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**Date** February 7, 2023

**Report No.** 2023-58

**To** Mayor and Members of Council

**From** Brian Hutchings  
Chief Administrative Officer

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## 1.0 Type of Report

Consent Item	<input type="checkbox"/>
Item For Consideration	<input checked="" type="checkbox"/>

**2.0 Topic** Term Sheet for OHL Team Agreement for Brantford Civic Centre [Financial Impact: \$4,730,000]

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## 3.0 Recommendation

- A. THAT Report 2023-58 titled "Term Sheet for OHL Team Agreement for Brantford Civic Centre" BE RECEIVED; and
- B. THAT the Term Sheet included in Report 2023-58 at Appendix A BE APPROVED and the Chief Administrative Officer BE DIRECTED to execute the Term Sheet and any amendments thereto that are in keeping with the general understanding set out therein;
- C. THAT Staff BE DIRECTED to negotiate a Facility Lease / License Agreement with the Bulldogs regarding its use of the Brantford Civic Centre, commencing in 2023 for a three-year term, with an additional three one-year renewals, as set out in the Term Sheet; and
- D. THAT Staff BE DIRECTED to engage and retain professional services, including external sport facility and public relations consultant(s), and legal services, for the purpose of negotiating with the Bulldogs regarding the

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contemplated Facility Lease / License Agreement and to fund these costs estimated to be \$105,000 from the Casino Legacy Reserve RF0555; and

- E. THAT subject to the successful negotiation of a Facility Lease/License Agreement with the Hamilton Bulldogs, the City Clerk BE DIRECTED to place the Facility Lease/License Agreement on the Signing By-Law for execution by the Mayor and Clerk; and
- F. THAT subject to the execution of a Facility Lease/License Agreement with the Hamilton Bulldogs, the following capital requirements BE FUNDED from the Casino Legacy Reserve RF0555:
  - a. installation of a heating, ventilation and air conditioning system at the Brantford Civic Centre - \$1,625,000; and
  - b. Leasehold improvement allowance - \$3,000,000.

## 4.0 Executive Summary

The Hamilton Bulldogs (the “Bulldogs”), a popular junior ice hockey team in the Ontario Hockey League (“OHL”), is considering temporarily relocating to the Brantford Civic Centre for home games while they are displaced for possibly three seasons from the FirstOntario Centre as it undergoes a major renovation. In December 2022, the City retained the services of KKR Advisors Ltd. (“KKR Advisors”) to help facilitate discussions with the Bulldogs and assist staff in negotiating and evaluating deal points in the City’s best interest. Through these discussions and negotiations, the parties reached an understanding, set out in the Term Sheet appended hereto at Appendix A, regarding the terms of the Bulldogs’ contemplated use of the Brantford Civic Centre (the “Civic Centre”).

The Bulldogs’ contemplated use of the Civic Centre is contingent on the facility receiving substantial upgrades to meet fan, player and OHL standards. The total estimated cost of the upgrades to the Civic Centre necessary to reach these standards are approximately \$7.5 million. The Term Sheet detailed throughout this report proposes an arrangement whereby the Bulldogs pay for the upgrades, while the City provides the team with a leasehold improvement allowance of up to \$3 million for necessary capital improvements, funded from the Casino Legacy Reserve. The remainder of the costs would be contributed by the Bulldogs. In addition to the City’s contribution toward the planned upgrades to the Civic Centre, staff recommends that Council also approve the required installation of an HVAC system in the facility estimated at \$1.625 million.

A partnership with an established OHL franchise will reinforce the image of Brantford as a renowned sport-friendly city, as well as enhance the perception of

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the city as active, vibrant, and attractive to future investment, especially surrounding the downtown core.

An internal assessment estimates a total direct economic impact of \$4.3 million annually for this opportunity, derived from visiting team overnights and fan spending at local business, along with an estimated \$297,250 in local wages would expected annually.

