673	5,730	5,929
Total Operating Revenues	\$8,229	\$6,677	\$6,813	\$6,825	\$6,909
Total Operating Expenses	\$4,614	\$4,944	\$5,050	\$5,159	\$5,256
Surplus/Deficit from Operations (before debt service)	\$3,615 \$1,120	\$1,733 \$1,180	\$1,763 \$1,152	\$1,667 \$1,179	\$1,653 \$1,225

11.8 Potential Financing Mechanisms

In light of the potential impact on the community and the public's perception in the financing of the proposed Halifax Sports Entertainment Complex, below are some financing structures that may be available for the project at hand. These financing structures have been used in financing arenas and stadiums throughout North America over the years.

Public Sector Participation

State and local governments may generate a wide assortment of revenue which can be used to fund the development of public assembly facilities. The following provides a brief of the public sources of funds which have been commonly used:

- General Sales and Use Tax
- Possessory Interest Taxes
- Hotel/Motel Taxes
- Tourist Development Taxes
- Restaurant Sales Tax
- Excise/Sin Tax (Liquor, Tobacco)
- Car Rental Tax
- Utility Taxes
- Real Estate Taxes
- Admission Taxes
- Ticket Surcharges
- Redevelopment Funds
- Lottery and Gaming Revenues
- Non-Tax Fees (Liquor Sale Permits etc.)
- General Appropriations
- Other Public Funds

Each of the public revenues identified above have unique political and credit risks. The feasibility of introducing, increasing or redirecting revenue from taxes and fees will depend on the unique political and tax environment. Typically, however, revenue streams that can be shown to benefit from the facility's development and operation will likely be more successful in gaining public support. In addition, taxes and fees that are levied on selected groups may receive relatively less resistance during implantation.

Private Sector Participation

Private sector participation is an essential component of sports facility financing structures. The following provides a brief listing of the more commonly used private sources of funds:

- Premium Seating (luxury suites or club seats)
- Advertising
- Pouring Rights
- Naming Rights
- Concession/Novelty
- Personal Seat Licenses/Seat Option Bonds
- Parking
- Other

Table 1
CASH FLOW SUMMARY (000)
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
O P E R A T I O N S S U M M A R Y	Number of Events	108	109	110	108	112
	Annual Paid Attendance (000)	769	761	733	718	744
	OPERATING REVENUES					
	Ticket					
	Anchor Sports Tenants	\$423	\$415	\$374	\$398	\$441
	Concerts	171	188	167	171	176
	Family Shows	227	226	255	269	253
	Other Sports	248	301	305	290	306
	Other Events	51	50	52	51	50
	Total Ticket Revenue	\$1,120	\$1,180	\$1,152	\$1,179	\$1,225
	Other Revenue Sources					
	Ticket Surcharge	\$1,072	\$1,068	\$1,043	\$1,010	\$1,047
	Concessions (net)	1,551	1,546	1,520	1,519	1,585
	Novelties (net)	16	14	14	14	14
	Parking (net)	0	0	0	0	0
	Luxury Suite Premium	1,339	1,379	1,420	1,463	1,507
	Club Seat Premium	179	184	190	195	201
	Naming Rights	650	670	690	710	732
	Advertising	750	773	796	820	844
	Box Office Fee	0	0	0	0	0
	Total Other Revenue Sources	\$5,556	\$5,633	\$5,673	\$5,730	\$5,929
	TOTAL OPERATING REVENUES	\$6,677	\$6,813	\$6,825	\$6,909	\$7,155
	OPERATING EXPENSES					
	Arena Operating Expenses					
	Staffing	\$1,941	\$1,989	\$2,039	\$2,090	\$2,142
	Utilities	725	743	762	781	800
	Non-Recoverable Event Related Expenses	486	491	495	486	504
	Management Expense	0	0	0	0	0
	Other	892	915	938	961	985
	Property/Real Estate Taxes	0	0	0	0	0
	Investment	400	400	400	400	400
	Capital Replacement Reserve	500	513	525	538	552
	Total Arena Operating Expenses	\$4,944	\$5,050	\$5,159	\$5,256	\$5,383
	SURPLUS/(DEFICIT) FROM OPERATIONS	\$1,733	\$1,763	\$1,667	\$1,653	\$1,771

Table 2
TOTAL ARENA OPERATING REVENUE SUMMARY (000)
SCENARIO #1 - BASE CASE - HALIFAX ARENA

	Year				
	1	2	3	4	5
Number of Events	108	109	110	108	112
Annual Paid Attendance (000)	769	761	733	718	744
Gross Ticket Revenues					
Anchor Tenants	\$5,234	\$5,118	\$4,618	\$4,895	\$5,405
Concerts	5,160	5,904	4,791	5,234	5,365
Family Shows	3,794	3,734	4,213	4,388	4,188
Other Sports	3,618	4,268	4,331	4,154	4,364
Trade Shows	1,234	2,619	2,277	2,086	2,491
Total Gross Ticket Revenues	\$19,040	\$21,643	\$20,230	\$20,756	\$21,812
Less: Sales Tax	2,484	2,641	2,506	2,598	2,678
Less: Common Area Maintenance Charge	1,072	1,068	1,043	1,010	1,047
Less: Admissions Tax	0	0	0	0	0
Less: Share to Promoter/Franchise/Tenant	14,365	16,754	15,529	15,969	16,863
Ticket Revenue to Arena	\$1,120	\$1,180	\$1,152	\$1,179	\$1,225
Total Luxury Suite Premium Revenue	\$1,785	\$1,839	\$1,894	\$1,951	\$2,009
Less: Share to Promoter/Franchise/Tenant	446	460	473	488	502
Luxury Suite Premium Revenue to Arena	\$1,339	\$1,379	\$1,420	\$1,463	\$1,507
Total Club Seat Premium Revenue	\$238	\$245	\$253	\$260	\$268
Less: Share to Promoter/Franchise/Tenant	60	61	63	65	67
Club Seat Premium Revenue to Arena	\$179	\$184	\$190	\$195	\$201
Gross Advertising Revenue	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Less: Share to Promoter/Franchise/Tenant	250	258	265	273	281
Advertising Revenue to Arena	\$750	\$773	\$796	\$820	\$844
Total Building Name Revenue	\$650	\$670	\$690	\$710	\$732
Less: Share to Promoter/Franchise/Tenant	0	0	0	0	0
Building Name Revenue to Arena	\$650	\$670	\$690	\$710	\$732
Gross Concessions Revenue	\$6,448	\$6,562	\$6,342	\$6,384	\$6,737
Less: HST	841	912	886	889	942
Less: COGS/Operating Expenses/Distributions	4,056	4,103	3,935	3,977	4,211
Net Concessions Revenue to Arena	\$1,551	\$1,546	\$1,520	\$1,519	\$1,585
Gross Novelty Revenue	\$1,242	\$1,247	\$1,252	\$1,231	\$1,297
Less: HST	162	180	180	179	187
Less: COGS/Distributions	1,064	1,053	1,058	1,039	1,096
Net Novelty Revenue to Arena	\$16	\$14	\$14	\$14	\$14
Gross Parking Revenue	\$1,311	\$1,335	\$1,301	\$1,312	\$1,376
Less: HST	\$171	\$174	\$170	\$171	\$179
Less: Operating Expenses/Distributions	1,140	1,161	1,132	1,140	1,196
Net Parking Revenue to Arena	\$0	\$0	\$0	\$0	\$0
Ticket Surcharge	\$1,072	\$1,068	\$1,043	\$1,010	\$1,047
Box Office Fee	\$0	\$0	\$0	\$0	\$0
TOTAL ARENA OPERATING REVENUE	\$6,677	\$6,813	\$6,825	\$6,909	\$7,155

Table 3
NET TICKET REVENUE SUMMARY (000)
SCENARIO #1 - BASE CASE - HALIFAX ARENA

	Year				
	1	2	3	4	5
Anchor Tenants					
Hockey - Pre Season	\$12	\$11	\$11	\$11	\$11
Hockey - Regular Season	378	371	363	356	365
Hockey - Post Season	33	33	0	31	64
Other Sport Tenant	0	0	0	0	0
Total Anchor Tenant Events	\$423	\$415	\$374	\$398	\$441
Concerts					
Minor	\$98	\$100	\$103	\$92	\$95
Major	50	64	39	54	55
Other	23	24	24	25	26
Total Concert Events	\$171	\$188	\$167	\$171	\$176
Family Shows					
Motor Related	\$23	\$24	\$25	\$25	\$26
Circus	21	0	23	0	24
Ice Shows	64	66	68	70	71
Stage Shows	70	87	89	122	78
Nova Scotia International Tatoo	48	49	51	52	54
Total Family Show Events	\$227	\$226	\$255	\$269	\$253
Other Sports					
Boxing	\$11	\$17	\$22	\$16	\$17
University	23	24	25	25	26
Wrestling	71	98	125	129	106
Professional Exhibitions	47	49	50	51	53
Miscellaneous	95	114	83	68	105
Total Other Sporting Events	\$248	\$301	\$305	\$290	\$306
Other Events					
General Entertainment	\$22	\$28	\$29	\$36	\$34
Major Sports	29	22	23	15	16
Total Other Events	\$51	\$50	\$52	\$51	\$50
TOTAL TICKET/RENT REVENUE TO ARENA	\$1,120	\$1,180	\$1,152	\$1,179	\$1,225

