

# The Arena "Saga" - Time line from 2016 to Present

It is now almost eight (8) years since the prospect of a new arena was presented by Dario Zulich to be built on land he has an interest in located on the Kingsway. **It was June the 6th of 2016.** The media was in attendance and the atmosphere was very positive.

The cost was estimated at \$60 million. Details on funding were uncertain but it was alluded that Mr. Zulich would build (he stated that his firm had experience with construction of the new arena in Sault Ste. Marie)

Later it was learned that the project would involve a Casino and Hotel for the site and possible other amenities. The city would be involved in providing infrastructure.



Dario then embarked on what could be described as a selling campaign to promote his vision and it achieved a significant degree of success in the community with many citizens and council members supportive. He is shown below on a tour of the present arena in the large VIP hospitality area with access to the 12 private boxes with club seating created during extensive renovations in 2007 including new washrooms etc.



Dario suggested a public meeting to be held in this space to determine what could be the usage of the present arena if a new facility was to be built.

## The Sudbury Community Arena



# A New Vision

## Multi Use Cultural Centre

Time to look ahead to what a landmark building could become when a replacement facility is built. A home for a year-round market, space for artistic expression and resources, entertainment areas, affordable housing, meeting spaces for groups - just some ideas. What do you think? Your input and involvement is important as we plan for the future. Hear the views of an architect and tour the facility.

### All Welcome - Bring Your Ideas - Suggestions

**Where:** Sudbury Arena - Use Minto Street Entrance with parking at rear of arena and across street

**When:** Wednesday January 18th 2017

**Time:** 7.00 p.m. - refreshments



Further information: [sac.communicate@gmail.com](mailto:sac.communicate@gmail.com)

## Options for Consideration:

At Dario's request a public meeting was arranged under the auspices of the Sudbury Arts Council who felt that the present arena could be **repurposed**, perhaps as a "Culture Hub"

As can be seen from the picture below there was a good turnout of citizens including **several architects**.

A number of ideas were presented including the arts, but also a farmers market or parking garage etc. There was quite a bit of discussion.

However, following a look around the building most felt it should **remain as an arena** and the architects present said it could be renovated if necessary at modest expense, to be more of an "event" centre. It is already recognized as one of the best spectator hockey arenas in the OHL with excellent site lines.

There has never been a concern with respect to the **structural integrity** of the arena. Steel piling underpins the ice surface area while hundreds of wooden piles support the remainder of the structure. It was built for a long life.

There was also concern expressed that the arena was in the "**heart of the downtown**" and only needed the parking issue to be solved.

Other arenas, same age as ours including those in North Bay and Thunder Bay have been renovated at **much less cost** than building new.



# An Historic Building Looks to the Future

An objective look at our present Sudbury Community Arena shows that it is **still attractive and viable** for its intended purpose - a sports and entertainment venue.

Some renovations are possible to maintain and enhance but at **far less cost** than building new. Vacant land has now become available for more parking (which was an issue).

Those pictures show that what we have should be **preserved** for this and subsequent generations.



Built to last - an historical landmark in the "heart of downtown Sudbury now with ample parking nearby. For further information visit [www.friendlysudbury.ca](http://www.friendlysudbury.ca)

## Cost of a new facility:

There have been some questions as to the **actual cost** of construction of a new arena to be built in the downtown (likely in area being cleared of existing properties). There have been various projections including one provided below. The expenditures to date and money to be borrowed plus estimates of construction costs, but **not included** cost of removal or repurposing of the present arena or additional square footage in a new build: It is possible the cost would exceed \$500 million or half a billion dollars.

### ALL NUMBERS AND RATES ARE FROM CURRENT CGS DOCUMENTATION

OPTION C & D - STAND ALONE NEW BUILD EVENT CENTRE				
11-Jul-23 and 16-Apr-24		CLASS ? ESTIMATE ACCURACY -20/+30%		
PROJECT COST	Minus 20%	Class ? Estimate	Plus 30%	
<b>PROBABILITY</b>	Faint Hope	UNLIKELY	HIGH	
Published Estimated Cost	\$166,666,667	\$200,000,000	\$260,000,000	A
Already expended	\$25,000,000	\$25,000,000	\$25,000,000	B
<b>TOTAL COSTS</b>	<b>\$191,666,667</b>	<b>\$225,000,000</b>	<b>\$285,000,000</b>	<b>C</b>
<b>BORROWING</b>				
Bullet Debenture	\$90,000,000	\$90,000,000	\$90,000,000	D
New Borrowing	\$101,666,667	\$135,000,000	\$135,000,000	E
<b>Sub-total (BORROWED)</b>	<b>\$191,666,667</b>	<b>\$225,000,000</b>	<b>\$225,000,000</b>	<b>F</b>
Extra Borrowing	\$0	\$0	\$60,000,000	G
<b>INTEREST ON BORROWING</b>				
Interest on Bullet Denture	\$65,232,000	\$65,232,000	\$65,232,000	H
Interest on new borrowing	\$0	\$99,000,000	\$99,000,000	I
Interest on extra borrowing	\$0	\$0	\$44,000,000	J
<b>TOTAL INTEREST (H+I+J)</b>	<b>\$65,232,000</b>	<b>\$164,232,000</b>	<b>\$208,232,000</b>	<b>K</b>
<b>TOTAL PROJECT COST (C+K)</b>	<b>\$256,898,667</b>	<b>\$389,232,000</b>	<b>\$493,232,000</b>	<b>L</b>

