

20.

136 YEARS IN THE MAKING



Sandra Masters, Chair, REAL Board of Directors
Tim Reid, CEO, REAL
Roberta Engel, VP Operations and Finance, REAL

“operate with an **entrepreneurial spirit** and to **pursue expanded business ventures** that could generate additional revenue.”



BOARD OF DIRECTORS



Chair and Vice Chair of the
Board of Directors



Committee Chairs and Ex-
Officio Members



Board Directors

Mission

“We deliver exceptional experiences and foster meaningful memories that make our community a better place.”



Vision

“To be the heart of our city and province – a place where people come to live, work and play.”



CORPORATE VALUES

Be original. We think outside the box, constantly challenge the status quo and welcome ideas for improvement.

Be a host. We treat everyone as if they were a guest invited into our home and we do so with the highest level of hospitality.

Be inclusive. We welcome everyone and treat all others how we would like to be treated.

Be proud. We showcase how honoured we are to represent our history, our organization and to be a valued member of the Evraz Place family.

Be resilient. We willingly adapt to change and never give up.

Be smart. We strategically and thoughtfully manage our business and plan for the future.

Always own it. We hold ourselves and other accountable for delivering on promises.



FOUNDATIONAL AGREEMENTS



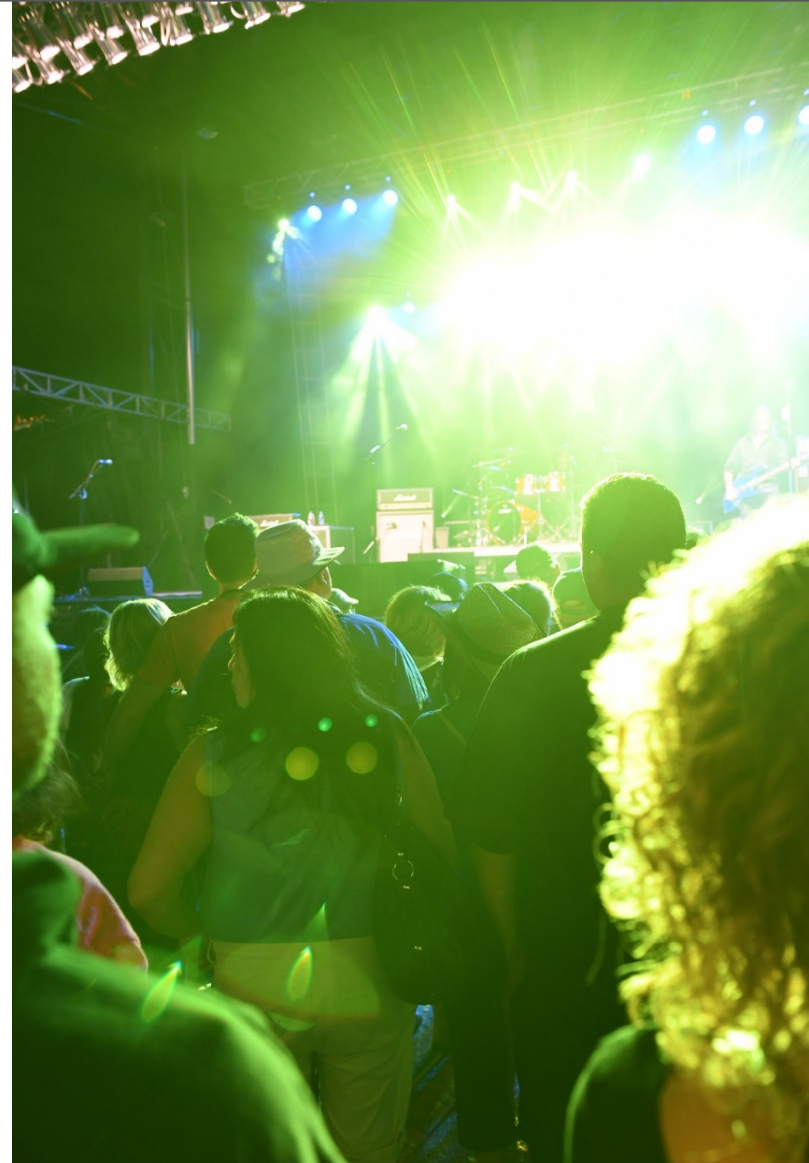
FOUNDATIONAL AGREEMENTS

The Non-Profit Corporations Act

- The *Non-Profit Corporations Act, 1995 (Saskatchewan)* sets out the rules for the incorporation of registration for a non-profit organization in Saskatchewan, and for the registration of non-profit extra-provincial corporations.

Certificate and Articles of Continuance

- REAL's *Certificate of Continuance* and *Articles of Continuance* verify that REAL is a certified association under the *Non-Profit Corporations Act, 1995 (Saskatchewan)*. The articles of continuance outline the class of membership/shareholder the organization has, and the rights and voting power of the sole shareholder.
- According to the *Articles of Continuance* REAL is entitled to: "...provide and operate multi-purpose facilities for events and activities including sports and other entertainment and for the purpose of promoting agricultural industries and services generally..."



FOUNDATIONAL AGREEMENTS

Unanimous Members Agreement

- With the signing of the UMA, REAL's governance model shifted from a shareholder model to an arm's length municipally owned entity. The UMA sets out REAL's scope of responsibility, reporting requirements, and the City of Regina and REAL's relationship and decision-making structure.

REAL Bylaws and Governing Policies

- The purpose of REAL's bylaws is to act as the link between the *Non-for-Profit Act, 1995 (Saskatchewan)*, *Articles of Continuance*, the UMA and the board's governance policies. The bylaws outline the rules by which the REAL board may operate that is not specifically addressed within the above mentioned governing documents. Amendments to bylaws require approval by the City of Regina in the capacity of sole shareholder.



FOUNDATIONAL AGREEMENTS

Lease Agreement

- Outlines the duties and responsibilities of REAL as the landlord for the property.
- REAL is responsible for the general management and operation of the property and buildings, which includes the management and coordination of events and activities organized on the property as well as repair and maintenance of the property in a manner that is in accordance with good industry practice.
- REAL also manages public access to the property and facilities as they are multi-purpose facilities intended to be used for the benefit of community. REAL entered into the Lease Agreement in April 2015 at a lease rate of \$1.00 per year for a four-year term. The current lease expired on March 31, 2019. REAL and the City of Regina are currently in discussions on the new lease terms.



FOUNDATIONAL AGREEMENTS

Stadium Operating and Maintenance Agreement

- The land on which Mosaic Stadium was constructed is considered a separate parcel of land from the land boundaries covered under the Lease Agreement. The Stadium Operating & Maintenance Agreement (O&M Agreement) was negotiated to address the specific needs of Mosaic Stadium and its tenants.
- REAL entered into the O&M Agreement in April, 2018. That agreement is due to expire on December 31, 2021. Under the O&M Agreement, REAL is also responsible for overall operations and maintenance of the stadium. This includes all preventative maintenance, general repairs, custodial services (with the exception of the leased areas) and security. The O&M Agreement fee is intended to be calculated on a cost recovery basis and, for agreement purposes, was established at \$3.6M per year.
- During the construction of the stadium, REAL agreed to contribute to the completion of the food and beverage design. Under the O&M Agreement REAL has committed to repay a draw from the stadium reserve in the amount of \$9M. The repayment schedule is over a 30 year time frame.

FOUNDATIONAL AGREEMENTS

HSBC Facility Agreement

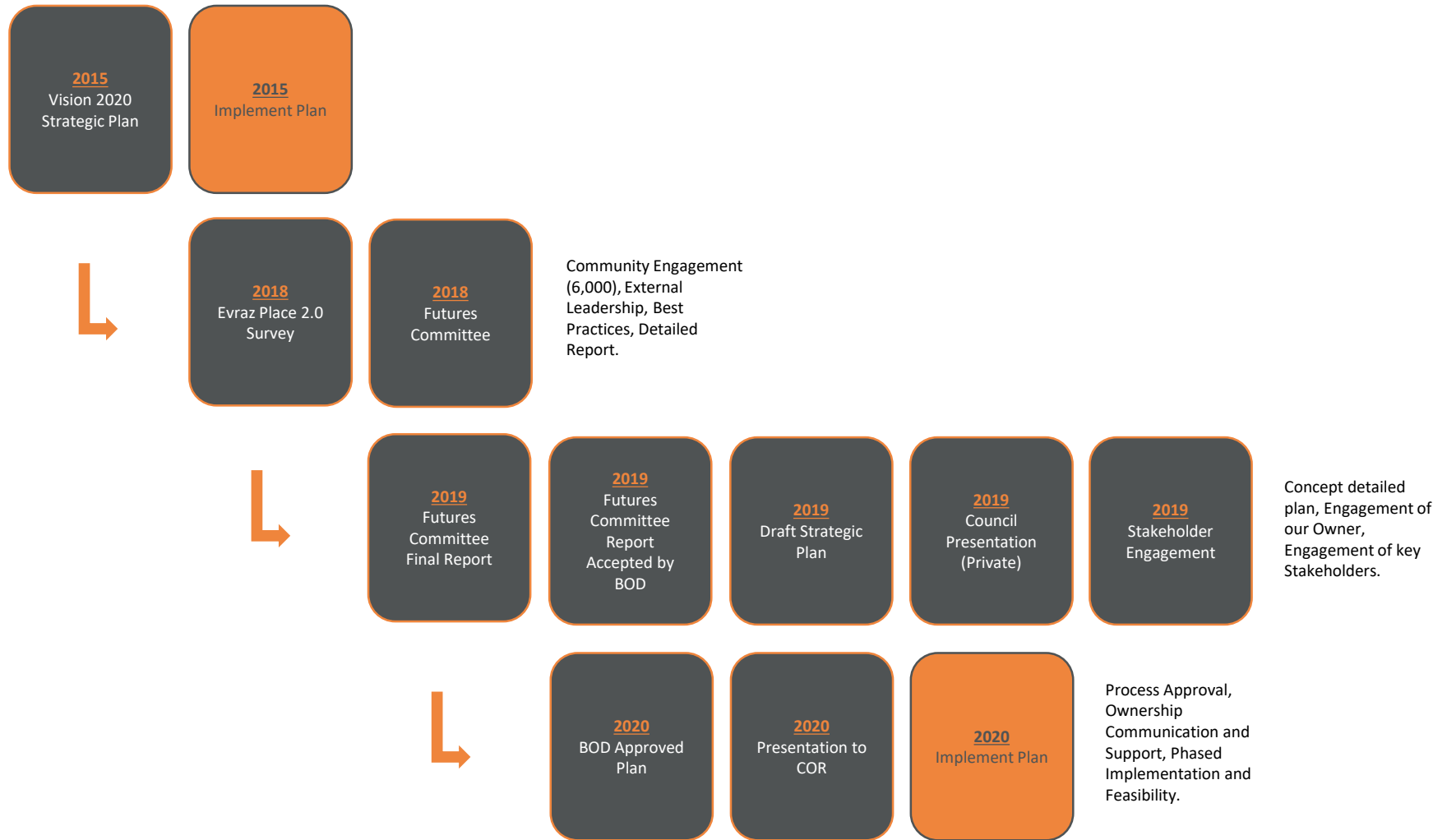
- REAL currently has the following bank facilities in place with HSBC:
 - \$9M capital line of credit
 - \$3M operating overdraft
 - \$1M miscellaneous
- The City of Regina has guaranteed all bank facilities, totaling \$13M.

Revenue Continuance

- The Saskatchewan Liquor and Gaming Authority (SLGA) on behalf of the Government of Saskatchewan, entered into a 10 year agreement with REAL on April 1, 1997 which prohibited REAL from operating a casino or casino games (formerly known as Silver Sage Casino) and in return, REAL receives \$2.6M in funding annually as revenue continuance or lost revenue from the casino. This agreement is due to expire on March 31, 2027.



