



THE
INNOVATION
GROUP

ENMAX Centre Master Plan Final Report

January 15, 2024



Agenda

- I. Introduction
- II. Current Situation
- III. Market Analysis
- IV. Revenue Model
- V. Master Plan Process
- VI. Next Steps
- Appendix



I. INTRODUCTION



INTRODUCTION - GENERAL

- The Innovation Group was retained by the City of Lethbridge (“City”) through a Request for Proposals public procurement process to develop a long-term Master Plan for the ENMAX Centre that maximizes the venue’s utilization and value to the community.
- The purpose of the Master Plan is to enable the ENMAX Centre management to move forward in an integrated, cohesive, and thoughtful manner.
- Key in our work was meeting with a wide variety of potential stakeholders. We interviewed approximately 15 local stakeholders to understand their views on the facility and its services, and how it influences their own business and personal decisions.
- The Innovation Group has also built a financial model to memorialize base performance and test future forecast scenarios for the ENMAX Centre under different business and physical development scenarios.

INTRODUCTION – Scope of the Study

- The key objectives for our review included the following:
 - *Determine current and future facility needs to meet the City requirements*
 - *Determine the requirements of a future facility that would benefit the community the best*
 - *Determine and analyze the best way to proceed in the future with the ENMAX Centre (or a new replacement facility)*
- Our team has worked closely with the ENMAX management team and other key stakeholders including the Lethbridge Hurricanes organization to assess the status of the facility and its operations, and future infrastructure and business opportunities.
- Our analysis focused primarily on facility requirements, visitation, and revenue opportunities for the ENMAX Centre.
- Our recommendations include implementation plans for moving forward – some components of which, will require additional reports/studies from technical/specialized resources.
- The following sections details our analysis and findings.



II. CURRENT SITUATION



CURRENT SITUATION - INTRODUCTION

- The City of Lethbridge is southwestern Alberta's largest community and located approximately 2 hours south of Calgary.
- The population of the City of Lethbridge is approximately 106,000 and is home to two major post-secondary institutions – the University of Lethbridge and Lethbridge College
- The ENMAX Centre was built in 1974 and is home to the Lethbridge Hurricanes of the Western Hockey League ("WHL"). The ENMAX Centre will celebrate its 50th anniversary in 2024. Over the years, the ENMAX Centre has hosted concerts, sporting events, multi-cultural events and other uses.
- In 2012, a \$33.7 million renovation was completed and included the addition of 18 luxury suites, improvements to the concessions and washrooms, a new press box and the development of the Canadian Western Bank Lounge ("CWBL"). The project was jointly funded by the City of Lethbridge, the Municipal Sustainability Initiative Grant, and a Major Community Facilities Grant.



Current Situation – Facility Overview

- The Lethbridge Hurricanes are the anchor tenant for the ENMAX Centre which has a total capacity of 5,326 for hockey games.
- The ENMAX Centre is also the facility choice for a significant number of Entertainment/Special Events and has a capacity of 5,900 for the largest events.

TABLE I: ENMAX CENTRE FACILITY OVERVIEW

	Capacity/Amounts
Lethbridge Hurricanes	5,326
Luxury Suites (24)	288 (included in above total)
Entertainment/Special Events:	
Large (Full)	4,200 to 5,900
Medium (Half)	2,550 to 3,800
Small (1/3)	1,100
CWBL:	
Reception Style	400
Banquet Set-up	250
Hockey Game/Entertainment/Special Events	200
Number of Parking Stalls	1,610

Source: The ENMAX Centre

Current Situation – Facility Overview

- There are several seating choices for Lethbridge Hurricanes games including Luxury Suites, Club Seats, Luxury Lounge Seats, VIP Tables/Seats, Party Deck, and general admission.
- There are approximately 1,400 season ticket holders (excluding Luxury Suites).
- There are currently waiting lists for Luxury Suites and Luxury Lounge season tickets.

TABLE II: ENMAX Centre – Lethbridge Hurricanes Seating Capacity

	Seating Capacity	Comments
Lower Bowl	2,804	Includes 99 Club Seats sold as Season Tickets only
Upper Bowl	1,794	
Luxury Suites (24)	288	ENMAX can add 96 more individuals (4 per suite)
VIP Tables & Seats	53	Sold as Season Tickets only (located on south end along boards)
South End Zone	50	Sold as Season Tickets only (located above VIP Tables & Seats)
Luxury Lounge Seats	38	Sold as Season Tickets only
Overflow Limit	<u>300</u>	ENMAX can also add 50 more individuals
TOTAL	5,326	

Source: The ENMAX Centre

Note: Figures exclude Standing View (153) and Wheelchair Stations (30).

Current Situation – Facility Overview

- There are several options/pricing levels to purchase tickets for Lethbridge Hurricane games.
- In 2022, the average ticket price for Lethbridge Hockey games was approximately \$15.00.

TABLE III: *ENMAX Centre – Lethbridge Hurricanes Ticket Prices (2023/2024 Season)*

Ticket Pricing Breakdown/Game	
Season Ticket Pricing:	
Loyalty Season Tickets	\$11 to \$18
Regular Season Tickets	\$12 to \$20
Club Seats	\$22 to \$23
VIP Seats	\$31 to \$35
Flex Packs	\$12 to \$22
Single Game Ticket Pricing:	
Single Game Tickets	\$15 to \$24
Group Tickets (10 or more)	\$13 to \$20
Family Pack	\$15 to \$20

Source: The ENMAX Centre

- The average ticket price of \$15.00 is based on 'total attendance' – which includes all tickets sold (i.e., face value, discount voucher tickets, and complementary tickets) and may not be representative of actual game-day attendance.

Current Situation – Operating Performance

The ENMAX Centre hosted 119 events with attendance of 212,713 patrons in 2022:

- **Lethbridge Hurricane Games** – 39 events (33%) and attendance of 119,725 (56%)
- **Entertainment/Special Events** – 45 events (38%) and attendance of 81,611 (38%)
- **Other Events** – 35 events (29%) and attendance of 11,377 (5%)

TABLE IV: ENMAX Centre – Number of Events and Attendance (Calendar 2022)

	# of Events	% of Total	Total Attendance*	% of Total
Hockey	39	33%	119,725	56%
Entertainment/Special Events:				
Large	31	26%	66,976	31%
Medium	5	4%	8,317	4%
Small	<u>9</u>	<u>8%</u>	<u>6,318</u>	<u>3%</u>
Subtotal	45	38%	81,611	38%
Other:				
CWBL	27	23%	5,215	2%
Outdoor Events	<u>8</u>	<u>6%</u>	<u>6,162</u>	<u>3%</u>
Subtotal	<u>35</u>	<u>29%</u>	<u>11,377</u>	<u>5%</u>
TOTAL	119	100%	212,713	100%

Source: The ENMAX Centre

Note: Figures exclude Lethbridge Hurricane Exhibition Games and Training Camp

*Total attendance includes all tickets sold (i.e., face value, discount voucher tickets, and complementary tickets) and may not be representative of actual game-day attendance.

Current Situation – Operating Performance

- The 39 **Lethbridge Hurricanes** games generated an average attendance of 3,070 in 2022, and an occupancy/utilization level of 58%.
- The 45 **Entertainment/Special Events** in 2022 included:
 - *Large Events* (31) – average attendance of 2,161; occupancy/utilization level of 37%.
 - *Medium Events* (5) – average attendance of 1,663; occupancy/utilization level of 44%.
 - *Small Events* (9) – average attendance of 702; occupancy/utilization level of 64%.

TABLE V: ENMAX Centre – Number of Events and Attendance (Calendar 2022)

	# of Events	Total Attendance*	Capacity	Average Attendance	Occupancy / Utilization
Hockey	39	119,725	5,326	3,070	58%
Entertainment/Special Events:					
Large (Full – 4,200 to 5,900)	31	66,976	5,900	2,161	37%
Medium (Half – 2,550 to 3,800)	5	8,317	3,800	1,663	44%
Small (1/3 – 1,100)	<u>9</u>	<u>6,318</u>	<u>1,100</u>	<u>702</u>	<u>64%</u>
Total	45	81,611	NA	NA	NA

Source: The ENMAX Centre

Note: For the purposes of the above analysis, the maximum # of seats in each configuration was used to calculate occupancy/utilization.

*Total attendance includes all tickets sold (i.e., face value, discount voucher tickets, and complementary tickets) and may not be representative of actual game-day attendance.

Current Situation – Operating Performance

The table below provides peak event attendance, average attendance analysis, and the number of events with >3,000 attendees in 2022. Of note:

- **Hockey** – The Lethbridge Hurricanes generated an average of 4,403 attendees for their top 5 hockey games, however there is a relatively large drop-off to 3,581 when you average the top 10 games, and then all other games is 2,579. The busiest Lethbridge hockey games are typically opening night, late season games, and playoff games. Hockey attendance can also be somewhat event-driven based on team performance and other factors such as the visiting team (i.e., Connor Bedard).
- **Entertainment/Special Events** – The ENMAX Centre generated an average of 3,648 attendees for their top 5 events, 3,133 when you average the top 10 events, and then 2,228 for all other events. The busiest events in 2022 were Bryan Adams, ZZ Top, Holiday Dreams Cirque, PBR (Professional Bull Riders), Pow Wow, and The Brier. There is then a significant drop-off in attendance levels for all other events.

TABLE VI: ENMAX Centre – Peak Event and Average Attendance Analysis (2022)

	Peak Event	Average of Top 5 Events	Average of Top 10 Events	Average of all Other Events	Number of Events >3,000
Hockey	5,000	4,403	3,581	2,579	20
Entertainment/Special Events	4,825	3,648	3,133	2,228	5

Source: The ENMAX Centre

Note: Entertainment/Special Events includes Large events only.

Current Situation – Revenue Analysis

- The ENMAX Centre generated revenues of approximately \$8.5 million in 2022, compared to pre COVID-19 levels of \$7.8 million in 2019. According to ENMAX management, the increase in revenue is primarily as a result of higher demand and ticket pricing for larger Entertainment/Special Events including Cirque du Soleil and the Brier, as well as some modest food & beverage price increases.
- As part of the arrangement with the Lethbridge Hurricanes, the ENMAX Centre receives 12% of gross ticket revenue (\$172,184 in 2022). As such, total hockey ticket revenue in the table below is understated and was \$1,434,867 in 2022.