In addition, the Bulldogs Foundation will commit to working with the City to identify and implement Brantford-focused social programs consistent with its main purpose.

## **5.0 Purpose and Overview**

The purpose of this report is to inform Council of a unique and exciting opportunity whereby the Hamilton Bulldogs OHL team would play at least three (3) seasons in Brantford at the Brantford Civic Centre and would be known as the Brantford Bulldogs. City staff are seeking from Council the approval of a Term Sheet regarding this contemplated residency and, if provided, are also seeking direction and funding from Council to secure the necessary professional services to facilitate the agreement between the parties. To ensure the facility is up to standard for other events and organizations year-round, this report additionally seeks direction to upgrade the Civic Centre with an HVAC system, to improve users' experience of the facility and maximize the public's use of same.

## **6.0 Background**

The Bulldogs are a major junior ice hockey team in the Ontario Hockey League ("OHL"). The team was brought to the City of Hamilton from Belleville in 2015 by owner Michael Andlauer, where they play in the FirstOntario Centre. The FirstOntario Centre is scheduled to undergo an extensive renovation, with construction to commence in the summer/fall of 2023 and take an estimated 20 months to complete. In late November 2022, the team became aware that, due to the planned FirstOntario Centre renovations, they would be displaced from their home arena for a period of at least two seasons.

As a result of their pending displacement, the Bulldogs have approached a number of municipalities to discuss the possibility of temporarily relocating their team. The team has identified Brantford and, specifically, the Brantford Civic Centre, as a potential home facility during their relocation. The Civic Centre has a total game-day capacity of 3,317. The Bulldogs would require the facility for

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approximately 36 home games per season, as well as periodic training throughout the year, for a period of at least three (3) annual seasons.

In December 2022, the City retained the services KKR Advisors to help facilitate discussions with the Bulldogs. They bring over 25 years of experience in the development and financial structuring of sports, recreation and entertainment facilities in Canada. KKR Advisors has been retained in this matter to:

- a) Liaise with City staff on the development of a negotiating strategy;
- b) Liaise with the Bulldogs, as required;
- c) Assist the City in the review of proposed facility lease/license agreements submitted by the Bulldogs;
- d) Obtain and review information detailing the nature and cost of identified improvements to the Civic Centre;
- e) Obtain and review information detailing the lease/license agreement with other comparable cities;
- f) Assist the City in the evaluation of deal points;
- g) Assist the City in the preparation of a term sheet outlining the principal deal points and considerations;
- h) Assist the City during lease/license negotiations; and
- i) Liaise with the City's legal counsel, as required, to finalize a facility lease/license agreement between the City and the Bulldogs.

With the assistance of KKR Advisors, the parties engaged in numerous discussions during the months of late December 2022 and January 2023. Following a meeting in January 2023, KKR Advisors circulated the Term Sheet appended hereto at Appendix A, which sets out, generally, the terms of the parties' contemplated facility lease/license Agreement for the Bulldogs' use of the Civic Centre. The Term Sheet is similar to a memorandum of understanding and does not form a legally binding commitment on the part of the City or the Bulldogs. The document instead details the parties' mutual intention to negotiate a facility lease/license agreement that corresponds with the general terms included therein. The analysis section below outlines the terms of the Term Sheet, and provides insight into the economic and social impact outcomes as a

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result of the Bulldogs playing in Brantford, which would be known as the “Brantford Bulldogs” during their stay.

The Bulldogs’ contemplated use of the Civic Centre is contingent on the facility receiving substantial upgrades to meet fan, player and OHL standards. In the month of December 2022, representatives and contractors for the Bulldogs inspected the Civic Centre to determine which facility upgrades would be necessary. The Bulldogs identified the Civic Centre’s current locker rooms, training room, community hall, scoreboard, player benches and glass partitions, among other things, as being substandard for the OHL. In order to host the Bulldogs, these deficiencies would have to be addressed, and the Civic Centre upgraded. For reference, a drawing of the current floorplan of the Civic Centre is attached to this report at Appendix E.

