TABLE OF CONTENTS

SECTION	TAB
Executive Summary	1
Vision and Mission	2
History	3
Statistics, Demographics and Growth	4
Situational Analysis	5
Business Model	6
Proposal	7
Operating Standards	8
Governance	9
Financing	10
Marketing Plan	11
Revenue Projections	12
Property Taxes	13
Lease or Management Arrangement	13
Critical Success Factors	13

APPENDIX

- Winnipeg Soccer Federation Incorporation 14
- Winnipeg Soccer Foundation Incorporation 15
- Endorsement Letters 16
- Inventory of WSC Assets 17
- Financial Statements Edmonton & Saskatoon 18
- Comparison Statements Edmonton, Saskatoon and Winnipeg 19
- Detailed line operating budgets – Winnipeg (Indoor) 20
- Detailed line operating budgets – Winnipeg (Outdoor) 21
- Capital Costs – Courtesy of Bird Construction 22
- Capital Cost Analysis - Courtesy of Bird Construction 23
- Project Timelines - Courtesy of Bird Construction 24
- E mail from City of Edmonton re capital costs 25
- USL "A" League 26
- Website references and other information 27

EXECUTIVE SUMMARY

Soccer has experienced rapid increases in registration over the last 10 to 15 years both in Canada and Winnipeg. These increases have been across all age groups and both genders although female participation has shown the largest overall increases. However, registration in Winnipeg as a percentage of population still lags behind most of the rest of Canada and in particular Western Canada. Up until 20 years ago soccer in Canada was regarded as an outdoor activity with players retreating indoors to train in gymnasiums during the winter months. Gymnasiums however are grossly inadequate in terms of playing and training for the sport. In the last two decades a healthy and remarkable growth has taken place in indoor soccer in the prairie provinces. By adapting the game using hockey type boards the game has experienced, where facilities have been built, exceptional growth.

Winnipeg's first "custom" indoor facility was located on Duncan Street and opened in the late 80's. The Winnipeg Minor Soccer Association (now the Winnipeg Youth Soccer Association) proposed to adapt the Highlander Complex to a four-field indoor complex around 1989 which would have been only the second of its kind in Canada – the other in Calgary. This proposal was not accepted and Winnipeg lost the opportunity to be at the forefront of indoor soccer in Canada.

Since that time a number of single-field facilities have opened across the city but they are not sufficient to meet the demand for indoor time. WYSA does not promote the indoor program due to the shortage of space while the Men's Senior Outdoor League does not operate an indoor component. Other Prairie cities have however embraced the multi-field complex and it has proved successful both from the sport perspective as well as financially. Calgary, Saskatoon and Edmonton all boast-multi field indoor complexes and Regina has recently started work on a $12m facility equivalent to eight indoor fields. Meanwhile, Winnipeg continues to suffer a large unsatisfied demand for the indoor game due to the shortage of facilities. As indoor facilities have flourished across the Prairies the Winnipeg Soccer Complex – a 3 field outdoor complex – has struggled financially. Due to the relatively high cost of maintaining outdoor fields and the limited use that can be made of them the overall operation has been a marginal proposition at best.

The Winnipeg Soccer Federation proposes that the Winnipeg Soccer Complex should become home to Winnipeg's first multi-field indoor complex while maintaining two outdoor fields. It is also proposed that the south field be resurfaced with artificial turf thus increasing the number of games that can be played as well as providing extended access to other outdoor sports such as high school football and lacrosse. The building of an indoor complex will ensure that the WSC can operate 52 weeks a year as well as making more effective and efficient use of infrastructure. The facility assets would be owned by the Winnipeg Soccer Foundation Inc. a registered charitable body.

As such, the Winnipeg Soccer Foundation would be able to issue tax receipts for contributions towards the construction of the facility as well as contributions towards on going maintenance. The approval of the Winnipeg Soccer Foundation provides soccer with a source of funding that has to date, not existed. The soccer supporting community will be able to donate and receive a tax receipt for their contribution - Saskatoon relied on the City of Saskatoon to issue receipts – and there is potential to apply to charitable community foundations for support.

The facility will be operated by the Winnipeg Soccer Federation. In operating the facility the Winnipeg Soccer Federation will take on the responsibility of an "*Entrepreneurial Non-Profit*". With attendance estimated in excess of 250,000 per year the redeveloped complex will have access to new revenue streams through advertising boards, naming rights, lounge, concessions and pro-shop.

Soccer is seen as a sport that all ages can enjoy irrespective of financial circumstances. At a cost less than $300 per year in registration fees a youth player can play 52 weeks each year (indoor and outdoor). Few sports can offer the same value. It is also a sport that can be enjoyed by all age groups and by all skill levels. At present the Winnipeg Soccer Complex is an under used asset. By building a multi-field indoor complex at this site the City of Winnipeg will become home to one of only a handful of soccer facilities that operates throughout the year. Given the experience of similar active facilities in Edmonton, Calgary and Saskatoon the stakeholders of the Winnipeg Soccer Federation (Senior Men's & Women's, Winnipeg Youth Soccer Association) can commit to repaying a substantial part of the cost through a guaranteed loan augmented by fundraising that would reduce the loan principle.

Conclusions

- Currently Winnipeg lags behind other comparable cities such as Edmonton, Calgary, Saskatoon and Regina.
- The Winnipeg soccer community is currently under serviced in relation to indoor soccer facilities.
- There is a large group of players at all age groups who either are unable to play indoor soccer because of the lack of facilities or are unable to book sufficient time on a regular basis.
- PUFS supports the statistical findings contained within the proposal and the conclusion that there is a large under-serviced market for indoor soccer in Winnipeg compared to other prairie provinces.
- The business model maximizes the use of a site year round and is aligned with the PUFS concept of destination type facilities.
- The proposal presented by the Winnipeg Soccer Foundation Inc. and the Winnipeg Soccer Federation Inc. is both innovative and creative.
- The proposal posses no threat to any current facility operating in the City of Winnipeg.
- Soccer continues to grow at all levels and age groups across Canada and in Manitoba and Winnipeg.
- Currently the participation rate in Manitoba (per capita) is below almost all other provinces in Canada.
- Soccer is one of a few sports that includes participation at all age levels and genders. There has been exponential growth in female participation in soccer and soccer is now the sport of choice for girls in North America.
- The indoor proposal is focused on recreational players.
- The plan submitted is generally transferable to other potential sites.
- The financial projections are based on the success of similar facilities in other prairie provinces.

VISION AND MISSION

WINNIPEG SOCCER FEDERATION

Vision

"The Winnipeg Soccer Federation will ensure that adequate soccer facilities – both indoors and outdoors – are made available to meet the demands of the sport in the City of Winnipeg"

Mission

"The Winnipeg Soccer Federation will play a key role in the development and management of designated soccer facilities in the City of Winnipeg."

WINNIPEG SOCCER COMPLEX

Vision

"The Winnipeg Soccer Complex as the premium soccer facility in Winnipeg and Manitoba exists to encourage the citizens of Winnipeg to participate in and support the sport of soccer at all skill levels and on a lifelong basis. As the global game the sport of soccer is in a unique position to help bridge cultural differences while offering participants an opportunity to maintain a healthy lifestyle in a spirit of fair play and friendship."

Mission

"The Winnipeg Soccer Complex will operate for the benefit of the City of Winnipeg soccer community on a 52-week-a- year basis by providing excellent indoor and outdoor facilities on a financially sustainable basis."