PROCESS TIMELINE OVERVIEW

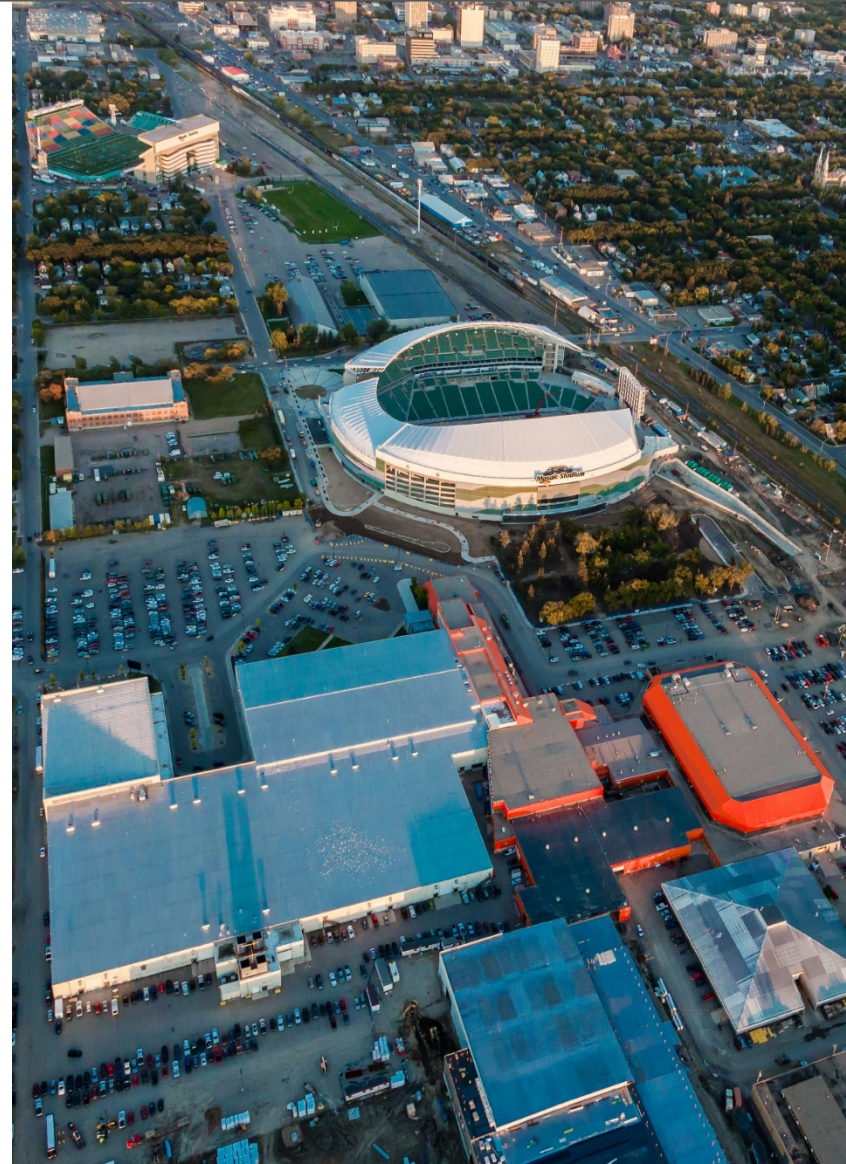


HISTORICAL FINANCIAL REVIEW

The addition of the International Trade Centre and Mosaic Stadium have not only expanded our business but also added a level of complexity. As a result, REAL responded with a focus on service delivery and meeting the day to day needs of the organization.

When analyzing the last 4 years, the following observations can be made:

- **Earnings** - REAL is less profitable today than it was prior to these new assets being introduced into the facility portfolio.
- **Operating Margin** – The operating margin has decreased by more than 50% since 2015 with the introduction of new facility assets.
- **Deferred Maintenance Deficit** - In 2016 and each year thereafter, the NOI position was deficient and suggested a significant risk to long-term financial sustainability and maintenance of assets.
- **Casino Grant Funding** – Annual Casino Grant of \$2.6M is essential to the financial sustainability of REAL.



HISTORICAL FINANCIAL REVIEW

	<i>Actual</i> 2015 \$	<i>Actual</i> 2016 \$	<i>Actual</i> 2017 \$	<i>Actual</i> 2018 \$	<i>Budget</i> 2019 \$
Revenues					
Food & Beverage Sales	8,678,342	8,659,343	15,151,244	14,649,011	14,383,887
Other Sales & Rentals	16,736,093	16,583,553	23,597,045	22,710,259	23,334,744
Contributions & COR Capital	454,229	401,324	407,256	1,118,104	200,640
Sponsorships & Advertising	1,725,224	1,684,469	2,231,408	2,314,417	2,748,150
Revenue Continuance	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
	30,193,887	29,928,689	43,986,954	43,391,791	43,267,421
Expenses					
Cost of Goods Sold	3,237,849	3,308,226	5,611,569	5,330,585	5,017,168
Utilities	2,184,855	2,103,651	3,248,958	3,462,322	3,445,015
In-Scope Labour Costs	8,260,348	8,161,790	10,654,996	12,902,694	10,655,361
Out-of-Scope Labour	4,037,817	4,920,505	6,582,021	6,769,245	7,427,879
Contracted Labour	893,351	1,521,499	2,456,674	1,911,465	1,818,889
Other Non-Labour Costs	7,249,772	6,126,967	11,993,181	10,615,067	11,390,674
Repairs & Maintenance	2,675,110	3,084,062	2,924,120	1,697,235	2,392,849
	28,539,101	29,226,699	43,471,519	42,688,613	42,147,836
EBITDA	1,654,786	701,990	515,435	703,178	1,119,585
Revenue Growth	11.11%	-0.88%	46.97%	-1.35%	-0.29%
Expense Growth	12.58%	2.41%	48.74%	-1.80%	-1.27%
Operating Margin	5.48%	2.35%	1.17%	1.62%	2.59%

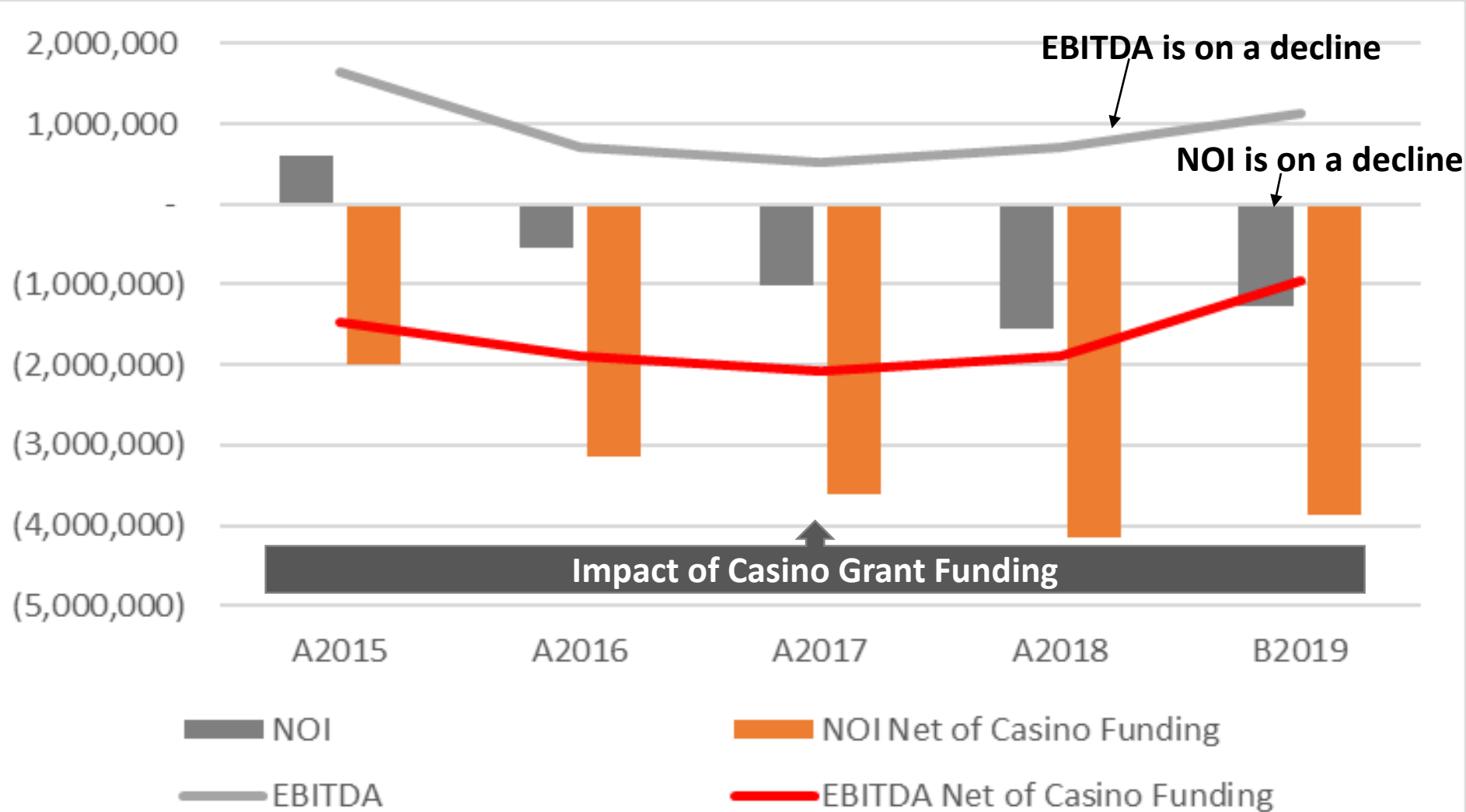
FINANCIAL RISK – CASINO GRANT FUNDING

The Facts:

- **Funding Partner to REAL** - The Government of Saskatchewan is the largest annual funding partner.
- **10 Year Agreement** – Entered into on April 1, 1997 with The Saskatchewan Liquor and Gaming Authority (SLGA) on behalf of the Government of Saskatchewan.
- **Expiration Date** - 2027
- **Impact to REAL** - A loss of \$2.6M annually.
- **Sustainability** – Value is significant and has a direct impact to REAL's financial results.
- **Strategic Financial Model** – The \$2.6M value has been retained as funding over the next 15 years.



FINANCIAL IMPACT NET OF CASINO FUNDING



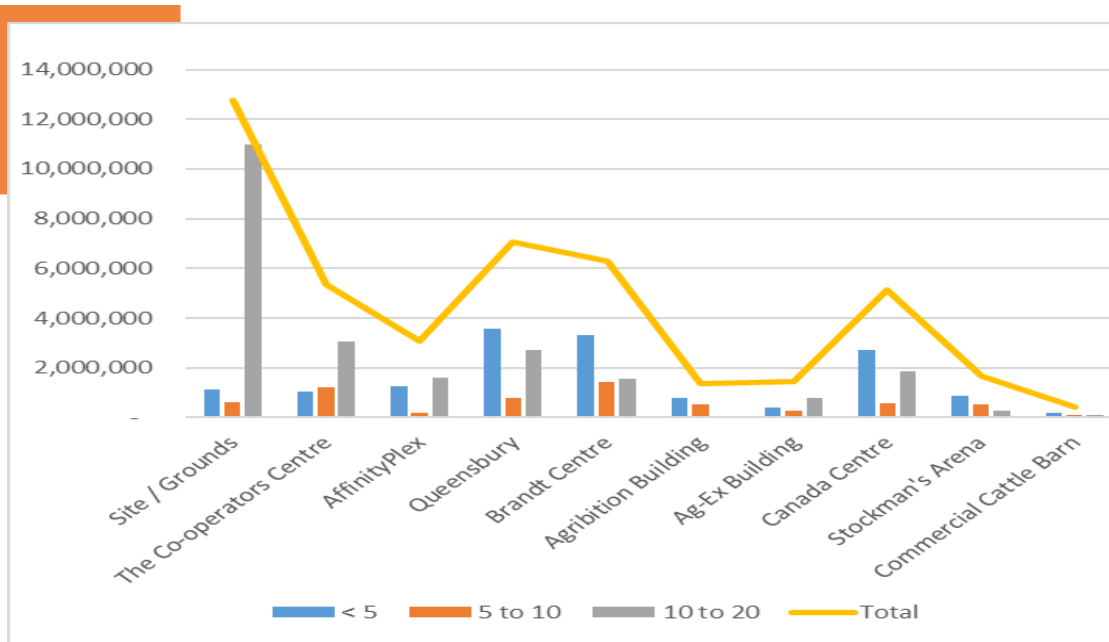
DEFERRED MAINTENANCE RISK

The Facts:

- **NOI position** - Suggests a significant risk to long term sustainability and maintenance of assets.
- **Facilities Condition Assessment** - In 2019 REAL engaged a consultant to perform a Facilities Condition Assessment on the campus with the exception of Mosaic Stadium and the International Trade Centre.
- **\$44M Financial Risk** - Over the next 20 years, a \$44M investment into the campus' key elements of civic infrastructure is required.
- **Ability to Fund** - Based on historical results REAL will not be able to balance annual operational performance to the required annual deferred maintenance investment.



