

Open House

Lease - Caledon Equestrian Park

Economic Impact Analysis – Equine



MOU – The Corporation of the Town of Caledon &
TORONTO 2015

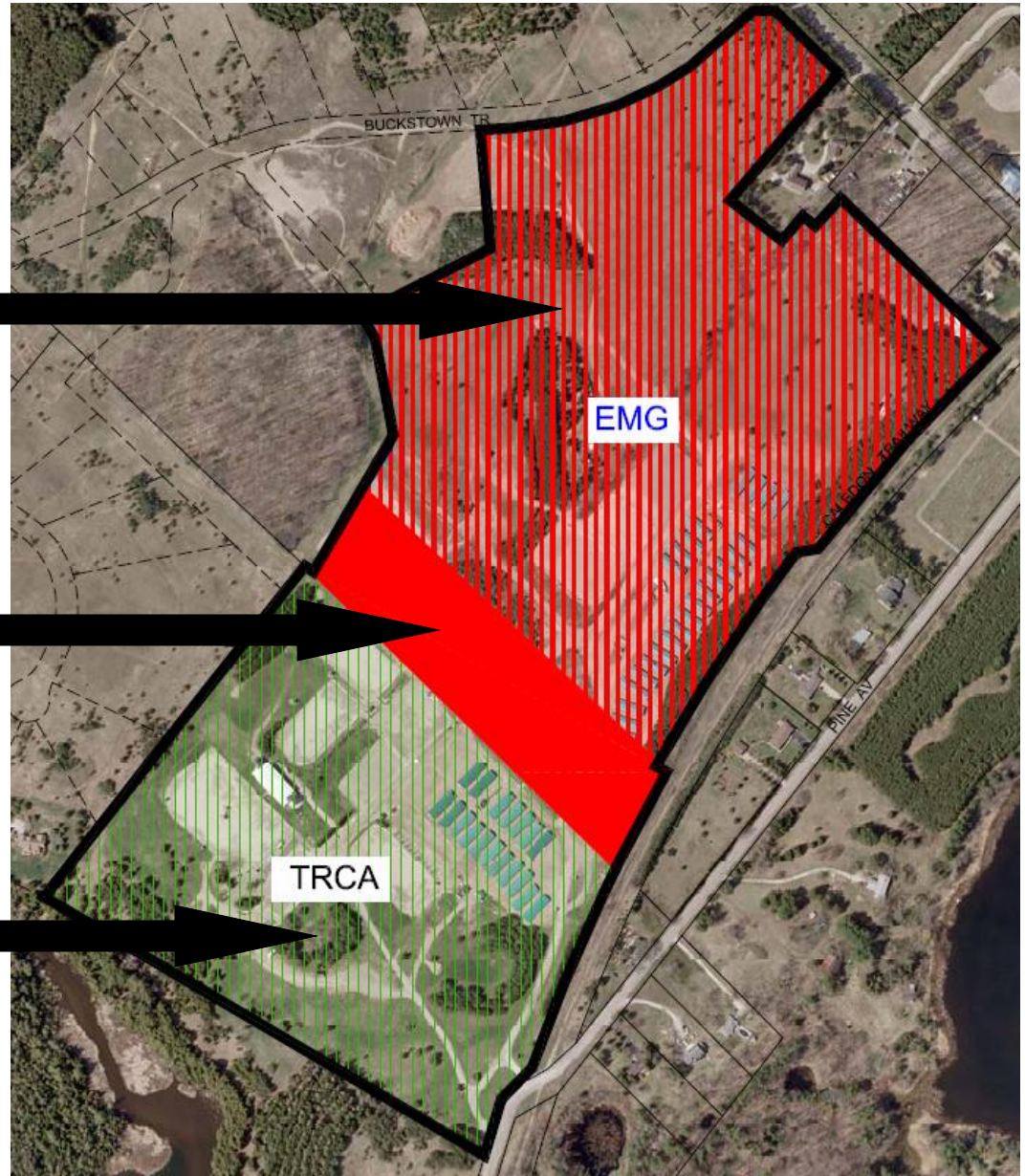
Caledon Equestrian Park –Land

Area 1) Land owned by the Equestrian Management Group (EMG), dedicated to the Park for 40 year term

Area 2) Land to be transferred from EMG to the ownership of the Toronto Region Conservation Authority (TRCA)

Area 3) Land owned by the TRCA

*All capital buildings required will be built on public lands as identified within areas 2 & 3.