HISTORY

Winnipeg has played a significant role in the development of soccer in Canada both on the field, in the boardroom and through the media. The Manitoba Football Association was formed in 1896 with the Winnipeg Shamrocks undertaking the first national tour by a Winnipeg side in 1902, playing in Ontario and Quebec. The following year a team from Galt, Ontario reciprocated with a tour that also included Gretna, Manitou, Plum Coulee, Crystal City, Pilot Mound, Deloraine, Hartney, Brandon, Souris, Gladstone and Portage la Prairie. The following year that same Galt team took the Gold Medal at the 1904 Olympics held in St. Louis. In 1912 the founding meeting of the Dominion of Canada Football Association was held in Toronto when provincial soccer executives laid the foundation of what is today's Canadian Soccer Association. A draft constitution was adopted and J.D. Pratt of Winnipeg was elected honorary president and served with S. Larkin of Manitoba who was appointed to the Board of Directors.

On January 6, 1913 the Dominion F.A. became a member of FIFA, the world governing body of soccer. Winnipeg was chosen as the site for the first national annual meeting, held on July 9, 1913. E. Baily Fisher of Winnipeg became the first Honorary President of the fully fledged organization and S. Larkin was appointed Vice President. The close affiliation between Winnipeg and the national association continued when another Winnipegger Sam Davidson took on the task as national secretary in the 1920's. For the next 30 years together with the leadership of fellow Winnipegger George Anderson Winnipeg was the soccer capital of Canada.

On the field Winnipeg teams also proved successful with the Norwood Wanderers winning the first two national championships in 1913 and 1914. During that period Carruthers Park in Winnipeg was the famous soccer field in Canada. Based on articles written by the legendary Winnipeg sports writer Vince Leah the park was located at Carruthers and Main now the site of the Transit garage. Vince wrote that spectators got off the North Main Street cars right at the Stadium. Crowds of 10 -11,000 attended National championship games (1926 United Weston beat Cumberland Colliers) so we know that Carruthers was a large facility.

Soccer lost Carruthers over the course of the Second World War. The City took it over for unpaid taxes, as soccer virtually shut down during war years. Some exhibition games were played between Armed services teams and local teams such as United Weston at Osborne Stadium situated where Great West Life is now. A number of British servicemen also turned out for local sides while stationed in Portage La Prairie. One of these players is said to have been the legendary Liverpool and Scottish international forward Billy Liddell. Soccer then went to Wesley Park, United College's ground (which became the U of Winnipeg) until 1952. Then in 1953 the "Soccer Community" got together and built Alexander Park. According to records Alexander Park was built with no grants or financing from government, the only break was a lease from the City and no municipal taxes.

The soccer community operated Alexander Park, a single field outdoor facility, from 1953 to 1988. The park was situated to the north of the then existing velodrome but the mid-80's various alternative uses were put forward for this site including the construction of a new baseball stadium. After a long period of negotiation the Alexander Park site was returned to the City and a new complex at Waverley Street built. Subsequently the velodrome was demolished and the combined site developed for commercial activity. Initially the City of Winnipeg committed $2m towards the project but these funds were rolled into a larger and more extensive project. The Winnipeg Sports Facility Program for the 1990 Western Canada Games was cost shared by the City of Winnipeg, Province of Manitoba and Sport Manitoba.

In retrospect it is fair to conclude that although the soccer community was appreciative of the new facility a significant number of corners were cut in building the new facility. These short cuts – e.g. no permanent sprinkler systems, no heating system in the clubhouse – have led to increased operating costs as well as have affected the functionality of the facility.

The functioning assets of Alexander Park were moved to the WSC when it opened for play in 1989 and essentially the volunteer board that operated Alexander Park took over responsibility for the new facility by way of a 10-year lease. As Alexander Park was a single-field facility it was almost exclusively used by the senior men's program and

a similar pattern evolved at the WSC. During the 1990's the issue of user groups and access to the facility became a hot issue and eventually the Manitoba Soccer Association took over responsibility for the facility. As the MSA's mandate is wider than the City of Winnipeg this arrangement was never considered ideal. In late 1997 the City of Winnipeg issued a Request for Proposals in relation to the programming, operation and maintenance of the WSC. Rather than receiving a long-term lease the arrangement between the MSA and the City of Winnipeg became a series of rolling one-year user agreements. The limitations in relation to such agreements are obvious in regards to long-term development and the generation of additional revenue streams. In the latter part of 2003 the Winnipeg Soccer Federation (see appendix A) was formed and the responsibility for negotiating a lease and developing a long-term plan for the WSC now rests with this group.

Over the last 15 years the WSC has been maintained and managed by the soccer community at little or no cost to the City. Countless volunteer hours have been contributed to the 17-acre site with only small honorarium payments being made in certain circumstances. The cost of operating the facility has been borne by a combination of user fees, volunteer labour and direct subsidies from the Manitoba Soccer Association and the Winnipeg Youth Soccer Association. The cost of operating the facility based on market rates is estimated to be in excess of $100,000 per annum while actual costs have been reduced through the use of volunteers to a range of $50,000 to $70,000 per annum. Revenue opportunities are limited given the nature of grass fields and the rate charged by other owners\operators to use other fields. A number of pricing options have been instituted and have generally ranged from $150 to $200 per game with a maximum number of games around 200 per season. The recurring budget shortfall has meant that no money has been set aside for regular maintenance and the facility was rested in 2003 and 2004.

Given the marginal nature of the WSC operation the challenge to the soccer community is to prepare a plan for the facility that generates sufficient revenue not only to maintain the facility but to improve it.

The provision of a marquee indoor soccer facility has been identified as the key element in the sustainability of the WSC. The first "custom" indoor facility was operated

in the 80's on Duncan Street and since that time the number of indoor soccer fields has increased to six, but all remain single-field entities.

STATISTICS, DEMOGRAPHICS AND GROWTH

Participation in soccer in Canada has exploded in recent years. The Canadian Soccer Associations 2004 statistical report can be accessed through: http://www.canadasoccer.com/eng/docs/2004_demographics_report.pdf

Since 1992 registered participation has gone from 346,974 to 825,323 an increase of 137%. Given past trends it is reasonable assumption that over 1,000,000 players will be registered in Canada by the end of this decade. The largest area of growth has been in the female game with 347,228 females registered in 2004. That is more than double the 167,913 registered only 8 years ago in 1996.

In Winnipeg there has also been substantial growth as indicated below.