DEFERRED MAINTENANCE RISK



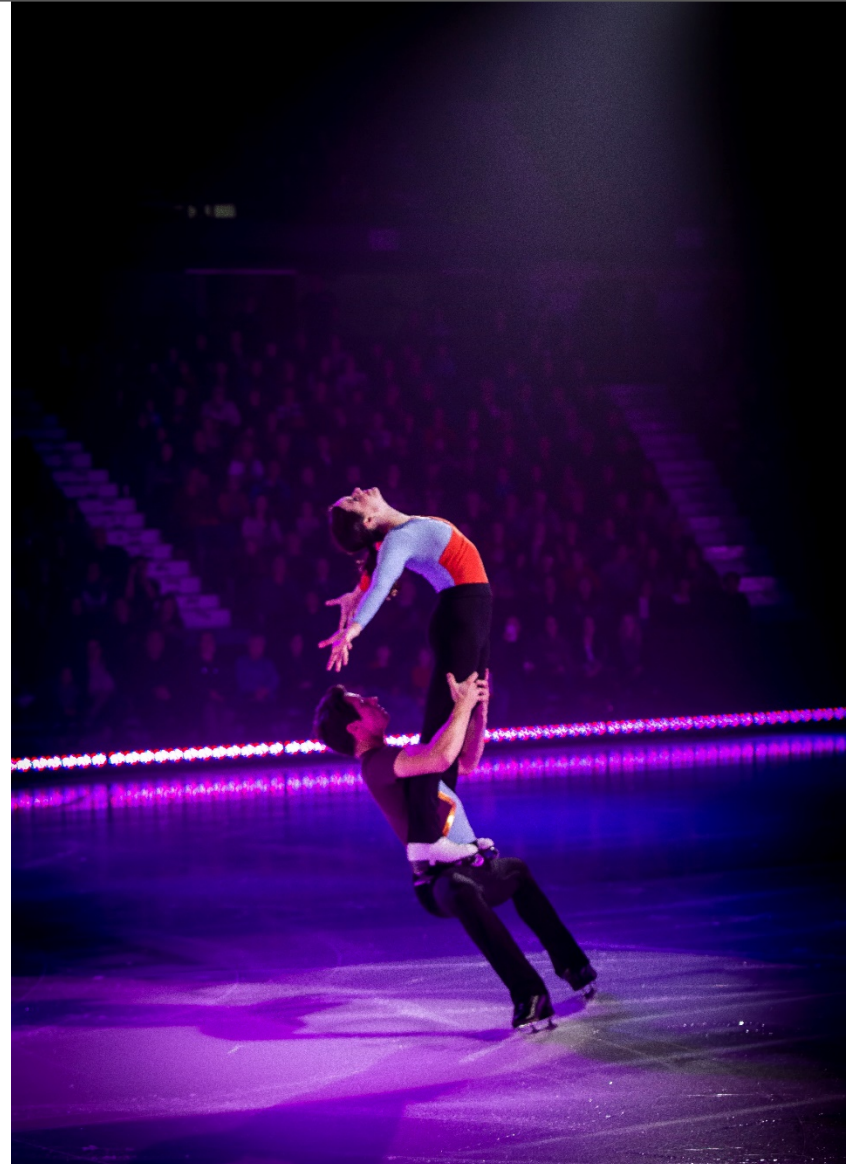
Building	<5	5 to 10	10 to 20	Total
Site/Grounds	\$ 1,145,500	\$ 600,000	\$11,000,000	\$12,745,500
Cooperators Centre	\$ 1,063,000	\$ 1,218,500	\$ 3,072,000	\$ 5,353,500
AffinityPlex	\$ 1,255,000	\$ 195,000	\$ 1,620,000	\$ 3,070,000
Queensbury	\$ 3,556,000	\$ 789,000	\$ 2,709,000	\$ 7,054,000
Brandt Centre	\$ 3,305,000	\$ 1,435,000	\$ 1,550,000	\$ 6,290,000
Agribition Building	\$ 776,000	\$ 522,500	\$ 65,000	\$ 1,363,500
Ag-Ex Building	\$ 398,000	\$ 255,000	\$ 790,000	\$ 1,443,000
Canada Centre	\$ 2,720,000	\$ 565,000	\$ 1,840,000	\$ 5,125,000
Stockman's Arena	\$ 871,000	\$ 515,000	\$ 270,000	\$ 1,656,000
Commercial Cattle Barn	\$ 200,000	\$ 120,000	\$ 105,000	\$ 425,000
Grand Total	\$15,289,500	\$ 6,215,000	\$ 23,021,000	\$ 44,525,500



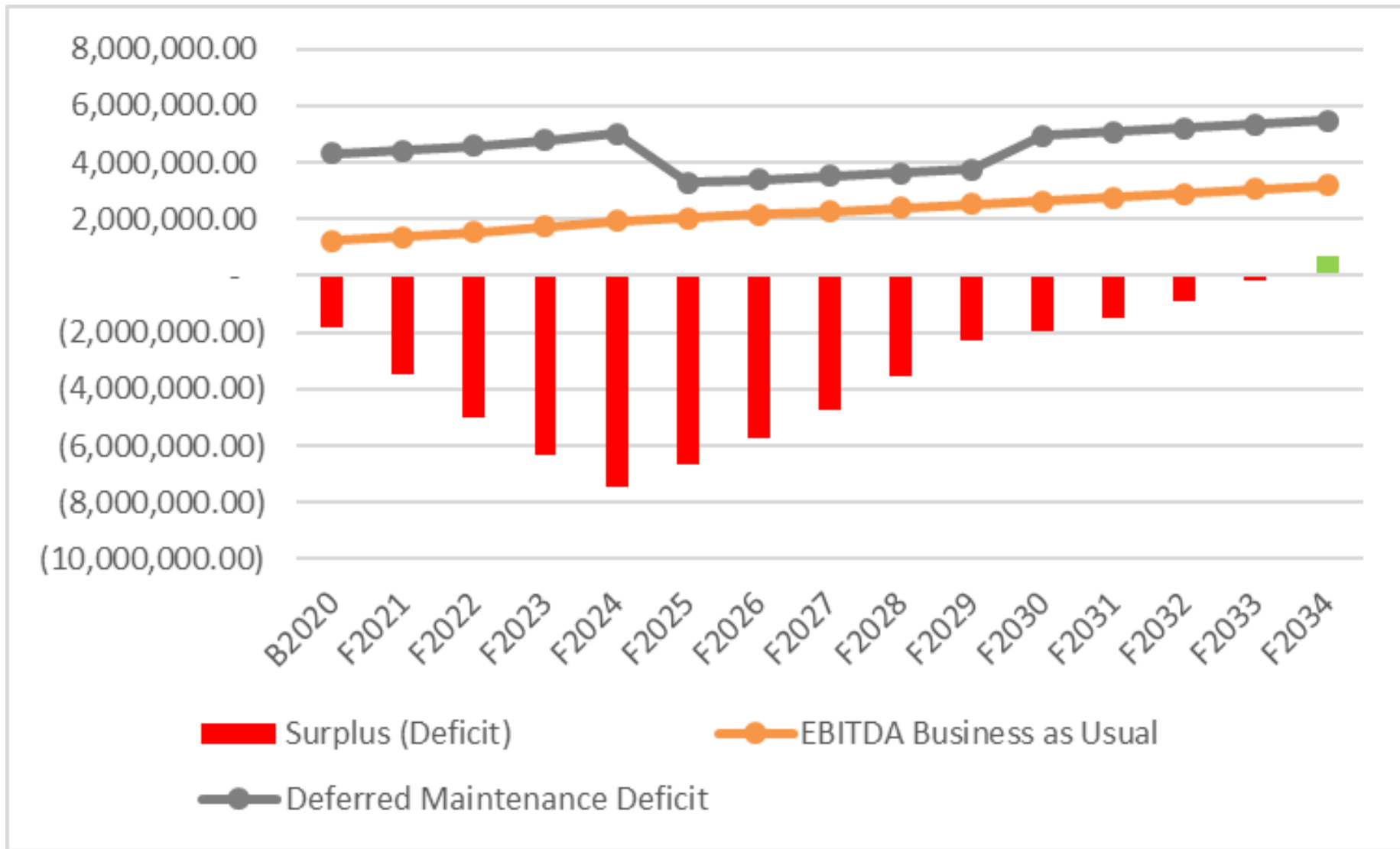
FINANCIAL REALITY – CURRENT STATE

The Facts:

- **Current Business Model** - REAL's current business model is not sufficient to sustain the organization and maintain the civic assets for generations to come.
- **Business as Usual** - Is defined as REAL making no significant changes to the current business model.
- **Status Quo** – Current state, REAL maintains a modest growth by:
 - Increasing revenues annually by 2% over the next 5 years and 1.75% annually over the remaining 10 years.
 - Manage and monitor expenses by allowing for a 1.5% annual increase.
- **Financial Outcome** - Unfortunately, business as usual is not sufficient for the sustainability as deferred maintenance continues to compound and remains in a deficit position for the next 14 years.



FINANCIAL REALITY

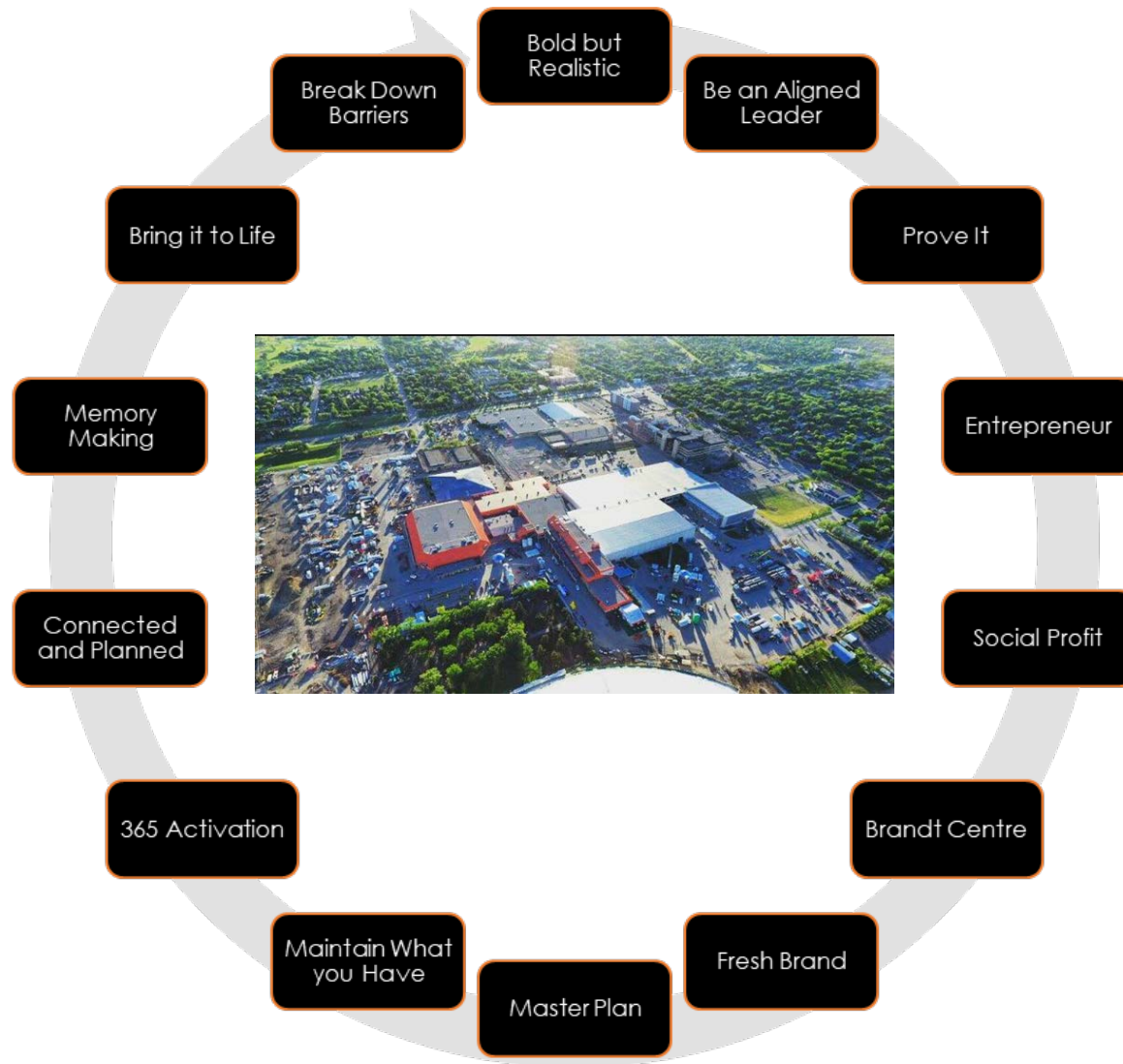


FUTURES COMMITTEE RECOMMENDATIONS

- Our Board began the strategic planning process with the creation of a task force known as the **Futures Committee**: a dedicated group of community leaders that blended internal knowledge with engaged community partners.
- This committee successfully connected with over **6,000** community members while concurrently evaluating the best practices in the management of civic recreation, sport and event spaces within North America.
- The Futures Committee developed and publicly released a detailed report that the Board approved on June 5, 2019. This report provided **14 recommendations** that form the foundation of our long-term plan.
- Any future planning for the Evraz Place campus and the role of **REAL** in our community should align with the following outcomes.