TABLE VII: ENMAX Centre – Revenue Summary (Calendar 2022)

	Ticket Revenue	Food & Beverage Revenue	Other Revenue	Total
Hockey	\$172,184	\$771,525	NA	\$943,709
Entertainment/Special Events	\$3,793,411	\$810,332	NA	\$4,603,743
Suite Revenue	NA	NA	\$785,451	\$785,451
CWBL	NA	\$588,121	\$41,770	\$629,891
Other	<u>NA</u>	<u>NA</u>	<u>\$1,580,464</u>	<u>\$1,580,464</u>
TOTAL	\$3,965,595	\$2,169,978	\$2,407,685	\$8,543,258

Source: The ENMAX Centre

Note:

Hockey Ticket Revenue – As part of the arrangement with the Lethbridge Hurricanes, the ENMAX Centre receives 12% of gross ticket revenue (\$172,184 in 2022). As a result, total hockey ticket revenue was \$1,434,867 in 2022.

Entertainment/Special Events – Includes Rental Revenue, Merchandise, and Other Revenue.

CWBL – The ENMAX Centre receives 100% of Alcohol Revenue and 18% of Food Revenue from CWBL through a 3rd party arrangement.

Current Situation – Revenue Analysis

- **Ticket Revenue** – Entertainment/Special Events (\$93,025) generate a significantly higher level of revenues on per event basis than hockey (\$46,861) primarily due to:
 - Entertainment/Special Events generally have higher ticket prices than hockey games
 - Entertainment/Special Events Ticket Revenue includes Rental Revenue, Merchandise and Other Revenue
- **Food & Beverage** – Hockey and Entertainment/Special Events each generate approximately the same level of food & beverage revenues (\$25,000 range)

TABLE VIII: ENMAX Centre – Revenue per Event Analysis (Calendar 2022)

	# of Events	Ticket Revenue/Event	Food & Beverage/Event	Total Revenue/Event
Hockey	39	\$46,861	\$25,159	\$72,021
Entertainment/Special Events	45	\$93,025	\$25,365	\$118,390
Total	84	\$71,592	\$25,270	\$96,862

Source: The ENMAX Centre

Note:

Hockey Ticket Revenue part of the arrangement with the Lethbridge Hurricanes, the ENMAX Centre receives 12% of gross ticket revenue (\$172,184 in 2022). As a result, total hockey ticket revenue was \$1,434,867 in 2022.

Entertainment/Special Events – Includes Rental Revenue, Merchandise, and Other Revenue.

Ticket Revenue – includes Suite Revenue (\$785,451) which is allocated on a 50:50 basis between Hockey and Special Events/Entertainment based on discussions with ENMAX management.

Food & Beverage Revenue – includes CWBL Food & Beverage Revenue, which is allocated 38:60:2 between Hockey, Special Events/Entertainment, and CWBL events based on discussions with ENMAX management.

Current Situation – Revenue Analysis

- Entertainment/Special Events generally outperform Hockey when comparing the average ticket price (\$51 vs \$15) and average food & beverage spend/visit (\$14 vs \$8) as summarized below.

TABLE IX: ENMAX Centre – Average Ticket Price & Food & Beverage Visit (Calendar 2022)

	Total Attendance	Ticket Revenue	Food & Beverage Revenue	Average Ticket Price	Average Food & Beverage /Visit
Hockey	119,725	\$1,827,592	\$981,220	\$15	\$8
Entertainment/Special Events	<u>81,611</u>	<u>\$4,186,137</u>	<u>\$1,141,429</u>	<u>\$51</u>	<u>\$14</u>
Total	201,336	\$6,013,729	\$2,122,648	\$30	\$11

Source: The ENMAX Centre

Note:

Hockey Ticket Revenue – As part of the arrangement with the Lethbridge Hurricanes, the ENMAX Centre receives 12% of gross ticket revenue (\$172,184 in 2022). As a result, total hockey ticket revenue was \$1,434,867 in 2022.

Entertainment/Special Events Revenue – Includes Rental Revenue, Merchandise, and Other Revenue.

Ticket Revenue – includes Suite Revenue (\$785,451) which is allocated on a 50:50 basis between Hockey and Special Events/Entertainment based on discussions with ENMAX management.

Food & Beverage Revenue – includes CWBL Food & Beverage Revenue, which is allocated 38:60:2 between Hockey, Special Events/Entertainment, and CWBL events based on discussions with ENMAX management.

Current Situation – Facility Constraints

- The ENMAX Centre was built in 1974 and has hosted thousands of hockey games, entertainment events, special events, and other uses.
- The Innovation Group toured the ENMAX Centre and conducted several meetings with ENMAX management.
- As would be expected with a building that is 50 years old, there are several facility constraints which impact customer experience, market demand, and operating efficiencies.
- Many of these facility constraints could not be addressed through regular facility improvements and would require either 1) significant capital investment, or 2) development of a new facility.
- These facility constraints can be grouped within the following categories, as summarized on the following slide:
 - General – Front of House
 - General – Back of House
 - Seating
 - Food & Beverage

Current Situation – Facility Constraints

Item	Description
General – Front of House:	
Ticketing Booths	• Inability to consolidate the two (2) ticketing booths into one location for efficiencies
Lobby/Crush Space	• The lobby/main entrance appears insufficient to manage peak periods
Railings	• The lower bowl does not offer railings to assist customers
General – Back of House:	
Rigging Grid System	• The current system is inefficient for set-up/take down and for hosting Broadway shows
Loading Dock	• There is a need for 5 to 6 forklifts for event set-up/take down for certain shows
Parking Lot	• Traffic flow is inadequate and will not be addressed through current repaving project
Office locations (ENMAX & Hurricanes)	• Locations are in prime space that could be better used to enhanced customer experience
Seating:	
General Seating	• There is a lack of comfortability, space between individual seats, and no drink holders
Wheelchair Stations	• There is no drink or food tray holders available for customers
24 Luxury Seats	• There is currently a waiting list and no real opportunity to add more seating capacity
38 Luxury Lounge Seats	• There is currently a waiting list and no real opportunity to add more seats
South-End VIP Tables and Chairs	• While they are a unique offering to the facility, the current set-up limits maximum capacity
Food & Beverage:	
Game-day Experience	• No true offering exists where customers can experience a game from a full-service outlet
CWBL	• The hybrid use between game-day use and special purpose events creates some limitations

Current Situation – Summary Findings

- Lethbridge Hockey Games attendance is relatively stable, however opportunities still exist to grow visitation to pre COVID-19 levels and higher levels.
- Entertainment/Special Events represent a tremendous opportunity to grow visitation and revenue through the addition of large tier events.
- The ENMAX Centre is used annually for 85 hockey and entertainment/special events days. The challenge is attracting the appropriate entertainers/events and at a price point that meets customer demand in the current facility.
- We believe opportunities exist in the Lethbridge market to increase the number of event days through additional events/entertainers, attracting a 2nd anchor tenant, and through general community uses.
- The ENMAX Centre appears structurally sound, well-maintained, and appears to have additional years from a facility lifecycle perspective – however the physical building constraints limit the ability for ENMAX management to offer an enhanced customer experience, drive increased visitation, and attract new/alternative events when compared to more modern and innovative facilities.



III. MARKET ANALYSIS



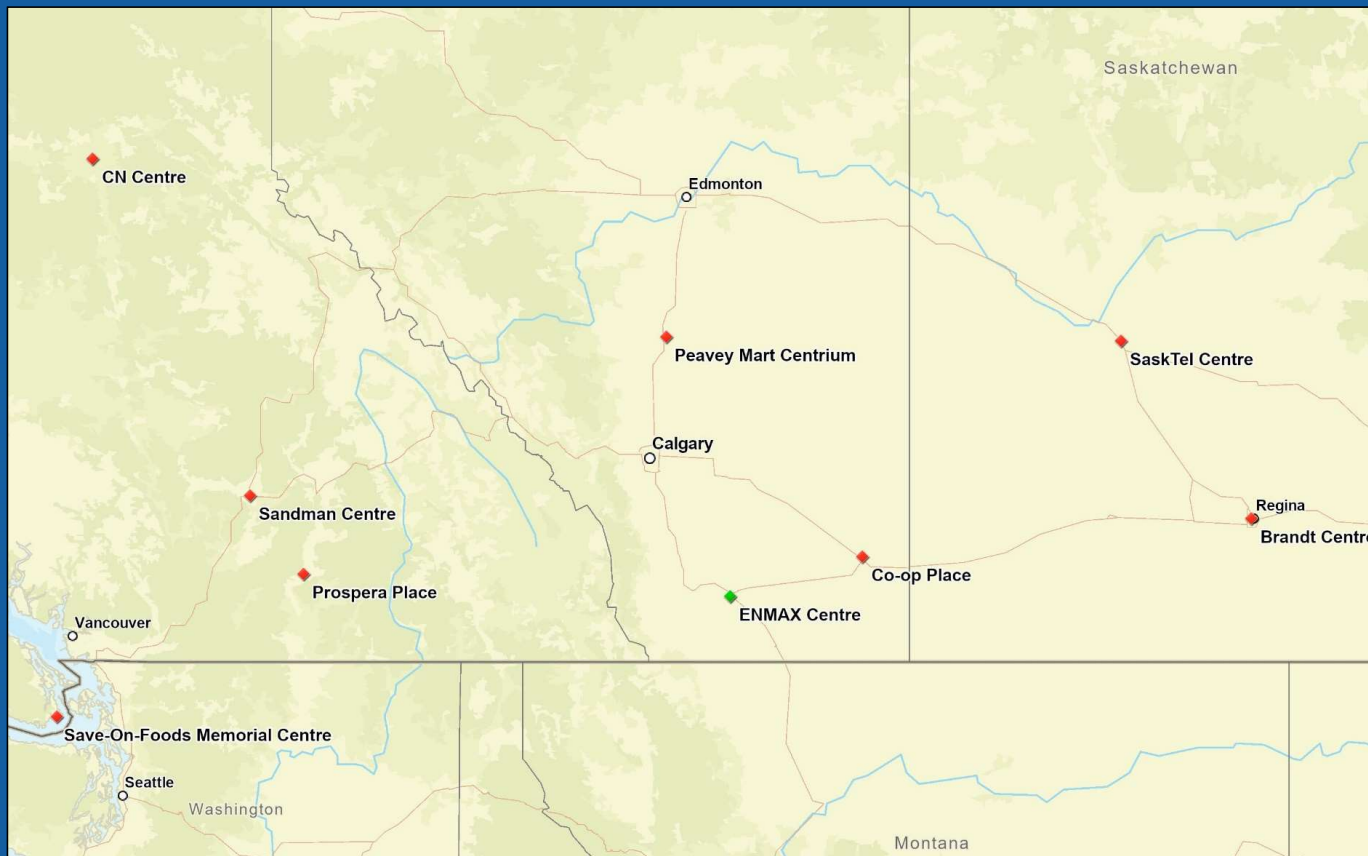


MARKET ANALYSIS – MARKET COMPARABLES

- The Innovation Group identified eight WHL teams/facilities for us to conduct a comparative analysis with respect to attendance, utilization, and other data points and key metrics.
- These teams/facilities are located in BC, Alberta, Saskatchewan, and Washington and the local population ranges from 75,000 (Medicine Hat) to 430,000 (Victoria).
- Each market/facility is unique and attendance/utilization can be impacted by many factors, for example:
 - Population
 - Market Size/Scale
 - Building Facility – location (downtown vs. rural), age, capacity, amenities
 - WHL Team Performance
 - Competitive Market
- The following slides detail the key findings and learnings.