The total estimated cost of the upgrades to the Civic Centre sought by the Bulldogs, as identified and estimated by their contractors, is approximately \$7.5 million. It is contemplated that the team will pay for the total cost of all renovations, and recommended that the City contribute a leasehold improvement allowance of up to \$3 million for the capital improvements.

In addition to the City’s contribution toward the upgrades to the Civic Centre, staff recommends that Council also approve the installation of an HVAC system in the facility. The Civic Centre rink area does not currently have an HVAC system, and this has historically impacted users’ experience in the building and significantly limited public use of the facility. The Civic Centre is largely unusable in summer months due to the lack of air conditioning. The skating season is also typically shortened, as ice cannot be efficiently maintained at the beginning and end of the season due to external weather conditions. Installation of an HVAC system in the Civic Centre rink area would serve to improve the fan experience at Brantford Bulldogs home games, and increase the overall and long-term usability of the facility. With the residency of the Brantford Bulldogs at the Civic Centre, the City may also be able to attract other teams to the facility, and meet new demand to host other large-scale events downtown.

## **7.0 Corporate Policy Context**

### **7.1 2021-2022 Council Priorities**

The contemplated use of the Civic Centre by the Bulldogs aligns with the following Council Priorities:

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- All neighborhoods in the City are safe, vibrant, attractive and inclusive; and
  - Dedicated, sustainable spaces are provided for heritage, arts, and culture.

## **7.2 Economic Development Strategy (2016)**

The recommendations herein are consistent with the Economic Development Strategy (2016) namely the following:

- To attract more people: bring attention to Brantford's downtown; and draw more consumers to support local downtown businesses;
- Continue to update public infrastructure and beautify public amenities (sidewalks, streetscape, signage, public art, etc.) to ensure the continued revitalization of Brantford's downtown attractions, events and festivals downtown; and
- Continue to support the growth of sports tourism through the strategic marketing of new municipal sports infrastructure and bid and hosting opportunities.

## **7.3 Municipal Sport Tourism Strategy (2019)**

The recommendations outlined in this report are supported by the City of Brantford's *Municipal Sport Tourism Strategy*<sup>1</sup>(2019) Strategic Priorities, specifically:

- Financial: Brantford will establish a revenue model that support sport tourism as a market segment with dedicated professional resources, enabling both homegrown and attracted events to be hosted in a financially responsible manner.
- Operational: Brantford will make informed decisions and build operational excellence through responsible governance and policies that leverage existing sport hosting assets that drive economic, social and sustainability.

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<sup>1</sup> City of Brantford, *Municipal Sport Tourism Strategy*, 2019. <https://pub-brantford.escribemeetings.com/filestream.ashx?DocumentId=3685>

- Partnering: Brantford will foster a hub of shared purpose that supports the future success of sport tourism and engages all residents of the community.
- Infrastructure: Brantford will invest in the continued maintenance, development and supports required for its sport tourism infrastructure so that the City and local sport organizations can host events with confidence.

## **7.4 Sport Bid, Hosting & Servicing Policy (Corporate-032)**

The Sport Bid, Hosting and Servicing Policy ensures that the municipality provides a collaborative approach to bidding and hosting responsibilities to advance these opportunities in partnership with local stakeholders, groups, and organizations.

## **8.0 Input From Other Sources**

This report was prepared in collaboration with the CAO's Office and Legal Services, with input from Parks & Facilities Services, Economic Development, Tourism & Cultural Initiatives and the Finance Department.

As noted above, the Term Sheet was developed by KKR Advisors and discussions were carried out by the CAO, Mayor and Parks & Facilities Services staff.

