



Mr. Rob Rossini
Manager and Chief Financial Officer
7th Floor East
Toronto, City Hall

Dear Sir,

George Bell Arena, designed and built as a state of the art facility at a cost \$750,000, was opened in October 1961. Over the Arena's 52 year history it has served as, practice facility for game day skates of visiting NHL teams, practice facility for the Toronto Maple Leafs, practice facility for the Toronto Toros, home of the Canadian Italian Hockey League, home to the Canadian Japanese Hockey League, home of the Ryerson University Men's and Women's hockey teams, and host of many professional and amateur wrestling and boxing events.

George Bell serves the communities of York, Swansea, Toronto Junction, High Park, and eastern Etobicoke by providing high quality indoor ice facilities to the Community's youth and adult residents, including George Bell Community Hockey League, Swansea Girls Hockey League, Etobicoke Dolphins Girls Hockey League, Warren Park Hockey Association, Toronto Eagles Hockey Club, Humbervalley Hockey Association, Canadian Japanese Hockey League, Intellaware Hockey League, GBCHA Coaches Hockey Club, and Brydens Sports Hockey League. We also have many long term individual contract users who provide pick up hockey to the local community.

This past year George Bell lost a major renter when the Ryerson University Hockey teams relocated to their new home at the renovated Maple Leaf Gardens, this loss of revenue and the impact of the City Ice Allocation Policy has resulted in a net loss of revenue of \$17,000 to \$20,000 annually.

Currently the Arena runs a 35 week season from September to April, and 100% of Prime Time ice is contracted on an annual basis with 50 to 65% of non prime time ice rented weekdays. As things stand now, there simply is no room to introduce new programs, to recover this lost revenue.

As a result of the failure of our oldest dehumidifier unit of 20 plus years, which utilizes a hazardous substance being phased out of production and use, the Arena is now faced with the necessary replacement of one of our dehumidifiers.

The Arena has two options:

1) replace the broken unit with a new electric unit at a cost of \$33,700, this would allow the Arena to continue operations as they now stand and will result in a forecasted net deficit of approximately \$25,000 the year of installation. Without new revenue streams the Arena will continue to struggle keeping the Facility in a new and relevant condition.

GEORGE BELL ARENA

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2) replace the broken unit with a new gas fired desiccant unit at a cost of approximately \$100,000. This option would allow the Arena to introduce summer programming and rentals and result in a new "off season" net revenue stream totalling more than \$200,000 (projected) over 5 years.

Attached are financial projections (arrived at with the assistance of City of Toronto staff) showing revenue and expenses that would be realized with a 4 month summer ice season. These projections clearly indicate the financial benefit that would accrue to the George Bell Arena's bottom line in the future. They clearly indicate that this would be a sound long term investment for the Arena.

Based on these financial projections, the George Bell Board of Management has determined that Option 2, is their preferred option, and that the Arena should approach the City of Toronto for consideration of a loan in the amount of \$100K to be used for the design, supply and installation of a new gas fired desiccant dehumidification system to allow the Arena to introduce summer programming.

The Arena is committed to repaying any loan amount in as short a time frame as possible. We have estimated this time frame to be at 5 to 6 years or possibly shorter.

Your consideration of our request for funding is appreciated and we look forward to working with the City of Toronto to the benefit of the Communities served by George Bell Arena.

Yours truly

A handwritten signature in cursive script that reads "Michael Galea".

Michael Galea

Chairman, Board of Management of George Bell Arena

Appendix 1: Replace with Electric Dehumidification Unit

	<u>Budget</u>	<u>Forecast</u>	<u>Variance</u>
	<u>2013</u>	<u>2013</u>	<u>2013</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Revenues</u>			
Ice operations	505,182	503,938	-1,244
Summer ice operations	0	0	0
Summer floor rental	6,500	3,800	-2,700
Snack bar/vending	49,600	44,617	-4,983
Pro shop	800	35	-765
Facility rentals	14,885	14,905	19
Other	3,885	3,500	-385
Total Revenues	580,852	570,795	-10,057
<u>Expenditures</u>			
Salaries, wages and benefits	336,423	336,290	-133
Utilities	103,047	100,157	-2,890
Maintenance and repairs	64,420	92,311	27,891
General administration	7,570	7,269	-301
Insurance	10,234	10,234	0
Professional fees	12,300	6,477	-5,823
ERP repayments	15,653	15,653	0
Zamboni reserve	10,000	10,000	0
Snack bar supplies	20,000	17,432	-2,568
Pro shop supplies	238	0	-238
Total Expenditures	579,885	595,823	15,938
Net Revenues	967	-25,028	-25,995