Market Analysis – Market Comparables

Map of WHL Teams/Facilities Comparables



Market Analysis – Market Comparables

TABLE X: WHL Comparables – Hockey Utilization (2022/2023)

WHL Team	Arena	Population (within 30km)	Seating Capacity	Average Attendance	Utilization Rate
Kamloops Blazers	Sandman Centre	112,538	5,419	4,902	90%
Saskatoon Blades	SaskTel Centre	339,354	15,150	4,506	30%
Regina Pats	Brandt Centre	266,690	6,754	4,501	67%
Kelowna Rockets	Prospera Place	226,416	6,507	4,305	66%
Red Deer Rebels	Peavey Mart Centrium	184,133	8,051	4,163	52%
Victoria Royals	Save-On-Foods Centre	427,838	6,974	3,560	51%
Lethbridge Hurricanes	ENMAX Centre	138,996	5,326	3,525	66%
Prince George Cougars	CN Centre	95,972	5,889	2,755	47%
Medicine Hat Tigers	Co-op Place	<u>76,591</u>	<u>6,124</u>	<u>2,651</u>	<u>43%</u>
Average		207,614	7,355	3,874	53%

Source: ESRI, Western Hockey League Official Guide, Hockeydb.com

- The ENMAX Centre has the lowest seating capacity, but the 6th highest population base.
- ENMAX Centre average attendance is the 3rd lowest, but the utilization is tied for the 3rd highest.
- The data indicates that opportunities may exist to increase attendance and seating capacity at the ENMAX Centre.

Market Analysis – Market Comparables

TABLE XI: WHL Comparables – Average Historical Hockey Attendance (2022/2023)

WHL Team	Arena	2018/ 2019	2021/ 2022	2022/ 2023	2018/2019 vs 2022/2023
Kamloops Blazers	Sandman Centre	4,007	3,471	4,902	22%
Saskatoon Blades	SaskTel Centre	3,911	3,390	4,506	15%
Regina Pats	Brandt Centre	5,201	3,958	4,501	-13%
Kelowna Rockets	Prospera Place	4,835	3,779	4,305	-11%
Red Deer Rebels	Peavey Mart Centrium	4,101	3,307	4,163	2%
Victoria Royals	Save-On-Foods Centre	4,818	2,803	3,560	-26%
Lethbridge Hurricanes	ENMAX Centre	3,971	2,983	3,525	-11%
Prince George Cougars	CN Centre	2,707	1,915	2,755	2%
Medicine Hat Tigers	Co-op Place	<u>3,121</u>	<u>2,166</u>	<u>2,651</u>	<u>-15%</u>
Average		4,075	3,086	3,874	-5%

Source: ESRI, Western Hockey League Official Guide, Hockeydb.com

- Since 2018, the average attendance of the nine venues has decreased by approximately 5% (two venues have increased; two venues have been stable; and five venues have decreased).
- The COVID-19 pandemic was a significant factor impacting visitations in all markets, however we expect most markets to recover to pre COVID-19 levels in the next few years.
- While the ENMAX Centre is currently at 3,525 or 11% below its 2018-2019 figures (3,971), a realistic target would be for average attendance to increase to the 3,900 range by 2025/2026.

Market Analysis – Market Comparables

TABLE XII: WHL Comparables – Hockey Penetration Rate (2022/2023)

WHL Team	Arena	Annual Attendance	Population (within 30km)	Penetration Rate
Kamloops Blazers	Sandman Centre	166,668	112,538	148%
Medicine Hat Tigers	Co-op Place	90,134	76,591	118%
Prince George Cougars	CN Centre	93,670	95,972	98%
Lethbridge Hurricanes	ENMAX Centre	119,850	138,996	86%
Red Deer Rebels	Peavey Mart Centrium	141,542	184,133	77%
Kelowna Rockets	Prospera Place	146,370	226,416	65%
Regina Pats	Brandt Centre	153,034	266,690	57%
Saskatoon Blades	SaskTel Centre	153,204	339,354	45%
Victoria Royals	Save-On-Foods Centre	<u>121,040</u>	<u>427,838</u>	<u>28%</u>
Average		131,274	207,614	63%

Source: ESRI, Western Hockey League Official Guide, Hockeydb.com

- The ENMAX Centre hockey penetration rate is approximately 86%, which is 4th highest of the WHL comparables. The relatively high penetration rate is likely due to the following:
 - Lethbridge is a strong hockey market with a formidable local following
 - The residential population located outside of Lethbridge is relatively modest
 - The ENMAX Centre does not generate relatively high levels of tourist demand for hockey

Market Analysis – Entertainment Comparables

- Alberta is a very competitive entertainment market from a supply perspective and includes 32 entertainment/special event facilities with >1,000 seats:
 - These facilities include clubs, auditoriums, amphitheatres, casino entertainment centres, convention facilities, arenas, and stadiums
 - 23 of these facilities are located in Calgary/Banff (13) and Edmonton (10)
 - 11 of these facilities offer a capacity greater than 5,000

TABLE XIII: *Entertainment Comparables (2022)*

	# of Facilities	Smallest Facility	Largest Facility
Calgary/Banff	13	1,000	36,000
Edmonton	10	1,000	56,000
Lethbridge (<i>includes ENMAX Centre & Lethbridge Exhibition Park</i>)	2	1,100	5,900
Fort McMurray	2	1,480	10,000
Grande Prairie	2	1,400	4,600
Other	<u>3</u>	1,600	7,345
	32		

Source: Pollstar, The ENMAX Centre

Market Analysis – Hotel and Tourism Market

- According to STR, there are 12 hotels located in the City of Lethbridge, which have a total of 1,237 hotel rooms. These hotels range from the Comfort Inn Lethbridge (55 rooms) to the Sandman Signature Lethbridge Lodge (191 rooms).
- In terms of average daily rate, the Lethbridge hotel market appears to have recovered from the COVID-19 pandemic, however opportunities still exist to grow hotel occupancy.

Hotel	# of Rooms
Sandman Signature Lethbridge Lodge	191
Sandman Lethbridge	139
Holiday Inn Express Lethbridge Southeast	120
Holiday Inn Lethbridge	119
Best Western Plus Service Inn & Suites	113
Coast Lethbridge Hotel & Conference Centre	103
Wingate by Wyndham Lethbridge	102
Hampton by Hilton Inn & Suites Lethbridge	87
Fairfield Inn & Suites Lethbridge	81
Ramada by Wyndham Lethbridge	67
Quality Inn & Suites Lethbridge	60
Comfort Inn Lethbridge	<u>55</u>
TOTAL	1,237

	Occupancy	Average Daily Rate	RevPar	Room Supply
2015	55.9%	\$88.78	\$49.61	383,402
2016	52.8%	\$85.61	\$45.23	408,070
2017	53.4%	\$89.19	\$47.65	408,070
2018	56.5%	\$88.58	\$50.04	406,975
2019	60.5%	\$87.64	\$53.06	429,055
2020	29.3%	\$74.80	\$21.93	450,775
2021	38.8%	\$83.52	\$32.39	450,775
2022	57.5%	\$93.93	\$54.00	451,081
2023 Aug YTD	56.8%	\$96.45	\$54.81	300,591

Source: STR

Market Analysis – Hotel and Tourism Market

- We reviewed 'The Power of Tourism*' 2022 report published by Tourism Lethbridge and found the following key data points:
 - *Annual Visitors* – approximately 205,000 visitors attended Lethbridge events.
 - *Geographic Origin* – visitor origin includes Lethbridge (47%), Other Alberta (19%), Other Canada (11%), USA (9%), International (3%), and Unknown (11%).
 - *Airport Volume* – 31,640 passengers passed through the Lethbridge airport.
 - *Visitor Spend* (based on the 2022 Brier) – approximately 75% of visitor spending is on Accommodation (39%), Food & Beverage (26%), and retail/shopping (10%). Recreation/Entertainment accounts for less than 5% of visitor spending.
- *Note: *The Power of Tourism 2022 report includes some overlap between out-of-market tourist visitation and local residents*
- Through our Lethbridge site visits, knowledge/experience of regional markets, and review of Lethbridge visitor data, we believe there are opportunities to:
 1. Enhance the Lethbridge tourism market through new attractions and events.
 2. Grow the Lethbridge tourism visitor base from a wider geographic origin.
 3. Market Lethbridge more effectively through a collaboration of key stakeholders.
- Other findings are contained in **Appendix A – Other Hotel & Tourism Findings.**

Market Analysis – Community Engagement

Our **Community Engagement Plan** included three key components:

1. Stakeholder Consultations
2. In-person Community Conversation
3. Resident Survey

1. Stakeholder Consultations

- The ENMAX Centre management created a list of project stakeholders, which were provided to The Innovation Group at the onset of the engagement. The Innovation Group and ENMAX Centre management also identified other stakeholders to meet through the course of the study as well.
- The purpose of these consultations was to obtain stakeholder input on the use of, need, and support of the current and future facilities and spaces, and ultimately assess future needs.
- In total, we met with 15 organizations/stakeholders and 35+ representatives as summarized in **Appendix B – List of Stakeholder Engagement/Consultations.**

Market Analysis – Community Engagement

- The base list of questions we used to guide each stakeholder meeting is provided in **Appendix C – List of Stakeholder Questions/Themes** and were focused on three key areas:
 1. Views/perspectives on the ENMAX Centre
 2. Recommendations for enhancements to the ENMAX Centre
 3. Views/perspectives on the City of Lethbridge as a destination/entertainment market
- During the project study, we also toured several key Lethbridge sports facilities/assets including:
 - Sports Complexes – Cavendish Farms Centre, Nicholas Sheran Arena
 - Event Facilities – Lethbridge & District Exhibition, Yates Centre
 - Leisure/Gaming Facilities – Pure Casino Lethbridge, Rocky Mountain Turf Club
 - Education – University of Lethbridge
- We also tailored some additional questions for various stakeholders based on their respective organization and/or role within the community.
- We also attempted to obtain this feedback from both an organizational user perspective and from an independent resident user.