## **9.0 Analysis**

### **9.1 Term Sheet**

With the assistance of KKR Advisors, the CAO, Mayor and Parks & Facilities Services staff engaged in discussions with the Bulldogs regarding the terms of the team's contemplated relocation to the Civic Centre. These discussions culminated in the drafting of the Term Sheet appended hereto at Appendix A by KKR Advisors, which sets out, among other things, that the Bulldogs will be known as the "Brantford Bulldogs" during the term of the parties' agreement. The Term Sheet is similar to a memorandum of understanding and does not form a legally binding commitment on the part of the City or the Bulldogs. The document instead sets out, generally, the terms of the parties' contemplated agreement, and evidences their mutual intention to negotiate a formal agreement. If the Term Sheet and accompanying recommendations are approved by

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Council, the City will engage and retain professional services, including external legal counsel, to negotiate a facility lease/license agreement for the Bulldogs' use of the Civic Centre. The terms of the facility lease/license agreement will correspond substantially with the general terms included in the Term Sheet, and KKR Advisors will continue to assist with the negotiations and provide the City with ongoing advice regarding the contemplated agreement. KKR Advisors was retained by the City to assist with the discussions and negotiations with the Bulldogs, and to provide the City with information regarding facility lease/license agreements in other comparable markets. A report prepared by KKR Advisors titled Commentary on the Facility Lease / License Agreement with the Hamilton Bulldogs dated January 30, 2023, appended hereto at Appendix B, provides commentary on the negotiated Term Sheet and offers insight into how the terms compare to the terms of other comparable agreements. City staff has relied on the report and advice of KKR Advisors regarding market analysis, as well as the City's own internal economic impact analysis, in making its recommendations to Council.

## **9.2 Impacts on Existing User Groups**

The Brantford Bulldogs will have priority access to the Civic Centre's available dates between the months of September and May for OHL scheduling of their 34 regular season home games and potential play offs. Available dates will include most Fridays and Saturdays as first priority days, and Wednesdays, Thursdays and Sundays as secondary priority days during this approximately nine (9) month period. It is not anticipated that providing Fridays as first priority days will have a negative impact on other groups' use of the facility, as those dates are seldom booked by other teams or activities.

Currently several user groups utilize the BCC for significant blocks of time. This list includes Brantford Minor Hockey Association (BMHA), Brantford Community Hockey League (BCHL), Brantford Bandits Junior B, Brantford Junior C Lacrosse. The addition of the Brantford Bulldogs schedule of 34 games in 24 weeks (1.4 games per week) will impact current users on the scheduled dates; however, there is enough availability to accommodate all users on different days and times and/or at one of the other 5 ice surfaces in the City. Staff will work collaboratively with the user groups to find the best fit for their needs.

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On non-game days, the Civic Centre will continue to be used by the public, and the Brantford Bulldogs may practice there only if the surface has already been set up and there are no conflicts with other pre-scheduled bookings of the facility. This term allows the Brantford community to continue to make use of the Civic Centre for their programs, events and activities, while similarly enabling the City to continue generating the associated revenues.

### **9.3 Professional Services**

In December 2022, the City retained the services KKR Advisors to help facilitate discussions with the Bulldogs. KKR Advisors were retained to liaise with City staff, Bulldogs, assist in reviewing information regarding Civic Centre, lease/license agreements as well as assisting in the negotiation and finalization of the agreement.

With the assistance of KKR Advisors, the parties engaged in numerous discussions during the months of late December 2022 and January 2023.

Staff suggest that in finalizing the report, outside legal consultation be provided by Weir Foulds Law Firm, a firm that has extensive experience in athletic facility lease/licenses.

To assist The City in enhancing feedback relationships and growing existing communications with local media, a Brantford-based public relations firm, Octopus Red, will work closely, and regularly, with The City to complete a thorough analysis of Brantford Bulldogs messaging, monitoring social media, providing graphic, public relations and video-editing support. This external support will alleviate pressure on the internal communications team, by leveraging experts in media, social media strategy and marketing.

The anticipated costs for all professional services as listed, is approximately \$105,000. Staff is recommending this be funded from the Casino Legacy Reserve.