CEP Lease

Total project cost	\$11,712,500
Fed / Prov. Share at 56%	\$6,559,000
Town of Caledon (14.33%)	\$1,717,833
Equestrian Management Group (14.33%)	\$1,717,834
Toronto Region Conservation Authority (14.33%)	\$1,717,833

- Contributions will be cash flowed by all parties to the Town of Caledon over the contribution period 2012 to 2014

CEP Lease

Term	Details
1 st - 20 Year Term	<p>1) EMG will pay \$1,717,834 up front as a cash contribution towards the capital improvements of the facility, a \$600,000 land ownership transfer to the TRCA and dedicate their land to the park for a 40 year term. The contributions are valued at \$201,000 per year for the first 20 years .</p> <p>Revenue Sharing Spilt:</p> <p>A) The first \$100,000 of revenue sharing shall be divided equally between the Town and TRCA.</p> <p>B) Revenue Sharing (Balance) – The balance of the revenue sharing shall be distributed equally among tenant, Town, and TRCA.</p> <p>*EMG responsible for all facility maintenance, utilities, event insurance etc.</p>
2 nd – 20 Year Term	<p>1) EMG will make an annual cash payment of \$180,000 and continue to dedicate their land for the remaining 20 years. Total rental value \$201,000</p> <p>Revenue Sharing Spilt:</p> <p>A) The first \$100,000 of revenue sharing shall be divided equally between the Town and TRCA.</p> <p>B) Revenue Sharing (Balance) – The balance of the revenue sharing shall be distributed equally among tenant, Town, and TRCA.</p> <p>*EMG responsible for all facility maintenance, utilities, event insurance etc.</p>

Financials

- **The Town will own an \$11.713M asset through a capital investment of \$1.718M which will be fully recovered**
 - Funding of balance of project: \$6.559M Federal/Provincial Grant, \$1.718M EMG, \$1.718M TRCA

- **Town's portion of the project, \$1.718M, to be debentured, through the Region of Peel, after construction (2014)**
 - Annual debenture payments projected to be \$121,000 per year based on a 20 year debenture at 3.59% (Infrastructure Ontario municipal lending rates for a 20 year amortized debenture as at November 10, 2011)

- **Based on cash flow projections, the Corporation of the Town of Caledon's direct financial impact over the 40 years is a positive cash inflow of approximately \$2M.**
 - Cash flow shortages projected in the first 20 year period are projected to be fully recovered and contribute a net \$2M in the second 20 year period and may be mitigated through higher profit sharing revenues

 - Internal reserve fund borrowing to cash flow the first 15-16 years following construction will be fully repaid, with interest, over the following 15 years

 - Lease provides for Town to receive 1/2 of the first \$100,000 of profits and 1/3 on annual profits over \$100,000 for events beyond the 16 base events. Town projection on annual profits beyond the 16 events to be \$100,000 and Town's share to be \$50,000 annually.

- International-level facility to showcase the equestrian industry for 40 years
- Public ownership of the facility to support the equine industry
- Increase in economic activity in Caledon through farms, agri-tourism and employment.

Economic Impact Analysis – Equine

In anticipation of the Town of Caledon hosting the Equine events for the 2015 Pan Parapan American Games, the **Canadian Sport Tourism Association (CSTA)** was engaged to conduct an “Economic Impact Assessment” of the Equine Industry.

The **CSTA** conducted an economic impact analysis on the Equine Industry “Pre” and “Post” the 2015 Pan Parapan American Games (total cost \$6,500).

The CSTA has developed an Economic Impact Assessment tool called the Sport Tourism Economic Assessment Model (STEAM), which **has been adopted by the Federal Government’s Ministry “Heritage Canada” as the assessment tool to determine the feasibility of hosting International Sporting Event.**

To date, more than 50 STEAM Pro assessments have been made on-site at some of the country’s largest sporting events and festivals, including the Grey Cup, World Junior Hockey Championships, and many others. Most pertinent to this study, the CSTA did a comprehensive analysis of the Summer Fort Festival Series at the Thunderbird Showpark in Langley, B.C

Economic Impact Analysis – Equine Cont.

The analysis was conducted by Mr. Tony Fisher, Director of Research, Canadian Sport Tourism Alliance.

Mr. Fisher has a master's degree in Economics from the University of Victoria. Mr. Fisher has worked as the lead consultant in all of the Canadian Sport Tourism Alliance's economic analysis, from the development of the model in 2002 to the survey design, analysis, and reporting of the CSTA's economic impact studies. Mr. Fisher has also worked for the federal Department of Finance, Harris / Decima Inc., the Conference Board of Canada and Tourism British Columbia.

2015 Pan Parapan American Games MOU Highlights

Town of Caledon	Host Co.
<ul style="list-style-type: none">➤ Secure and manage 44% local host contribution toward capital investment.➤ Project Management (includes pre development activities necessary for construction, procurement and design / construction management).➤ Provide regular progress reporting to TO2015.➤ Be solely responsible for any cost overruns in excess of the approved Project Budget.➤ Ensure that the Venue is complete and ready in advance of the Games and in any event by no later than June 1, 2014.	<ul style="list-style-type: none">➤ Provide 56% of capital investment.➤ Provide Games-related information on a timely basis to assist the Parties with the timely development of the Project.➤ Provide Games overlay and operational oversight consistent with the requirements of the Games.➤ Responsible for all games operational plans and execution.➤ Responsible for games related operational costs.