Hamilton Tiger-Cats
20 Year License Agreement

February 19, 2014
Background

• Memorandum of Understanding (MOU) underpinned negotiations.

• Negotiations have involved meetings and/or teleconference sessions that began in April 2013.

• Interactions between the Negotiation Teams have been collaborative and conducted in good faith.
Most Recent Progress

• In November, Council was updated on the Teams’ positions regarding the financial and operational items in the Draft Agreement.
• Council commented and offered direction on a number of items.
• The current Draft contains adjustments in a number of areas that were influenced by Council’s input.
• The Team also added clarifying clauses related to several operational issues.
West Grandstand
East Side Seating
Concert Orientation
A Valuable Community Asset

- The stadium is to:
  - be a community focal point;
  - accommodate football, soccer, community recreation, entertainment and special events;
  - provide a Games Legacy; and
  - contribute to the social fabric of the City.

- Negotiations focused equally on:
  - fulfilling the City’s objectives for the stadium; and
  - respecting the business imperatives of the Licensee as the priority tenant.
A Wide Range of Benefits

• Renewed multi-purpose stadium built in partnership with federal and provincial governments.

• Substantial improvement in the economic value of prime tenancy (previously $27,500 in 2012).

• Expanded potential facility uses, users and program opportunities.

• Enhanced community and reputational benefits.
Oversight & Scheduling

- City will operate the stadium.
- City and Tiger-Cats will pre-select 4 event days each prior to setting the schedule.
- City will allocate time in the stadium according to a scheduling priority system:
  1. Pan Am Games
  2. Major International events
  3. Priority City Events
  4. Football Home Games & Football Practices
  5. Professional Soccer Home Games
  6. Other Tiger-Cats Events
  7. Other City / Community Events
  8. Co-hosted Events
  9. Tiger-Cats Incidental Events
Tiger-Cats Exclusivity

• Exclusive rights to professional football and soccer in the stadium.

• Any other events or uses will comply with priority scheduling system.

• To protect Tiger-Cats’ brand, no professional football or soccer leagues will be played in other City facilities.

• Amateur football and soccer will be played in all City facilities.

• Individual “professional exhibition” events will be played in other City facilities or in the Stadium as co-hosted events.
Soccer

• Tiger-Cats maintain right to pursue a soccer franchise that will play its inaugural season in the stadium in the 2016 season.

• Tiger-Cats will implement a process to acquire a team and regularly report to the City on its progress.

• By Sept. 30, 2015, Tiger-Cats must have a team secured and sanctioned or lose soccer rights.
Practice Facilities

• Football – will occur in the stadium. FMT would determine relocation decisions which will be mutually agreed.

• Soccer – all would be located at a new practice facility developed by the City or another local field.

• New practice facility would also accommodate community use.
Tiger-Cats’ Facilities

- Tiger-Cats’ football operation will be located at the stadium occupying approx. 21,000 sq. ft. of space for change rooms, exercise room, offices, meeting rooms, storage and a retail outlet (about 7,000 sq. ft. more space than the Club occupied at Ivor Wynne).

- The Tiger-Cats’ facilities are consistent with team facilities in other modern stadia.

- Rent for the space is included in the guaranteed payment and additionally the Tiger-Cats’ will pay operating costs (utilities, cleaning, etc.).
Permitted Transfer of Ownership

The City has the sole discretion to approve any transfer of ownership, except for certain specified permitted transfers:

• Approved by the CFL following CFL’s customary due diligence process with respect to such person, and such person meets financial, moral and major litigation tests;

• Sublicense and space licenses, e.g. concessions & advertising;

• Collateral assignment through a Licensee Lender, who must meet financial standards;

• Corporate reorganization where Robert Young remains in control;

• A transfer to the Estate of Robert Young
Concessions

- Concessionaire will be contracted to and managed by the Tiger-Cats.
- Concessionaire to maintain stipulated levels of insurance.
- Tiger-Cats receive all F&B net revenue from football and soccer home games.
- City receives 50% net revenue from City events and 15% net revenue from all other events - for which the City has audit rights.
- Upon contract renewal concessionaire will contribute 2% of gross receipts to a capital reserve fund for F&B equipment.
Naming Rights

• As per the MOU:
  
  • Tiger Cats purchased the naming rights.
  
  • City will receive a non-indexed annual payment of $750,000.
  
  • City has rights to disapprove a name that is morally objectionable or is associated with specified brands.
Financial Terms

- Naming Rights – Not Indexed
  - Annual payment - $750,000
- Guaranteed Annual Payments - Indexed
  - Football - $450,000
  - Soccer - $150,000
- Set Annual Payment – Indexed
  - Fixed amount - $200,000
    - As per the MOU for Club Seats, Private Suites and contribution to the Community Fund
- Other
  - Offsite parking (50% net earnings)
  - In-kind advertising ($100,000)
  - Share of food and beverage net revenue (50% City events & 15% all other commercial events).
Ivor Wynne Recognition

- Tiger Cats and staff met with Wynne family to discuss recognition opportunities in the stadium.

- Agreed to entitle the Media Box the “Ivor Wynne Press Centre”

- Family is honoured and found it fitting as Ivor Wynne spent a number of years announcing colour commentary for college and professional football on CHCH.
Other Items

- The City and the Tiger-Cats will cooperate in bidding to host future Grey Cup Games.

- City and Tiger-Cats are cooperating on a process in an attempt to secure a Stadium Highway Marquee Sign.

- Staff are recommending strategies to facilitate transportation and parking for home games and special events.
### Projected Annual Value of Agreement

<table>
<thead>
<tr>
<th>Item</th>
<th>2012</th>
<th>MOU</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Naming Rights</td>
<td></td>
<td>$750,000</td>
<td>$750,000</td>
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<tr>
<td>Football Rent</td>
<td>$27,500</td>
<td>$450,000</td>
<td>$450,000</td>
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<tr>
<td>Soccer Rent</td>
<td></td>
<td>$150,000</td>
<td>$150,000</td>
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<tr>
<td>Additional Rent</td>
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<td>$79,250 - $158,500</td>
<td>$200,000</td>
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<tr>
<td><strong>Total Naming and Rent Value</strong></td>
<td><strong>$27,500</strong></td>
<td><strong>$1.429M - $1.508M</strong></td>
<td><strong>$1.550M</strong></td>
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City Receives Net Revenue Share from Food & Beverage Sales at All Events (other than football & soccer games)

Concessionaire to contract directly with City only for City events

50% of net revenue – City events
15% of net revenue – all other events
Thank you