### **9.4 Heating, Ventilation and Air Conditioning**

In light of the Hamilton Bulldogs' contemplated residency in the Civic Centre, the plan to install an HVAC system should be moved forward. The Civic Centre does not have an HVAC system in the rink area. This fact has, historically, limited the use of the facility, as the Civic Centre is too

hot to hold regular events and programming in the warm summer months. The lack of necessary air conditioning has also limited the skating season, as the ice is often difficult and expensive to maintain in the warmer fall and spring climates. City staff therefore now recommends moving forward with plans to install an HVAC system in the Civic Centre. This will optimize the use of a public asset, improve OHL fan experience at Brantford Bulldogs home games, and serve to increase the community's use of the facility. Adding HVAC may also help attract other teams to the facility, along with larger-scale events. As the necessary HVAC system will take approximately 10-months to be delivered, staff recommends that this expense be approved as soon as possible. This will enable the HVAC system to be installed at the earliest available opportunity, which is expected to be in the Spring of 2024, following the completion of the Brantford Bulldogs' hockey season.

## **9.5 Economic Impact (EI) of Sport Tourism**

Brantford is a vibrant and growing community with a long tradition of sporting excellence and was provincially recognized as the Tournament Capital of Ontario in 1998.

In Canada, sport tourism is the fastest growing segment of the tourism industry. Sport tourism is a significant contributor to local economies and goes beyond hosting sporting events; it contributes to raising the profile of the host community, as well as its community and tourism assets, by attracting visiting participants and spectators.

A report published by Sport Tourism Canada in 2021 noted that the sport tourism industry generated \$7.4 billion in economic activity to the country in 2019, a direct result of spending at sporting tournaments, events and conferences, ranging from a community level (i.e. minor hockey tournament) to a large-scale, multi-sport undertaking (i.e. Parasport Games).<sup>2</sup> The analysis was based on surveys from Statistics Canada, the National Travel Survey (NTS) and the Visitor Travel Survey (VTS). Provincially, Ontario saw the most activity from visitor spending (\$2.45 billion), with visitors spending on accommodations, food and beverages, vehicle costs, sports/recreational activities and commercial transportation.

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<sup>2</sup> Sport Tourism Canada, *Value of Sport tourism in 2019 tops \$7 billion*, September 27, 2021. <https://sporttourismcanada.com/value-of-sport-tourism-in-2019-tops-7-billion/>

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## **9.6 Economic Impact of the Canadian Hockey League (CHL)**

CHL teams/clubs are primarily located in small-to mid-sized communities across Canada as well as the northern United States. Each club offers employment opportunities (full-time, part-time, internship and co-op, contract and consultant); volunteer opportunities; hosts non-game events; offers community programs; and invests in the communities in which they are located through spending on local products and/or services.

In July 2020, the Canadian Hockey League commissioned a report on the Economic Impact of their league (60 clubs) with The T1 Agency consulting firm. Through this study, each club contributed data on the economic impact and quantifiable intangible benefits of each of their clubs. The consultant used their proprietary Impact Assessment Tool to estimate the economic and non-economic value of the league and its individual member clubs, employing a segmentation approach where club data may not have been available. The method was based on a peer-reviewed article, "Impact studies in sport: the development of an assessment process model," published by *Sport, Business and Management: An International Journal*. This methodology included more than simple economic return, including consideration of intangible factors.

## **9.7 Economic Impact Analysis of the Brantford Bulldogs**

Although the CHL report referenced in Section 9.5 provided an economic impact analysis of the league, the range in sizes of teams, communities and levels of support varied drastically. In order to estimate the EI of the Bulldogs hosting their Games in Brantford, staff requested data from the CHL study that was specific to Hamilton, Burlington, Guelph, Niagara, Kitchener and Peterborough as comparator markets. The internal economic impact analysis is included as Appendix C.