WTCC Expansion & Metro Centre II - Feasibility Study

Table 4
OTHER ARENA REVENUE SUMMARY (000)
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		504	Year				
			1	2	3	4	5
LUXURY SUITES							
Total Number of Suites			45	45	45	45	45
Suites Not Available for Lease - (1)	1.00		2	2	2	2	2
Suites Leased	97.8%	Utilization	42	42	42	42	42
Gross Lease Price	1.00		\$42,500	\$43,775	\$45,088	\$46,441	\$47,834
Less: Ticket Revenues			-	-	-	-	-
Luxury Suite Premium	3.0%	Escalation	\$42,500	\$43,775	\$45,088	\$46,441	\$47,834
Net Premium Revenue			\$1,785	\$1,839	\$1,894	\$1,951	\$2,009
Percentage to Arena	75.0%		75.0%	75.0%	75.0%	75.0%	75.0%
Net Arena Luxury Suite Revenue			\$1,339	\$1,379	\$1,420	\$1,463	\$1,507
CLUB SEATS							
Number of Seats			500	500	500	500	500
Seats Unavailable for Lease	1.00		0	0	0	0	0
Seats Leased	80.0%	Utilization	400	400	400	400	400
Gross Lease Price	1.00		\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Less: Ticket Revenues			404	415	398	436	474
Rental Premium	3.0%	Escalation	\$596	\$613	\$632	\$651	\$670
Gross Revenue			\$238	\$245	\$253	\$260	\$268
Percentage to Arena	75.0%		75.0%	75.0%	75.0%	75.0%	75.0%
Net Arena Club Seat Revenue			\$179	\$184	\$190	\$195	\$201
ADVERTISING							
Total Revenues	1.00	Escalation	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Percentage to Arena	75.0%		75.0%	75.0%	75.0%	75.0%	75.0%
Net Arena Advertising Revenue			\$750	\$773	\$796	\$820	\$844
NAMING RIGHTS							
Total Revenues	1.00	Escalation	\$650	\$670	\$690	\$710	\$732
Percentage to Arena	3.0%		100.0%	100.0%	100.0%	100.0%	100.0%
Net Naming Rights Revenue (000)	100.0%		\$650	\$670	\$690	\$710	\$732
NET CONCESSIONS							
Anchor Tenants			\$510	\$494	\$447	\$465	\$505
Concerts			316	330	284	298	305
Family Shows			273	232	276	262	280
Other Sports			281	320	339	320	326
Other Events			172	171	175	174	167
Total Net Arena Concession Revenue (000)			\$1,551	\$1,546	\$1,520	\$1,519	\$1,585
NET NOVELTIES							
Anchor Tenants			\$0	\$0	\$0	\$0	\$0
Concerts			6	6	5	5	5
Family Shows			6	4	5	5	5
Other Sports			3	3	3	3	3
Other Events			1	1	1	1	1
Total Net Arena Novelty Revenue (000)			\$16	\$14	\$14	\$14	\$14
NET PARKING							
Anchor Tenants			\$0	\$0	\$0	\$0	\$0
Concerts			0	0	0	0	0
Family Shows			0	0	0	0	0
Other Sports			0	0	0	0	0
Other Events			0	0	0	0	0
Total Net Arena Parking Revenue (000)			\$0	\$0	\$0	\$0	\$0
BOX OFFICE FEE							
			\$0	\$0	\$0	\$0	\$0
PUBLIC SKATING							
			\$0	\$0	\$0	\$0	\$0

(1) - Includes complimentary suites to teams and/or municipality.

Table 5
ARENA OPERATING EXPENSES
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Operating Expenses						
Salaries and Wages						
Full-Time Salaries and Wages	1.0	\$1,493	\$1,530	\$1,568	\$1,607	\$1,648
Benefits	30.0%	448	459	470	482	494
Total Salaries and Wages		\$1,941	\$1,989	\$2,039	\$2,090	\$2,142
Utilities						
Electric		\$425	\$436	\$447	\$458	\$469
Gas		200	205	210	215	221
Water & Sewer		100	103	105	108	110
Total Utilities	1.0	\$725	\$743	\$762	\$781	\$800
Non-Reimbursed Event Expenses	1.0	\$486	\$491	\$495	\$486	\$504
Management Expense	1.0	\$0	\$0	\$0	\$0	\$0
Other Expenses						
Administrative Expenses		\$256	\$263	\$270	\$277	\$284
Building Expenses		461	473	485	497	509
Insurance Expense		118	121	124	127	130
Profesional Fees		57	58	59	60	62
Total Other Expenses	1.0	\$892	\$915	\$938	\$961	\$985
TOTAL OPERATING EXPENSES		\$4,044	\$4,138	\$4,233	\$4,317	\$4,431