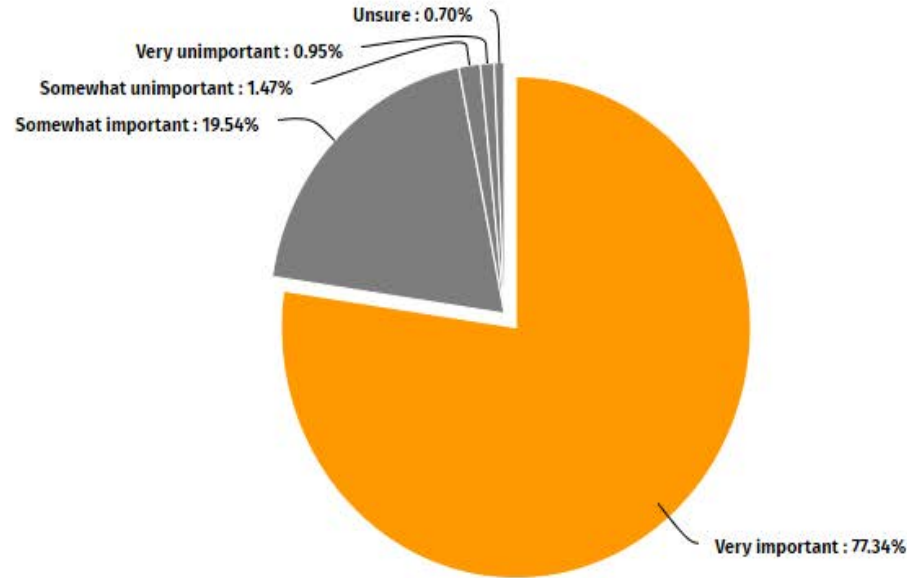


FUTURES COMMITTEE RECOMMENDATIONS



FUTURES COMMITTEE ENGAGEMENT

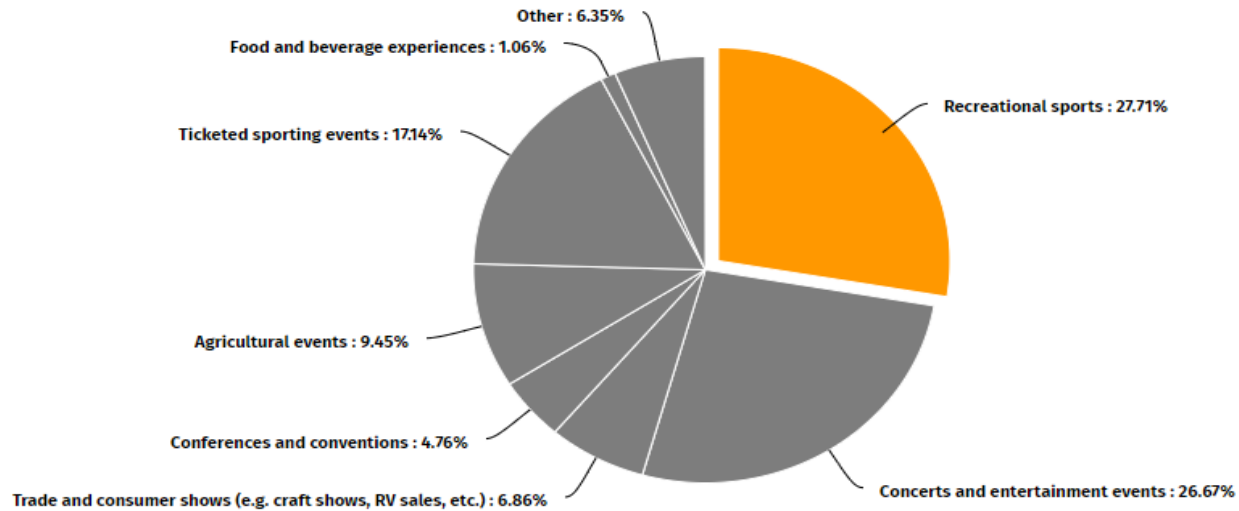
How important do you think Evraz Place is to Regina?



Answer	Count	Percent	20%	40%	60%	80%	100%
→ Very important	3420	77.34%	<div></div>				
→ Somewhat important	864	19.54%	<div></div>				
Somewhat unimportant	65	1.47%	<div></div>				
Very unimportant	42	0.95%	<div></div>				
Unsure	31	0.7%	<div></div>				

FUTURES COMMITTEE ENGAGEMENT

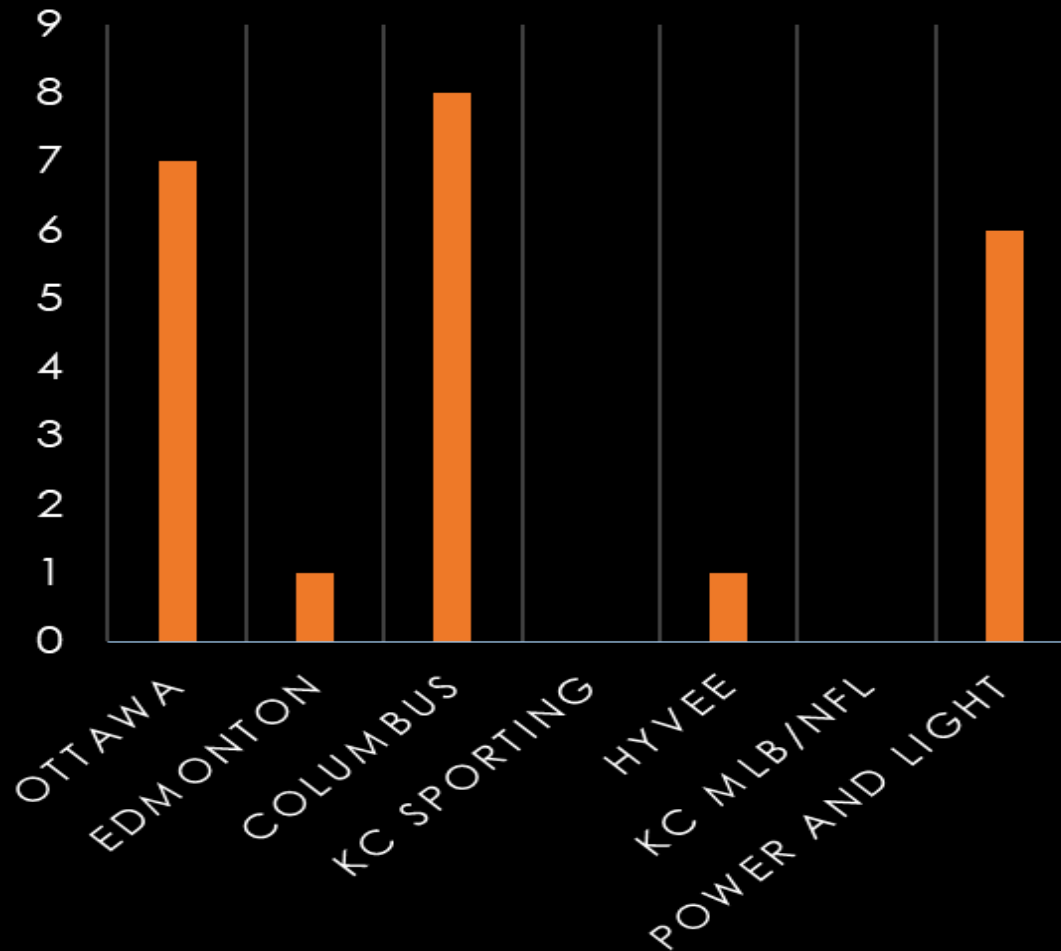
What do you think the main purpose of Evraz Place should be in the future? (Please select one response.)



Answer	Count	Percent	20%	40%	60%	80%	100%
→ Recreational sports	1200	27.71%	<div></div>				
→ Concerts and entertainment events	1155	26.67%	<div></div>				
Trade and consumer shows (e.g. craft shows, RV sales, etc.)	297	6.86%	<div></div>				
Conferences and conventions	206	4.76%	<div></div>				
→ Agricultural events	409	9.45%	<div></div>				
Ticketed sporting events	742	17.14%	<div></div>				
Food and beverage experiences	46	1.06%	<div></div>				
Other	275	6.35%	<div></div>				

FUTURES COMMITTEE ENGAGEMENT

TOP THREE RANKINGS BY SITE







FUTURES COMMITTEE EXPLORATION

Kansas City



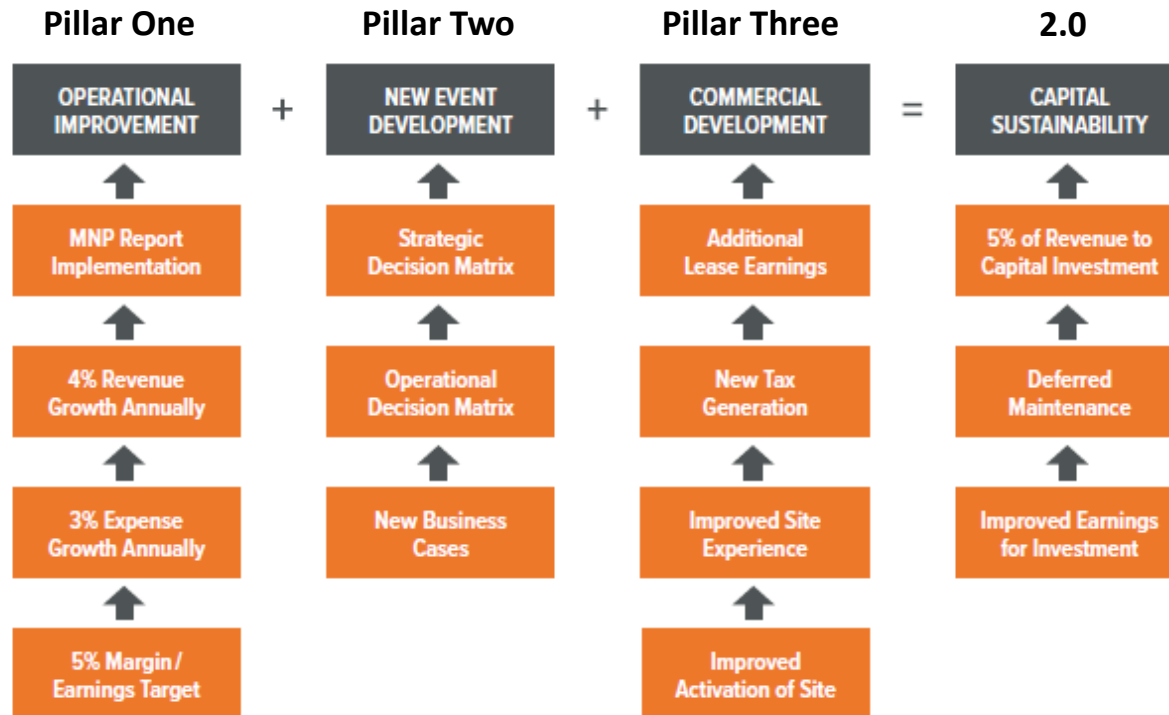
FUTURES COMMITTEE EXPLORATION

Columbus



THE PLAN MOVING FORWARD

The Board developed a strategic plan based on three key pillars of improvement. The Board focused on the following three key strategies to support the long-term sustainability of the organization.



Board of Directors Sustainability Targets

4% Annual Revenue Growth

3% Annual Expense Growth

5% Margin Target

BUILDING ON BUSINESS AS USUAL

The Facts:

- **Not Enough** - As previously identified, business as usual will not meet the growth targets set by the Board of Director's.
- **Compounding Issue** - Deferred maintenance deficit continues to compound.
- **New Business Cases** - REAL identified new business activities to generate revenue and were tested using the Operational Decision Making Matrix and the Strategic Decision Making Matrix.
- **Operational Efficiencies** - REAL engaged a consultant to perform an operational efficiency review and opportunities identified have been included in the strategic financial plan forecast.