The Mississauga Steelheads, an OHL team, released an economic impact assessment report in March of 2017. Data from this report informed some of the calculations used in the City's internal economic impact assessment, with key highlights from this analysis listed below.

Note that the values calculated for this report consider only regular season home games of 36 per year; any playoff games generating further economic impacts are not calculated in this report. Using fan capacity at the Civic Centre as the foundation for all estimates, the economic impact

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assessment was calculated using averages and benchmarks from the noted reports as the base.

- **Total Direct EI:** An internal assessment estimates a total direct annual impact of \$4,337,700 for this opportunity, derived from visiting team overnights and fan spending. Additionally, an estimated \$297,250 in local wages would be expected annually.
- **Estimated Attendance:** With updated CHL data for the current season, the average attendance versus capacity (75%) of six comparator markets (Hamilton, Kitchener, Niagara, Guelph, Barrie, and Peterborough) was used to estimate a Brantford average attendance versus capacity of 89% for OHL games at the Civic Centre. This translates into approximately 3,000 fans with 2,500 being paid tickets and 500 comp tickets.
- **Out of Market Attendance:** Using the same comparator markets (this time data from the 2019-2020 season), out-of-market fans accounted for approximately 10% of fans attending a game. The Mississauga report estimated approximately 4% of all fans accounted for overnight attendance. The internal economic impact assessment for Brantford estimated 10% of all fans coming from out-of-market and 4% of all fans staying for a single overnight.
  - **Overnights:** When averaging the number of overnights of surrounding centres (Guelph, Hamilton, Kitchener, Niagara), a third of home games (12) involved teams with overnight stays. Using an average of 35 players, coaches, and staff (Mississauga report) per game, this translates into 420 hotel room nights per season for visiting teams (not including fans) and a value of \$60,900 based on an estimate of \$145 per room night.
- **Employment:** Employment and wage information utilized statistics from the CHL and the Mississauga reports; CHL teams employ on average 20 full time employees (FTE) which equals the FTE number received for Hamilton. In the 2017/2018 season, the average wage for the Mississauga Steelheads was approximately \$58,000. Considering wage inflation and a comparably sized market in Hamilton, the average FTE wage for Hamilton would be \$60,000. With a need for some staff to be present in Brantford for

the duration of the team's stay, a value of 20% of the FTE wages is estimated to be remaining in Brantford, which translates into \$240,000. Additionally, the average number of part time employees (PTE) for five comparator markets (not including Barrie, which has 150 PTE) is 27. Calculating 36 home games at 4 hours per game at minimum wage with 95% remaining locally, an additional value of \$57,250 in PTE wages is estimated to remain in Brantford. This brings a total value of just under \$300,000 in wages remaining in Brantford.

- **Economic Impact per Fan:** For the six comparator markets, the direct economic impact per fan per game was estimated to be nearly \$40. For Brantford, this value is estimated to be \$35 per fan per game (including ticket prices) for local and out-of-town fans (does not include overnight fans). This equates to an estimated \$3,628,800 of direct spending per season. The Mississauga report calculated overnight fan spending to be about \$197 per fan per game. Considering the cost for hotel rooms (\$145 per room per night) and additional costs (e.g. meals, souvenirs, fuel, etc.), out of town fans attending Brantford games are estimated to spend \$150 per game, recognizing that families visiting often book a single room. Overnight fans would account for an estimated \$648,000 of direct spending per season.
- **Casino Impact:** The physical proximity of the Civic Centre to Elements Casino Brantford will also create direct spinoffs from visitors who spend additional leisure time at the casino, and vice versa. Additional revenue for the casino ultimately translates to additional revenue to the City of Brantford via the Casino Legacy Reserve.

### 9.7.1 Comparison of Internal EIA with TREIM

To further reinforce conclusions of the internal economic impact assessment, staff compared these findings to the Tourism Regional Economic Impact Model (TREIM) (Appendix D). This provincially supported data analysis simulation tool helps to determine the potential impact of tourism on provincial and local economies.