Table 6
ANCHOR HOCKEY - PRE SEASON
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		2	2	2	2	2
Average Paid Attendance - (General)		5.0	4.8	4.5	4.3	4.3
Avg. Club Seat Attendance		0.5	0.5	0.5	0.5	0.5
Avg. Luxury Suite Attend.		0.4	0.4	0.4	0.4	0.4
Total Paid Attendance (000)		11.8	11.3	10.8	10.4	10.4
Average Ticket Price General Seating		\$13.00	\$13.33	\$13.66	\$14.00	\$14.35
Average Ticket Price Club Seats		16.25	16.66	17.07	17.50	17.94
Gross Ticket Revenue (000)		\$146	\$143	\$140	\$138	\$141
HST	15.0%	19	19	18	18	18
Ticket Surcharge	\$1.00	11	11	10	10	10
Admissions Tax	0.0%	0	0	0	0	0
Net Ticket Revenue (000)		\$116	\$114	\$112	\$110	\$113
Facility Rent	10.0%	\$12	\$11	\$11	\$11	\$11
Less: No Show Percentage		5.0%	7.5%	10.0%	12.5%	15.0%
Add: Complimentary		15.0%	15.0%	15.0%	15.0%	15.0%
Concessions						
Actual Attendance		13.0	12.2	11.4	10.6	10.4
Per Capita - (1)		\$9.00	\$9.23	\$9.46	\$9.69	\$9.93
Gross Revenue (000)		\$117	\$112	\$108	\$103	\$103
HST	15.0%	15	15	14	13	13
Less: COGS/Operating Expenses	55.0%	64	62	59	57	57
Net Concession Revenue (000)		\$37	\$36	\$35	\$33	\$33
Less: Distribution to Franchise	50.0%	19	18	17	16	16
Net Concession Revenue (000)		\$19	\$18	\$17	\$16	\$16
Novelties						
Actual Attendance		13.0	12.2	11.4	10.6	10.4
Per Capita - (1)		\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Gross Revenue (000)		\$13	\$12	\$12	\$11	\$11
HST	15.0%	2	2	2	1	1
Less: COGS/Operating Expenses	75.0%	10	9	9	8	8
Net Novelty Revenue (000)		\$2	\$1	\$1	\$1	\$1
Less: Distribution to Franchise	100.0%	2	1	1	1	1
Net Novelty Revenue (000)		\$0	\$0	\$0	\$0	\$0
Parking						
Actual Attendance		13.0	12.2	11.4	10.6	10.4
Patrons Per Car		3.50	3.50	3.50	3.50	3.50
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$22	\$21	\$20	\$20	\$20
HST	15.00%	3	3	3	3	3
Less: Parking Expenses	20.0%	4	4	4	4	4
Net Parking Revenue (000)		\$15	\$14	\$14	\$13	\$13
Less: Distribution to Franchise	100.0%	15	14	14	13	13
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 7
ANCHOR HOCKEY - REGULAR SEASON
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		36	36	36	36	36
Average Paid Attendance - (General)		7.5	7.1	6.8	6.4	6.4
Avg. Club Seat Attendance		0.5	0.5	0.5	0.5	0.5
Avg. Luxury Suite Attend.		0.4	0.4	0.4	0.4	0.4
Total Paid Attendance (000)		302.5	289.0	276.2	264.0	264.0
Average Ticket Price General Seating		\$16.00	\$16.40	\$16.81	\$17.23	\$17.66
Average Ticket Price Club Seats		20.00	20.50	21.01	21.54	22.08
Gross Ticket Revenue (000)		\$4,683	\$4,579	\$4,477	\$4,379	\$4,489
HST	15.0%	611	597	584	571	586
Ticket Surcharge	\$1.00	288	275	262	250	250
Admissions Tax	0.0%	0	0	0	0	0
Net Ticket Revenue (000)		\$3,784	\$3,707	\$3,632	\$3,559	\$3,654
Facility Rent	10.0%	\$378	\$371	\$363	\$356	\$365
Less: No Show Percentage		10.0%	12.5%	15.0%	17.5%	20.0%
Add: Complimentary		15.0%	16.5%	18.0%	19.5%	21.0%
Concessions						
Actual Attendance		317.7	300.6	284.5	269.3	266.7
Per Capita - (2)		\$9.00	\$9.23	\$9.46	\$9.69	\$9.93
Gross Revenue (000)		\$2,859	\$2,773	\$2,690	\$2,610	\$2,649
HST	15.0%	373	362	351	340	346
Less: COGS/Operating Expenses	55.0%	1,572	1,525	1,480	1,436	1,457
Net Concession Revenue (000)		\$914	\$886	\$860	\$834	\$847
Less: Distribution to Franchise	50.0%	457	443	430	417	423
Net Concession Revenue (000)		\$457	\$443	\$430	\$417	\$423
Novelties						
Actual Attendance		317.7	300.6	284.5	269.3	266.7
Per Capita		\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Gross Revenue (000)		\$318	\$308	\$299	\$290	\$294
HST	15.0%	41	40	39	38	38
Less: COGS/Operating Expenses	75.0%	239	231	224	218	221
Net Novelty Revenue (000)		\$38	\$37	\$36	\$35	\$35
Less: Distribution to Franchise	100.0%	38	37	36	35	35
Net Novelty Revenue (000)		\$0	\$0	\$0	\$0	\$0
Parking						
Actual Attendance		317.7	300.6	284.5	269.3	266.7
Patrons Per Car		3.50	3.50	3.50	3.50	3.50
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$545	\$528	\$512	\$497	\$505
HST	15.00%	71	69	67	65	66
Less: Parking Expenses	20.0%	109	106	102	99	101
Net Parking Revenue (000)		\$365	\$354	\$343	\$333	\$338
Less: Distribution to Franchise	100.0%	365	354	343	333	338
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 8
ANCHOR HOCKEY - POST SEASON
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		2	2	0	2	4
Average Paid Attendance - (General)		9.5	9.0	8.6	8.1	8.1
Avg. Club Seat Attendance		0.5	0.5	0.5	0.5	0.5
Avg. Luxury Suite Attend.		0.4	0.4	0.4	0.4	0.4
Total Paid Attendance (000)		20.8	19.9	0.0	18.1	36.2
Average Ticket Price General Seating		\$20.00	\$20.50	\$21.01	\$21.54	\$22.08
Average Ticket Price Club Seats		25.00	25.63	26.27	26.92	27.60
Gross Ticket Revenue (000)		\$405	\$396	\$0	\$378	\$775
HST	15.0%	53	52	0	49	101
Ticket Surcharge	\$1.00	20	19	0	17	35
Admissions Tax	0.0%	0	0	0	0	0
Net Ticket Revenue (000)		\$332	\$325	\$0	\$311	\$639
Facility Rent	10.0%	\$33	\$33	\$0	\$31	\$64
Less: No Show Percentage		5.0%	5.0%	5.0%	5.0%	5.0%
Add: Complimentary		7.5%	7.5%	7.5%	7.5%	7.5%
Concessions						
Actual Attendance		21.3	20.4	0.0	18.6	37.1
Per Capita - (1)		\$10.00	\$10.25	\$10.51	\$10.77	\$11.04
Gross Revenue (000)		\$213	\$209	\$0	\$200	\$410
HST	15.00%	28	27	0	26	53
Less: COGS/Operating Expenses	55.0%	117	115	-	110	226
Net Concession Revenue (000)		\$68	\$67	\$0	\$64	\$131
Less: Distribution to Franchise	50.0%	34	33	0	32	66
Net Concession Revenue (000)		\$34	\$33	\$0	\$32	\$66
Novelties						
Actual Attendance		21.3	20.4	0.0	18.6	37.1
Per Capita - (1)		\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Gross Revenue (000)		\$21	\$21	\$0	\$20	\$41
HST	15.00%	3	3	0	3	5
Less: COGS/Operating Expenses	75.0%	16	16	-	15	31
Net Novelty Revenue (000)		\$3	\$3	\$0	\$2	\$5
Less: Distribution to Franchise	100.0%	3	3	0	2	5
Net Novelty Revenue (000)		\$0	\$0	\$0	\$0	\$0
Parking						
Actual Attendance		21.3	20.4	0.0	18.6	37.1
Patrons Per Car		3.50	3.50	3.50	3.50	3.50
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$37	\$36	\$0	\$34	\$70
HST	15.00%	5	5	0	4	9
Less Parking Expenses	20.0%	7	7	-	7	14
Net Parking Revenue (000)		\$24	\$24	\$0	\$23	\$47
Less: Distribution to Franchise	100.0%	24	24	0	23	47
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 9
ANCHOR - OTHER
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		0	0	0	0	0
Average Paid Attendance - (General)		0.0	0.0	0.0	0.0	0.0
Avg. Club Seat Attendance		0.0	0.0	0.0	0.0	0.0
Avg. Luxury Suite Attend.		0.0	0.0	0.0	0.0	0.0
Total Paid Attendance (000)		0.0	0.0	0.0	0.0	0.0
Average Ticket Price General Seating		\$12.00	\$12.30	\$12.61	\$12.92	\$13.25
Average Ticket Price Club Seats		15.00	15.38	15.76	16.15	16.56
Gross Ticket Revenue (000)		\$0	\$0	\$0	\$0	\$0
HST	15.0%	0	0	0	0	0
Ticket Surcharge	\$1.00	0	0	0	0	0
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$0	\$0	\$0	\$0	\$0
Facility Rent	10.0%	\$0	\$0	\$0	\$0	\$0
No Show Percentage		10.0%	10.0%	10.0%	10.0%	10.0%
Add: Complimentary		10.0%	10.0%	10.0%	10.0%	10.0%
Concessions						
Actual Attendance (000)		0.0	0.0	0.0	0.0	0.0
Per Capita - (2)		\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Gross Revenue (000)		\$0	\$0	\$0	\$0	\$0
HST	15.0%	0	0	0	0	0
Less: COGS/Operating Expenses	55.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$0	\$0	\$0	\$0	\$0
Less: Distribution to Franchise	50.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$0	\$0	\$0	\$0	\$0
Novelties						
Actual Attendance (000)		0.0	0.0	0.0	0.0	0.0
Per Capita		\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Gross Revenue (000)		\$0	\$0	\$0	\$0	\$0
HST	15.0%	0	0	0	0	0
Less: COGS/Operating Expenses	75.0%	0	0	0	0	0
Net Novelty Revenue		\$0	\$0	\$0	\$0	\$0
Less: Distribution to Franchise	100.0%	\$0	\$0	\$0	\$0	\$0
Net Arena Novelty Revenue (000)		\$0	\$0	\$0	\$0	\$0
Parking						
Actual Attendance (000)		0.0	0.0	0.0	0.0	0.0
Patrons Per Car		3.5	3.5	3.5	3.5	3.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$0	\$0	\$0	\$0	\$0
HST	15.00%	0	0	0	0	0
Operating Expenses	20.0%	0	0	0	0	0
Net Arena Parking Revenue (000)		\$0	\$0	\$0	\$0	\$0
Less: Distribution to Franchise	100.0%	0	0	0	0	0
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 10
CONCERTS - MINOR
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		8	8	8	7	7
Average Paid Attendance - (General)		7.0	7.0	7.0	7.0	7.0
Avg. Club Seat Attendance		0.4	0.4	0.4	0.4	0.4
Avg. Luxury Suite Attend.		0.5	0.5	0.5	0.5	0.5
Total Paid Attendance (000)		63.2	63.2	63.2	55.3	55.3
Average Ticket Price General Seating		\$40.00	\$41.00	\$42.03	\$43.08	\$44.15
Average Ticket Price Club Seats		50.00	51.25	52.53	53.84	55.19
Gross Ticket Revenue (000) - general and club		\$2,400	\$2,460	\$2,522	\$2,261	\$2,318
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	313	321	329	295	302
Ticket Surcharge	\$2.25	133	133	133	117	117
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$1,954	\$2,006	\$2,059	\$1,850	\$1,899
Facility Rent	5.0%	\$98	\$100	\$103	\$92	\$95
No Show Percentage		5.0%	5.0%	5.0%	5.0%	5.0%
Add: Complimentary		10.0%	10.0%	10.0%	10.0%	10.0%
Concessions						
Actual Attendance (000)		66.4	66.4	66.4	58.1	58.1
Per Capita - (2)		\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Gross Revenue (000)		\$531	\$544	\$558	\$500	\$513
HST	15.0%	69	82	84	75	77
Less: COGS/Operating Expenses	55.0%	292	299	307	275	282
Net Arena Concession Revenue (000)		\$170	\$163	\$167	\$150	\$154
Less: Distribution to Promoter	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$170	\$163	\$167	\$150	\$154
Novelties						
Actual Attendance (000)		66.4	66.4	66.4	58.1	58.1
Per Capita		\$3.00	\$3.08	\$3.15	\$3.23	\$3.31
Gross Revenue (000)		199	204	209	188	192
HST	15.0%	26	31	31	28	29
Less: COGS/Operating Expenses	75.0%	149	153	157	141	144
Net Novelty Revenue		\$24	\$20	\$21	\$19	\$19
Less: Distribution to Promoter	85.0%	20	17	18	16	16
Net Arena Novelty Revenue (000)		\$4	\$3	\$3	\$3	\$3
Parking						
Actual Attendance (000)		66.4	66.4	66.4	58.1	58.1