OPERATIONAL IMPROVEMENT MODEL

Hypothesis	Category	Difficulty	Saving Initiative	Base	Stretch	# of Months
1. Finance & Accounting	Finance	Hard	Reduce/eliminate the use of REP and the dependency on software-specific support	\$ 50,000	\$ 150,000	9
2. Human Resources	Contractors	Hard	Reduce contract work with improved operational efficiencies and effective planning	\$ 200,000	\$ 490,000	10
	Facilities	Hard	Based on industry standards, Mosaic Stadium is utilizing too many resources in terms of maintenance and janitorial services, which can be reduced	\$ 160,000	\$ 320,000	4
3. Sports Entertainment & Events	Sports Entertainment & Events	Hard	Improve communication to eliminate overlapping tasks and resources Implement better forecasting and planning techniques	\$ 270,000	\$ 450,000	5
	Procurement	Easy	Introduce a procurement department to ensure that the organization is obtaining competitive prices on key inventory (ex. Souvenirs) More savings can be captured in purchasing food and beverage goods	\$ 70,000	\$ 110,000	3
4. Food & Beverage	Food & Beverage	Hard	Establish operational efficiencies	\$ 400,000	\$ 525,000	5
			Optimize scheduling and strategic workforce planning	\$ 240,000	\$ 315,000	
		Medium	Reduce the amount of manual paperwork Improve food yields and reduce cost	\$ 160,000 \$ 310,000	\$ 210,000 \$ 390,000	4
5. Facilities, Events & Delivery	Facilities, Events & Delivery	Hard	Establish operational efficiencies Optimize scheduling and strategic workforce planning	\$ 550,000 \$ 330,000	\$ 720,000 \$ 435,000	5
		Medium	Reduce the amount of manual paperwork	\$ 220,000	\$ 290,000	4
	Facilities	Easy	Charge for parking	\$ 1,395,000	\$ 2,200,000	4
6. Sales & Marketing	Sales & Marketing	Medium	Drive greater opportunities in marketing with current data	\$ 700,000	\$ 980,000	6
		Easy	Enhance the salesforce	\$ 500,000	\$ 750,000	8
		Medium	Improve the customer quoting process	\$ 1,110,000	\$ 1,440,000	4
TOTAL SAVINGS OPPORTUNITY				\$ 3,705,000	\$ 5,158,000	

NEW BUSINESS CASES

Core Activities:

1. Live music, indoor and outdoor concerts
2. E-Sports and e-gaming
3. Become the host site for a Winter Fair
4. Host Canada's Farm Show or similar dry-land farming event
5. Remain the host of Canadian Western Agribition
6. Sponsorship on site and naming rights
7. Tradeshows and enhanced tradeshow offerings
8. Consumer events and growth in numbers of events
9. Weddings and ceremonial events
10. Paid parking
11. Maintain free parking for recreational use
12. Premium parking services
13. Premium and VIP seating for events
14. Minor Hockey
15. Minor Soccer
16. Sask Sport Inc.
17. CCHL adult and youth 3 on 3
18. Figure skating
19. National and international event hosting
20. Renting office space
21. Retail outlets (Tim Hortons)
22. The Regina Pats
23. Food and beverage experiences beyond concessions
24. Sport tourism expansion with tournaments
25. Mixed use residential opportunities
26. 365 day activations on site
27. Senior care facilities/assisted Living
28. Grocery store
29. Movie theatre
30. Saskatchewan Roughriders football
31. Connections with the airport
32. Connections with Regina downtown
33. Enhance the use of technology in a "smart" strategy
34. Canada Day, New Year's Eve, value proposition events within the community

NEW BUSINESS CASES

Context Activities:

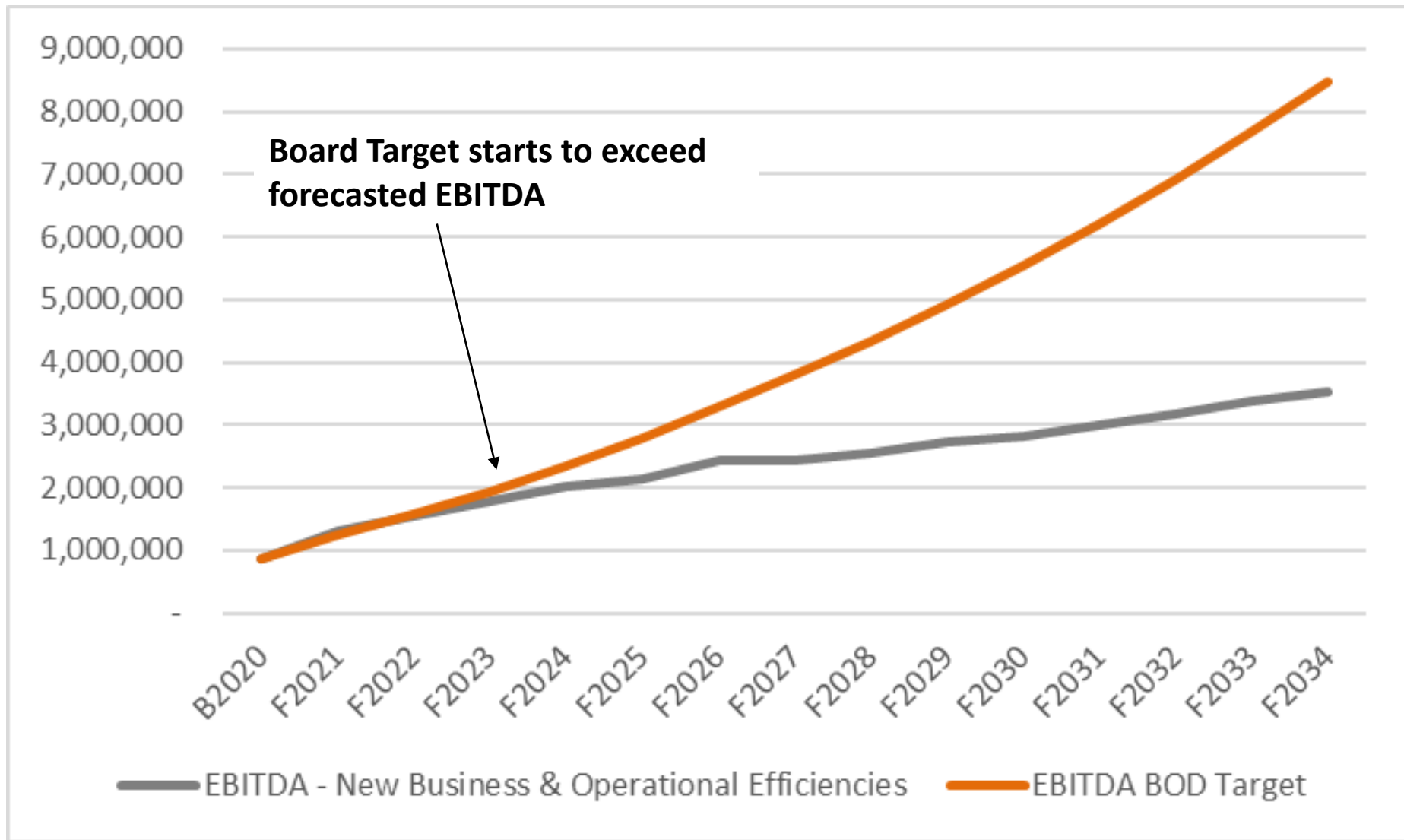
1. Grab and go concessions
2. Craft beer options on site
3. Oktoberfest and other similar events
4. Outdoor public child play areas
5. Mini golf facilities
6. Develop a bowling center
7. Develop a cricket pitch
8. Develop pickle ball courts
9. Develop a pow wow
10. Manage food and beverage services in house
11. Manage cleaning services in house
12. Build a “Ballers” or “Rec Room” on site
13. Sunday specials, Mother’s Day brunch, Easter brunch etc.
14. City wide sponsorship leadership
15. Professional lacrosse
16. Professional soccer
17. High school football
18. Community not for profit hub or shared service site
19. The University of Regina Cougars/Rams
20. Regina Thunder
21. Parking garage and paid parking facilities
22. Gambling and casino
23. Sports academy
24. Ringette
25. Manage other facilities in Regina (golf, fields, aquatic)
26. Tennis facilities on site
27. 4H and youth agriculture
28. BBQ competitions
29. Biking and cycling clubs
30. Track and field clubs
31. Outdoor water parks
32. Volleyball
33. Basketball
34. Floor hockey
35. Public gardens, bee keeping and community agriculture

OPERATIONAL EFFICIENCY & NEW BUSINESS CASES

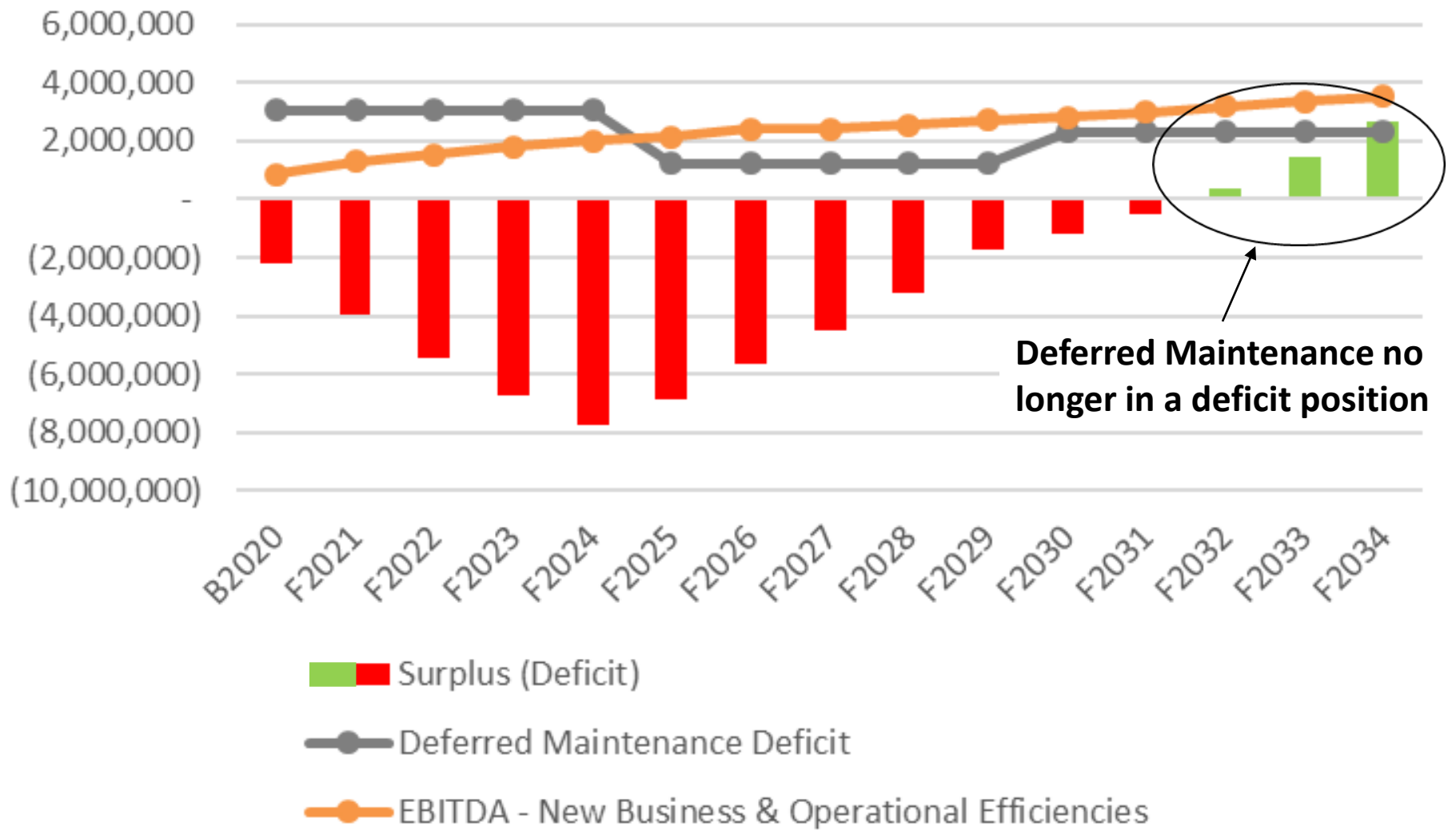
Financial Impact

- The new business cases are projected to generate an average of \$2.1M in annual revenue over the next 15 years.
- REAL can achieve the Board of Director's target for the next four years.
- In 2024, the financial gap between target and new business model begins.
- Although the new business cases and operational efficiencies have a positive impact on EBITDA, it will not achieve the sustainability level of growth the Board of Director's has identified for long term success.
- More importantly, the new business model does not meet the required annual capital investment to address the deferred maintenance risk.
- Deferred maintenance continues to compound and eventually (2032) REAL will be in a positive position as it relates to deferred maintenance.
- This will place REAL and the City of Regina in a vulnerable position as emergency capital replacement requests will require the support of Council.