OUTDOOR REGISTRATIONS (does not include under 8's)

Year	Snr. Men	Youth Male	Snr Female	Youth Female	Total Male	Total Female	Total Registered	% Yr change	% Cum
1992	1,141	5,145	280	2,113	6,286	2,393	8,679		
1993	1,188	4,203	301	2,329	5,391	2,630	8,021	-8%	-8%
1994	1,310	4,175	272	2,397	5,485	2,669	8,154	2%	-6%
1995	1,284	4,554	306	2,895	5,838	3,201	9,039	11%	4%
1996	1,310	5,185	378	3,620	6,495	3,998	10,493	16%	21%
1997	1,324	5,561	414	4,090	6,885	4,504	11,389	9%	31%
1998	1,469	5,802	450	4,529	7,271	4,979	12,250	8%	41%
1999	1,552	6,155	560	4,948	7,707	5,508	13,215	8%	52%
2000	1,495	6,057	631	5,435	7,552	6,066	13,618	3%	57%
2001	1,589	5,945	821	5,945	7,534	6,766	14,300	5%	65%
2002	1,681	5,508	939	5,821	7,189	6,760	13,949	-2%	61%
2003	1,780	5,441	1,000	5,772	7,221	6,772	13,993	0%	61%
2004	2,031	6,965	1,253	7,551	8,996	8,804	17,800	27.2%	105%
Average Increase								**8.87%**	**105%**

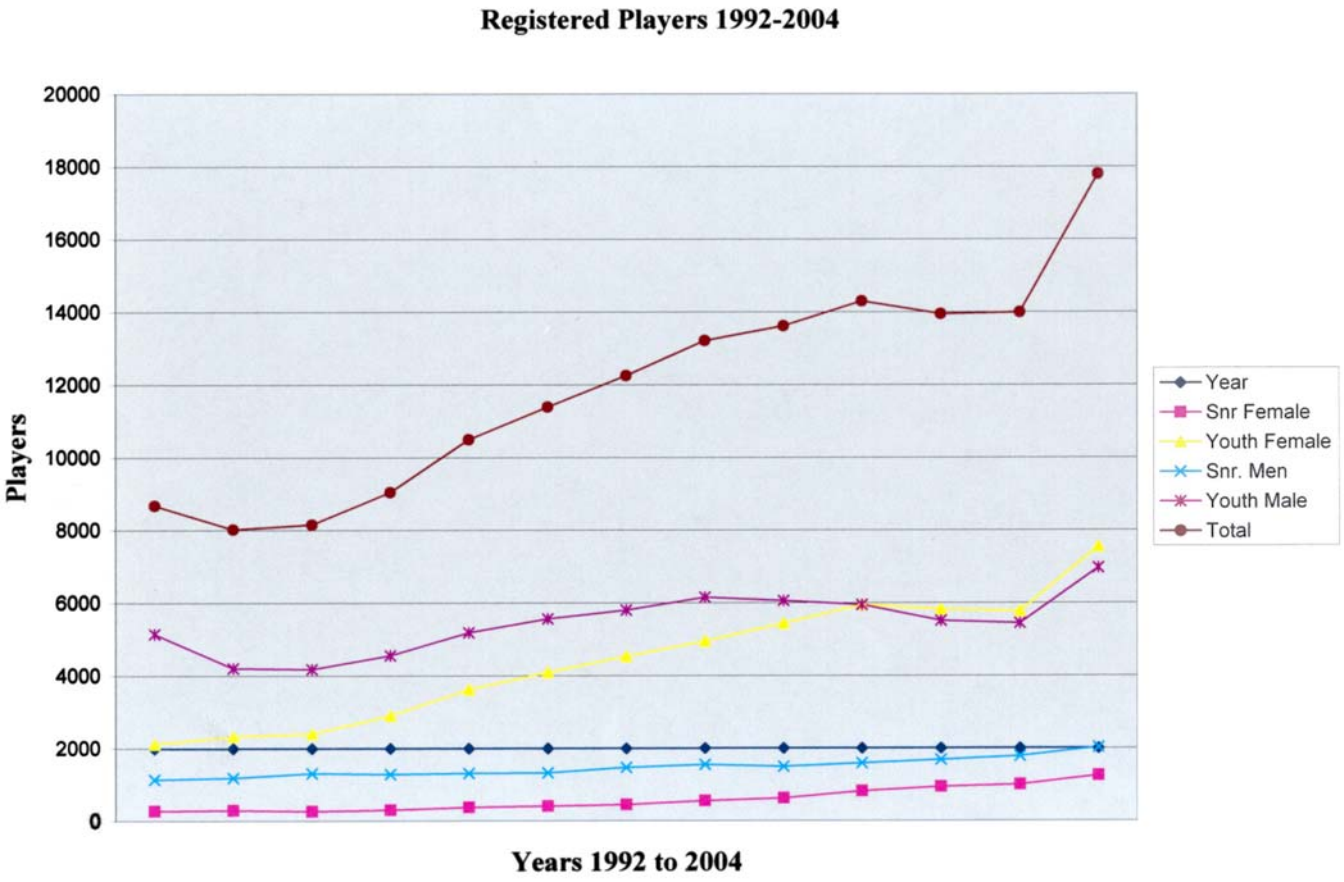
Senior is over 18 years of age. Youth is from 8 years old to 18.

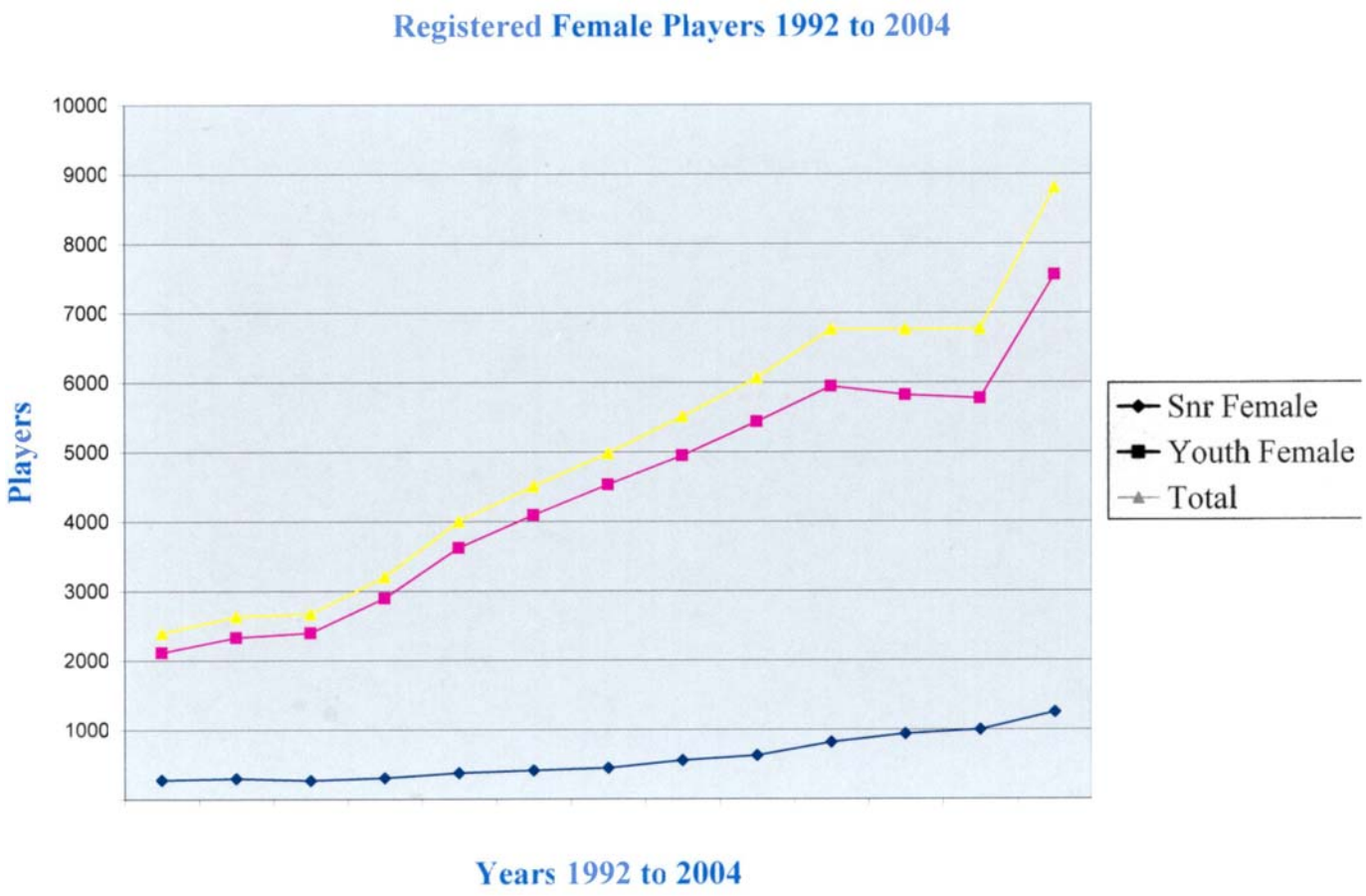
Players under the age of 8 are not registered by the Manitoba Soccer Association, It is estimated that there is additional 12,500 players under the age of 8.