Market Analysis – Community Engagement

2. In-person Community Conversation

- The Innovation Group and the City of Lethbridge participated in the in-person Community Conversation at the ENMAX Centre on October 23, 2023.
- The purpose of our participation was to engage the public, and conduct discussions with Lethbridge residents about the ENMAX Centre.
- Approximately 500 individuals attended the event.

3. Resident Survey:

- In collaboration with the City of Lethbridge, The Innovation Group conducted a survey of local residents titled, ***“What does the ENMAX Centre mean to you?”***
- The survey was available online at [Get Involved Lethbridge](#) between October 3, 2023 and November 1, 2023 on the City of Lethbridge website .
- The survey was also available at the in-person Community Conversation event.
- There were 192 total responses. The survey questions can be found in **Appendix C – Survey Questions**. The overall survey results are provided in **Appendix D – Survey Results**.

A summary of our key learnings and findings from the resident survey and stakeholder engagement process are provided on the following slide.

Market Analysis – Community Engagement

Survey Results – Key Learnings and Findings:

- Hockey (65%) was the dominant event attended by survey responders, followed by live music (45%) and other live entertainment events (30%).
- All ENMAX Centre offerings received a high number of 'Satisfied' or 'Highly Satisfied' responses except Seating Areas, Food & Beverage, Parking Ease, and Parking Cost. This is likely due to the lack of seating comfortability, demand for a variety of alternative food & beverage offerings, and the introduction of paid parking in 2022.
- 67% of respondents have a 'Satisfied' or 'Highly Satisfied' view of the ENMAX Centre building/facility. This is likely as a result of the well-maintained state of the building and facility condition.
- Respondents were fairly evenly split on how they view Lethbridge as a hospitality/entertainment market, as 55% of respondents have a 'Satisfied' or 'Highly Satisfied' view. We believe this indicates that opportunities exist to enhance Lethbridge from an overall tourist destination market through new hotel product and other attractors.

Market Analysis – Community Engagement

Stakeholder Consultations: Key Learnings and Findings	
1. State of the Building/Facility Condition <ul style="list-style-type: none"> • Building is in great shape • Building is well-maintained • The facility appears structurally sound • The ENMAX Centre appears to have 15 good years left • Newer arenas offer greater seating choices and more amenities, resulting in an enhanced game-day experience 	4. Entertainment/Special Events Demand & Visitation <ul style="list-style-type: none"> • The price of entertainment has drastically changed. The ability for the ENMAX Centre to run several 'A' type events for 5,000+ attendees is not feasible. • The sweet spot is in the 3,000 to 3,500 attendee range with the right entertainer/price point for the market • ENMAX management should aim for 60+ annual Entertainment/Special Events in the current facility
2. ENMAX Centre Public Perception <ul style="list-style-type: none"> • Residents have a community connection to the building, which is a symbol of Lethbridge • Many recall the memories of a special event or entertainer they experienced • There's a nostalgic feeling/sense of pride from long-time residents 	5. Lethbridge Hospitality Market <ul style="list-style-type: none"> • The new Lethbridge Exhibition facility is a tremendous asset and there could be synergies with the ENMAX Centre • Lethbridge has a sufficient number of hotel rooms but most are not at a high enough tier level. Lethbridge could probably support 500+ new rooms in the market. • The proposed \$80 million Arts Centre may be an attractive new addition to Lethbridge, however the ability to generate a positive ROI is likely not achievable
3. Lethbridge Hurricanes Demand & Visitation <ul style="list-style-type: none"> • Hockey will always be the main anchor tenant. • There may be some opportunities to marginally improve volumes but nothing significant without either 1) major capital expenditures; or 2) new building 	6. Base Building and Site Development Opportunities <ul style="list-style-type: none"> • <i>Base Building</i> – include seating (number, comfortability), food & beverage (variety, formats), rigging/grid system, CWBL game-day experience, lobby/crush space • <i>Site Development</i> – adjacent lands are significant and could be utilized to meet other City needs

Market Analysis – Summary Findings

- While visitation for Hurricanes hockey games continues to lag behind pre COVID-19 levels, the ENMAX Centre still performs well given the size/scale of the resident population base, facility attributes, and relative to its WHL comparables.
- Local stakeholders believe opportunities exist to enhance visitation to the ENMAX Centre for both hockey and entertainment/special events, but that threshold is somewhat further limited based on the resident population size and the facility building constraints.
- The Lethbridge market could likely support 15 additional annual medium/large events in the 3,000+ attendee range at the ENMAX Centre.
- New tourist attractions/events and enhanced hotel product would significantly assist the Lethbridge tourism market, including the ability for the ENMAX Centre and other attractors to further drive out-of-market tourist visitation.
- Lethbridge requires additional arena supply to meet existing resident community demand – which could be addressed through the ENMAX Centre Master Plan.
- Opportunities to enhance the ENMAX Centre with respect to seating comfortability and food and beverage offerings would be welcome by area residents, however any capital investment should be prioritized and managed effectively to meet these needs.



IV. REVENUE MODEL



REVENUE MODEL- INTRODUCTION

- The Innovation Group has identified three development scenarios for the ENMAX Centre based on the following goals and objectives:
 - Maintain the ENMAX Centre for ~15 years before developing a larger, more technologically advanced, innovative facility (same site or new location)
 - Enhance customer experience at the ENMAX Centre through improved offerings and amenities
 - Address City of Lethbridge needs for additional ice capacity/sports facilities through the development of new adjacent arena & sports complex
- The development scenarios are the following
 - **Scenario #1 – ENMAX Centre: Status Quo**
 - **Scenario #2 – ENMAX Centre: Property Enhancements**
 - **Scenario #3 – New Multi-Use Facility (plus Sports Complex)**
- A description of each of these scenarios is provided on the following slides, including key assumptions and related key considerations.



Revenue Model – Scenario Analysis

	Scenario #1 ENMAX Centre: Status Quo	Scenario #2 ENMAX Centre: Property Enhancements	Scenario #3 New Multi-Use Facility (plus Sports Complex)
Location	ENMAX Centre	ENMAX Centre	ENMAX Centre/New Location
Key Financial / Market Assumptions	<ul style="list-style-type: none"> Hockey attendance gradually recovers to pre-COVID levels Add 15 Large Entertainment/Special Events over three years <p><u>Occupancy:</u></p> <ul style="list-style-type: none"> Increase by 5% for Hockey games by 2025 Decrease by 2% for Large Entertainment/Special Events by 2025 (<i>due to increase in number of events</i>) <p><u>Pricing:</u></p> <ul style="list-style-type: none"> Increase Luxury Suite prices by 10% over three years Increase ticket prices by 3% in 2025 (and by 6% in Scenario #2) Increase F&B spend for Hockey Entertainment/Special Events by 3% in 2025 (and an additional 6% in Scenario #2) 		<p>New Multi-Use Facility:</p> <ul style="list-style-type: none"> 7,000+ seat arena 30+ luxury suites Enhanced flexibility, technology, game-day, and customer experience Multiple food & beverage offerings Potential adjacent hotel development Double the number of annual Medium/Large events 2nd anchor tenant (i.e., basketball, lacrosse)
Development	NA	<ul style="list-style-type: none"> Exterior Street Level Digital Signage New North End Food & Beverage Outlet (modify existing concession stand) New Rigging/Grid System New South End Multi-Purpose Flexible Seating (approximately 500 seats) 	<p><i>If New Facility is to be located in New Location, repurpose ENMAX Centre/lands:</i></p> <ul style="list-style-type: none"> ENMAX Centre - community rink New Rink - Develop Olympic size arena with 1,000 seats Other – Develop sports complex facilities on the adjacent lands
Capital	NA	\$3.75 to \$6.75 Million	\$100 to \$150 Million
Timing	2025	2025	2036

Revenue Model – Scenario Analysis

Revenue Model – Key Financial and Facility Assumptions				
	Current Situation	Scenario #1 Status Quo (No Facility Enhancements)	Scenario #2 Future State (Property Enhancements)	Scenario #3* New Multi-Use Facility (plus Sports Complex)
# of Events				
Hockey	39	39	39	39
Entertainment/Special Events	<u>45</u>	<u>50</u>	<u>50</u>	<u>90</u>
	84	89	89	129
# of Seats				
Hockey	5,326	5,326	5,826	7,000+
Entertainment/Special Events	5,900	5,900	6,400	7,500+
Occupancy Level				
Hockey	58%	63%	63%	TBD
Entertainment/Special Events	37%	35%	33%	TBD
Average Ticket Price				
Hockey	\$14	\$14	\$15	TBD
Entertainment/Special Events	\$62	\$63	\$65	TBD
Food & Beverage Spend/Visit				
Hockey	\$8	\$8	\$9	TBD
Entertainment/Special Events	\$16	\$17	\$18	TBD

Source: The ENMAX Centre, The Innovation Group

Note:

Entertainment/Special Events Revenue – Occupancy Level, Average Ticket Price and Food & Beverage Spend/Visit are for Large Events only, and include Rental Revenue, Merchandise, and Other Revenue.