Patrons Per Car		3.5	3.5	3.5	3.5	3.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$114	\$117	\$120	\$107	\$110
HST	15.00%	15	15	16	14	14
Operating Expenses	20.0%	23	23	24	21	22
Net Arena Parking Revenue (000)		\$76	\$78	\$80	\$72	\$74
Less: Distribution to Promoter	100.0%	76	78	80	72	74
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 11
CONCERTS - MAJOR
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		4	5	3	4	4
Average Paid Attendance - (General)		9.5	9.5	9.5	9.5	9.5
Avg. Club Seat Attendance		0.4	0.4	0.4	0.4	0.4
Avg. Luxury Suite Attend.		0.5	0.5	0.5	0.5	0.5
Total Paid Attendance (000)		41.6	52.0	31.2	41.6	41.6
Average Ticket Price General Seating		\$60.00	\$61.50	\$63.04	\$64.61	\$66.23
Average Ticket Price Club Seats		75.00	76.88	78.80	80.77	82.79
Gross Ticket Revenue (000) - general and club		\$2,400	\$3,075	\$1,891	\$2,585	\$2,649
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	313	401	247	337	346
Ticket Surcharge	\$2.25	89	111	67	89	89
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$1,998	\$2,563	\$1,578	\$2,158	\$2,215
Facility Rent	2.5%	\$50	\$64	\$39	\$54	\$55
No Show Percentage		5.0%	5.0%	5.0%	5.0%	5.0%
Add: Complimentary		10.0%	10.0%	10.0%	10.0%	10.0%
Concessions						
Actual Attendance (000)		43.7	54.6	32.8	43.7	43.7
Per Capita - (2)		\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Gross Revenue (000)		\$350	\$448	\$275	\$376	\$386
HST	15.0%	46	67	41	56	58
Less: COGS/Operating Expenses	55.0%	193	246	151	207	212
Net Arena Concession Revenue (000)		\$112	\$135	\$83	\$113	\$116
Less: Distribution to Promoter	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$112	\$135	\$83	\$113	\$116
Novelties						
Actual Attendance (000)		43.7	54.6	32.8	43.7	43.7
Per Capita		\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Gross Revenue (000)		87	112	69	94	96
HST	15.0%	11	17	10	14	14
Less: COGS/Operating Expenses	75.0%	65	84	52	71	72
Net Novelty Revenue		\$10	\$11	\$7	\$10	\$10
Less: Distribution to Promoter	85.0%	9	9	6	8	9
Net Arena Novelty Revenue (000)		\$2	\$2	\$1	\$1	\$2
Parking						
Actual Attendance (000)		43.7	54.6	32.8	43.7	43.7
Patrons Per Car		3.5	3.5	3.5	3.5	3.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$75	\$96	\$59	\$81	\$83
HST	15.00%	10	13	8	11	11
Operating Expenses	20.0%	15	19	12	16	17
Net Arena Parking Revenue (000)		\$50	\$64	\$40	\$54	\$55
Less: Distribution to Promoter	100.0%	50	64	40	54	55
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 12
CONCERTS - OTHER
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		2	2	2	2	2
Average Paid Attendance - (General)		5.5	5.5	5.5	5.5	5.5
Avg. Club Seat Attendance		0.4	0.4	0.4	0.4	0.4
Avg. Luxury Suite Attend.		0.5	0.5	0.5	0.5	0.5
Total Paid Attendance (000)		12.8	12.8	12.8	12.8	12.8
Average Ticket Price General Seating		\$30.00	\$30.75	\$31.52	\$32.31	\$33.11
Average Ticket Price Club Seats		37.50	38.44	39.40	40.38	41.39
Gross Ticket Revenue (000) - general and club		\$360	\$369	\$378	\$388	\$397
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	47	48	49	51	52
Ticket Surcharge	\$2.25	27	27	27	27	27
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$286	\$294	\$302	\$311	\$319
Facility Rent	8.0%	\$23	\$24	\$24	\$25	\$26
No Show Percentage		5.0%	5.0%	5.0%	5.0%	5.0%
Add: Complimentary		10.0%	10.0%	10.0%	10.0%	10.0%
Concessions						
Actual Attendance (000)		13.4	13.4	13.4	13.4	13.4
Per Capita - (2)		\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Gross Revenue (000)		\$108	\$110	\$113	\$116	\$119
HST	15.0%	14	17	17	17	18
Less: COGS/Operating Expenses	55.0%	59	61	62	64	65
Net Arena Concession Revenue (000)		\$35	\$33	\$34	\$35	\$36
Less: Distribution to Promoter	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$35	\$33	\$34	\$35	\$36
Novelties						
Actual Attendance (000)		13.4	13.4	13.4	13.4	13.4
Per Capita		\$5.00	\$5.13	\$5.25	\$5.38	\$5.52
Gross Revenue (000)		67	69	71	72	74
HST	15.0%	9	10	11	11	11
Less: COGS/Operating Expenses	75.0%	50	52	53	54	56
Net Novelty Revenue		\$8	\$7	\$7	\$7	\$8
Less: Distribution to Promoter	85.0%	7	6	6	6	6
Net Arena Novelty Revenue (000)		\$1	\$1	\$1	\$1	\$1
Parking						
Actual Attendance (000)		13.4	13.4	13.4	13.4	13.4
Patrons Per Car		4.5	4.5	4.5	4.5	4.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$18	\$18	\$19	\$19	\$20
HST	15.00%	2	2	2	3	3
Operating Expenses	20.0%	4	4	4	4	4
Net Arena Parking Revenue (000)		\$12	\$12	\$13	\$13	\$13
Less: Distribution to Promoter	100.0%	12	12	13	13	13
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 13
FAMILY - MOTOR RELATED
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		2	2	2	2	2
Average Paid Attendance - (General)		7.0	7.0	7.0	7.0	7.0
Avg. Club Seat Attendance		0.4	0.4	0.4	0.4	0.4
Avg. Luxury Suite Attend.		0.5	0.5	0.5	0.5	0.5
Total Paid Attendance (000)		15.6	15.6	15.6	15.6	15.6
Average Ticket Price General Seating		\$25.00	\$25.63	\$26.27	\$26.92	\$27.60
Average Ticket Price Club Seats		31.25	32.03	32.83	33.65	34.49
Gross Ticket Revenue (000) - general and club		\$373	\$382	\$391	\$401	\$411
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	49	50	51	52	54
Ticket Surcharge	\$2.25	33	33	33	33	33
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$291	\$299	\$307	\$316	\$324
Facility Rent	8.0%	\$23	\$24	\$25	\$25	\$26
No Show Percentage		5.0%	5.0%	5.0%	5.0%	5.0%
Add: Complimentary		5.0%	5.0%	5.0%	5.0%	5.0%
Concessions						
Actual Attendance (000)		15.6	15.6	15.6	15.6	15.6
Per Capita - (2)		\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Gross Revenue (000)		\$125	\$128	\$131	\$135	\$138
HST	15.0%	16	19	20	20	21
Less: COGS/Operating Expenses	55.0%	69	70	72	74	76
Net Arena Concession Revenue (000)		\$40	\$39	\$39	\$41	\$41
Less: Distribution to Promoter/Tenant	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$40	\$39	\$39	\$41	\$41
Novelties						
Actual Attendance (000)		15.6	15.6	15.6	15.6	15.6
Per Capita		\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Gross Revenue (000)		31	32	33	34	34
HST	15.0%	4	5	5	5	5
Less: COGS/Operating Expenses	75.0%	23	24	25	26	26
Net Novelty Revenue		\$4	\$3	\$3	\$4	\$4
Less: Distribution to Promoter/Tenant	85.0%	3	3	3	3	3
Net Arena Novelty Revenue (000)		\$1	\$0	\$0	\$1	\$1
Parking						
Actual Attendance (000)		15.6	15.6	15.6	15.6	15.6
Patrons Per Car		4.5	4.5	4.5	4.5	4.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$21	\$21	\$22	\$22	\$23
HST	15.00%	3	3	3	3	3
Operating Expenses	20.0%	4	4	4	4	5
Net Arena Parking Revenue (000)		\$14	\$14	\$15	\$15	\$15
Less: Distribution to Promoter	100.0%	14	14	15	15	15
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 14
FAMILY - CIRCUS
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		5	0	5	0	5
Average Paid Attendance - (General)		4.5	4.5	4.5	4.5	4.5
Avg. Club Seat Attendance		0.3	0.3	0.3	0.3	0.3
Avg. Luxury Suite Attend.		0.4	0.4	0.4	0.4	0.4
Total Paid Attendance (000)		26.1	0.0	26.1	0.0	26.1
Average Ticket Price General Seating		\$15.00	\$15.38	\$15.76	\$16.15	\$16.56
Average Ticket Price Club Seats		18.75	19.22	19.70	20.19	20.70
Gross Ticket Revenue (000) - general and club		\$368	\$0	\$386	\$0	\$406
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	48	0	50	0	53
Ticket Surcharge	\$2.25	54	0	54	0	54
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$265	\$0	\$282	\$0	\$299
Facility Rent	8.0%	\$21	\$0	\$23	\$0	\$24
No Show Percentage		10.0%	10.0%	10.0%	10.0%	10.0%
Add: Complimentary		10.0%	10.0%	10.0%	10.0%	10.0%
Concessions						
Actual Attendance (000)		26.1	0.0	26.1	0.0	26.1
Per Capita - (2)		\$5.00	\$5.13	\$5.25	\$5.38	\$5.52
Gross Revenue (000)		\$131	\$0	\$137	\$0	\$144
HST	15.0%	17	0	21	0	22
Less: COGS/Operating Expenses	55.0%	72	0	75	0	79
Net Arena Concession Revenue (000)		\$42	\$0	\$41	\$0	\$43
Less: Distribution to Promoter/Tenant	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$42	\$0	\$41	\$0	\$43
Novelties						
Actual Attendance (000)		26.1	0.0	26.1	0.0	26.1
Per Capita		\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Gross Revenue (000)		52	0	55	0	58
HST	15.0%	7	0	8	0	9
Less: COGS/Operating Expenses	75.0%	39	0	41	0	44
Net Novelty Revenue		\$6	\$0	\$6	\$0	\$6
Less: Distribution to Promoter/Franchise	85.0%	5	0	5	0	5
Net Arena Novelty Revenue (000)		\$1	\$0	\$1	\$0	\$1
Parking						
Actual Attendance (000)		26.1	0.0	26.1	0.0	26.1
Patrons Per Car		4.5	4.5	4.5	4.5	4.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$35	\$0	\$37	\$0	\$38
HST	15.00%	5	0	5	0	5
Operating Expenses	20.0%	7	0	7	0	8
Net Arena Parking Revenue (000)		\$23	\$0	\$24	\$0	\$26
Less: Distribution to Promoter	100.0%	23	0	24	0	26
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 15
FAMILY - ICE SHOWS
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		5	5	5	5	5
Average Paid Attendance - (General)		3.5	3.5	3.5	3.5	3.5
Avg. Club Seat Attendance		0.3	0.3	0.3	0.3	0.3
Avg. Luxury Suite Attend.		0.4	0.4	0.4	0.4	0.4
Total Paid Attendance (000)		21.1	21.1	21.1	21.1	21.1
Average Ticket Price General Seating		\$50.00	\$51.25	\$52.53	\$53.84	\$55.19
Average Ticket Price Club Seats		62.50	64.06	65.66	67.31	68.99
Gross Ticket Revenue (000) - general and club		\$975	\$999	\$1,024	\$1,050	\$1,076
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	127	130	134	137	140
Ticket Surcharge	\$2.25	43	43	43	43	43
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$805	\$826	\$848	\$870	\$893
Facility Rent	8.0%	\$64	\$66	\$68	\$70	\$71
No Show Percentage		10.0%	10.0%	10.0%	10.0%	10.0%
Add: Complimentary		10.0%	10.0%	10.0%	10.0%	10.0%
Concessions						
Actual Attendance (000)		21.1	21.1	21.1	21.1	21.1
Per Capita - (2)		\$5.00	\$5.13	\$5.25	\$5.38	\$5.52
Gross Revenue (000)		\$106	\$108	\$111	\$114	\$117
HST	15.0%	14	16	17	17	18
Less: COGS/Operating Expenses	55.0%	58	59	61	63	64
Net Arena Concession Revenue (000)		\$34	\$33	\$33	\$34	\$35
Less: Distribution to Promoter/Tenant	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$34	\$33	\$33	\$34	\$35
Novelties						