*In addition co-ed and old timer leagues also operate in the City and these players are **not** registered with the MSA. These players are estimated at 350.*

There have been increases at all levels with the most dramatic increase being shown in female participation. The segment showing the least amount of growth is in male youths although there was a substantial increase in 2004 and there are strong indications that many young players are choosing to continue to play once they "graduate" to the senior ranks. This can be seen by the 78% increase in senior men's registration. Essentially a greater number of players are choosing to extend their playing time to the senior level.

The two graphs – included on the following pages - illustrate the overall increase in registration over the last 13 years and the dramatic increase in female participation.


Registered Players 1992-2004
20000
18000
16000
14000
12000
10000
8000
6000
4000
2000
0
Players
Years 1992 to 2004
Year
Snr Female
Youth Female
Snr. Men
Youth Male
Total


Registered Female Players 1992 to 2004
Players
10000
9000
8000
7000
6000
5000
4000
3000
2000
1000
Years 1992 to 2004
Snr Female
Youth Female
Total

Canadian Soccer Association statistics 2002 compared to 2001 census information show soccer registration in Manitoba trailing most of Canada.

RATIO OF PLAYERS TO POPULATION

	Juniors		Seniors		Total		
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	TOTAL
Alberta	3.23%	1.73%	0.73%	0.31%	3.96%	2.04%	3.00%
British Columbia	3.18%	1.76%	0.54%	0.34%	3.72%	2.10%	2.89%
Saskatchewan	2.18%	1.70%	0.39%	0.28%	2.58%	1.98%	2.28%
Manitoba	***1.53%***	***1.31%***	***0.31%***	***0.16%***	***1.84%***	***1.48%***	***1.66%***
Ontario	3.11%	2.15%	0.59%	0.24%	3.70%	2.39%	3.03%
Quebec	2.29%	1.26%	0.22%	0.08%	2.52%	1.34%	1.92%
New Brunswick	2.32%	1.48%	0.22%	0.11%	2.54%	1.59%	2.06%
Nova Scotia	3.28%	2.53%	0.31%	0.31%	3.60%	2.83%	3.20%
Prince Edward Island	4.51%	3.76%	0.59%	0.23%	5.10%	4.00%	4.53%
Newfoundland	1.54%	1.83%	0.25%	0.04%	1.79%	1.87%	1.83%
Yukon Territories	6.39%	3.35%	1.05%	0.81%	7.44%	4.16%	5.81%
Northwest Territories	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nunavut	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2.81%	**1.79%**	**0.47%**	**0.22%**	**3.28%**	**2.01%**	**2.63%**

This information, along with the ever increasing access to televised soccer (an average of 20-25 games from around the world are now shown each week), may indicate that although the game has grown in Winnipeg and Manitoba continuing growth is a very reasonable assumption. Even taking into consideration the increased participation in the 2004 season Winnipeg still lacks behind other Western Canadian cities in rates of participation.

Indoor Soccer

Winnipeg lost an opportunity in 1989 to be at the forefront of the indoor game in Western Canada. A proposal was submitted which would have seen the Highlander (at that time a hockey and curling facility) converted to a four-field indoor complex. Subsequently curling was given a two year "stay of execution" only to have the facility sold to a B.C. company and converted to a full time hockey facility at the conclusion of the "stay of execution". Since then Winnipeg has seen "stand alone" (single indoor fields) indoor facilities developed on a sporadic and unplanned basis. Currently 6 facilities operate in Winnipeg although one of the facilities - the Winter Club - has plans to close. The limited number of facilities in relation to Edmonton, Saskatoon and Calgary – and soon Regina - has restricted the growth in the game to such an extent that the Winnipeg

Youth Soccer Association (WYSA) does not advertise or promote the program because each winter season the available limited time slots are fully subscribed without any advertising or promotion. Essentially there is an extremely large disconnect and gap between the demand for indoor soccer in the City of Winnipeg and the available facilities. While other Prairie cities have identified the rising demand for indoor soccer facilities and have invested in facilities Winnipeg remains set in a paradigm in which soccer is a sport only played by immigrants and although increasingly popular it still doesn't attract the numbers associated with the conventional North American sports. Nothing is further from the truth – soccer **is the sport of choice** for the girls and boys of Winnipeg!

Present Indoor Facilities – City of Winnipeg

WINNIPEG			
Facility	**Status**	**Location**	**Size**
Cover All Sports Plex	Privately Owned	5110 Portage Avenue, Headingley	One Field
Soccer Spectrum	Privately Owned	1380 Waverley Street	One Field
Court Sports & Fitness Club	Privately Owned	1400 Taylor Avenue	One Field
Winter Club	Privately Owned	200 River Avenue	One Field
Gateway Recreation Centre	Community Club	1717 Gateway Road	One Field
Seven Oaks Complex	Community Club	725 Kingsberry Avenue	One Field