*For illustration purposes only, as Scenario #3 requires a separate comprehensive feasibility study.

Revenue Model – Key Considerations

- The table below estimates the number of events, total attendance and revenue for the three scenarios.
- Scenario #3 represents a new replacement facility and could include an additional new sports complex.
- Scenario #3 would require a comprehensive market feasibility study and master plan development process to determine and validate proposed number of events, demand/visitation, revenue, operating costs, capital requirements, and related considerations such as location, developer and operator.

	# of Events	Total Attendance	Ticket Revenue	F&B Revenue	Total Revenue
Current Situation	84	201,336	\$6.0M	\$2.1M	\$8.1M
Scenario #1 - Status Quo (No Facility Enhancements)	89	219,835	\$6.8M	\$2.4M	\$9.2M
Scenario #2 - Future State (Property Enhancements)	89	233,812	\$7.3M	\$2.7M	\$10.0M
Scenario #3 - New Multi-Use Facility (plus Sports Complex)*	129	TBD	TBD	TBD	TBD

Source: The ENMAX Centre, The Innovation Group

Note:

Figures exclude other revenues sources (i.e., sponsorships, other rentals, etc.)

*For illustration purposes only, as Scenario #3 requires a separate comprehensive feasibility study.

Revenue Model – Conclusions

- Conclusions and Recommendations:

- **Short/Medium Term Plan** – The Innovation Group recommends ENMAX management pursue Option #2 (property enhancements to the existing building).
 - Some additional considerations that ENMAX Centre management could also investigate in the short/medium term are summarized in **Appendix F – Other ENMAX Centre Operational Findings**.
- **Long Term Plan** – Ultimately however, the City of Lethbridge will need to pursue Scenario #3 and develop a new facility in approximately 15 years. As a result:
 - ENMAX management should initiate planning for a new facility under Option #3, which will require long-term business planning that should begin within the next three years.
 - A new replacement facility for the ENMAX Centre could be developed at the current site or a new location.
 - If the City of Lethbridge determines that Option #3 should be pursued at an earlier date given other local needs for additional community ice and sports facility needs, then planning could begin immediately and incorporate the ENMAX Centre and adjacent lands.
- The following section details a proposed implementation plan and related key considerations for the Master Plan Process.



V. MASTER PLAN PROCESS





MASTER PLAN PROCESS - OVERVIEW

- As we highlighted in the Introduction of this report (**Part I – Introduction**), The Innovation Group was retained to address the long-term potential – or the highest and best use – for the ENMAX Centre, both as a place and as a business. This analysis resulted in a range of recommendations, from leaving the ENMAX Centre as it is today (status quo), to the total redevelopment of the ENMAX Centre, potentially even at a new location.
- In addition, we were asked to balance our assessment of market potential with broader strategic community initiatives, by considering other existing and planned community venues and services in the sports, entertainment, arts, and meetings markets. We met with stakeholders in these business areas to make sure that the plans we consider complement current economic development goals.
- The Innovation Group’s overarching finding regarding the complete replacement of the ENMAX Centre (at the current site or a different site), is premature but within the sights of the next several years of community development. As the previous sections of our report addressed the best and most efficient short/mid-term uses for the ENMAX Centre site (**Scenario #2 – Property Enhancements**), here we provide an overview of our proposed approach for our long-term recommendations for **Scenario #3 – New Multi-Use Facility (plus Sports Complex)**.
- In this section we will provide our recommendation for how the City of Lethbridge should begin planning for its next-generation large scale multi-purpose venue, whether at the current ENMAX Centre site or at a new site; and if at a new site, the best strategy for repurposing or divesting of the current site. We view this as 10 to 15-year planning process that must continue to balance the ENMAX Centre’s business development options with other ongoing community activity.

Master Plan Process – Long Range Plan

- Multi-use Centre – Long Range Plan
- In this section we recommend an efficient path for the City of Lethbridge to plan for its new multi-use large-scale sports and entertainment centre.
- Within approximately three years, we believe a multi-stakeholder effort to launch the venue planning process should be undertaken. This will allow the community to take a step back and assess the following gating items:
 1. Are available performance venues at the time accommodating community needs adequately, such that they may be ruled out of a long-term entertainment venue plan?
 2. Which large scale sports events and entertainment events can be accommodated in and attracted to a new 7,000+ cutting edge regional facility?
 3. What is the status of hotel lodging needs in relation to a large-scale undertaking and do new and higher quality lodging options match?
 4. What are the best options for repurposing, leasing or completely divesting in the current ENMAX Centre site?
- Once these questions are answered an updated feasibility analysis can be performed for the specific needs going into approximately 2028 to 2030. The feasibility analysis should result in a basic forecast of market potential so that the City of Lethbridge can begin discussing development options with third parties for a multi-use sports and entertainment venue, potentially within a destination complex.

Master Plan Process – Approach

Lethbridge Tender Process Considerations

The following section presents a potential approach for managing the process of developing a multi-use sports and entertainment centre (including the use of private sector capital and operations), which could be broken into the following six steps:

1. **Pre-Development** – This Phase includes developing the vision and requirements from all relevant stakeholders that will be used in the future development procurement process, notably in Steps 3 and 4 below.
2. **Request for Information (RFI)** – The RFI process will allow the Multi-Use Centre developers to prepare background information and research to be presented to the City that will be used to inform the development procurement process.
3. **Request for Qualification (RFQ)/Request for Concept (RFC)** – Based in part on input and information gathered from the RFI, the next phase will begin which will provide more in-depth knowledge and understanding of the Multi-Use Centre concepts and qualifications of the operators:
 - a) The RFC will provide an opportunity for operators to show their concepts and ideas for their Multi-Use Centre development.
 - b) The RFQ will provide an opportunity for the City to vet the qualifications of potential operators.

Master Plan Process – Approach

Lethbridge Tender Process Considerations (Continued)

4. **Request for Proposal (RFP)** – Tender documents containing rules, guidelines, conditions, and development process under which the Multi-Use Centre will be built.
5. **Operator Selections** – Determine the optimal bidder or bidders based on RFP submittals. This can include a single or multiple parties depending on the timing and strategy for operator selection.
6. **Negotiations with and Execution of Relevant Agreements with Selected Bidder(s)** – negotiations with selected bidder(s) would take place, ultimately leading to execution of development, operating, and other relevant legal agreements between the parties.

An overall summary of the Master Plan Process is provided on the following slides.

Additional details incorporating the above planning constructs are provided in **Appendix G – Master Plan Process Overview**.

However, a customized process must be developed that fits the unique needs of the City of Lethbridge.

Master Plan Process – Overall Summary

SUMMARY –Multi-Use Centre Development Process Template and Timing					
Phase	#1 – Pre-development	#2 - Request for Information (RFI)	#3 - RFQ and RFC	#4 - RFP	#5 & #6 – Final Bidder Selection
Timing	As determined	0-90 Days after passage of draft plan	6 Months after completion of the RFI	3 months after final plan is passed	Following RFP process
Description	<ul style="list-style-type: none"> Develop the view and vision from all stakeholders regarding the Multi-Use Centre Development Develop the plan and protocol to ensure the success of the Multi-Use Center Development 	<ul style="list-style-type: none"> Allow operators to provide information and insight into the Multi-Use Centre Development process Process will allow the City to seek information from the operators to help shape and guide the development process and market potential 	<ul style="list-style-type: none"> Develop RFQ/RFC documents to be released to operators RFC – Multi-Use venue operators present their concept proposals RFP – Multi-Use venue operators present their credentials 	<ul style="list-style-type: none"> Tender documents containing rules, guidelines, conditions, and development process under which the I ENMAX Master Plan will be built Evaluations and review will result in the top 'three' bidders to proceed to the final selection process 	<ul style="list-style-type: none"> To determine the optimal bidder based on list of top submissions from RFP process Allows for final input from Lethbridge stakeholders based on the RFP submissions
Tasks for Lethbridge to Complete	<ul style="list-style-type: none"> Develop first phase planning concept Identify development site Create development timeline Conduct informational forum with all stakeholders 	<ul style="list-style-type: none"> Release the RFI documents Be available for any follow-up questions or clarifications Participate in working sessions with operators 	<ul style="list-style-type: none"> Conduct a pre RFC/RFQ meeting to discuss the release of information Send out the RFQ/RFC to potential bidders Conduct any follow-up questions or clarifications for the document 	<ul style="list-style-type: none"> Establish full RFP document and evaluation process Establish application fee Conduct question and answer and working sessions with the operators Develop short list of bidders that will be allowed to submit final RFP for selection 	<ul style="list-style-type: none"> Provide input and questions for the final list of bidders Select final submission to develop the Multi-Use Centre

Master Plan Process – Overall Summary

SUMMARY –Multi-Use Centre Development Process Template and Timing					
Phase	#1 – Pre-development	#2 – Request for Information (RFI)	#3 – RFQ and RFC	#4 – RFP	#5 & #6 – Final Bidder Selection
Evaluation Process	<ul style="list-style-type: none"> Limited evaluation in this phase 	<ul style="list-style-type: none"> Evaluation process is internal for this step 	<ul style="list-style-type: none"> Based on criteria set forth in the RFQ/RFC documents 	<ul style="list-style-type: none"> Based on predetermined criteria set forth in the RFP documents 	<ul style="list-style-type: none"> Secondary detailed evaluation of the RFP from the final list of submissions
Outcome and Next Steps	<ul style="list-style-type: none"> Release the development timeline Initiate RFI process 	<ul style="list-style-type: none"> Define Multi-Use Centre Development parameters based on input Begin development of RFC & RFQ Documents 	<ul style="list-style-type: none"> Evaluate submissions and remove any bidders that do not meet standards Begin the RFP process 	<ul style="list-style-type: none"> Narrow down the bidders for final selection process 	<ul style="list-style-type: none"> Select operator and begin development and operating negotiations
Third Party Consultant Support	<ul style="list-style-type: none"> Assist in the coordination of data and analysis for the Multi-Use Centre Concept 	<ul style="list-style-type: none"> Work with City to develop Multi-Use Centre development scope & concept based on the RFI inputs Coordinate working sessions Manage any modifications to the development process 	<ul style="list-style-type: none"> Assist in preparation and evaluation of RFQ/RFC documents; Conduct third party probity investigation Provide industry research and background support 	<ul style="list-style-type: none"> Assist in preparation and evaluation of RFP documents Provide industry level insight into the RFP submissions Conduct continued probity investigations; Provide strengths and weaknesses of each submission for evaluation 	<ul style="list-style-type: none"> Assist in the creation of final RFP documents and follow- ups Provide a secondary review of final submissions Support the negotiation process for the Lethbridge stakeholders once bidder is selected
Funding	<ul style="list-style-type: none"> Local funding and Operator/Developer, and other stakeholders 	<ul style="list-style-type: none"> A small fee may be required for the Multi-Use Centre Developers and Operators 	<ul style="list-style-type: none"> There is normally a fee associated with the RFC and RFQ (i.e., \$250,000 to \$350,000 per applicant) 	<ul style="list-style-type: none"> The funding is usually covered by a submission fee (could be as high as \$1 million per submission) 	<ul style="list-style-type: none"> As needed and will be provided by the operators