OPERATIONAL EFFICIENCY & NEW BUSINESS CASES



OPERATIONAL EFFICIENCY & NEW BUSINESS CASES



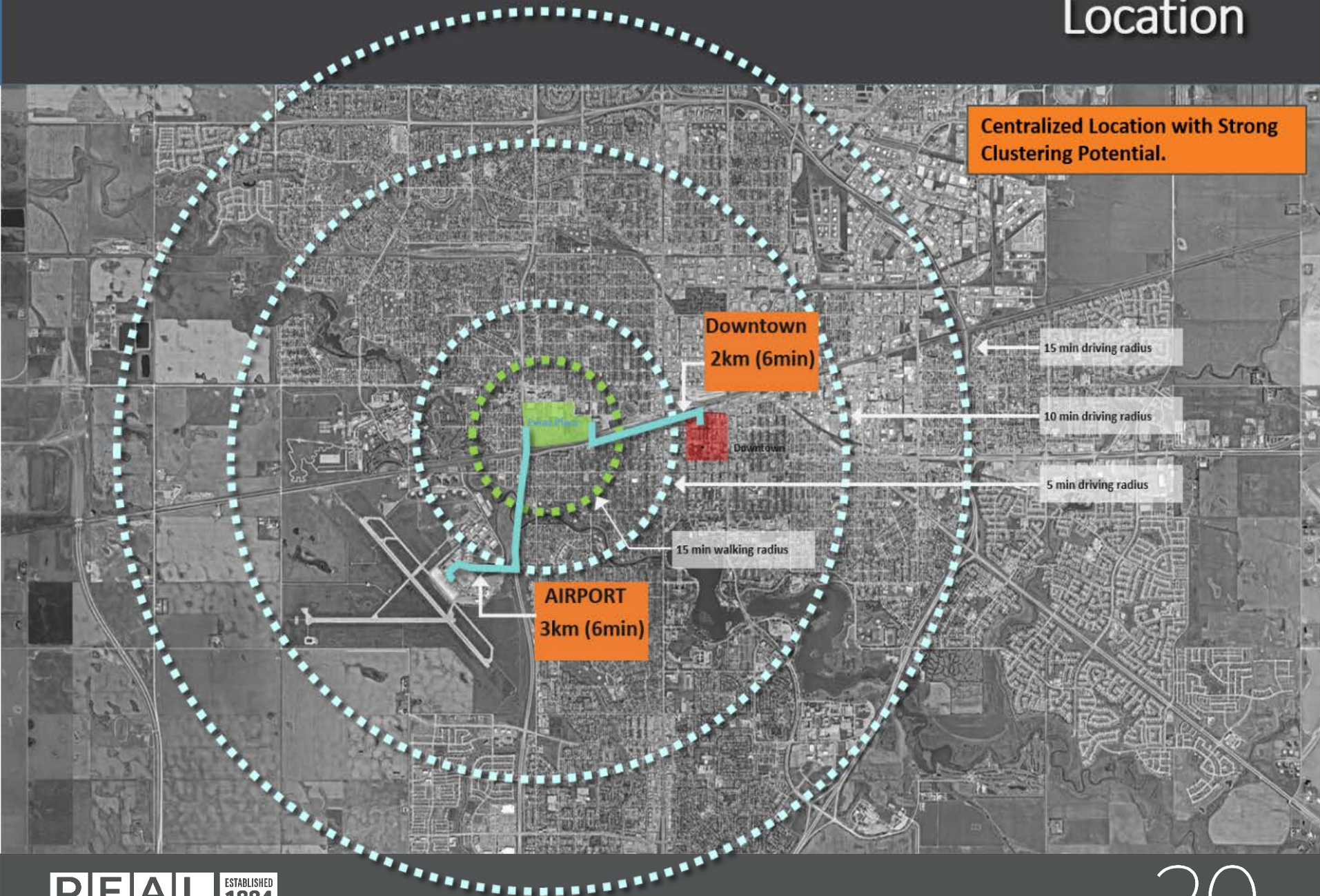
COMMERCIAL DEVELOPMENT IS CRITICAL



ANALYSIS OF THE SITE

- Evraz Place is strategically situated in the central core of Regina with strong connections to dense populations within the community.
- The site is connected by major vehicular transit on the Lewvan Ring Road, Dewdney, and Saskatchewan Drive.
- The site does have the opportunity for walking and bus connection although there is a desire for improved connectivity and gaps in the current alignment.
- The site is located adjacent to commercial lands to the East, a highway and residential space to the west, developing and transforming mixed-use development to the south, and historic and relatively lower economic position residential to the north.
- Evraz Place has a major railway directly to the south of the property that can create challenges to access at major events.
- Given the location of the site ingress and egress can often be a limitation when a combination of major events and high recreational activity occurs.

Location



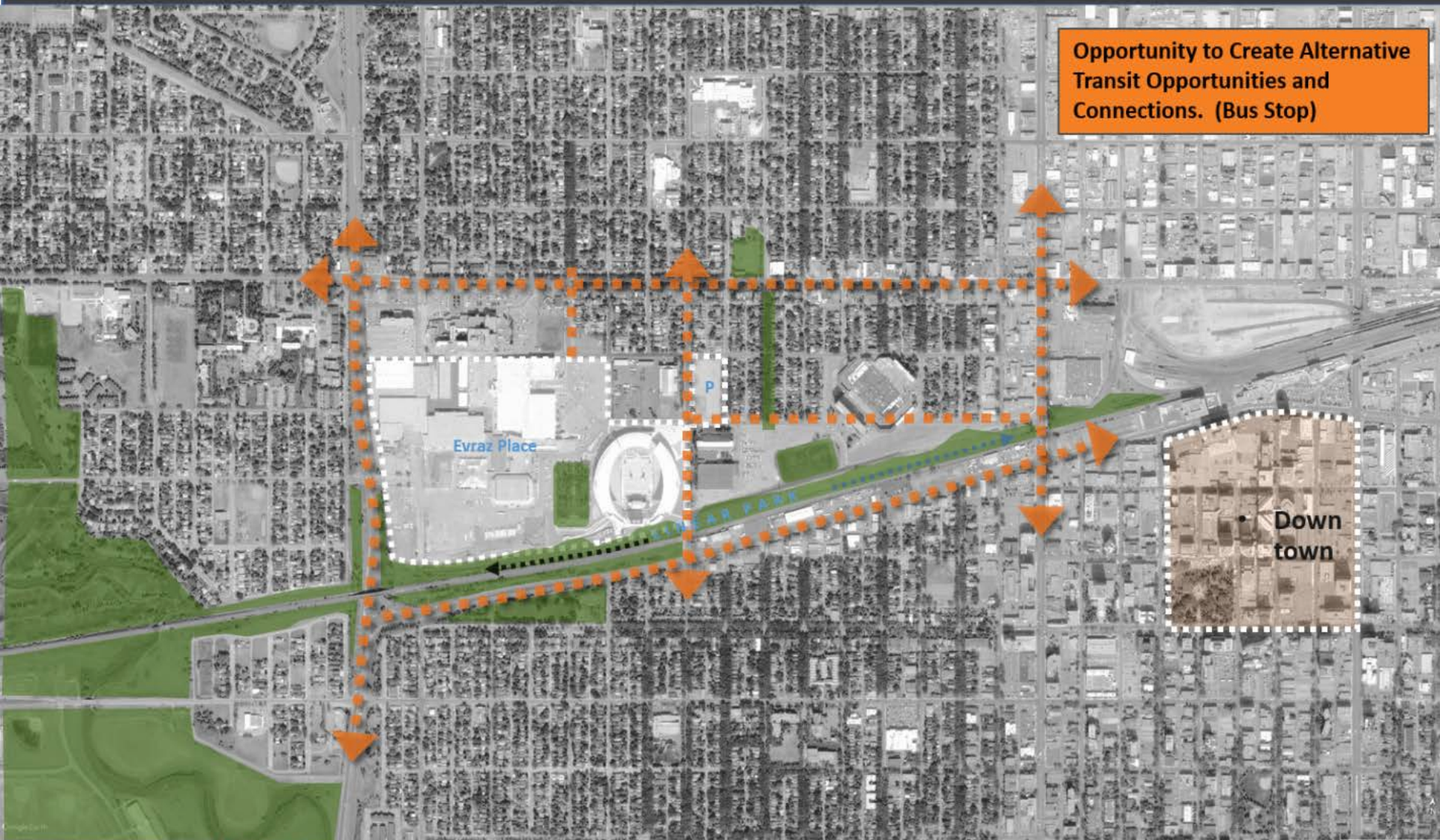
Roadways / Access

**Ingress and Egress Limitations
with Only Three Points of Entry.
(2500 Vehicles VS 4500 Parking)**



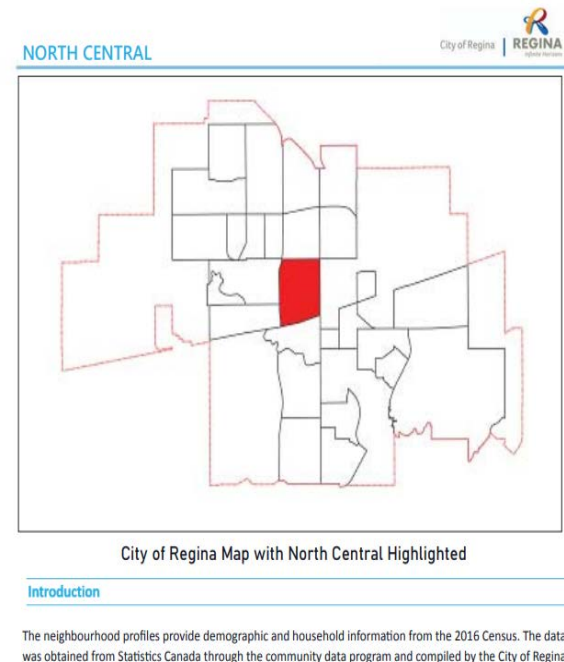
Green Connections

Opportunity to Create Alternative Transit Opportunities and Connections. (Bus Stop)



NORTH CENTRAL OPPORTUNITY

- The population in the North Central location is 9,580 in 2016.
- The average population age in North Central is 33.5.
- 33% of the households are single person, 30% are 2 persons, with households of 3-6 persons accounting for 36% of the neighborhood demographics.
- 44% of the population is not married, with 26% being married and 14% living in common-law relationships.
- 34% of the population has a high school diploma or equivalent and 34% of the population has no educational certification.
- 51% of the population aged 15 years and over are employed and 42% are not currently in the labour force, 7.4% are considered unemployed.



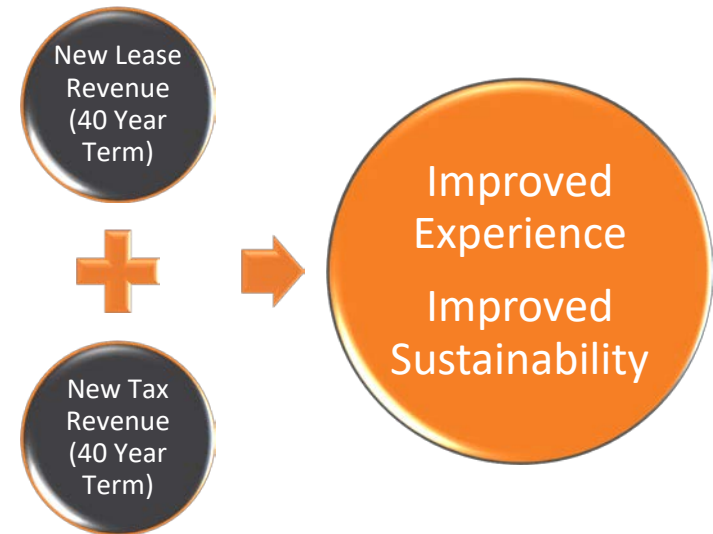
NORTH CENTRAL OPPORTUNITY

- Average household income is \$56K with the two largest income segments for those aged 15 years and over in private households is 21% at \$10K-\$19K and 19% earning between \$20K-\$29K.
- Of the household status in the community, 51% are rental properties and 49% are owned properties. 82% of the population uses vehicular transportation as the primary means of transit and the majority of that number 71% act as the driver.
- Only 10% of the community take public transit to work and less than 5% walk for employment. (The source of this data is the City of Regina Neighbourhood Demographics Summaries)
- The North Central Community would greatly benefit from the enhanced employment opportunities with the district development at Evraz Place.
- **A district will lead to:**
 - **job creation and security;**
 - **improved economic impact**
 - **greater utilization of the campus 365 days a year**
 - **enhanced visitation result in safer neighbourhoods**