Actual Attendance (000)		21.1	21.1	21.1	21.1	21.1
Per Capita		\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Gross Revenue (000)		42	43	44	45	47
HST	15.0%	5	6	7	7	7
Less: COGS/Operating Expenses	75.0%	32	32	33	34	35
Net Novelty Revenue		\$5	\$5	\$4	\$4	\$5
Less: Distribution to Promoter/Franchise	85.0%	4	4	3	4	4
Net Arena Novelty Revenue (000)		\$1	\$1	\$1	\$1	\$1
Parking						
Actual Attendance (000)		21.1	21.1	21.1	21.1	21.1
Patrons Per Car		4.5	4.5	4.5	4.5	4.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$28	\$29	\$30	\$30	\$31
HST	15.00%	4	4	4	4	4
Operating Expenses	20.0%	6	6	6	6	6
Net Parking Revenue (000)		\$19	\$19	\$20	\$20	\$21
Less: Distribution to Promoter	100.0%	19	19	20	20	21
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 16
FAMILY - STAGE SHOWS
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		5	6	6	8	5
Average Paid Attendance - (General)		5.0	5.0	5.0	5.0	5.0
Avg. Club Seat Attendance		0.3	0.3	0.3	0.3	0.3
Avg. Luxury Suite Attend.		0.4	0.4	0.4	0.4	0.4
Total Paid Attendance (000)		28.6	34.3	34.3	45.8	28.6
Average Ticket Price General Seating		\$40.00	\$41.00	\$42.03	\$43.08	\$44.15
Average Ticket Price Club Seats		50.00	51.25	52.53	53.84	55.19
Gross Ticket Revenue (000) - general and club		\$1,080	\$1,328	\$1,362	\$1,861	\$1,192
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	141	173	178	243	155
Ticket Surcharge	\$2.25	60	72	72	96	60
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$879	\$1,083	\$1,112	\$1,522	\$977
Facility Rent	8.0%	\$70	\$87	\$89	\$122	\$78
No Show Percentage		10.0%	10.0%	10.0%	10.0%	10.0%
Add: Complimentary		10.0%	10.0%	10.0%	10.0%	10.0%
Concessions						
Actual Attendance (000)		28.6	34.3	34.3	45.8	28.6
Per Capita - (2)		\$5.00	\$5.13	\$5.25	\$5.38	\$5.52
Gross Revenue (000)		\$143	\$176	\$180	\$247	\$158
HST	15.0%	19	26	27	37	24
Less: COGS/Operating Expenses	55.0%	79	97	99	136	87
Net Arena Concession Revenue (000)		\$46	\$53	\$54	\$74	\$47
Less: Distribution to Promoter/Tenant	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$46	\$53	\$54	\$74	\$47
Novelties						
Actual Attendance (000)		28.6	34.3	34.3	45.8	28.6
Per Capita		\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Gross Revenue (000)		57	70	72	99	63
HST	15.0%	7	11	11	15	9
Less: COGS/Operating Expenses	75.0%	43	53	54	74	47
Net Novelty Revenue		\$7	\$7	\$7	\$10	\$7
Less: Distribution to Promoter/Franchise	85.0%	6	6	6	8	6
Net Arena Novelty Revenue (000)		\$1	\$1	\$1	\$1	\$1
Parking						
Actual Attendance (000)		28.6	34.3	34.3	45.8	28.6
Patrons Per Car		3.5	3.5	3.5	3.5	3.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$49	\$60	\$62	\$85	\$54
HST	15.00%	6	8	8	11	7
Operating Expenses	20.0%	10	12	12	17	11
Net Arena Parking Revenue (000)		\$33	\$40	\$41	\$57	\$36
Less: Distribution to Promoter	100.0%	33	40	41	57	36
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 17
FAMILY - NOVA SCOTIA INTERNATIONAL TATOO
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		9	9	9	9	9
Average Paid Attendance - (General)		7.0	7.0	7.0	7.0	7.0
Avg. Club Seat Attendance		0.3	0.3	0.3	0.3	0.3
Avg. Luxury Suite Attend.		0.4	0.4	0.4	0.4	0.4
Total Paid Attendance (000)		69.5	69.5	69.5	69.5	69.5
Average Ticket Price General Seating		\$15.00	\$15.38	\$15.76	\$16.15	\$16.56
Average Ticket Price Club Seats		18.75	19.22	19.70	20.19	20.70
Gross Ticket Revenue (000) - general and club		\$999	\$1,024	\$1,050	\$1,076	\$1,103
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	130	134	137	140	144
Ticket Surcharge	\$1.00	66	66	66	66	66
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$803	\$825	\$847	\$870	\$893
Facility Rent	6.0%	\$48	\$49	\$51	\$52	\$54
No Show Percentage		15.0%	15.0%	15.0%	15.0%	15.0%
Add: Complimentary		15.0%	15.0%	15.0%	15.0%	15.0%
Concessions						
Actual Attendance (000)		69.5	69.5	69.5	69.5	69.5
Per Capita - (2)		\$5.00	\$5.13	\$5.25	\$5.38	\$5.52
Gross Revenue (000)		\$348	\$356	\$365	\$374	\$384
HST	15.0%	45	53	55	56	58
Less: COGS/Operating Expenses	55.0%	191	196	201	206	211
Net Arena Concession Revenue (000)		\$111	\$107	\$109	\$112	\$115
Less: Distribution to Promoter/Tenant	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$111	\$107	\$109	\$112	\$115
Novelties						
Actual Attendance (000)		69.5	69.5	69.5	69.5	69.5
Per Capita		\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Gross Revenue (000)		139	142	146	150	153
HST	15.0%	18	21	22	23	23
Less: COGS/Operating Expenses	75.0%	104	107	110	113	115
Net Novelty Revenue		\$17	\$15	\$15	\$15	\$15
Less: Distribution to Promoter/Franchise	85.0%	14	12	12	12	13
Net Arena Novelty Revenue (000)		\$2	\$2	\$2	\$2	\$2
Parking						
Actual Attendance (000)		69.5	69.5	69.5	69.5	69.5
Patrons Per Car		4.5	4.5	4.5	4.5	4.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$93	\$95	\$97	\$100	\$102
HST	15.00%	12	12	13	13	13
Operating Expenses	20.0%	19	19	19	20	20
Net Arena Parking Revenue (000)		\$62	\$64	\$65	\$67	\$68
Less: Distribution to Promoter	100.0%	62	64	65	67	68
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 18
OTHER SPORTS - BOXING
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		2	3	4	3	3
Average Paid Attendance - (General)		3.0	2.9	2.7	2.6	2.6
Avg. Club Seat Attendance		0.4	0.4	0.4	0.4	0.4
Avg. Luxury Suite Attend.		0.5	0.5	0.5	0.5	0.5
Total Paid Attendance (000)		7.6	11.0	14.1	10.2	10.2
Average Ticket Price General Seating		\$20.00	\$20.50	\$21.01	\$21.54	\$22.08
Average Ticket Price Club Seats		25.00	25.63	26.27	26.92	27.60
Gross Ticket Revenue (000) - general and club		\$138	\$203	\$265	\$195	\$200
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	18	26	35	25	26
Ticket Surcharge	\$1.00	7	10	12	9	9
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$113	\$167	\$219	\$161	\$165
Facility Rent	10.0%	\$11	\$17	\$22	\$16	\$17
No Show Percentage		10.0%	10.0%	10.0%	10.0%	10.0%
Add: Complimentary		15.0%	15.0%	15.0%	15.0%	15.0%
Concessions						
Actual Attendance (000)		8.0	11.5	14.8	10.7	10.7
Per Capita - (2)		\$10.00	\$10.25	\$10.51	\$10.77	\$11.04
Gross Revenue (000)		\$80	\$118	\$155	\$115	\$118
HST	15.0%	10	18	23	17	18
Less: COGS/Operating Expenses	55.0%	44	65	85	63	65
Net Arena Concession Revenue (000)		\$26	\$35	\$47	\$35	\$35
Less: Distribution to Promoter/Tenant	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$26	\$35	\$47	\$35	\$35
Novelties						
Actual Attendance (000)		8.0	11.5	14.8	10.7	10.7
Per Capita		\$1.50	\$1.54	\$1.58	\$1.62	\$1.66
Gross Revenue (000)		12	18	23	17	18
HST	15.0%	2	3	3	3	3
Less: COGS/Operating Expenses	75.0%	9	14	17	13	14
Net Novelty Revenue		\$1	\$2	\$3	\$1	\$2
Less: Distribution to Promoter/Franchise	85.0%	1	1	2	1	1
Net Arena Novelty Revenue (000)		\$0	\$0	\$0	\$0	\$0
Parking						
Actual Attendance (000)		8.0	11.5	14.8	10.7	10.7
Patrons Per Car		3.5	3.5	3.5	3.5	3.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$14	\$20	\$27	\$20	\$20
HST	15.00%	2	3	3	3	3
Operating Expenses	20.0%	3	4	5	4	4
Net Parking Revenue (000)		\$9	\$14	\$18	\$13	\$14
Less: Distribution to Promoter	100.0%	9	14	18	13	14
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 19
OTHER SPORTS - UNIVERSITY
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		3	3	3	3	3
Average Paid Attendance (000) - (General Seating)		3.5	3.5	3.5	3.5	3.5
Avg. Club Seat Attendance		0.4	0.4	0.4	0.4	0.4
Avg. Luxury Suite Attend.		0.5	0.5	0.5	0.5	0.5
Total Paid Attendance (000)		13.2	13.2	13.2	13.2	13.2
Average Ticket Price General Seating		\$25.00	\$25.63	\$26.27	\$26.92	\$27.60
Average Ticket Price Club Seats		31.25	32.03	32.83	33.65	34.49
Gross Ticket Revenue (000) - general and club		\$300	\$308	\$315	\$323	\$331
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	39	40	41	42	43
Ticket Surcharge	\$2.25	26	26	26	26	26
Admissions Tax	0.0%	0	0	0	0	0
Net Ticket Revenue		\$235	\$241	\$248	\$255	\$262
Facility Rent	10.0%	\$23	\$24	\$25	\$25	\$26
No Show Percentage		5.0%	5.0%	5.0%	5.0%	5.0%
Add: Complimentary		5.0%	5.0%	5.0%	5.0%	5.0%
Concessions						
Actual Attendance (000)		13.2	13.2	13.2	13.2	13.2
Per Capita - (2)		\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Gross Revenue (000)		\$106	\$108	\$111	\$114	\$117
HST	15.00%	14	16	17	17	18
Less: COGS/Operating Expenses	55.0%	58	59	61	63	64
Net Concession Revenue (000)		\$34	\$33	\$33	\$34	\$35
Less: Distribution to Promoter/Tenant	0.00%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$34	\$33	\$33	\$34	\$35
Novelties						
Actual Attendance (000)		13.2	13.2	13.2	13.2	13.2
Per Capita		\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Gross Revenue (000)		\$26	\$27	\$28	\$28	\$29
HST	15.0%	3	4	4	4	4
Less: COGS/Operating Expenses	75.0%	20	20	21	21	22
Net Novelty Revenue		\$3	\$3	\$3	\$3	\$3
Less: Distribution to Promoter/Franchise	85.0%	3	2	3	3	3
Net Arena Novelty Revenue (000)		\$0	\$0	\$0	\$0	\$0
Parking						
Actual Attendance (000)		13.2	13.2	13.2	13.2	13.2
Patrons Per Car		3.5	3.5	3.5	3.5	3.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$23	\$23	\$24	\$24	\$25
HST	15.00%	3	3	3	3	3
Operating Expenses	20.0%	5	5	5	5	5
Net Arena Parking Revenue (000)		\$15	\$16	\$16	\$16	\$17
Less: Distribution to Promoter	100.0%	15	16	16	16	17
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 20
OTHER SPORTS - WRESTLING
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		3	4	5	5	4
Average Paid Attendance (000) - (General Seating)		7.0	7.0	7.0	7.0	7.0
Avg. Club Seat Attendance		0.2	0.2	0.2	0.2	0.2
Avg. Luxury Suite Attend.		0.3	0.3	0.3	0.3	0.3
Total Paid Attendance (000)		22.6	30.2	37.7	37.7	30.2
Average Ticket Price General Seating		\$40.00	\$41.00	\$42.03	\$43.08	\$44.15
Average Ticket Price Club Seats		50.00	51.25	52.53	53.84	55.19
Gross Ticket Revenue (000) - general and club		\$876	\$1,197	\$1,534	\$1,572	\$1,289
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	114	156	200	205	168
Ticket Surcharge	\$2.25	49	65	81	81	65
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$713	\$976	\$1,252	\$1,286	\$1,056