Master Plan Process – Timeline

Item/Description	Date
• ENMAX Centre Master Plan Process (COMPLETE)	2024
• City of Lethbridge and Key Stakeholders to Determine Course of Action/Glide Path	2024
• Initiate/Complete Scenario #2: ENMAX Centre Property Enhancements (<i>if applicable</i>)	2025
• Conduct Comprehensive Market Feasibility Study, Stakeholder & Community Planning	2025-2027
• Phase #1: Pre-development Phase Kickoff	2028-2029
• Phase #2: Request for Information (RFI) Phase	2030
• Phase #3: Request for Qualifications (RFQ) & Request for Concept (RFC)	2030
• Phase #4: Request for Proposal (RFP)	2031
• Phase #5: Operator Selections (Final Submissions)	2031
• Phase #6: Negotiations/Execution of Relevant Agreements with Selected Bidder(s)	2032 - 2033
• Development of New Multi-Use Facility	2034 - 2035
• Open New Multi-Use Facility	2036

Master Plan Process – Conclusions

1. Long-term planning for the community's next destination sports and entertainment complex can begin as soon as a process is established.
2. The Innovation Group recommends implementing the above 12-Year timeline, to carefully plan and develop a cutting-edge venue to meet both existing and induced new demand.
3. The complex should be thought of as multi-use site to efficiently leverage scale and the City of Lethbridge's attractiveness to group users.
4. While planning begins for the new venue, incentives can be offered to hotel and amenity developers to further the supply and quality of Lethbridge's tourism infrastructure.



VI. NEXT STEPS



NEXT STEPS

1. Work with City Council and the ENMAX Centre in finalizing any required supporting deliverables
2. Make any additional presentations to designated stakeholders
3. Hold a community forum on the report and the long-term planning process
4. Determine governance for the long-term planning process by identifying a task force



APPENDIX



APPENDIX

- Appendix A – Other Hotel & Tourism Findings
- Appendix B – List of Stakeholder Engagement/Consultations
- Appendix C – List of Stakeholder Questions/Themes
- Appendix D – Survey Questions
- Appendix E – Survey Results
- Appendix F – Other ENMAX Centre Operational Findings
- Appendix G – Master Plan Process Overview

Appendix A:

Other Hotel & Tourism Market Findings

While an analysis of the hotel and tourism market was not a primary requirement in our scope of work, we have provided below some additional key learnings which surfaced during our assignment:

- **Lethbridge Hotel Market** – There is a need for higher calibre hotels/rooms in Lethbridge to meet the demand of existing business, the new Lethbridge Exhibition and future demands from the ENMAX Centre and alternative users.
 - This could potentially include 3 to 4 new hotels across Lethbridge with 500+ hotel rooms including new properties adjacent/proximate to the ENMAX Centre, Lethbridge Exhibition and the west end of the City.
- **Performing Arts Centre** – a decision on the proposed Performing Arts Centre should be made so that the City can refocus and prioritize a cohesive tourism development strategy.
- **RV Park** – there may be opportunities for a future RV Park development within the broader region.
- **Linkage between Sports and Entertainment** – there is a common thread between sports and entertainment events within Lethbridge including the ENMAX Centre, Yates Theatre, CASA and the new Lethbridge Exhibition facility. The Innovation Group believes that the existing Lethbridge facilities satisfy both current and future demand uses, but the supply and demand requirements should be assessed by the City in a holistic approach.

Appendix B:

List of Stakeholder Engagement/Consultations

1. ENMAX Centre
2. Lethbridge Hurricanes
3. City of Lethbridge Departments:
 - Community Services
 - Recreation & Culture
 - Economic Development
 - City Council
4. Opportunity Lethbridge
5. Lethbridge Lodging Association
6. Lethbridge & District Exhibition
7. Chamber of Commerce
8. Lethbridge Tourism
9. Lethbridge Sport Council
10. University of Lethbridge
11. Lethbridge College
12. Gold n Gold Entertainment
13. Rocky Mountain Turf Club

Appendix C:

Stakeholder Questions/Themes

1. What is your **general view of the ENMAX Centre** in terms of the building, facilities and amenities from a customer perspective?
2. How does your organization **use and/or interact with ENMAX?**
3. What is the **general public's impression** of the facility/building? How do visitors think about the building/customer experience?
4. What is your take on the **mix of events, between sports, entertainment and conventions** or meetings?
5. What do you think the general public thinks about the **types of events** hosted there now?
6. How do you view **Lethbridge as a local hospitality/entertainment market? Tourist destination?**
7. What other **hospitality/entertainment/accommodation offerings** are currently not available that could be development in Lethbridge?
8. Are there any **changes/enhancement you would like to see with the ENMAX Centre** in terms of event offerings, amenities or other attributes?
9. Other – custom questions added for each Stakeholder/Consultation

Appendix D:

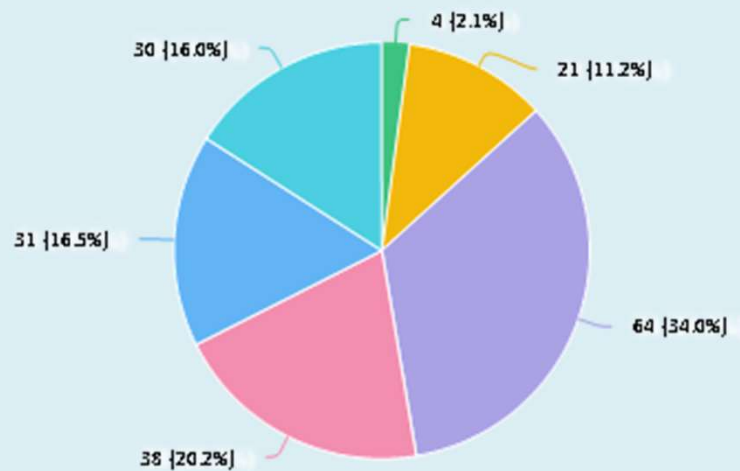
Survey Questions

1. What is your age?
2. What is your sex?
3. Approximately how many events have you attended at the ENMAX Centre in the past 12 months?
4. Which of the following events have you attended at the ENMAX Centre in the past 12 months?
5. How do you view specific ENMAX Centre current offerings?
6. What is your general view of the ENMAX Centre in terms of the building, facilities and amenities from a customer perspective?
7. Which of the following hospitality/entertainment offerings are most important to improve at the ENMAX Centre?
8. Do you have other hospitality/entertainment offerings that are important to you and not covered in Question 7?
9. How do you view Lethbridge as a hospitality/entertainment market given its sports, entertainment, hotels and tourist offerings?

The results of these survey questions are provided on the following slides.

Appendix E: *Survey Results*

Q1 – What is your age?



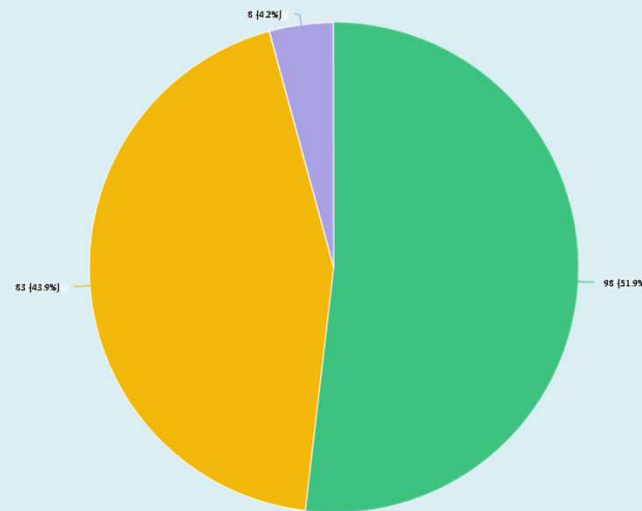
Question options

18-24 25-34 35-44 45-54 55-64 65+

Optional question (188 response(s), 4 skipped)
Question type: Radio Button Question

Appendix E: *Survey Results*

Q2 – What is your sex?