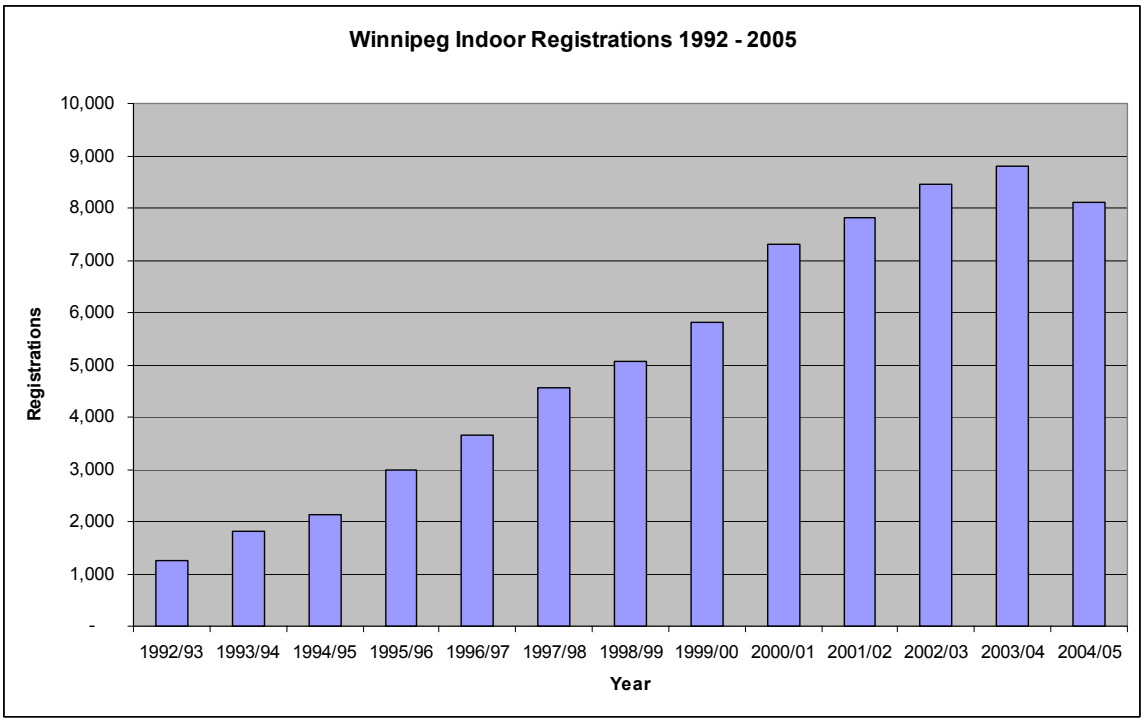
The following table clearly shows that as indoor facilities become available in Winnipeg, registration and participation grows significantly. As the major factor affecting participation is the availability of facilities it is a reasonable assumption that as new facilities are developed then participation will increase. Indoor soccer has yet to match outdoor participation and the ratio of indoor to outdoor participation in Winnipeg is less than in Calgary, Edmonton and Saskatoon. A number of other factors lend credence to the position that more facilities will lead to greater levels of participation. For example Edmonton's fastest growing segment of indoor registrations is the "classics". The over 35's – male and female – are choosing to play indoors many years after retiring from the outdoor game. In addition little or no practice time can be booked in Winnipeg and WYSA does not offer indoor playing time to any player under the age of 8. It should be noted that there are more children playing outdoor soccer under the age of 8 than there

are in the 8 to 17 age bracket (under 8's are not included in Winnipeg's registration numbers and may conservatively constitute an estimated additional 12,500 players).

WINNIPEG INDOOR FACILITIES & REGISTRATIONS

Year	Facility	Total Fields	Youth	Men's	Women	Total	Inc.	Cum	Inc.%	Cum %	Player Ratio
1992/93	* Duncan Street	1	350	960	-	1,310					1,310
1993/94	Spectrum	1	784	1,024	-	1,808	498	498	38%	38%	1,808
1994/95	Court Sports	2	994	1,152	-	2,146	338	836	19%	64%	1,073
1995/96		2	1,624	1,376	-	3,000	854	1,690	40%	129%	1,500
1996/97		2	2,064	1,408	192	3,664	664	2,354	22%	180%	1,832
1997/98	Winter Club	3	2,599	1,632	320	4,551	887	3,241	24%	247%	1,517
1998/99	Gateway	4	2,830	1,824	416	5,070	519	3,760	11%	287%	1,268
1999/00	Seven Oaks	5	3,463	1,872	480	5,815	745	4,505	15%	344%	1,163
2000/01	Cover All	6	4,174	2,560	576	7,310	1,495	6,000	26%	458%	1,218
2001/02		6	4,555	2,496	768	7,819	509	6,509	7%	497%	1,303
2002/03		6	4,953	2,560	928	8,441	622	7,131	8%	544%	1,407
2003/04		6	5,209	2,560	1,024	8,793	352	7,483	4%	571%	1,466
2004/05		6	5,297	1,800	1,000	8,097	-694	6,847	-8%	548%	1,350
										Average	1,400

* Duncan Street operated from approximately 1987 to 1992.



This graph indicates the growth of indoor soccer registrations. The specific data relating to the opening of new facilities is included in the chart previous to the graph but suffice to say demonstrates that as new facilities opened, registrations surged.

In the last year the registrations have declined. The decline is totally attributable to a reduction in the number of senior male registrations. The reduction supports the conclusion in this proposal that the limited facilities currently available impacts and limits participation in the support. The facility shortage has been exacerbated by problems with the Winnipeg Winter Club facility.

Facilities in other Western Canadian cities

EDMONTON

Facility\Location	Description	Date	Size	Cost
West	4 fields	1994	91,100 sq. ft	$4.8m
East	4 fields	1999	93,100 sq. ft.	$5.93m
South*	4 fields	2004	93,100 sq. ft.	$7.4m

SASKATOON

Facility\Location	Description	Date	Size	Cost
Northwest	4 fields	1998	84,000 sq. ft.	$4.9m
Northeast*	Full size plus 4 fields	2004	165,000 sq. ft.	$11.5m

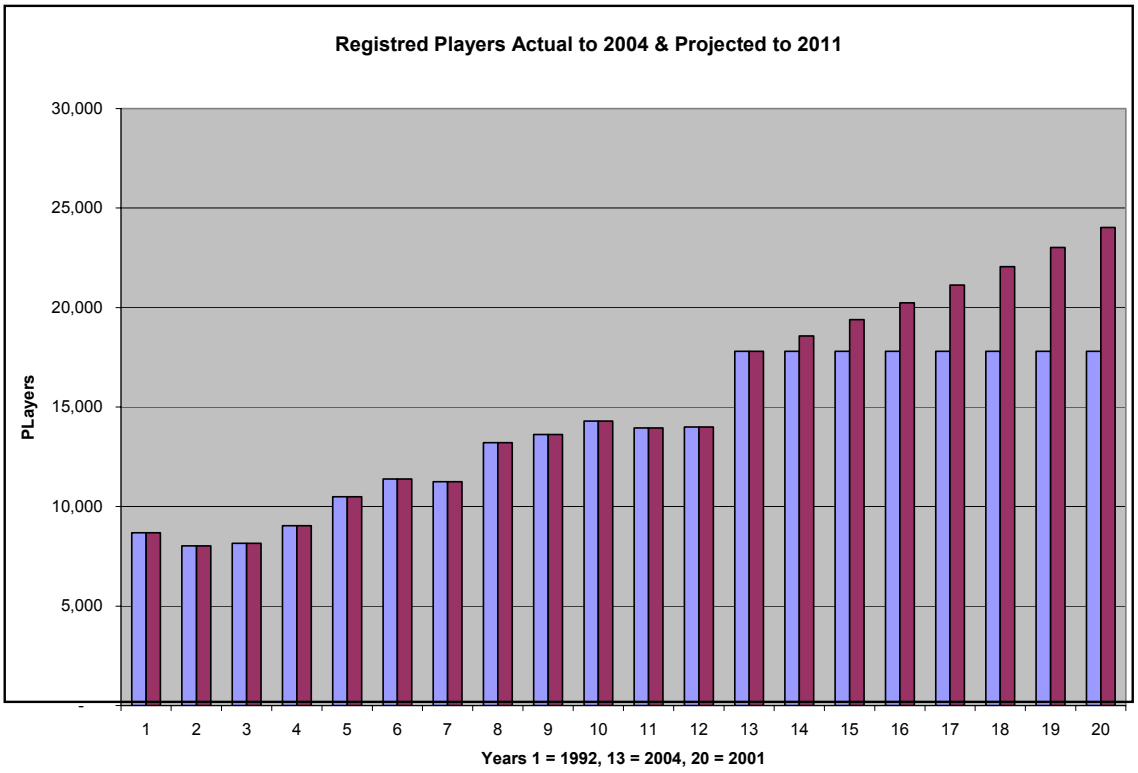
* Includes running track
Project approved and construction has started

Additional indoor facilities operate in Edmonton but the facilities noted above operate under the jurisdiction of the Edmonton Soccer Centre.