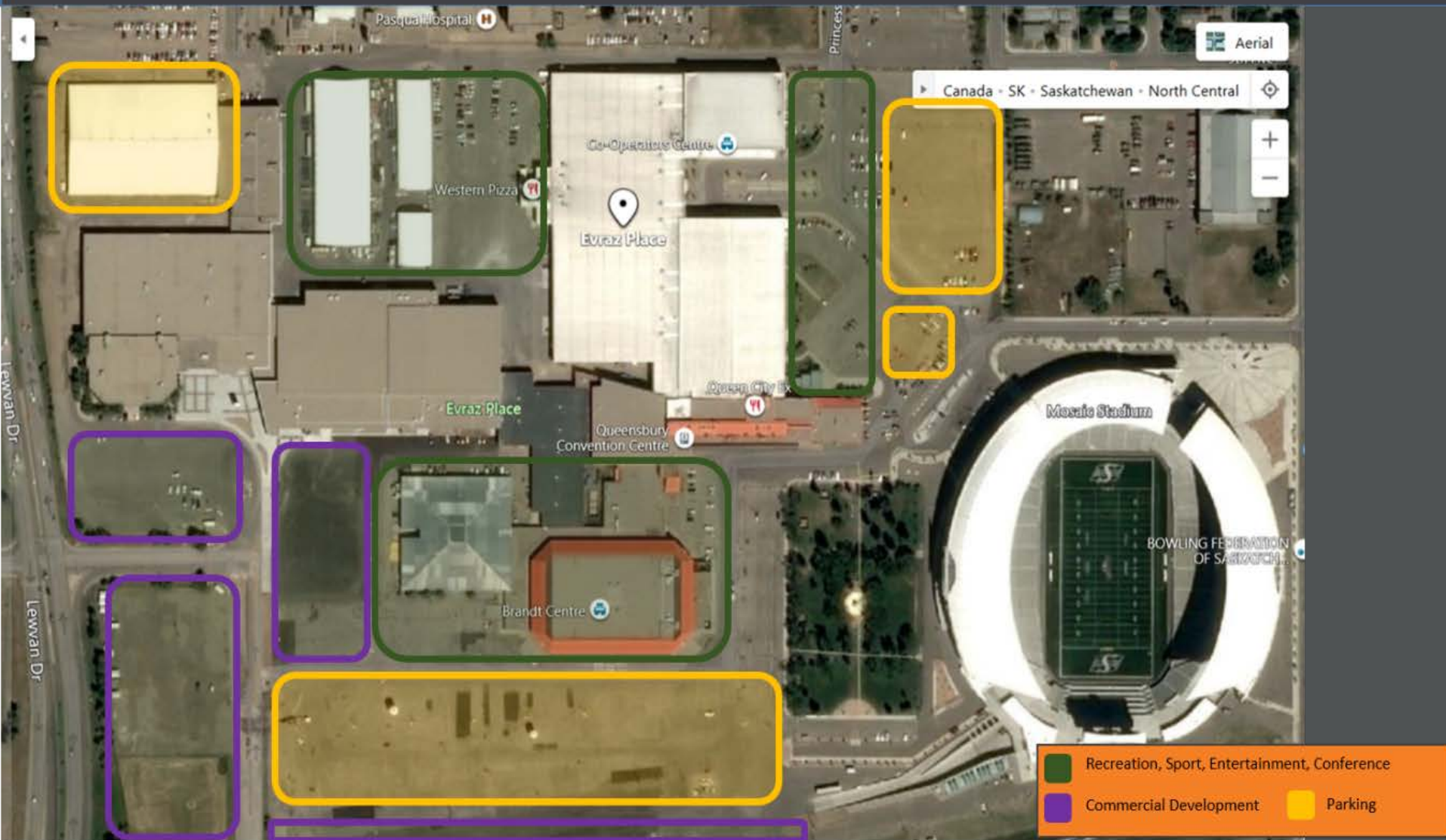


A DISTRICT MODEL

- The development of a district is best practice sought to achieve sustainability.
- The Board of Directors is cautious to advance with a mandate that is focused on our 102 acres.
- It is evident that development of a district must complement and fit within a greater city-wide strategy led by the City of Regina.
- The desire to collaborate and connect is critical to the long term success of a great city.
- REAL is facing an urgent need to enhance revenue to support the annual sustainability of operations on campus.



Concept Site Planning



COMMERCIAL DEVELOPMENT DESIGN CONCEPT

Site Considerations:

It is the position of the board of directors that a site design must consider the following elements:

1. Maintain necessary parking to meet recreational needs.
2. Maintain the necessary space to meet Queen City Ex, Canada's Farm Show, and Canadian Western Agribition.
3. Commercial Development should consider all reasonably aligned opportunities and should explore: retail, residential, hotels, physiotherapy and health, paid parking, but should exclude office related activities. There may be a desire to explore office space related only to not-for-profit space where synergies align and primarily related to sport, culture, and recreation.
4. Continued clustering of recreation, sport, entertainment, and conference, convention and tradeshow space.
5. Connectivity amongst spaces in all seasons.
6. Improved passive play and passive recreational opportunities.
7. Improved access to alternative transportation mechanisms.
8. Focus on the development of future recreational arena facilities on site.
9. Focus on complimentary summer recreational sports that are primarily synthetic turf driven to coordinate with Mosaic Stadium and the AffinityPlex.
10. Expansion to meet the needs of current growth projections of user groups.
11. Leveraging high visibility locations such as Lewvan Drive.
12. Minimizing the exposure to challenging development spaces such as adjacent to the railway tracks.
13. Vehicular flow improvement east to west on site.
14. Improved connectivity with the hospital and parking.
15. Reconsider the future of the Brandt Centre on site.
16. Enhanced development as a recreation tourism hub on the campus for major event hosting.
17. Development of a campus strategy to support welcoming, inviting, inclusive, and safe spaces.
18. 365 day, 24 hours a day activation of the site.
19. Removal of facilities that are no longer viable or sustainable. Recovery of these spaces for high utilization and high activation in the future.

COMMERCIAL DEVELOPMENT ALTERNATIVES

Considering a New Alternative

- Research completed by the Futures Committee identified the campus as being a prime location for future commercial development.
- REAL has 102 acres that could be developed, contributing to economic growth, employment opportunities and generating a sustainable business model.
- Short term job creation due to construction and development.
- Increased recreational tourism traffic and major event hosting.
- Initial concepts include:
 - new arena – Brandt Centre is at the end of its useful life
 - commercial development of 40 acres
 - fitness facility
 - outdoor synthetic field

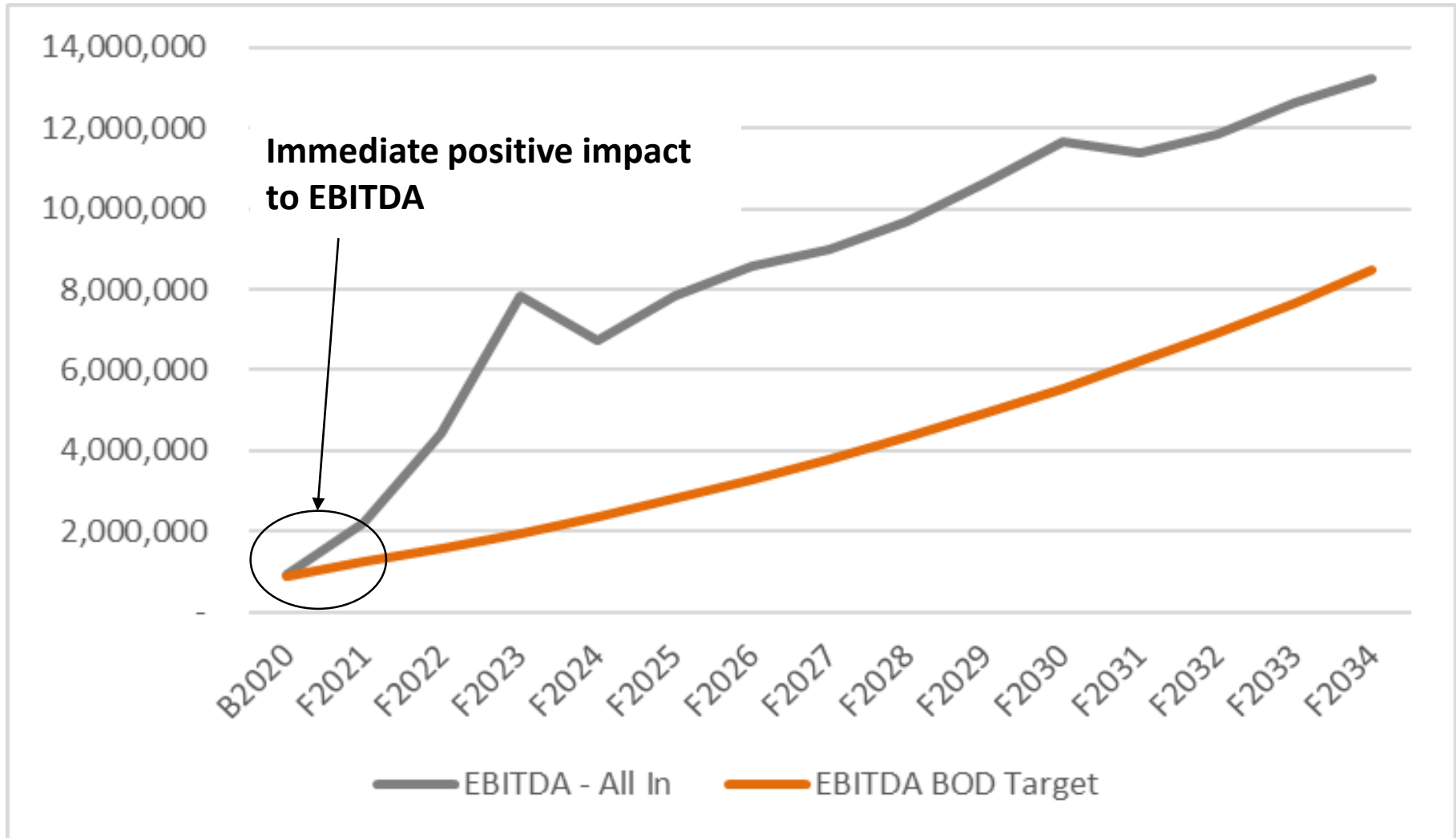


COMMERCIAL DEVELOPMENT FINANCIAL FACTS

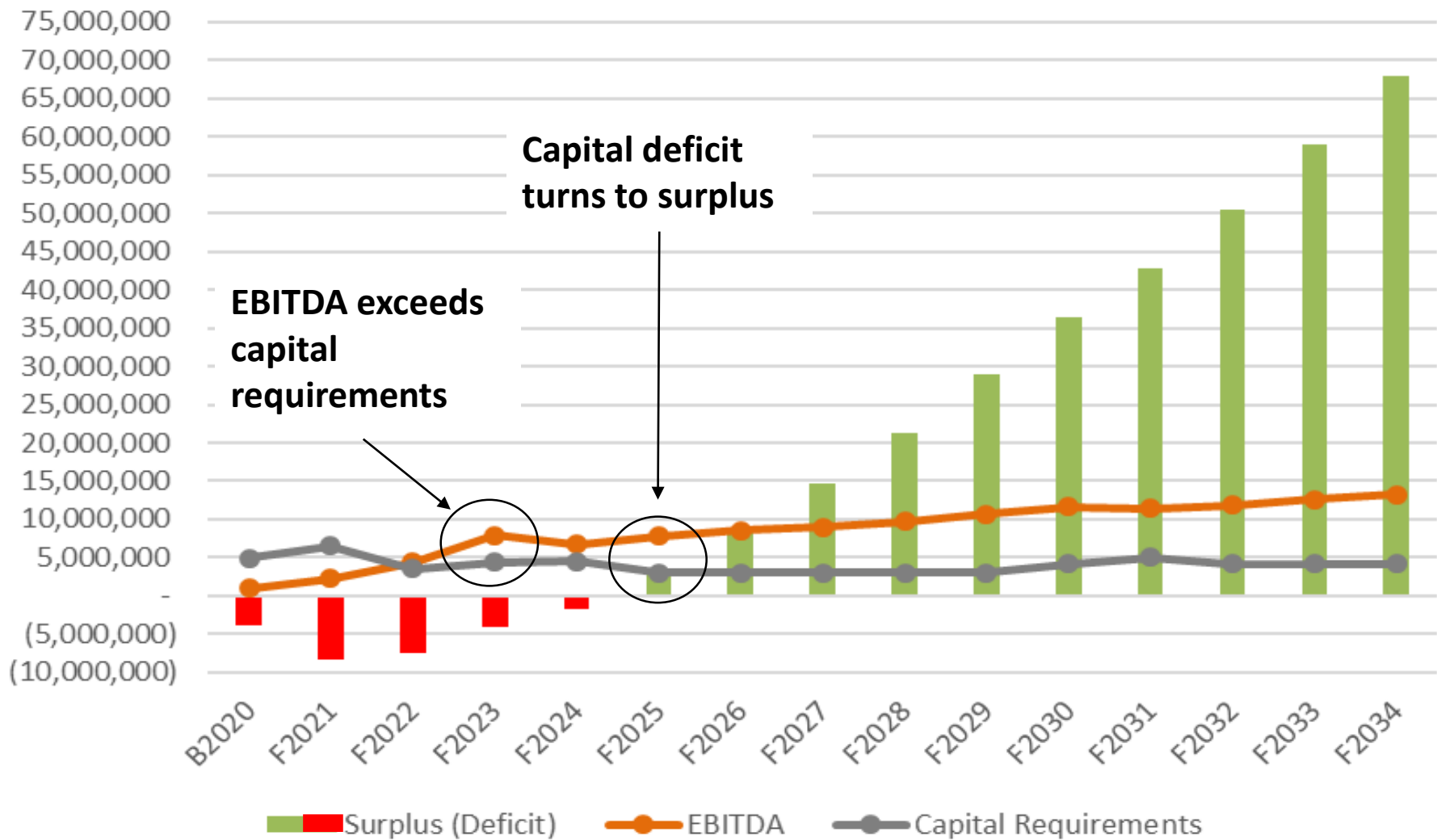
The Financial Facts

- Lease revenue based on **40 year-terms**.
- Additional tax revenue for the City of Regina.
- A significant impact on mitigating the risk around deferred maintenance.
- Creates additional funding for other capital initiatives that would enhance services, generate revenue and recognize business optimization opportunities.
- Ability to immediately meet and exceed Board of Director's strategic growth targets.
- Development timeline is conservative at an average of **2.5 acres** per year.
- Contributes average annual revenue of **\$27M** over the next 15 years.
- EBITDA is impacted – on average - **\$8.5M** annually.
- Capital requirements include funding for commercial development alternatives and the deferred maintenance value.
- In 2023 EBITDA exceed capital requirements and starts to reduce the capital deficit.