Question options

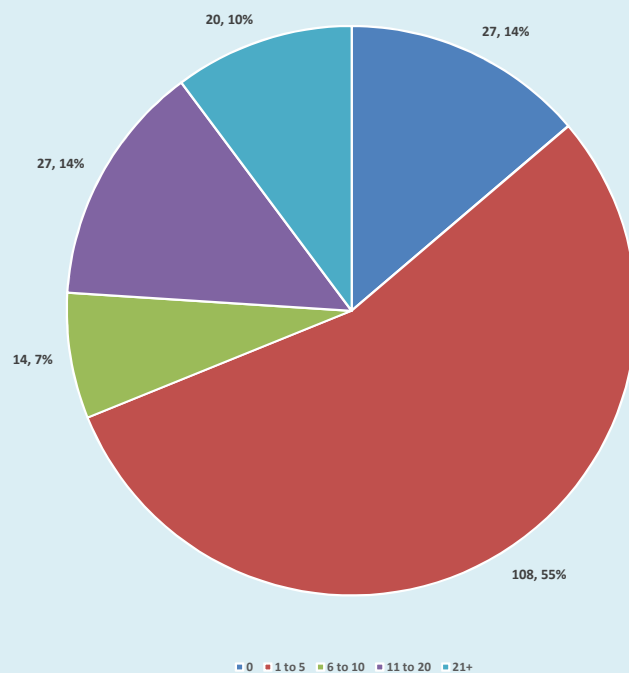
● Male ● Female ● Other/prefer not to say

Optional question (189 response(s), 3 skipped)

Question type: Radio Button Question

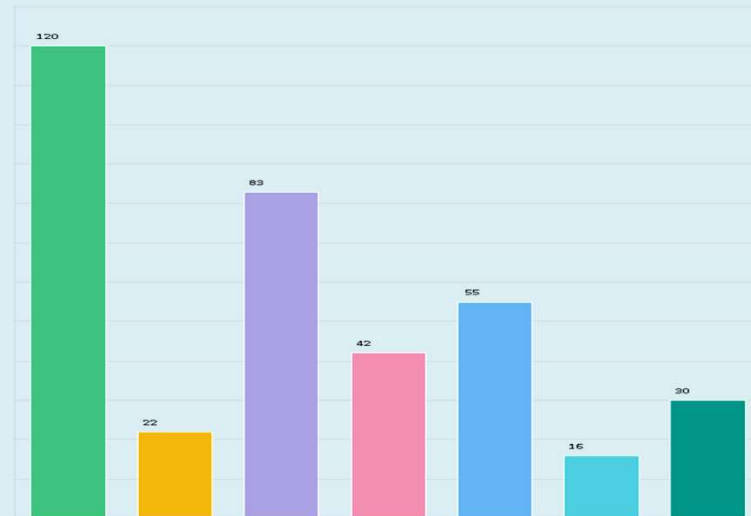
Appendix E: *Survey Results*

Q3 – Approximately how many events have you attended at the ENMAX Centre in the past 12 months?



Appendix E: *Survey Results*

Q4 – Which of the following events have you attended at the ENMAX Centre in the past 12 months?



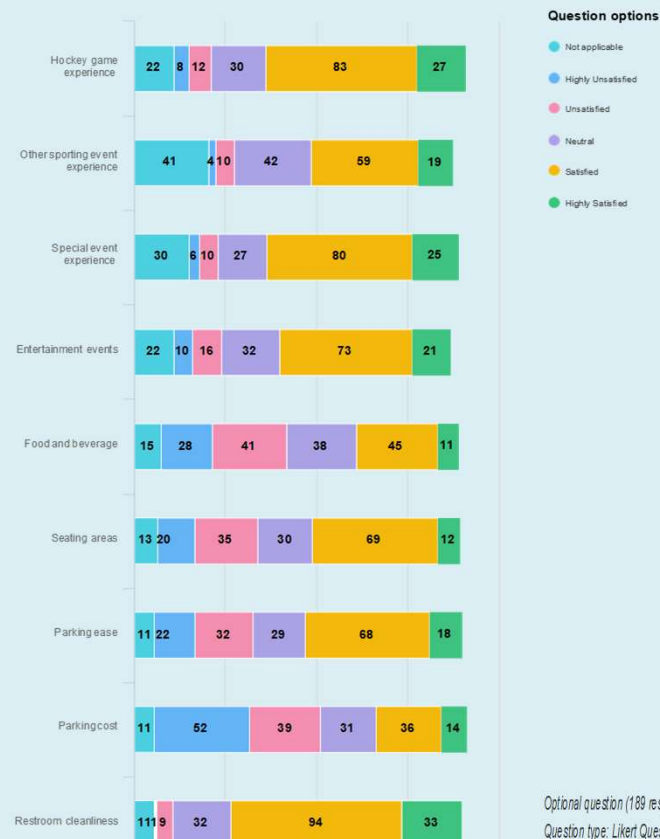
Question options

- Hockey games ● Live theatre ● Live music ● Other sporting events ● Other live entertainment events
● None ● Other (please specify)

Optional question (186 response(s), 6 skipped)
Question type: Checkbox Question

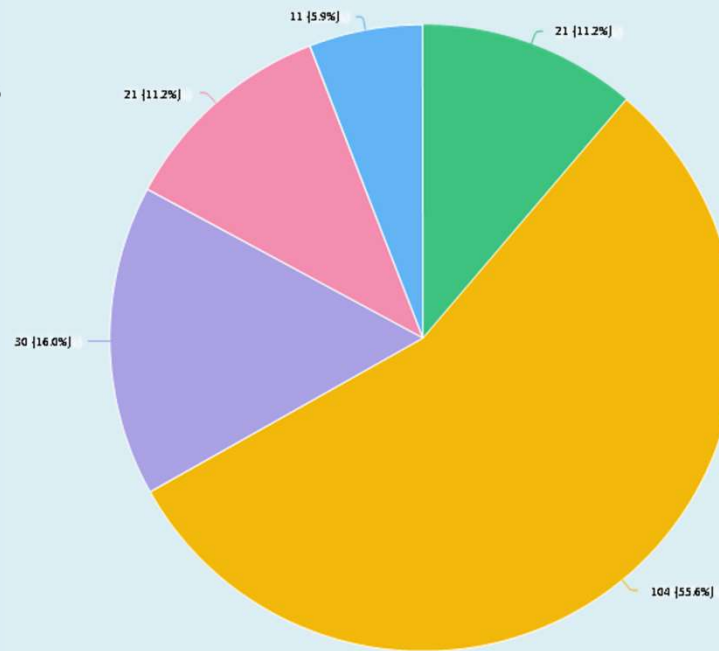
Appendix E: *Survey Results*

Q5 – How do you view specific ENMAX Centre current offerings?



Appendix E: *Survey Results*

Q6 – What is your general view of the ENMAX Centre in terms of the building, facilities and amenities from a customer perspective?



Question options

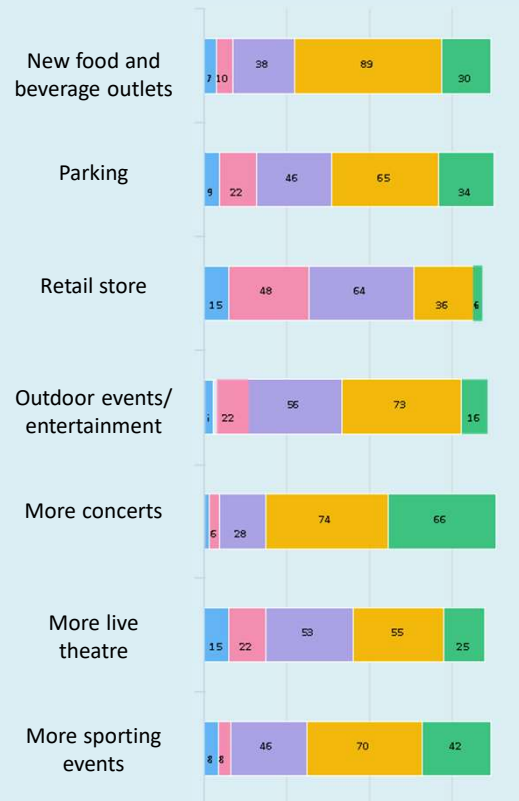
Highly unsatisfied Unsatisfied Neutral Satisfied Highly satisfied

Optional question (187 response(s), 5 skipped)

Question type: Radio Button Question

Appendix E: Survey Results

Q7 – Which of the following hospitality/entertainment offerings are most important to improve at the ENMAX Centre?



Least Important *

Not Important *

Neutral *

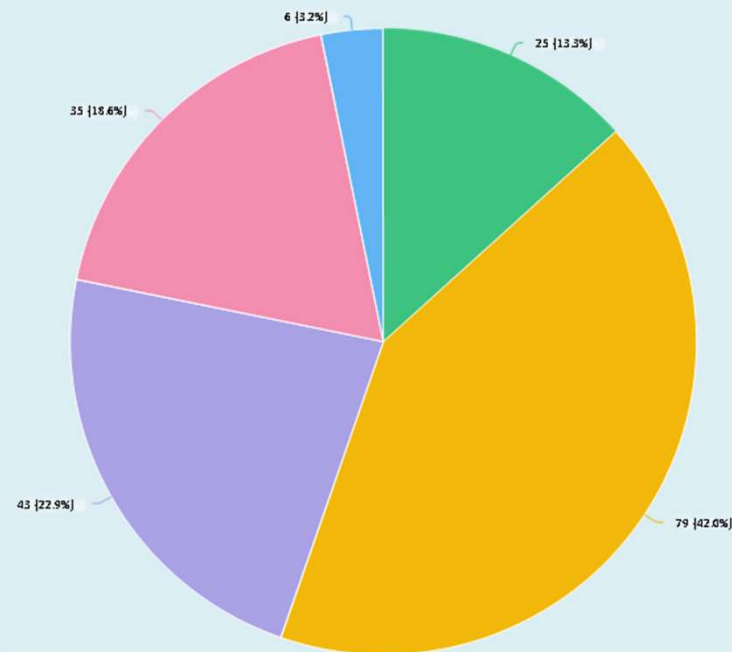
Important *

Most Important *

Optional question (185 response(s), 7 skipped)
Question type: Likert Question

Appendix E: *Survey Results*

Q9 – How do you view Lethbridge as a hospitality/entertainment market given its sports, entertainment, hotels and tourist offerings?



