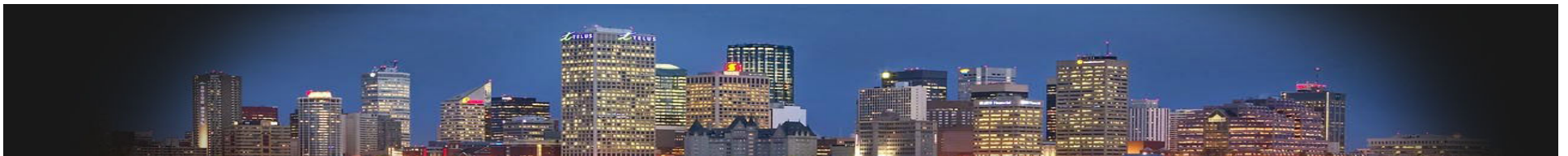


# **City of Edmonton/Katz Group Framework**

*Presentation to City Council  
Friday, October 14, 2011*

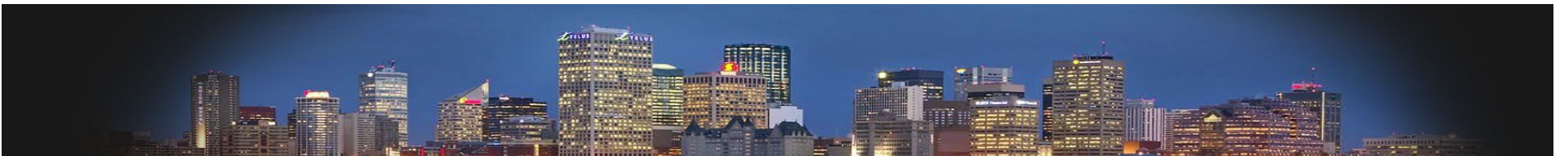


# Agenda: Update on negotiations:

- Meetings with NHL and Katz Group.
- Update on negotiations/land assembly (in camera)
- Current status of items in May 18 Framework.
- Significant timelines.
- Next steps.

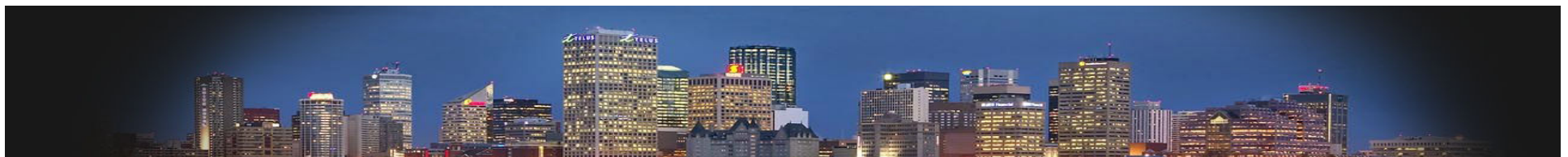


# Update on negotiations



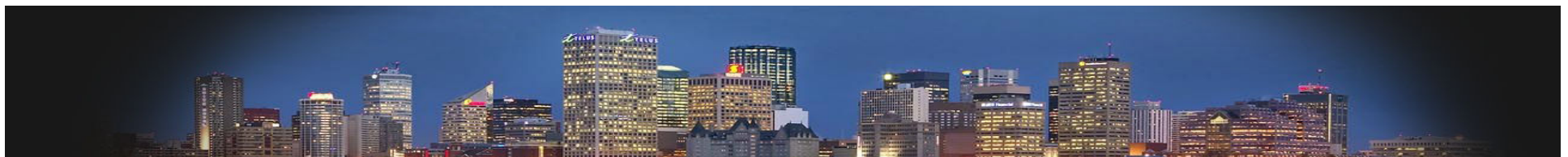
# Status of May 18 Framework:

May 18 Agreement	Proposed Changes (if any)
Maximum price \$450 Million	No change. <a href="#">Agreed to guaranteed maximum price approach.</a>
Confirmation of Katz Group commitment of \$100 million	Agreed, <a href="#">restructured as per Pittsburgh framework as approx. \$5.5M lease for 30 years to finance \$100 million mortgage.</a>
User fee of \$125 million to fund capital	No change.
CRL	No change.
City of Edmonton building contribution of \$125 million	No change.
Land assembly	No change <a href="#">with exception of deadline. City assumes obligations by October 31, 2011.</a>
Land to be purchased at option price	No change.