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The TREIM model employed for comparison in this report was developed by the Province of Ontario in the 1980s and refined continually since then. It represents a standard of tourism, sport, and cultural economic impact assessments used by communities across Ontario. The model incorporates multiple data sources, metrics and methods to output estimated values related to the input activities for select areas.

Using the Visitor Spending Model for the Brantford Census Metropolitan Area estimated for the category of sporting events in 2024 activity year, a direct GDP of \$3,206,485 is projected. This is based on an estimated season total of 89,790 same-day fans (with 4% of fans overnighing), 420 visiting teams players/coaches overnighing (representing one-third of visiting teams based on Hamilton, Kitchener, Niagara, and Guelph averages) and 210 USA team fans (approx. 2 fans per player/coach for 3 visiting games with 100% overnighing). Direct and indirect GDP estimates from TREIM total \$3,740,010, a number approximately \$600,000 or 14% under of the internal economic impact assessment. Coupled with direct and indirect activities, a total GDP of \$4,499,620 is estimated based on TREIM.

Direct wages associated with this same calculation are estimated to be \$1,605,979, but do not consider specifics unique to OHL teams and the likely fact that, as still a Hamilton based operation, the majority of FTE will remain outside of this community. As such, the internal review is likely a more accurate reflection of employment.

## **9.8 Direct, Indirect and Induced Impacts**

Economic impact modeling estimates the value of money flowing through a community from an event, activity, or investment. Such modeling can often further calculate associated ripple effects, such as money received in wages and re-spent in the community.

When estimating the economic impact, staff calculated only direct GDP as a measurement of the economic impact using numbers derived from the noted reports. The TREIM calculations included direct, indirect, and induced estimates.

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It must be noted that such calculations are estimates at best using available data and described methods. These estimates provide a useful framework of understanding the potential overall impact of an event, activity or investment.

**Direct economic impact/effects** are the effects of the initial spending that creates additional activity in the local economy. Examples include ticket sales, overnight accommodations and meals.

**Indirect economic impact/effects** are the result of business-to-business transactions where local industries purchase goods from other local industries. Examples include the Bulldogs franchise purchasing food and beverage for resale from local suppliers or distributors, or hiring local contractors to make repairs or upgrades to facilities.

This impact continues to compound and be reinvested in the community, passing from business to business.

**Induced economic impact/effects** are the result of employees and business proprietors involved in the new business, event or investment spending the new or additional income they receive (from that same new business, event or investment) within the community. For instance, employees spend the money they earn on local goods and services, thereby providing a boost to the local economy.

## 9.9 Social Impact

Historically, economic impact assessments are tools that are used as selling features to justify investment, including municipal/public support. However, direct and indirect economic, or financial, impact is not the only valuable tool for evaluating the potential for an event, series of events or a company's investment in the community. However, it is common business practice to not only evaluate economic impact, but look at investments based on a triple-bottom-line approach (economic, social, and environmental).

Other impacts of entering into an agreement with the Bulldogs and investing in infrastructure of the Civic Centre include:

- Reinforcing the image of Brantford as a sport-friendly city via the municipal and community support of the Brantford Bulldogs;

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- Increased opportunities for individuals and families to participate in leisure activities;
  - Reiterating the image of our community as active, vibrant and attractive to future investment, especially surrounding the downtown core and the “lower bowl”;
  - An increase in social capital through increased opportunities to engage in public activities, which is particularly important post-pandemic and geographically given the Civic Centre’s proximity in the downtown core;
  - An increase in social capital through social and charitable programming offered by the Bulldogs Foundation as outlined in the Term Sheet (Item 13);
  - Enhancing staff resources, including increased skill sets and knowledge,
  - Access to community recreational activities offered by the private sector;
  - Enhancement of civic pride and international recognition and promotion of the community, through increased media visibility (locally, nationally and internationally); and
  - Increase in local sport organization registrations for children and youth as a result of a local connection (“our team”) and increased knowledge in recreational sport options.