Question options

● Highly unattractive ● Unattractive ● Neutral ● Attractive ● Highly attractive

Optional question (188 response(s), 4 skipped)

Question type: Radio Button Question

Appendix F:

Other ENMAX Centre Operational Findings

While an analysis of the ENMAX Centre operations was not a primary element in our scope of work, we have provided below some additional findings which surfaced during our assignment and which ENMAX Centre management could further investigate:

- **2nd Anchor Tenant** – Opportunities for a 2nd anchor tenant (i.e., basketball, lacrosse).
- **Game-Day/Event Experience** – Opportunities to update metal detectors systems to enhance customer experience.
- **Food & Beverage Operations:**
 - Different tiers of food & beverage offerings to meet a mix of market segments and event types.
 - Further partnerships with local restaurants and bars to provide services and/or partnerships.
 - Last call for sports and entertainment/special events given event duration and social responsibility criteria.
- **Local Market Integrations:**
 - Continue to further look into opportunities for community partnerships

Appendix G:

Master Plan Process – #1 – Pre-Development

Multi-Use Centre Development Process Template and Timing	
Phase	#1 - Pre-Development
Timing	Currently Involved
Description	<p>The Pre-Development phase sets the stage for the Multi-Use Centre Development process.</p> <ul style="list-style-type: none"> • This phase includes developing the view and vision from all of the stakeholders involved including the public. • The overarching goal of this phase is to develop the plan and protocol to ensure the success of the Multi-Use Centre
Tasks for Lethbridge to Complete	<ul style="list-style-type: none"> • Development of a first phase planning concept for the new facility. • Identify the development location (or potential locations). • Create the Development Timeline for the Request for Information, Request for Qualifications and Concept, and Request for Proposal. • Conduct a forum whereby the operators, government stakeholders and public can exchange information regarding the development process of the Integrated ENMAX Master Plan.
Evaluation Process	There is limited evaluation in this phase as it is more of an information gathering process
Outcome and Next Steps	<ul style="list-style-type: none"> • Release the development the Requests timeline. • Present to the public and allow for method for input and feedback. • Initiate the Request for Information process.
Third Party Consultant Support	<ul style="list-style-type: none"> • Assist coordination of data collection to be used to create the requesting documents from Multi-Use Centre operators. • Assist in the creation of the initial development scope for the Multi-Use Centre that will form the basis for the RFI. • Develop the agenda for the community meetings and staff the meetings to provide industry input and information. • Assist in the preparation and execution of the operator forum. • Assist in the preparation of the RFI document that will be released.
Funding	<ul style="list-style-type: none"> • Funding for pre-development activities will most likely require local funding. • Funding for the Multi-Use Centre will most likely come from the Multi-Use Centre operators and other stakeholders.

Appendix G:

Master Plan Process – #2 – Request for Information (RFI)

Multi-Use Centre Development Process Template and Timing	
Phase	#2 - Request for Information (RFI)
Timing	To be distributed 90 days after the passage of the initial draft plan
Description	<ul style="list-style-type: none"> • Included in the RFI will be preliminary concept plan and goals that the City of Lethbridge and others have developed. • The RFI process will allow the Multi-Use developers/operators to prepare background information and research to be presented to the City, Province and others that will be used as the City shapes the development process. • This process is aimed as information gathering only and will not be used to evaluate any of the operators. • The developers can present their views on the strengths and weaknesses of the development site(s), market, and proposed development opportunities.
Tasks for Lethbridge to Complete	<ul style="list-style-type: none"> • Release the RFI with the information needs and wants to be discussed. • Be available for any follow-up questions or items of clarification. • Participate in working sessions with the Multi-Use Centre developers and operators to discuss the relevant information.
Evaluation Process	<ul style="list-style-type: none"> • The evaluation process for this phase will be internal and determine if any changes or amendments need to be made to the development site(s), scope, or protocol based on the input from the RFI
Outcome and Next Steps	<p>Through the exchange of information:</p> <ul style="list-style-type: none"> • Need to define parameters for the Multi-Use Centre Development – tourism growth, cultural facilities, growing local and regional employment, support for infrastructure development, etc. • Create the second edition of the development scope for the request for concept and qualifications • Create the evaluation and scoring protocols for the RFQ and RFC process
Third Party Consultant Support	<ul style="list-style-type: none"> • Work with the City to develop the initial program and scope for the Multi-Use Centre Development • Assist the City as it establishes and prepares its Multi-Use Centre program to present to the public and potential bidders. • Coordinating working sessions with the Multi-Use Center Developers. • Manage any modifications that may result from the exchange of information between the City and potential bidders.
Funding	<ul style="list-style-type: none"> • A small fee is often requested from the Multi-Use Centre Developers and Operators to defray the costs of producing, discussing, and evaluating the plans. The fee would not be mandatory, but the Multi-Use Centre operators will benefit from the knowledge exchange and would most likely contribute to the fee.

Appendix G:

Master Plan Process – #3 – Request for Qualifications (RFQ) and Request for Concept (RFC)

Multi-Use Centre Development Process Template and Timing	
Phase	#3 - Request for Qualifications (RFQ) and Request for Concept (RFC) [can be done simultaneously]
Timing	6 months after the RFI is completed
Description	<ul style="list-style-type: none"> Based on the input and information gathered from the RFI, the next phase will begin which will provide a more in-depth understanding of the Multi-Use Centre concepts and qualifications of the operators. <i>RFC</i> - Process whereby Multi-Use venue operators and developers present concept proposals for the new facility <i>RFQ</i> - Process whereby the Multi-Use venue operators present basic information regarding their company, previous Multi-Use Centre developments, team members, financials, key individuals, entertainment experience, operating, & development experience. This phase will evaluate bids and allow the City to select operators that will be allowed to submit a RFP for development.
Tasks for Lethbridge to Complete	<ul style="list-style-type: none"> Conduct a pre RFQ/RFC meeting to discuss & present the information to the public and alert the operators of the process Send out RFQ/RFC documents to bidders with application fee parameters
Evaluation Process	<ul style="list-style-type: none"> The evaluation process for this phase is critical for the development of the ENMAX Master Plan. The evaluation will be based upon established criteria set forth in the RFQ/RFC Documents – these can include the financial situation of a company/operator, the entertainment operations background and track record, and previous developments & designs. During this phase, the City and Province will have the opportunity to evaluate potential operators and dismiss bidders who do not meet the minimum thresholds of qualifications and concepts. The outcome of this evaluation will allow for the City to invite back only the best potential bidders for the next phase (RFP).
Outcome and Next Steps	<ul style="list-style-type: none"> The outcome of this phase will be a list of prequalified bidders and operators who will be allowed to submit an RFP for evaluation and development.
Third Party Consultant Support	<ul style="list-style-type: none"> Development of the documents that will be released to the Multi-Use Centre developers and operators. Coordinating and responding to the RFQ and RFC questions and follow-ups. Conduct the pre RFQ/RFC meeting with the City stakeholders and Multi-Use venue operators. Review the applications along with the City team to provide industry related input and support. Conduct initial probity review, operational review, and business background review on the Multi-Use Centre Operators to establish any bidders that should not be recommended to proceed onto the RFP Process Integrate the material from the RFI into the RFQ and RFC documents
Funding	<ul style="list-style-type: none"> There is normally a substantive submission fee associated with the RFC and RFQ that covers the costs to issue the documents, review the submissions, and conduct the background research and investigations to verify the information that is submitted. This fee usually ranges between \$250,000 to \$350,000 per applicant.

Appendix G:

Master Plan Process – #4 – Request for Proposal (RFP)

Multi-Use Centre Development Process Template and Timing	
Phase	#4 - Request for Proposal (RFP)
Timing	3 months after the final Multi-Use Centre plan is passed by the City or 3 months after the RFC/RFI phase is completed, whichever is later.
Description	<ul style="list-style-type: none"> • Tender documents containing rules, guidelines, conditions & development process by which the development will be built.
Tasks for Lethbridge to Complete	<ul style="list-style-type: none"> • Establish RFP document in detail including the development scope, timelines, evaluation process and submission process. • Establish application fee. • Send out pre-qualified list of bidders and operators based on the RFQ and RFC Phase. • Conduct a question and answer session with potential bidders to clarify any issues after the initial RFP is issued. • Respond to any follow-up questions. • Develop a short list of bidders and send out any clarification issues. • Evaluate and select optimal developer/operator based on the predetermined evaluation criteria.
Evaluation Process	<ul style="list-style-type: none"> • The bids will be evaluated based on the predetermined criteria set forth in the RFQ documents; • The evaluation process will include a concept review, background and probity investigation, constructability, financial plan, integration with the local community, social & economic impacts – further criteria will be established the process. • As the process evolves, the review process will become more detailed.
Outcome and Next Steps	<ul style="list-style-type: none"> • To narrow down the submissions to a limited list of finalists that will resubmit for the final selection process.
Third Party Consultant Support	<ul style="list-style-type: none"> • Assist in the creation of the RFP documents, evaluation, and submission process. • Determine the application/submission fee. • Provide insight and review of the submissions based upon the set criteria for evaluation. • Provide strengths and weaknesses of the submission based on industry background, standards, & previous RFP processes.
Funding	<ul style="list-style-type: none"> • The funding for this phase is usually covered by a submission fee that will be determined later • For example, in other jurisdictions we have seen this fee in the \$1 million range per submission

Appendix G:

Master Plan Process – #5 – Operator Selections (Final Submissions); and #6 – Negotiations with and Execution of Relevant Agreements with Selected Bidder(s)

Multi-Use Centre Development Process Template and Timing	
Phase	#5 – Operator Selections (Final Submissions); and #6 – Negotiations with and Execution of Relevant Agreements with Selected Bidder(s)
Timing	To be completed once the initial RFP review is done
Description	<ul style="list-style-type: none">• To determine the optimal bidder based on the top bidders from the initial RFP process.• This process allows for the City and stakeholders to provide comments and questions for the initial RFP bidders and allows the bidder to respond and adapt their proposal to fit the market.
Tasks for Lethbridge to Complete	<ul style="list-style-type: none">• The City and stakeholders would be involved in the nuances and communication with operators to obtain the best possible Multi-Use Centre development. This can include suggesting improvements, modifications to the building program and development scope;• Sponsoring public meetings to allow for community wide input in the bidders.
Evaluation Process	<ul style="list-style-type: none">• Secondary detailed evaluation of all the components of the development scope, building program, financials projections, financial suitability, social and economic impacts, and community integration.
Outcome and Next Steps	<ul style="list-style-type: none">• To select the chosen bidder.• The outcome of this phase will be the final negotiation and operating agreement process with the winning bidder, that will be detailed in a separate schedule.
Third Party Consultant Support	<ul style="list-style-type: none">• Assist in the creation of any follow-up RFP documents, evaluation, and submission process.• Provide a secondary strengths and weaknesses of the RFP submission based on industry background, standards, and previous RFP processes.• Support the negotiation process for the City and other stakeholders once bidder is selected.
Funding	<ul style="list-style-type: none">• As needed and will be provided by the operators

Disclaimer

Certain information included in this report contains forward-looking estimates, projections and/or statements. The Innovation Group has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, The Innovation Group accepts no liability in relation to the estimates provided herein.