Facility Rent	10.0%	\$71	\$98	\$125	\$129	\$106
No Show Percentage		5.0%	5.0%	5.0%	5.0%	5.0%
Add: Complimentary		15.0%	15.0%	15.0%	15.0%	15.0%
Concessions						
Actual Attendance (000)		24.9	33.2	41.5	41.5	33.2
Per Capita - (2)		\$10.00	\$10.25	\$10.51	\$10.77	\$11.04
Gross Revenue (000)		\$249	\$340	\$436	\$447	\$366
HST	15.0%	32	51	65	67	55
Less: COGS/Operating Expenses	55.0%	137	187	240	246	201
Net Arena Concession Revenue (000)		\$80	\$102	\$131	\$134	\$110
Less: Distribution to Promoter/Tenant	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$80	\$102	\$131	\$134	\$110
Novelties						
Actual Attendance (000)		24.9	33.2	41.5	41.5	33.2
Per Capita		\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Gross Revenue (000)		\$25	\$34	\$44	\$45	\$37
HST	15.0%	3	5	7	7	6
Less: COGS/Operating Expenses	75.0%	19	26	33	34	28
Net Novelty Revenue		\$3	\$4	\$4	\$4	\$3
Less: Distribution to Promoter/Franchise	85.0%	3	3	3	4	3
Net Arena Novelty Revenue (000)		\$0	\$1	\$1	\$1	\$0
Parking						
Actual Attendance (000)		24.9	33.2	41.5	41.5	33.2
Patrons Per Car		3.5	3.5	3.5	3.5	3.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$43	\$58	\$75	\$77	\$63
HST	15.00%	6	8	10	10	8
Operating Expenses	20.0%	9	12	15	15	13
Net Arena Parking Revenue (000)		\$29	\$39	\$50	\$51	\$42
Less: Distribution to Promoter	100.0%	29	39	50	51	42
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 21
OTHER SPORTS - PROFESSIONAL EXHIBITION SPORTS
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		2	2	2	2	2
Average Paid Attendance (000) - (General Seating)		9.0	9.0	9.0	9.0	9.0
Avg. Club Seat Attendance		0.4	0.4	0.4	0.4	0.4
Avg. Luxury Suite Attend.		0.5	0.5	0.5	0.5	0.5
Total Paid Attendance (000)		19.8	19.8	19.8	19.8	19.8
Average Ticket Price General Seating		\$60.00	\$61.50	\$63.04	\$64.61	\$66.23
Average Ticket Price Club Seats		75.00	76.88	78.80	80.77	82.79
Gross Ticket Revenue (000) - general and club		\$1,140	\$1,169	\$1,198	\$1,228	\$1,258
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	149	152	156	160	164
Ticket Surcharge	\$2.25	42	42	42	42	42
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$949	\$974	\$999	\$1,025	\$1,052
Facility Rent	5.0%	\$47	\$49	\$50	\$51	\$53
No Show Percentage		5.0%	5.0%	5.0%	5.0%	5.0%
Add: Complimentary		5.0%	5.0%	5.0%	5.0%	5.0%
Concessions						
Actual Attendance (000)		19.8	19.8	19.8	19.8	19.8
Per Capita - (2)		\$10.00	\$10.25	\$10.51	\$10.77	\$11.04
Gross Revenue (000)		\$198	\$203	\$208	\$213	\$219
HST	15.0%	26	30	31	32	33
Less: COGS/Operating Expenses	55.0%	109	112	114	117	120
Net Arena Concession Revenue (000)		\$63	\$61	\$63	\$64	\$66
Less: Distribution to Promoter/Tenant	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$63	\$61	\$63	\$64	\$66
Novelties						
Actual Attendance (000)		19.8	19.8	19.8	19.8	19.8
Per Capita		\$3.00	\$3.08	\$3.15	\$3.23	\$3.31
Gross Revenue (000)		\$59	\$61	\$62	\$64	\$66
HST	15.0%	8	9	9	10	10
Less: COGS/Operating Expenses	75.0%	44	46	47	48	50
Net Novelty Revenue		\$7	\$6	\$7	\$6	\$7
Less: Distribution to Promoter/Franchise	85.0%	\$6	\$5	\$6	\$5	\$6
Net Arena Novelty Revenue (000)		\$1	\$1	\$1	\$1	\$1
Parking						
Actual Attendance (000)		19.8	19.8	19.8	19.8	19.8
Patrons Per Car		3.5	3.5	3.5	3.5	3.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$34	\$35	\$36	\$37	\$37
HST	15.00%	4	5	5	5	5
Operating Expenses	20.0%	7	7	7	7	7
Net Arena Parking Revenue (000)		\$23	\$23	\$24	\$24	\$25
Less: Distribution to Promoter	100.0%	23	23	24	24	25
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 22
OTHER SPORTS - MISCELLANEOUS EVENTS
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		6	7	5	4	6
Average Paid Attendance (000) - (General Seating)		4.5	4.5	4.5	4.5	4.5
Avg. Club Seat Attendance		0.3	0.3	0.3	0.3	0.3
Avg. Luxury Suite Attend.		0.4	0.4	0.4	0.4	0.4
Total Paid Attendance (000)		30.8	35.9	25.7	20.5	30.8
Average Ticket Price General Seating		\$40.00	\$41.00	\$42.03	\$43.08	\$44.15
Average Ticket Price Club Seats		50.00	51.25	52.53	53.84	55.19
Gross Ticket Revenue (000) - general and club		\$1,164	\$1,392	\$1,019	\$836	\$1,285
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	152	182	133	109	168
Ticket Surcharge	\$2.25	65	75	54	43	65
Admissions Tax	0.00%	0	0	0	0	0
Net Ticket Revenue		\$948	\$1,135	\$832	\$684	\$1,053
Facility Rent Per Event (000s)	10.0%	\$95	\$114	\$83	\$68	\$105
No Show Percentage		10.0%	10.0%	10.0%	10.0%	10.0%
Add: Complimentary		10.0%	10.0%	10.0%	10.0%	10.0%
Concessions						
Actual Attendance (000)		30.8	35.9	25.7	20.5	30.8
Per Capita - (2)		\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Gross Revenue (000)		\$246	\$295	\$216	\$177	\$272
HST	15.0%	32	44	32	27	41
Less: COGS/Operating Expenses	55.0%	135	162	119	97	150
Net Arena Concession Revenue (000)		\$79	\$89	\$65	\$53	\$81
Less: Distribution to Promoter/Tenant	0.0%	0	0	0	0	0
Net Arena Concession Revenue (000)		\$79	\$89	\$65	\$53	\$81
Novelties						
Actual Attendance (000)		30.8	35.9	25.7	20.5	30.8
Per Capita		\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Gross Revenue (000)		31	37	27	22	34
HST	15.0%	4	6	4	3	5
Less: COGS/Operating Expenses	75.0%	23	28	20	17	26
Net Novelty Revenue		\$4	\$3	\$3	\$3	\$4
Less: Distribution to Promoter/Franchise	85.0%	3	3	2	2	3
Net Arena Novelty Revenue (000)		\$1	\$0	\$0	\$0	\$1
Parking						
Actual Attendance (000)		30.8	35.9	25.7	20.5	30.8
Patrons Per Car		3.5	3.5	3.5	3.5	3.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$53	\$63	\$46	\$38	\$58
HST	15.00%	7	8	6	5	8
Operating Expenses	20.0%	11	13	9	8	12
Net Parking Revenue (000)		\$35	\$42	\$31	\$25	\$39
Less: Distribution to Promoter	100.0%	35	42	31	25	39
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 23
OTHER EVENTS - GENERAL ENTERTAINMENT
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		8	10	10	12	11
Average Paid Attendance (000) - (General Seating)		4.0	4.0	4.0	4.0	4.0
Avg. Club Seat Attendance		0.0	0.0	0.0	0.0	0.0
Avg. Luxury Suite Attend.		0.0	0.0	0.0	0.0	0.0
Total Paid Attendance (000)		32.0	40.0	40.0	48.0	44.0
Average Ticket Price General Seating		\$17.00	\$17.43	\$17.86	\$18.31	\$18.76
Average Ticket Price Club Seats		21.25	21.78	22.33	22.88	23.46
Gross Ticket Revenue (000) - general and club		\$544	\$697	\$714	\$879	\$826
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	71	91	93	115	108
Ticket Surcharge	\$1.00	32	40	40	48	44
Admissions Tax	0.0%	0	0	0	0	0
Net Ticket Revenue (000)		\$441	\$566	\$581	\$716	\$674
Facility Rent	5%	\$22	\$28	\$29	\$36	\$34
Less: No Show Percentage		5.0%	5.0%	5.0%	5.0%	5.0%
Add: Complimentary		10.0%	10.0%	10.0%	10.0%	10.0%
Concessions						
Actual Attendance		33.6	42.0	42.0	50.4	46.2
Per Capita - (2)		\$7.00	\$7.18	\$7.35	\$7.54	\$7.73
Gross Revenue (000)		\$235	\$301	\$309	\$380	\$357
HST	15.0%	31	39	40	50	47
Less: COGS/Operating Expenses	55.0%	129	166	170	209	196
Net Concession Revenue (000)		\$75	\$96	\$99	\$121	\$114
Less: Distribution to Franchise	0.0%	0	0	0	0	0
Net Concession Revenue (000)		\$75	\$96	\$99	\$121	\$114
Novelties						
Actual Attendance		33.6	42.0	42.0	50.4	46.2
Per Capita		\$0.50	\$0.51	\$0.53	\$0.54	\$0.55
Gross Revenue (000)		\$17	\$22	\$22	\$27	\$25
HST	15.0%	2	3	3	4	3
Less: COGS/Operating Expenses	75.0%	13	17	17	20	19
Net Novelty Revenue (000)		\$2	\$3	\$3	\$3	\$3
Less: Distribution to Franchise	85.0%	2	2	2	3	3
Net Novelty Revenue (000)		\$0	\$0	\$0	\$0	\$0
Parking						
Actual Attendance		33.6	42.0	42.0	50.4	46.2
Patrons Per Car		3.5	3.5	3.5	3.5	3.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$58	\$74	\$76	\$93	\$87
HST	15.00%	8	10	10	12	11
Less: Parking Expenses	20.0%	12	15	15	19	17
Net Parking Revenue (000)		\$39	\$49	\$51	\$62	\$59
Less: Distribution to Promoter	100.0%	39	49	51	62	59
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 24
OTHER EVENTS - MAJOR SPORTS
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Tickets						
Games/Performances		4	3	3	2	2
Average Paid Attendance (000) - (General Seating)		6.5	6.5	6.5	6.5	6.5
Avg. Club Seat Attendance		0.3	0.3	0.3	0.3	0.3
Avg. Luxury Suite Attend.		0.4	0.4	0.4	0.4	0.4
Total Paid Attendance (000)		28.9	21.7	21.7	14.4	14.4
Average Ticket Price General Seating		\$25.00	\$25.63	\$26.27	\$26.92	\$27.60
Average Ticket Price Club Seats		31.25	32.03	32.83	33.65	34.49
Gross Ticket Revenue (000) - general and club		\$690	\$530	\$544	\$372	\$381
Gross Ticket Revenue (000) - suites		0	0	0	0	0
HST	15.0%	90	69	71	48	50
Ticket Surcharge	\$1.00	27	20	20	14	14
Admissions Tax	0.0%	0	0	0	0	0
Net Ticket Revenue (000)		\$573	\$441	\$452	\$309	\$318
Facility Rent	5.0%	\$29	\$22	\$23	\$15	\$16
Less: No Show Percentage		5.0%	5.0%	5.0%	5.0%	5.0%
Add: Complimentary		10.0%	10.0%	10.0%	10.0%	10.0%
Concessions						
Actual Attendance		30.3	22.8	22.8	15.2	15.2
Per Capita - (2)		\$10.00	\$10.25	\$10.51	\$10.77	\$11.04
Gross Revenue (000)		\$303	\$233	\$239	\$163	\$167
HST	15.0%	40	30	31	21	22
Less: COGS/Operating Expenses	55.0%	167	128	131	90	92
Net Concession Revenue (000)		\$97	\$74	\$76	\$52	\$53
Less: Distribution to Franchise	0.0%	0	0	0	0	0
Net Concession Revenue (000)		\$97	\$74	\$76	\$52	\$53
Novelties						
Actual Attendance		30.3	22.8	22.8	15.2	15.2
Per Capita		\$1.50	\$1.54	\$1.58	\$1.62	\$1.66
Gross Revenue (000)		\$46	\$35	\$36	\$25	\$25
HST	15.0%	6	5	5	3	3
Less: COGS/Operating Expenses	75.0%	35	26	27	19	19
Net Novelty Revenue (000)		\$6	\$4	\$4	\$3	\$3
Less: Distribution to Franchise	85.0%	5	4	4	3	3
Net Novelty Revenue (000)		\$1	\$1	\$1	\$0	\$0
Parking						
Actual Attendance		30.3	22.8	22.8	15.2	15.2
Patrons Per Car		3.5	3.5	3.5	3.5	3.5
Rate Per Car		\$6.00	\$6.15	\$6.30	\$6.46	\$6.62
Gross Revenue (000)		\$52	\$40	\$41	\$28	\$29
HST	15.00%	7	5	5	4	4
Less: Parking Expenses	20.0%	10	8	8	6	6
Net Parking Revenue (000)		\$35	\$27	\$27	\$19	\$19
Less: Distribution to Promoter	100.0%	35	27	27	19	19
Parking Revenue to Arena (000)		\$0	\$0	\$0	\$0	\$0