COMMERCIAL DEVELOPMENT EFFECT ON EBITDA



COMMERCIAL DEVELOPMENT FINANCIAL RESULTS



RISK ANALYSIS

1. Financial Sustainability:

Financial sustainability was recognized as the single largest risk at this time and into the future. Items that will substantially impact the ability for REAL to find a secure and sustainable plan for the future include the following:

- ability to develop a reasonable cash reserve to support the unexpected costs of doing business
- reduce dependency on major annual events to service annual operational costs
- support funds needed to explore the future of the Brandt Centre
- availability of funds to manage the deferred maintenance and ongoing maintenance needs of the site
- support the development cost of creating a “district model” at Evraz Place
- reinvest in key tenant relationships and event development

2. Industry Competition:

The event, recreation, sport, and entertainment marketplace is becoming fiercely competitive and organizations can no longer rely on the quality of assets to provide a competitive advantage. It is believed that this may be a reality for a number of years. Items for consideration include the following:

- the future of the Brandt Centre
- arena and entertainment development plans within the City of Saskatoon
- the performance of the Saskatchewan Roughrider Football Club
- the performance of Queen City Sports and Entertainment (Regina Pats)
- the performance of the Canadian Western Agribition
- the attendance and optimization of Queen City Ex & Canada's Farm Show
- the ability to successfully secure entertainment events at the Brandt Centre
- increasing competition in the mid-sized marketplace from Moose Jaw
- the ability to secure major sport tourism initiatives
- the ability to annually secure a minimum of one major event at Mosaic Stadium

3. Current Performance:

- The current business model at REAL must be modernized to the proposed EBITDA model to drive operational efficiency. Sustainable success will be defined by the following key outcomes:
 - understanding the expandability of the site related to underground utilities
 - the development of a highly activated district that generates new revenue opportunities from leasing potential
 - the continued clustering of recreational facilities to support future growth
 - the ability to align agreements with the City of Regina to support a long-term vision and authorities that support an entrepreneurial approach
 - the ability to develop a plan for the future of the Brandt Centre
 - strong events, conference, and convention strategy for the City of Regina
 - the potential of developing an active and effective sport tourism strategy within the marketplace
 - the generation of \$3M in annual EBITDA for REAL to support operational and capital needs

STAKEHOLDER MEETINGS

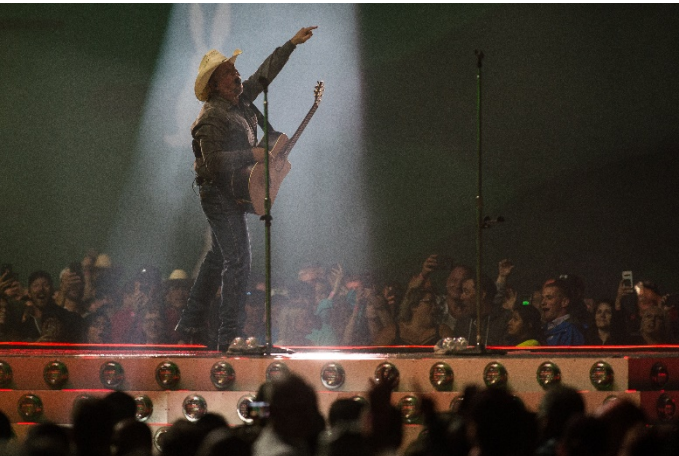
REAL met with the following groups:

1. City of Regina, Owner and Sole Shareholder
2. Sask Sport Inc.
3. Regina Airport Authority
4. Government of Saskatchewan
5. Regina Chamber of Commerce
6. Football Club Regina
7. Regina Downtown Business Improvement District
8. Regina Hotels Association
9. Economic Development Regina
10. Warehouse District
11. University of Regina
12. Saskatchewan Chamber of Commerce
13. Canadian Western Agribition
14. Saskatchewan Roughrider Football Club
15. Evraz Place Tenant Group

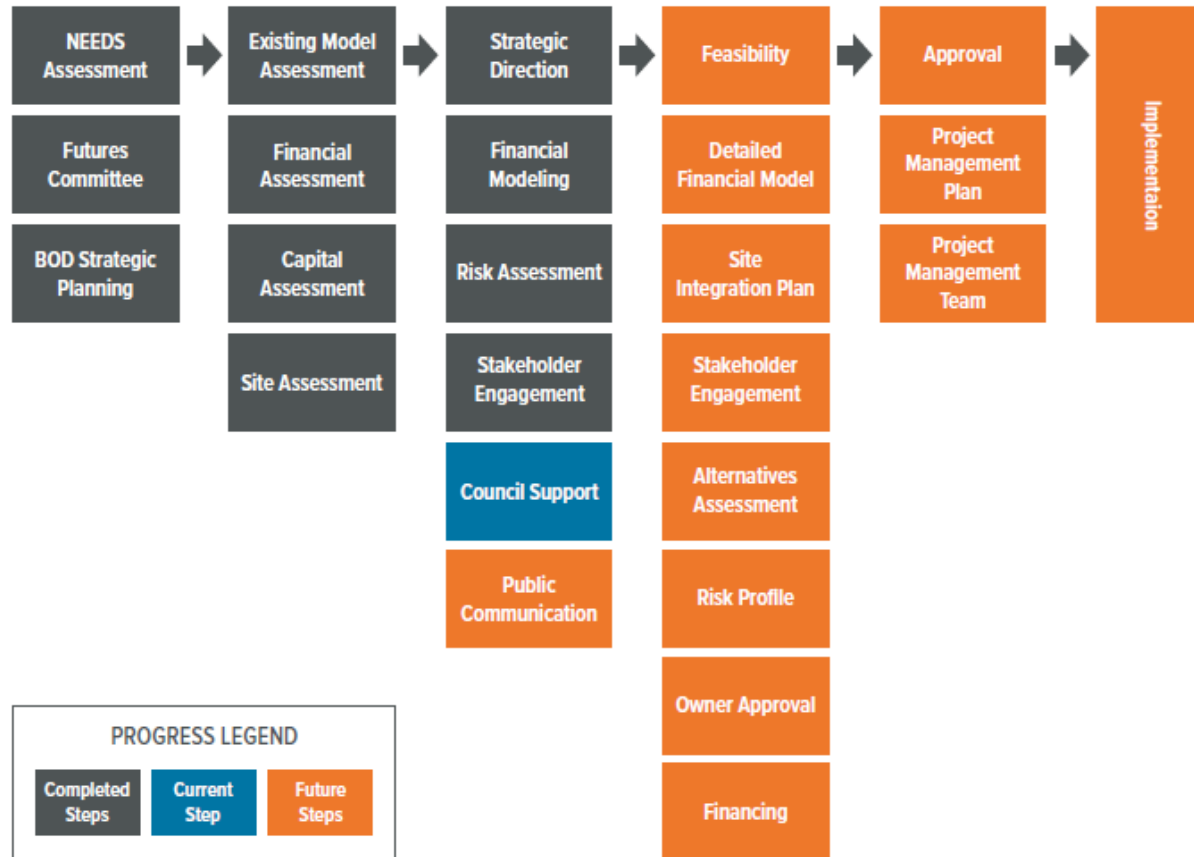


STAKEHOLDER FEEDBACK

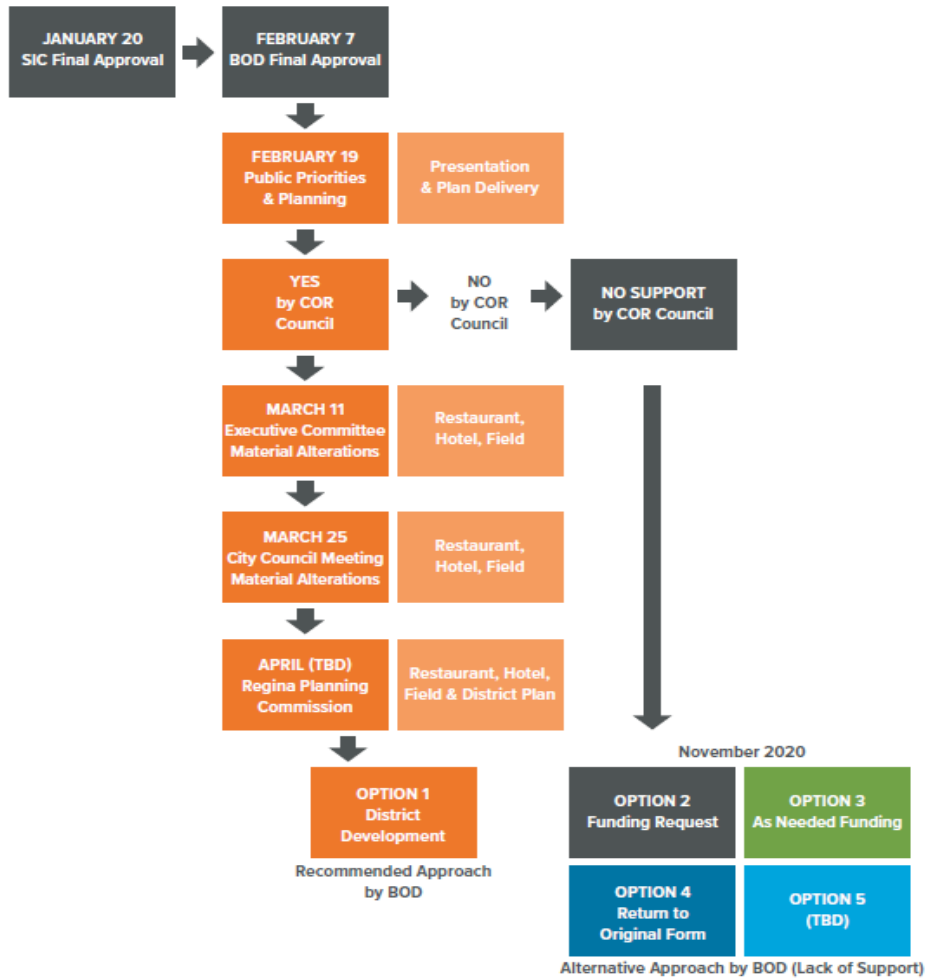
1. Provide an overall score for the future Strategic Plan for Evraz Place and REAL.
Overall, the average score was **76%**
2. Do you feel the future strategic plan presented will benefit REAL?
The overall score was **96% yes**
3. Do you feel the future strategic plan presented will benefit the City of Regina?
The overall score was **93% yes**



PROCESS OUTLINE FOR APPROVALS



PROCESS TIMELINE



NEXT STEPS & APPROVALS

The Board of Directors has invested roughly \$150K in work performed to date to support the understanding of needs and the evaluations of options related to the Evraz Place site.

If alignment in principle exists between the vision of the Board of Directors and the owner (City of Regina) related to the development of a mixed-use district at Evraz Place it is expected that further studies will be necessary to understand the impacts on the proposed vision to the following:

- Utilities and servicing
- Transit, ingress, egress, parking
- Alignment with collaborative city plans
- Site master planning model
- Financial model – total cost
- Utilization models

It is understood that substantial feasibility work must be performed to support any future progress on the District Model, but it is the position of the Board of Directors that this will occur following the direction from the owner to advance with the concept vision.

ECONOMIC IMPACTS

- 700+ Annual Events
- 3.5M Annual Visitors
- \$425M in Provincial GDP
- \$219M in Regina GDP
- 4,784 Provincial Jobs
- 2.4M Recreational Users
- 97% “Very Important” –
How important do you
feel Evraz Place is to
Regina?

ECONOMIC IMPACTS

Event	Earnings for REAL	Economic Impacts	Earnings vs. Economic Impact	Comments
Garth Brooks	\$700,000	\$18,000,000	4%	Audited STEAM Pro Model (Provincial)
Annual Operations	\$800,000	\$219,000,000	0.4%	City of Regina
Annual Operations	\$800,000	\$425,000,000	0.2%	Province of Saskatchewan



QUESTIONS?

THANK YOU

20.

136 YEARS IN THE MAKING