Calgary also has substantial facilities including what is believed to be the largest indoor complex in North America. However it has been difficult to ascertain precise information from Calgary so it has been excluded from this example. Regina has just started construction of a $13m facility on the Exhibition and Fair Grounds. Of the total budget the three levels of government are providing $12 m with the Regina soccer community committed to $1 m.

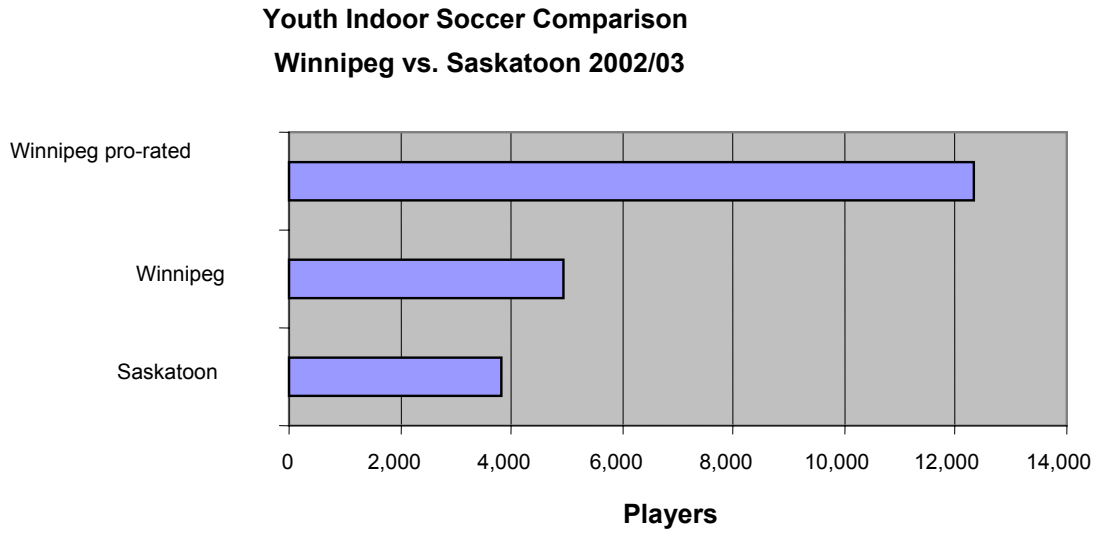
Further details are provided under tab 27.

Trends – Outdoors



This charge shows the total increase in registered players from 1992 (1) to 2004 (13) and then projects an increase of **4.38 %** (half of the actual experienced in the last 13 years). Given that Winnipeg trails the rest of Canada in participation rates per head of population the annualized increase of **4.38** % may be considered a very conservative estimate.

Trends – Indoors



Statistics

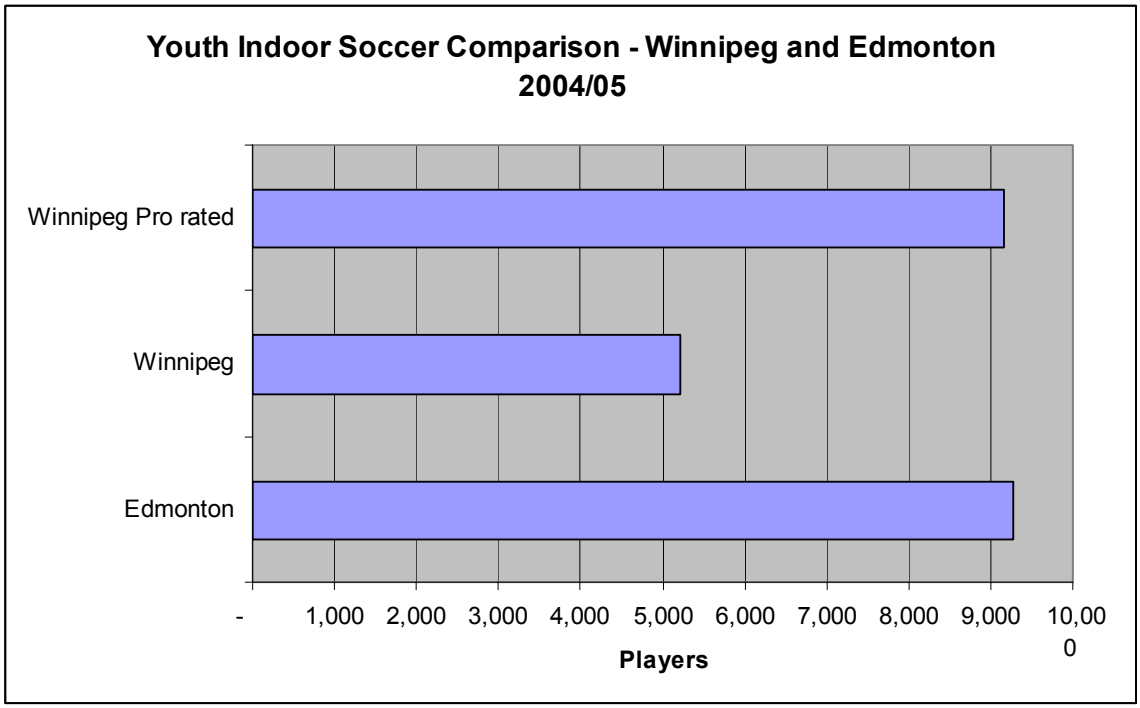
2002/03 the last season available of Saskatoon statistics.

Location	Population	Youth Indoor Players	% Participation
Saskatoon	213,607	3,836	1.8%
Winnipeg	685,507	4,953	0.7%
Winnipeg		12,339	1.8%

Pro rated to Saskatoon

Conclusion

The chart shows the registered youth players in Saskatoon (2002/03) as a percentage of the population as well as Winnipeg. Winnipeg's participation rate on a per capita basis is substantially less than Saskatoon. Given that it is estimated that less than 25% of outdoor youth players (age 6 and up) are able to play indoor soccer in Winnipeg (WYSA is unable to offer more time due to lack of facilities) it is projected that there is a minimum unsatisfied demand (youth alone) of 7,386. Given that one field can accommodate the needs of 1,450 players, and based on the present 6 fields, Winnipeg, is under serviced by a minimum of 5 indoor fields.



Statistics

2004/05 the latest season available.

Location	Population	Youth Indoor Players	% Participation
Edmonton	693,123	9,265	1.34%
Winnipeg	685,507	5,205	0.76%
Winnipeg		9,163	1.34%

Pro rated to Edmonton- over the age of 8 and under the age of 18.

Conclusion

The chart shows the registered youth players in Edmonton (2004/05) as a percentage of the population as well as Winnipeg. Winnipeg's participation rate on a per capita basis is substantially less than Edmonton. The City of Edmonton population was used given that number youth players registered is limited to the Edmonton Soccer Centres facilities. Other indoor soccer facilities operate in other areas of Edmonton and

the surrounding municipalities. The registrations for Edmonton Soccer Centres has been estimated from Edmonton web site referenced in tab 27.
The graph information also includes the number of under 8 players. In Edmonton for the 2004/05 this category numbers an estimated 1150 players. Using a comparison to Edmonton, Winnipeg is currently less 3,958 youth players than Edmonton plus 1,150 under the age of 8. This totals 5,108. At an average of 1,450 players per field and based on the present 6 fields, Winnipeg is presently under serviced by 3.5 indoor fields in a comparison to Edmonton youth registrations. This does not take into consideration the over 18 market segment serviced by Edmonton in comparison to Winnipeg. For the 2004/05 season Edmonton Soccer Centres has an estimated 7,700 players over the age of 18 registered for their leagues. Winnipeg has 2,800 indoor players in the same segment.