(1) - Assumes weighted average for general seating, premium seating and catered food and beverage sales.

Table 25
ASSUMPTIONS - TOTAL EVENTS
SCENARIO #1 - BASE CASE - HALIFAX ARENA

	Sensitivity Factor	Year				
		1	2	3	4	5
Anchor Tenants						
Hockey - Pre Season	1.00	2	2	2	2	2
Hockey - Regular Season	1.00	36	36	36	36	36
Hockey - Post Season	1.00	2	2	0	2	4
Other Sport Tenant	1.00	0	0	0	0	0
Total Anchor Tenants		40	40	38	40	42
Concerts						
Minor	1.00	8	8	8	7	7
Major	1.00	4	5	3	4	4
Other	1.00	2	2	2	2	2
Total Concets		14	15	13	13	13
Family Shows						
Motor Related	1.00	2	2	2	2	2
Circus	1.00	5	0	5	0	5
Ice Shows	1.00	5	5	5	5	5
Stage Shows	1.00	5	6	6	8	5
Nova Scotia International Tatoo	1.00	9	9	9	9	9
Total Family Show Events		26	22	27	24	26
Other Sports						
Boxing	1.00	2	3	4	3	3
University	1.00	3	3	3	3	3
Wrestling	1.00	3	4	5	5	4
Professional Exhibitions	1.00	2	2	2	2	2
Miscellaneous	1.00	6	7	5	4	6
Total College Sporting Events		16	19	19	17	18
Other Events						
General Entertainment	1.00	8	10	10	12	11
Major Sports	1.00	4	3	3	2	2
Total Other Events		12	13	13	14	13
TOTAL EVENTS		108	109	110	108	112

Table 26
ASSUMPTIONS - AVERAGE TICKET PRICE - (General Seating)
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Anchor Tenants	Sensitivity					
	Factor					
Hockey - Pre Season	1.00	\$13.00	\$13.33	\$13.66	\$14.00	\$14.35
Hockey - Regular Season	1.00	\$16.00	\$16.40	\$16.81	\$17.23	\$17.66
Hockey - Post Season	1.00	\$20.00	\$20.50	\$21.01	\$21.54	\$22.08
Other Sport Tenant	1.00	\$12.00	\$12.30	\$12.61	\$12.92	\$13.25
Concerts						
Minor	1.00	\$40.00	\$41.00	\$42.03	\$43.08	\$44.15
Major	1.00	\$60.00	\$61.50	\$63.04	\$64.61	\$66.23
Other	1.00	\$30.00	\$30.75	\$31.52	\$32.31	\$33.11
Family Shows						
Motor Related	1.00	\$25.00	\$25.63	\$26.27	\$26.92	\$27.60
Circus	1.00	\$15.00	\$15.38	\$15.76	\$16.15	\$16.56
Ice Shows	1.00	\$50.00	\$51.25	\$52.53	\$53.84	\$55.19
Stage Shows	1.00	\$40.00	\$41.00	\$42.03	\$43.08	\$44.15
Nova Scotia International Tatoo	1.00	\$15.00	\$15.38	\$15.76	\$16.15	\$16.56
Other Sports						
Boxing	1.00	\$20.00	\$20.50	\$21.01	\$21.54	\$22.08
University	1.00	\$25.00	\$25.63	\$26.27	\$26.92	\$27.60
Wrestling	1.00	\$40.00	\$41.00	\$42.03	\$43.08	\$44.15
Professional Exhibitions	1.00	\$60.00	\$61.50	\$63.04	\$64.61	\$66.23
Miscellaneous	1.00	\$40.00	\$41.00	\$42.03	\$43.08	\$44.15
Other Events						
General Entertainment	1.00	\$17.00	\$17.43	\$17.86	\$18.31	\$18.76
Major Sports	1.00	\$25.00	\$25.63	\$26.27	\$26.92	\$27.60