What perhaps is more relevant is the cost of renovating, which has **not been specifically examined** in any definitive detail considering various options. The city says to keep the arena in its present condition (structurally sound) is about a million dollars a year over the next ten years and into the future, a not unreasonable figure. To renovate the costs have not been determined, as that would depend on what renovations would be undertaken. **North Bay renovated for \$16 million** which included an expanded ice surface, new seating, and amenities. **Thunder Bay, much less at under \$3 million** with most coming from the Federal Govt under environmental provisions but did include a number of amenities to the Fort William Gardens including replacing dressing rooms and washroom fixtures, swapping the roof, doors, and windows with energy-efficient models, and retrofitting the ticket window, entrance, concession area, and counter space to make them more accessible. **Built in 1951, same year as the Sudbury Community Arena**, the Fort William Gardens hosts hockey, figure skating, curling and cultural events for the community with capacity of 4,680, compared to the Sudbury Community Arena of 5,100 with 12 private boxes. North Bay memorial gardens capacity is 4,262.

With an aging population (50 percent over 50) the anticipated **need for additional arena capacity is questionable**. Also not figured into the cost consideration is the suggested use of a separate management function an added expense on top of operational costs estimated at over a million dollars a year. Anticipated revenue sources based on sources and projections will not likely cover development and ongoing expenses.

With the many demands for tax payer dollars careful consideration needs to be given to the considerable expense involved in building new and other factors such as **parking** which if not available could involve a parking garage structure at more expense.

## Some further background:

The City of Greater Sudbury council in a narrow one vote majority **supported the establishment** of an “Entertainment District” on the Kingsway (approximately 5 kilometers from the center of the downtown). It was to include the Zulich suggested arena, plus a casino (by Gateway) and a Hotel and possibly in the future more amenities. Roadways into the property would service these facilities plus industrial lots to be developed.

Citizens were divided with some very much supportive. However, others not so much as a total of **12 appeals were filed with the Planning Appeals Tribunal and two court cases**. Those appealing were concerned with a number of factors including the relocation of the present gambling site and downtown arena, traffic concerns, and water quality issues. There were public hearings at which the majority disapproved of the plan and a **petition of over 3,500 names** was submitted but not considered. As well the city spent more than \$700,000 of tax dollars in defending the KED plan.

The Ramsey Lake Subwatershed Study showed the KED was in a “**significant recharge zone**” of the lake, source of drinking water for 50,000 citizens, which has elevated sodium and chloride levels **harmful to public and aquatic life**. This is evident by the illustration from the report below. The land should be left undeveloped but if required better use of the land would be residential development with less salt usage and environmental damage but the property would require municipal services.