Appendix 2: Replace with Gas Fired Dehumidification Unit

	Actual		2012 (P/oi.)	Forecast					13-18 Total
	2010	2011		2013	2014	2015	2016	2017	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Ice operations	499,860	509,477	488,325	503,938	503,938	503,938	503,938	503,938	3,023,628
Summer ice operations ¹	0	0	0	0	77,400	86,000	100,000	104,000	435,800
Summer floor rentals ²	4,550	5,438	3,862	0	0	0	0	0	3,800
Snack bar/vending	43,001	39,209	37,307	44,617	44,617	44,617	44,617	44,617	267,703
Pro shop	2,396	1,428	504	35	0	0	0	0	35
Facility rentals	4,249	9,178	17,140	14,905	14,905	14,905	14,905	14,905	89,427
Other (Advertisement)	13,029	6,361	19,465	3,500	3,500	3,500	3,500	3,500	21,000
Total Revenues	567,085	571,091	566,604	570,795	644,360	652,960	666,960	670,960	3,841,393
Expenditures									
General Operations									
Salaries, wages and benefits	337,376	347,396	345,605	336,290	336,290	336,290	336,290	336,290	2,017,743
Utilities	92,226	86,100	89,350	100,157	100,157	100,157	100,157	100,157	600,941
Maintenance and Repairs ³	65,933	75,223	59,927	58,611	64,454	64,454	64,454	64,454	380,879
General Administration	7,327	7,799	6,636	7,269	7,269	7,269	7,269	7,269	43,616
Insurance	9,715	10,104	9,715	10,234	10,234	10,234	10,234	10,234	61,404
Professional Fees ⁴	9,738	13,130	9,355	6,477	8,829	8,829	8,829	8,829	50,622
ERP Repayments ⁵	0	15,653	15,653	15,653	13,149	0	0	0	44,455
Zamboni Reserve	10,000	11,000	11,000	10,000	10,000	10,000	10,000	10,000	60,000
Snack Bar Supplies	22,798	19,014	19,344	17,432	17,432	17,432	17,432	17,432	104,591
Pro Shop Supplies	598	1,164	1,805	0	0	0	0	0	0
Subtotal General Operations	555,711	586,583	568,390	562,123	570,318	554,665	554,665	554,665	3,364,251
Summer Operations									
Salaries, wages and benefits	0	0	0	2,400	2,400	2,400	2,400	2,400	12,000
Utilities	0	0	0	37,200	36,316	39,465	40,649	41,869	197,500
Maintenance and repairs	0	0	0	1,600	1,648	1,697	1,748	1,801	8,495
Subtotal Summer Operations	0	0	0	41,200	42,364	43,563	44,798	46,070	217,994
Total Expenditures	555,711	586,583	568,390	562,123	611,518	598,228	599,463	600,735	3,582,245
Net Revenues	11,374	-15,492	-1,786	8,672	23,842	54,732	67,497	70,225	259,148
Less: 10% Contingency	N/A	N/A	N/A	867	3,418	5,473	6,750	7,022	25,915
Funds Avail. for Debt Repayment	N/A	N/A	N/A	7,804	21,457	49,259	60,747	63,202	233,233
Accumulated Funds Available	N/A	N/A	N/A	7,804	29,262	109,284	170,031	233,233	

¹Includes in-house Programs (Youth 3 on 3, Hockey School, Men's Pickup, and Women's Pickup) and contract ice rentals (Competitive Youths and Adults).

²Floor rentals expected to end after summer 2013

³One-time cost savings, for building repairs, are achievable in 2013

⁴One-time cost savings, for employee training, are achievable in 2013

⁵Energy Retrofit Repayments are scheduled to be fully repaid by 2015