

Good evening, Mayor and Council,

My name is Jim Elliott.

I wish to speak to you about stadium project funding and financing.

I believe this project will do the following to the City of Regina:

**Reduced the resilience of this city to respond to change**

Resilience is defined as the ability to recover quickly from illness, change, or misfortune; buoyancy or the property of a material that enables it to resume its original shape or position after being bent, stretched, or compressed; elasticity.

Cities and municipalities need to get ready, reduce risks and become resilient to disasters and unforeseen change. What this city is proposing at this time is increase risks and limit the capacity of this city to respond effectively and effortlessly to the unknown future. We are being asked to commit to a certain future when we cannot plan. Who predicted the recession of 2008? Who knew Hurricane Sandy was coming? By making the following assumptions in your planning for the future, the ability of this city to sustain itself is diminished.

1. Assumptions

- a. Ongoing attendance needs to be over 27,500 per game for 30 years. Is anyone in this room able to guarantee that will happen over the next 30 years? Some of us in this room are likely not going to be alive at that time. Will there even be a football team in 30 years? Are residents in the future going to be burdened with a cost that they will not be able to recoup through ticket sales?
- b. The pictures and parts of the stadium need to be there to justify the expenditures. If through the design stage, when costs will dictate changes to the current design, when is the stop point in these proceedings? What is the drop dead point? If we can't finance the current spectator roof and everything else, is it then time to go to renovations of the current Mosaic Stadium? How much money will be spent to find out that we can't afford the proposed stadium? Are you going to be in the same position as the Regina Library Board putting all of your plans in one design and then having to go back to the drawing board when we find out that we can't afford to proceed?

- c. If this project significantly constrains the capacity of the city to limit its capital spending, what are people willing to give up to continue the building of the stadium? Are we likely to have built the stadium and be forced into not fixing water & sewer, roads, recreation facilities? What is our bottom line? Are more streets not going to be repaired or replaced as quickly as today? The infrastructure deficit is already at \$2 Billion. Or are we going to be seeing double digit tax increases just to keep what we currently have in our budget? Are we indenturing the future generations living in this city without their approval or agreement? Imagine how much infrastructure could be replaced with \$200.4 Million dollars of spending. What capital projects need to be delayed? Is this going to jeopardize the City of Regina from replacing the sewage treatment plant, the Regina Public Library Central Branch or other major infrastructure?

### **Budget Increases more than 0.45% for Ten Years**

We are shown in this year's budget that there is a 0.45% cost associated with the stadium. We were not told that there would be increases to that 0.45% increase in the first ten years of the funding proposal. We are now being told that this increase will have its own inflation so that the increase in future years will be higher than 0.45%. I refer you to the stadium calculator on the CBC website. We are now being told that there may be further increases in the city budgets for 30 years not just 10 and that the 0.45% per year is added on to the 0.45% from each previous year meaning that it will amount to a 4.5% increase over ten years. When will the increase due to the stadium overtake any increases in the overall budget caused by inflation or increased costs for all of the other services? Or are we going to see impacts on our services not just our capital expenditures by building this stadium?

### **Full cost Accounting for the Replacement of the Stadium**

We are being told that we are now a good municipality because we are going to collect money over the next 30 years to replace the stadium when it becomes run down too much to continue.

This begs the question: If we have agreed to fund the replacement of the future stadium, why has previous City Councils not committed to properly fund the repair and maintenance of the Mosaic Stadium and why have you

not acknowledged publicly that you have produced the deteriorations found in the Mosaic Stadium?

Just imagine what the Mosaic Stadium would have been in 2013 if previous Councils would have committed to the same level of support for the past 30 years. I have heard that we are putting in some \$800,000 into the stadium in recent years. That is 10% of what we perhaps should have put in to the stadium? Would we have better washrooms? Would we have had elevators? Would we have had catering services, better seats?

### **Loss of Investment in Stadium**

The new transfer of funds from the spectators through the facility fee from the stadium ticket holders to the repayment of the \$100 Million dollar loan eliminates a source of \$66 Million dollars from being invested into the stadium over the next 30 years. The current ticket holder was investing \$8 per game into a fund that was being reinvested in the stadium. Using the same estimates of attendance, that would amount to \$2.2 Million dollars per year or almost 3 times the amount this City Council was willing to invest. Instead of that being put to the maintenance and repair of Mosaic Stadium, that now will go going to pay off a loan from the government of Saskatchewan.

### **Increases in Cost of the Stadium**

City Council should be aware of the always increasing inflation of construction costs. Over the past two years, this same anticipated inflation may have increased the cost of the proposed stadium by about 40.3 Million dollars using the lower of the 7 to 10 per cent inflation figures. When you have none of the partners in the project (the province of Saskatchewan, the Saskatchewan Roughriders and the City of Regina) not willing to cover off any increases above the \$278 Million cap, then there are only four options:

- Those signing the financing and building of the stadium must be willing to build at any costs or
- Decrease the costs of the project by an equivalent amount reducing the complexity or extent of the project or
- Forgoing any measure of profit margin within the pricing of the materials and labour or
- Not bidding in on the project

Other problems may arise before the contract is signed. What happens if less than three contractors qualify for the project? Does this force the City of Regina to go back to the drawing board or will they still push forward? Or does this increase the risks sufficient that this Council will reconsider their options?

A similar dilemma as above could arise if there are a number of significant weather, labour or material delays. If we have a very wet number of days, what will that delay create in the case of costs? If it is hard to find an adequate supply of labour, what will that do to the project or to other projects that may require equivalent skills? If the supply of some materials is delayed for some reason, how will that ripple through the project? My question is when will we have delays, not if? Will they happen during construction?

With these and other risks, I still believe this current project should be put on hold while a full up to date complete reassessment of the option to rejuvenate Mosaic Stadium should be completed. I believe it will be seen as more viable and appropriate for the City of Regina and the Saskatchewan Roughriders.

Respectfully submitted,

Jim Elliott