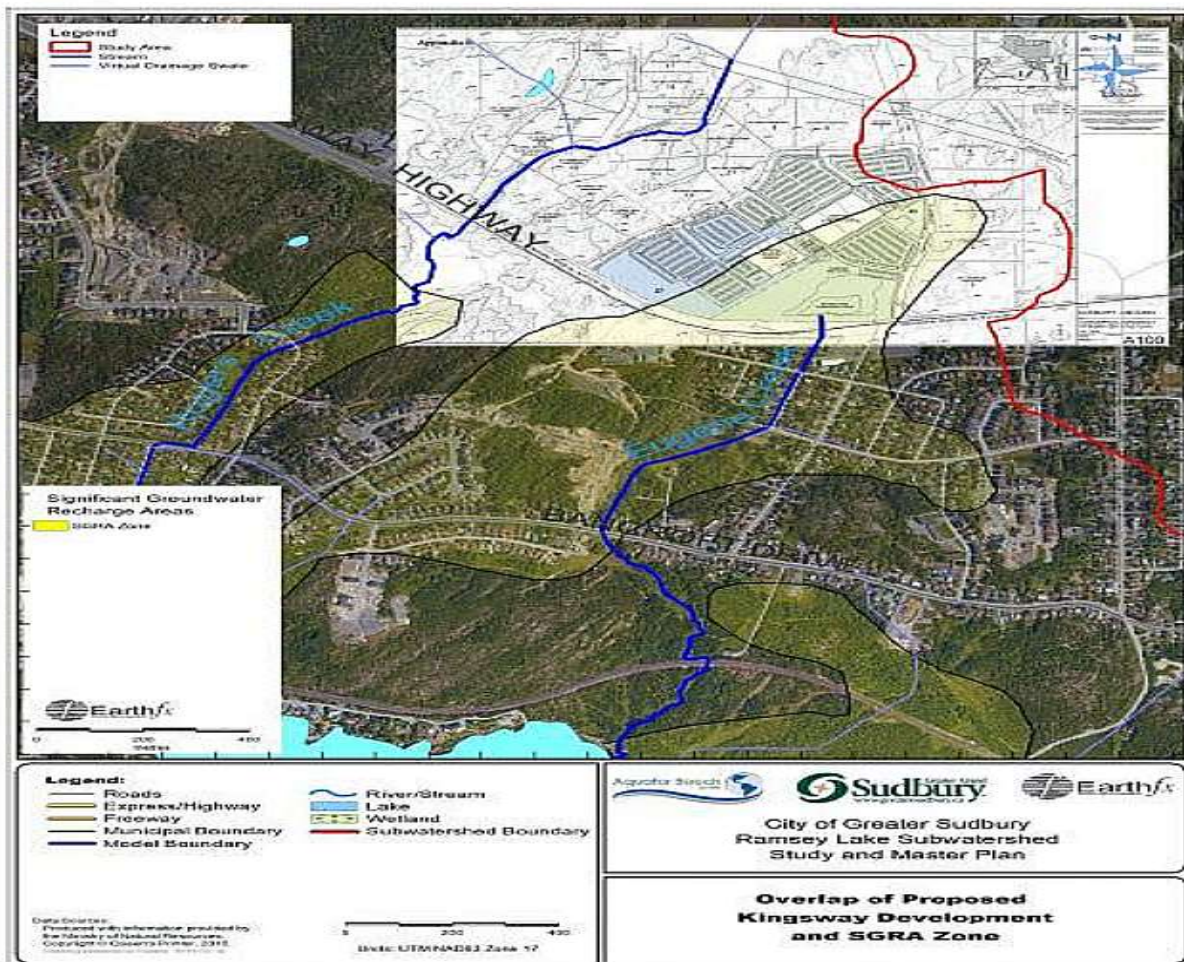


Figure 8.4: Overlap of proposed Kingsway development and SGRA Zone

## **More history and Future Consideration:**

At a City Council Meeting on June 16<sup>th</sup> of 2021 several councillors requested up to date financial details with respect to the proposed development for which \$90 million had been allocated (borrowed). Also requested: An economic impact assessment - not provided by the city hired consultant, an evaluation of the development in relation to the Community Energy and Emissions Plan (CEEP) which could include issues related to CO2 emissions and water quality, identification and commitment of the project partners, participation of other levels of government, transportation issues and public input, and comprehensive comparison of alternatives. These were never forthcoming. It is likely that the environmental concerns such as the pollution of Lake Ramsey if the development were to take place in the “recharge area” of the lake as described previously, would have been a deciding factor in not approving the site, however this and the other concerns were never addressed.

## **KED Dead:**

At a subsequent council meeting on July 12<sup>th</sup> of 2022 it was revealed that the actual cost of the KED project (arena/event center) had risen to \$215 million which council in a unanimous vote were unable to support and did not consider a staff recommendation to borrow an additional \$150 million and also a motion to keep the project cost at \$150 million which would mean a likely smaller venue with fewer amenities.

## **Downtown New Arena Decision:**

At a city council meeting on April 16<sup>th</sup> of 2024 there was unanimous approval for building a new arena (event center) in the downtown in an area, known as the “South District” to be part of new economic development section which could include a convention center and hotel. Several buildings have already been removed and the area should be fully cleared by the end of the year. Yearly tax revenues from the buildings removed are estimated to be in the neighborhood of \$100,000. The new arena to be located in this area will require the borrowing of an additional \$135 million besides that remaining from the original \$90 million to realize building new costs of an estimated cost of \$225 million. However, this cost when considering likely cost overruns and interest charges, could be more than double or close or exceed \$500 million or half a billion dollars. These institutional costs are not likely to ever be recovered as are ongoing operational and infrastructure expense.

## **Unanswered Questions:**

Why did council approve borrowing of more money for a downtown arena (event center) when they turned down additional financing for a facility on the Kingsway (KED)?

If a new arena is built on land now being made available in the “South District” where will the needed parking be made available, especially with cost for a parking garage is estimated at \$100,000 per space at current construction costs for whatever number required especially if a convention center and hotel are to be in the same area.

What will become of the present arena – both demolition or repurposing could be in the millions of dollars?

## **A Boondoggle:**

Any endeavor that could be considered as a total waste of time or of no value could be referred to as a “boondoggle” Another description is “an unnecessary and expensive piece of work that is paid for by the public” Does this not apply to the current situation including the ill-conceived “Culture Hub”

Time now for serious consideration before we go further “down the rabbit hole”. More information for those interested and concerned available at [www.friendlysudbury.ca](http://www.friendlysudbury.ca)