## 10.0 Financial Implications

The total estimated cost of the upgrades to the Civic Centre required to support the Bulldogs is approximately \$7.5 million. The term sheet proposes that a leasehold improvement allowance of up to \$3 million be contributed by the City towards the overall capital costs. The Bulldogs would contribute the remainder of the costs. In addition to the \$3 contribution, the City would be solely responsible for the costs to install an upgraded HVAC system at the Civic Centre, estimated to be \$1.625 million. Should the City and the Bulldogs agree to the team’s use of the Civic Centre, staff would recommend that the City’s share of the necessary capital improvements be funded from the Casino Legacy Reserve. The City’s leasehold improvement allowance of \$3 million would

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become fully repayable should there be no extension of the FLA following the initial three year term.

Staff also recommends that the costs for external professional services, including services obtained to negotiate the Term Sheet and the license/lease agreement with the Bulldogs, as well as legal services to complete the necessary agreements, be funded from the same source. Staff estimates the total costs of these professional services to be approximately \$105,000.

With respect to operational considerations, it is estimated that the rent payable to the City in the amount of \$1 per ticket would be \$2,500 per game; an amount sufficient to offset the costs of providing game day staffing. While the term sheet provides for the Bulldogs to retain all revenues from activities such as food and beverage sales, advertising and sponsorships, the City is expected to receive annual incremental revenues from the provision of a dedicated box office space (\$4,500) and parking overflow at the Market Parkade (potentially \$86,000). Staff will further explore implementation of a game day event rate for the Parkade and report back to council at a later date if amendments to the current fee by-law is recommended for this purpose.

## **11.0 Conclusion**

The City has been presented with a rare opportunity to elevate our profile as a renowned destination for world class sports. Staff recommends that Council approve the recommendations herein to leverage this sport tourism opportunity, which would result in a significant contribution to Brantford's economy. Using the Visitor spending model for the Brantford Census Metropolitan Area estimated for the category of sporting events in 2024 activity year, a direct GDP of \$4.3 million per annum is projected. By attracting regional media, visiting participants and spectators, this partnership will significantly elevate the City's profile nationally and internationally.

The planned upgrades to the Civic Centre included in the Term Sheet would extend the life of the facility, improve users' experience and maximize the public's use of same. It is anticipated that the City will receive the benefit of approximately \$7.5 million in upgrades to the Civic Centre, while contributing a maximum amount of only \$3 million toward same. Further, if the Bulldogs leave Brantford, and another OHL team does not begin playing at the Civic Centre within 12 months, the City will be repaid all or part of its capital contribution toward the Civic Centre improvements. The contemplated agreement therefore provides the City with direct and indirect benefits.

Brantford is growing rapidly, and would benefit tremendously from an upgraded multi-use event venue to serve existing residents and attract new ones. International recognition and promotion of the community, through increased media visibility locally, nationally and internationally will also go a long way in enhancing civic pride within the community.



Brian Hutchings  
Chief Administrative Officer

Prepared By:

Sonny Smith, Manager of Arena Operations  
Sasha Hill Smith, Manager of Government Relations & Corporate Initiatives  
Devin Santos, Legal Counsel  
Sara Munroe, Director of Economic Development, Tourism & Cultural Initiatives  
Joelle Daniels, City Treasurer / Director of Finance

Attachments:

Appendix A – Term Sheet

Appendix B – KKR Advisors Ltd. Commentary on the Facility / License Agreement with the Hamilton Bulldogs

Appendix C – Brantford-Specific Internal Economic Impact Assessment

Appendix D – TREIM Economic Impact Calculation in Brantford, January 23, 2023

Appendix E – Floor Plan for Brantford Civic Centre

Appendix F – Letters of Support

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required ☒ yes ☐ no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk ☒ yes ☐ no

Is the necessary by-law or agreement being sent concurrently to Council? ☐ yes ☒ no