Table 27
ASSUMPTIONS - AVERAGE TICKET PRICE - (Premium Seating)
SCENARIO #1 - BASE CASE - HALIFAX ARENA

	Year				
	108	109	110	108	112
Anchor Tenants					
Hockey - Pre Season	\$16.25	\$16.66	\$17.07	\$17.50	\$17.94
Hockey - Regular Season	\$20.00	\$20.50	\$21.01	\$21.54	\$22.08
Hockey - Post Season	\$25.00	\$25.63	\$26.27	\$26.92	\$27.60
Other Sport Tenant	\$15.00	\$15.38	\$15.76	\$16.15	\$16.56
Concerts					
Minor	\$50.00	\$51.25	\$52.53	\$53.84	\$55.19
Major	\$75.00	\$76.88	\$78.80	\$80.77	\$82.79
Other	\$37.50	\$38.44	\$39.40	\$40.38	\$41.39
Family Shows					
Motor Related	\$31.25	\$32.03	\$32.83	\$33.65	\$34.49
Circus	\$18.75	\$19.22	\$19.70	\$20.19	\$20.70
Ice Shows	\$62.50	\$64.06	\$65.66	\$67.31	\$68.99
Stage Shows	\$50.00	\$51.25	\$52.53	\$53.84	\$55.19
Nova Scotia International Tatoo	\$18.75	\$19.22	\$19.70	\$20.19	\$20.70
Other Sports					
Boxing	\$25.00	\$25.63	\$26.27	\$26.92	\$27.60
University	\$31.25	\$32.03	\$32.83	\$33.65	\$34.49
Wrestling	\$50.00	\$51.25	\$52.53	\$53.84	\$55.19
Professional Exhibitions	\$75.00	\$76.88	\$78.80	\$80.77	\$82.79
Miscellaneous	\$50.00	\$51.25	\$52.53	\$53.84	\$55.19
Other Events					
General Entertainment	\$21.25	\$21.78	\$22.33	\$22.88	\$23.46
Major Sports	\$31.25	\$32.03	\$32.83	\$33.65	\$34.49

Table 28
ASSUMPTIONS - AVERAGE PAID ATTENDANCE (000) - (General Seating)
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Anchor Tenants	Sensitivity					
	Factor					
	1.00	5.0	4.8	4.5	4.3	4.3
	1.00	7.5	7.1	6.8	6.4	6.4
	1.00	9.5	9.0	8.6	8.1	8.1
Other Sport Tenant		1.00	5.0	4.8	4.5	4.3
Concerts						
Minor		1.00	7.0	7.0	7.0	7.0
Major		1.00	9.5	9.5	9.5	9.5
Other		1.00	5.5	5.5	5.5	5.5
Family Shows						
Motor Related		1.00	7.0	7.0	7.0	7.0
Circus		1.00	4.5	4.5	4.5	4.5
Ice Shows		1.00	3.5	3.5	3.5	3.5
Stage Shows		1.00	5.0	5.0	5.0	5.0
Nova Scotia International Tatoo		1.00	7.0	7.0	7.0	7.0
Other Sports						
Boxing		1.00	3.0	2.9	2.7	2.6
University		1.00	3.5	3.5	3.5	3.5
Wrestling		1.00	7.0	7.0	7.0	7.0
Professional Exhibitions		1.00	9.0	9.0	9.0	9.0
Miscellaneous		1.00	4.5	4.5	4.5	4.5
Other Events						
General Entertainment		1.00	4.0	4.0	4.0	4.0
Major Sports		1.00	6.5	6.5	6.5	6.5

Table 29
ASSUMPTIONS - TOTAL PAID ATTENDANCE (000)
SCENARIO #1 - BASE CASE - HALIFAX ARENA

	Year				
	1	2	3	4	5
Anchor Tenants					
Hockey - Pre Season	11.8	11.3	10.8	10.4	10.4
Hockey - Regular Season	302.5	289.0	276.2	264.0	264.0
Hockey - Post Season	20.8	19.9	0.0	18.1	36.2
Other Sport Tenant	0.0	0.0	0.0	0.0	0.0
Total Anchor Tenants	335.2	320.2	287.1	292.5	310.6
Concerts					
Minor	63.2	63.2	63.2	55.3	55.3
Major	41.6	52.0	31.2	41.6	41.6
Other	12.8	12.8	12.8	12.8	12.8
Total Concert Events	117.7	128.1	107.3	109.8	109.8
Family Shows					
Motor Related	15.6	15.6	15.6	15.6	15.6
Circus	26.1	0.0	26.1	0.0	26.1
Ice Shows	21.1	21.1	21.1	21.1	21.1
Stage Shows	28.6	34.3	34.3	45.8	28.6
Nova Scotia International Tatoo	69.5	69.5	69.5	69.5	69.5
Total Family Shows	161.0	140.6	166.7	152.0	161.0
Other Sports					
Boxing	7.6	11.0	14.1	10.2	10.2
University	13.2	13.2	13.2	13.2	13.2
Wrestling	22.6	30.2	37.7	37.7	30.2
Professional Exhibitions	19.8	19.8	19.8	19.8	19.8
Miscellaneous	30.8	35.9	25.7	20.5	30.8
Total Other Sports	94.1	110.1	110.5	101.4	104.1
Other Events					
General Entertainment	32.0	40.0	40.0	48.0	44.0
Major Sports	28.9	21.7	21.7	14.4	14.4
Total Other Events	60.9	61.7	61.7	62.4	58.4
TOTAL PAID ATTENDANCE	768.8	760.6	733.2	718.2	743.9

Table 30
ASSUMPTIONS - PER CAPITA EXPENDITURES - (1)
CONCESSIONS - FOOD AND BEVERAGE
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
		1	2	3	4	5
Sensitivity						
Factor						
Anchor Tenants						
Hockey - Pre Season	1.00	\$9.00	\$9.23	\$9.46	\$9.69	\$9.93
Hockey - Regular Season	1.00	\$9.00	\$9.23	\$9.46	\$9.69	\$9.93
Hockey - Post Season	1.00	\$10.00	\$10.25	\$10.51	\$10.77	\$11.04
Other Sport Tenant	1.00	\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Concerts						
Minor	1.00	\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Major	1.00	\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Other	1.00	\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Family Shows						
Motor Related	1.00	\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Circus	1.00	\$5.00	\$5.13	\$5.25	\$5.38	\$5.52
Ice Shows	1.00	\$5.00	\$5.13	\$5.25	\$5.38	\$5.52
Stage Shows	1.00	\$5.00	\$5.13	\$5.25	\$5.38	\$5.52
Nova Scotia International Tatoo	1.00	\$5.00	\$5.13	\$5.25	\$5.38	\$5.52
Other Sports						
Boxing	1.00	\$10.00	\$10.25	\$10.51	\$10.77	\$11.04
University	1.00	\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Wrestling	1.00	\$10.00	\$10.25	\$10.51	\$10.77	\$11.04
Professional Exhibitions	1.00	\$10.00	\$10.25	\$10.51	\$10.77	\$11.04
Miscellaneous	1.00	\$8.00	\$8.20	\$8.41	\$8.62	\$8.83
Other Events						
General Entertainment	1.00	\$7.00	\$7.18	\$7.35	\$7.54	\$7.73
Major Sports	1.00	\$10.00	\$10.25	\$10.51	\$10.77	\$11.04

(1) - Reflects weighted average for general seating, premium seating and catered food and beverage sales.

Table 31
ASSUMPTIONS - PER CAPITA EXPENDITURES - (1)
NOVELTES
SCENARIO #1 - BASE CASE - HALIFAX ARENA

		Year				
Sensitivity		1	2	3	4	5
Factor						
Anchor Tenants						
Hockey - Pre Season	1.00	\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Hockey - Regular Season	1.00	\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Hockey - Post Season	1.00	\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Other Sport Tenant	1.00	\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Concerts						
Minor	1.00	\$3.00	\$3.08	\$3.15	\$3.23	\$3.31
Major	1.00	\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Other	1.00	\$5.00	\$5.13	\$5.25	\$5.38	\$5.52
Family Shows						
Motor Related	1.00	\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Circus	1.00	\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Ice Shows	1.00	\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Stage Shows	1.00	\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Nova Scotia International Tatoo	1.00	\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Other Sports						
Boxing	1.00	\$1.50	\$1.54	\$1.58	\$1.62	\$1.66
University	1.00	\$2.00	\$2.05	\$2.10	\$2.15	\$2.21
Wrestling	1.00	\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Professional Exhibitions	1.00	\$3.00	\$3.08	\$3.15	\$3.23	\$3.31
Miscellaneous	1.00	\$1.00	\$1.03	\$1.05	\$1.08	\$1.10
Other Events						
General Entertainment	1.00	\$0.50	\$0.51	\$0.53	\$0.54	\$0.55
Major Sports	1.00	\$1.50	\$1.54	\$1.58	\$1.62	\$1.66

(1) - Arena may receive portion of novelty sales. Figure is expected to be minimal and is not included in this cash flow model.