To summarize the inventory generated by the construction of a 4 field indoor complex can be filled by youth players alone and still not impact on the operational viability of the existing facilities.

From a participatory perspective soccer in Canada is extremely healthy and looks set to continue large yearly registration increases. The CSA 2003 and 2004 statistical reports highlights the impact that hosting the 2002 Girls under 19 World Cup in Edmonton has had on female youth registration. In addition the full women's team progressed to the semi-finals of the 2003 Women's World Cup in the United States so a continuation of an annual increase is a strong possibility. Soccer participation in Winnipeg has increased significantly over the last decade but still lags behind most other provinces and in particular the western provinces. Improved and more facilities will play a key role in providing Winnipeggers with more opportunities to participate, have fun, socialize and to stay healthy. Critical to this is the building of a multi-field indoor complex. It is also important to note that this proposal posses no threat to the operational viability of any existing facilities.

WINNIPEG SOCCER COMPLEX

Overview

Given that Winnipeg is and always will be a winter city the provision of indoor sporting facilities should be considered a priority. With the exception of ice sports the provision of such indoor sports facilities in Winnipeg is significantly less than found in other winter cities in Canada and around the world. For example Norway with a population of a little over 4m has 12 **full size** indoor soccer fields alone. The challenge of living in Winnipeg is how to cope with winter while remaining active. The provision of indoor sport facilities is key to this.

Description Summary

- The complex is a 17 acre site with approximately 9 acres of grass.
- The complex currently has three full size grass fields and one warm up \ practice field.
- There is top rated lighting – television broadcast quality - on field 1 and adequate lighting on field 2.
- Bleachers for an estimated 2,600 spectators are situated on site (field 1) while another estimated 3,000 are located off site.
- Field 2 is designed to handle the run off from field 1.
- There is a clubhouse with a canteen, a small administration area, four dressing rooms with showers and a referee's room.
- There is a storage shed housing field maintenance equipment.
- Parking for an estimated 380 cars.
- Complex is fenced with office property and a Montessori School to the south, Waverley to the west, Wilkes to the north and the reservoir operated by the City of Winnipeg Water Department to the east.

Prior Investment

The building of the complex was initially funded by the City of Winnipeg, the Province of Manitoba and the Manitoba Sports Federation (predecessor to Sport Manitoba) on an equal basis. The cost of the facility was set at $2m.
The following improvements have been made to the Winnipeg Soccer Complex since 1989 at no direct cost to the City of Winnipeg.

Funding Agency	Description	Investment
Winnipeg Sport Facility Fund	Added 3rd field and upgraded lighting	$147,495
Winnipeg Sport Facility Fund	Added mini\practice field	$14,200
Pan American Games 1999	Acquisition and installation of bleachers, installation of broadcast quality lighting on field 1 and relocate existing to field 2, field maintenance pre-games, ticket booths, landscaping, including engineering costs	$785,000
Winnipeg Sport Facility Fund	12 sections of bleachers (shared)	$58,844
Manitoba Soccer Association	Grading of gravel to install additional bleachers for World Cup games.	$23,000
Manitoba Soccer Association	Installation of irrigation system on field 3	$20,000
Manitoba Soccer Association	Upgrading and patching turf	$18,500
GRAND TOTAL		**$1,067,039**

Present Condition

Buildings

The main building consists of a 6,000 sq ft block on slab construction. It has 2 external washrooms and 2 internal washrooms (wheelchair accessible). It has a food concession area complete with storage room. There is a common area with a boardroom and an office along with the mechanical room housing 4 - 100 gallon hot water tanks. The remainder of the building has 5 dressing rooms (1 for referees & 4 for teams) an electrical room with an 800 Amp 600/347v electrical service. It also has a medical room. The electrical room also has provisions for a gas furnace that was never installed and the air makeup unit has never operated properly. The air does not circulate causing mould to build in the showers of the dressing rooms. Over all the building is in fair condition, although the slab floor is starting to crack. The second building is a double garage with 2-drive through doors (1 at each end). This building is used to store the majority of the field maintenance equipment. It is a metal building with an asphalt-shingled roof that needs

repair. The city repaired it in 2002 and the shingles blew away again in 2003 and the building is in need of a new roof.

Fields

Field 1

This field is located at the south end of the complex. It is the main game field for special games and is set up with TV lighting (legacy from the 1999 Pan American Games) 2,600 seats on the west side with a small press box, and an electronic score board. Field 1 was weeded, 4 way slit seeded, top-dressed, and fertilized in the fall of 2003. The south goalmouth was patched with sod. It also requires a sprinkler system.

Field 2

This is the centrally positioned field and is the overflow field to take the rainfall away from fields 1 & 3. It needs to be completely rebuilt at an estimated cost of $125,000 to $150,000. It requires to be killed, tilled, and have 4" of soil added and sodded. It should also have a sprinkler system added.

Field 3

This field, situated at the north end of the facility, was redone this year, it was weeded, 4 way slit seeded, top dressed, patched, fertilized and a sprinkler system added. Practice field – requires weeding and fertilization.

Parking lot

Holds app 380 cars, and is in reasonable shape. It requires weeding and repainting.

Bleachers

The main bleachers consist of seats for 2,600 spectators and a small press box that have a 200 amp electrical service and 4 phone lines. These bleachers require the wood seating to be removed and replaced and the metal framework sandblasted and repainted. Materials are estimated at $30,000 with labour estimated at $20,000 to $25,000.

The 3,200 portable seats were removed by the city in 2001. 750 seats (10 sets) were returned by the city to Red River College fields on our request this year for the

nationals. The return of the remainder of the seats is pending in the late spring of 2004. In future it has been agreed that should other groups request the bleachers then they would be responsible for cartage, removal and reinstallation.

Summary

Due to the condition of the fields at the end of 2003 and the late work done of the fields it is felt unadvisable to play on the fields during the 2004 season. This meant that the facility remained dormant for a second successive summer. It should be noted that the 1999 Pan American Games also restricted the use of the facility in both 1998 and 1999.

Operating Budget 2004

The following estimate was made in late 2003 to operate a dormant facility in 2004 while preparing and tending the fields in order to operate in 2005 and return the complex to the original standard. *Note - the operating budget is largely based on a hybrid volunteer model.*

OPERATING		**2004 Dormant**
Revenue		
Games Fees		
Admissions		
Parking		
Green Team		
Concessions		
Hydro Parking	$	1,800
	$	**1,800**
Expenses		
Building		
Repairs	$	-
Security	$	300
Hydro	$	2,500
Garbage Pick Up	$	320
Telephone	$	150
Insurance	$	1,100
Maintenance Supplies	$	150
Janitorial Supplies	$	300
Cleaning Staff	$	-
Contracted Cleaning Staff	$	-
Field Expenses		
Hydro Lights	$	-
Water Fields	$	3,500
Landscaping & Maintenance	$	125
Field Paint	$	-
Contractor for Site Maintenance	$	-
Park Manager	$	-
Grounds keeping Staff	$	15,600
Repairs to Grounds keeping Equipment	$	2,000
On Field Soccer Equipment	$	-
Parking Lot and Fences	$	-
Other Expenses:		
Annual opening and closing	$	1,800
Soil \ Fertilizer Fields	$	1,500
TOTAL	**$**	**29,345**
NET Surplus \ (Deficit)	$	(27,545)

Capital Budget

Goalmouths fields 1 & 3	$3,000
Bleachers - Materials	0,000
- Labour	20,000
Field 2	125,000 (possibly $150K)
Garage Roof patching	1,000
TOTAL	**$179,000**

It should be noted that although this investment will return the complex to an acceptable standard it will not provide any additional revenue streams to maintain the complex in the future. In addition the ongoing operation of the facility will require a subsidy in order to operate every season.