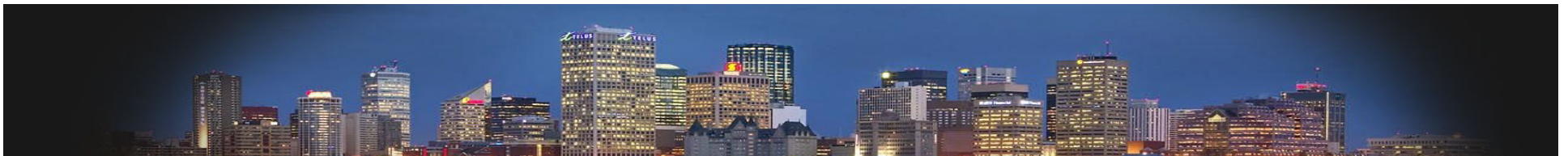
# Proposed changes to May 18 Framework:

May 18 Agreement	Proposed Changes (if any)
LRT Connection	No Change.
Pedway over 104 Avenue	Change: Katz Group agrees to pay 50% of cost. City maximum cost - \$25 million.
Pedestrian Access	No change.
Community rink	Change – City to operate. All other conditions unchanged.
Katz Group will operate new arena and is responsible for operating and all capital costs.	No Change.
Project cannot proceed until the balance of funds are confirmed.	Change: Land assembly to be completed by October 31. Design process to commence. Provincial contribution to be confirmed.
Administration will continue to work with Northlands	Change – Katz Group will waive requirement for non-compete. (see slide)
35-year location agreement	No Change.



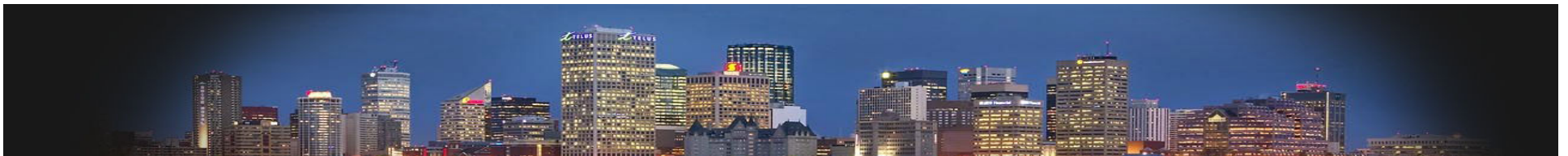
# Proposed changes to May 18 Framework:

<b>May 18 Agreement</b>	<b>Proposed Changes (if any)</b>
Design	No Change.
City access to the new arena four weeks a year	No Change.
Community benefits agreement	No Change.
Katz Commitment to adjacent investment	No Change.
Personal seat licenses	No Change.
Suite access	No Change.



# September 23 Council update:

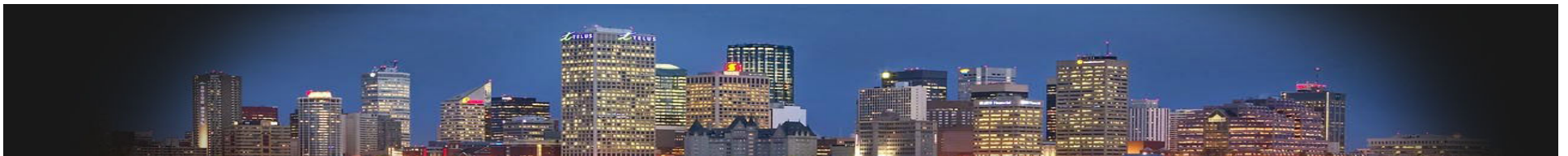
- Non-Compete, resolved as follows:
  - Katz Groups has withdrawn the requirement.
  - City confirmed no continued subsidy for Rexall once new building opens.
  - New municipal surcharge to be levied on current Rexall Place, as per lease agreement, equivalent to ticket tax on new arena.
- \$100 M commitment from the Province:
  - Continue to pursue Provincial funding, no hard deadline.
  - No requirement for backstop.
- October 31 deadline
  - Impacts on land and design still in place.





# New items:

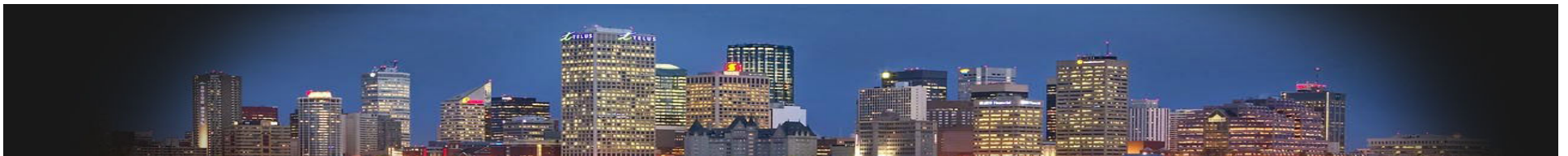
- Marketing/Branding partnership between City of Edmonton and Edmonton Oilers.
- Marketing/Branding investment: \$2 million/year for 10 years
  - Structure to be determined but similar to arrangements made for Indy, Capital Ex, CFR etc.
  - Reflective of major corporate marketing programs.





# Next steps:

- Agreement with adjustments to framework.
- Conclude land assembly agreements and purchase land prior to option expiry.
- Council approval of budget for design.
- Continue public process:
  - Design.
  - Project added to capital budget.
  - Public input points at Council decisions on CRL and borrowing bylaws.



# QUESTIONS