Operating Budget 2005

	Volunteer Model	Market Rate
Revenue		
200 Games at $150.00 per game	$ 30,000	$ 30,000
Admissions - 3,000 at $2.00	6,000	6,000
Concessions	-	-
Hydro Parking	1,800	1,800
	$ 37,800	$37,800
Expenses		
Building		
Repairs	$1,800	$1,800
Security	300	300
Hydro	3,900	3,900
Garbage Pick Up	1,250	1,250
Telephone	200	200
Insurance	1,100	1,100
Maintenance Supplies	300	300
Janitorial Supplies	600	600
Cleaning Staff	2,502	-
Contracted Cleaning Staff		12,500
Field Expenses		
Hydro Lights	-	10,000
Water Fields	5,300	5,300
Landscaping & Maintenance	250	-
Field Paint	2,900	-
Contractor for Site Maintenance	-	45,000
Park Manager	-	20,000

Grounds keeping Staff	15,600	-
Repairs to Grounds keeping Equipment	3,900	-
On Field Soccer Equipment	500	500
Parking Lot and Fences	150	150
Other Expenses:		
Annual opening and closing	1,800	1,800
Soil \ Fertilizer Fields	2,200	4,000
TOTAL	$ 44,552	$108,700
Operating Surplus \ (Deficit)	$ (6,752)	$ (70,900)

Limitations

- Outdoor soccer facilities without economies of scale cannot generate financial surpluses sufficient to maintain the asset.
- Grass fields need constant maintenance and repair with a limitation on the number of games that can be played. Also requires a high volume of water.
- By the nature of the sport and the use of grass surfaces the operating window is limited to an estimated 150 days per year (mid May to beginning of October)
- The limitation of use dictates that facilities such as the WSC cannot attract large volumes of spectator traffic to the facility.
- Grass fields and a limited season means that the facility cannot be leased out to other sports.
- Without spectator volumes concessions, advertising and other ancillary forms of revenue generation will be extremely limited or non existent
- Two external experts in facility development and revenue generation (former Pan American Games Venue Operations and Marketing Staff - Guy Lodge and Twylla Eagle) have been canvassed regarding this issue and both agree that without high year round traffic volumes significant revenue will not be generated by a facility such as presently exists at the WSC.
- There is a reluctance of some senior team's to commit to the facility due to the absence of a long term agreement with the City of Winnipeg. Teams fear giving up their present allocation from the City and the soccer community losing access the complex.

- Uncertainty in relation to the tax implications of a long term leasing arrangement
- The high quality lights installed on field 1 as part of the 1999 Pan American Games upgrade and legacy cannot be used due to the demand peak which increases operating costs significantly (estimated $10,000 per year).

BUSINESS MODEL

It is clear from the financial history of the complex and the limitations of the site, operating "as is" will not generate sufficient revenues to cover operating expenses nor will adequate capital reserves be created to take care of depreciation of the site. The challenge is to create a business model that generates sufficient revenues while enhancing the overall level of soccer facilities within the City of Winnipeg. This proposal and business model is largely applicable to any "full service" soccer facility although adjustments would be required in respect to any unique challenges presented at other sites.

The WSC provides the following opportunities:

- It is considered the "Home of Soccer" in the City and in the Province.
- It has hosted major international events – e.g. Pan American Games and World Cup qualifying matches.
- The Canadian Soccer Association has a limited number of venues available in Canada capable of hosting international matches.
- It is quite centrally located with good access from most parts of the city using the main arteries.
- It is fully serviced with an existing parking lot that can accommodate close to 400 vehicles.
- The quality of television calibre lighting on field 1.
- Field 1 can accommodate maximum capacities of between 8,000 to 10,000 spectators.

The negative factors relating to the site include:

- Grass surface limits the use of the fields both by games and the length of the season
- The site operates for less than six months each year.
- The site has depreciated significantly over the last 15 years.
- Support facilities such as the press box on field 1 are inadequate
- VIP hosting has been done in the past on an ad hoc basis.

- For large scale events the parking lot is insufficient and “park ‘n ride” service is needed.
- Yearly spectator traffic is insufficient to maintain an adequate standard of concessions and support facilities.

The Business Model must address the following critical factors:

- Improve the level of soccer facilities in the City of Winnipeg.
- Maximize use of the site i.e. 52 weeks a year.
- Lengthen the outdoor season
- Be Sustainable

By addressing the first three issues revenue generation will increase leading to a sustainable operating model.

PROPOSAL

Summary

The purpose of this proposal is to build a unique marquee soccer facility for the City of Winnipeg. By constructing an indoor complex together with outdoor fields – one an artificial surface – this facility will service the needs of the Winnipeg soccer community as represented by the stakeholders of the Winnipeg Soccer Federation – the Winnipeg Youth Soccer Association, the Manitoba Major Men's Soccer League and the Winnipeg Women's Soccer League. By operating a joint facility economies of scale will be generated together with revenue streams that do not presently exist. The new facility will be the home of soccer for 365 days a year.

In constructing the facility the soccer community can contribute directly through the Winnipeg Soccer Foundation an incorporated -charitable organization. In addition the registration fees payable by players will go towards paying down the $4 m loan. A critical factor in the plan is that money generated by the sport stays within the sport for the betterment of the players, coaches and officials under the auspices of a non-profit organization operating the facility.

The construction of large scale indoor facilities in other Western Canadian Cities have been successful in terms of providing access to indoor soccer during the winter months and generating significant levels of revenue. These large scale facilities have normally been based on 4 indoor fields which generate significant player and spectator traffic that in turn support the likes of a pro shop, administration offices, lounge and concessions. To date all indoor soccer fields in Winnipeg have been single fields which limit the flow of incremental revenues due to the limited player and spectator attendance. It is proposed to build a 4 field indoor complex at the Winnipeg Soccer Complex. The indoor facility would be modeled on similar structures built in Edmonton and Saskatoon and would be located on an area running from the existing clubhouse in a north easterly direction and back towards the reservoir fence. Field 2 would be lost but as noted elsewhere the current condition of that field means that an investment of approximately $125,000 is required in order to bring it back to playing condition. The outdoor fields would allow other services such as concessions, lounge, pro shop etc offered in the

indoor complex to be used throughout the year.

The proposal would also include the installation of a FIFA approved artificial surface on field 1 along with other appropriate improvements to the field and support structures. The artificial surface would accrue the following advantages:

- Increased use - grass field can be used approximately 70 times a year, an artificial surface can be programmed to host at least 4 times as many games
- Outdoor season could be extended by an estimated 4 weeks at the front end and 2 weeks at the end.
- Other sports such as lacrosse, high schools football and Ultimate Frisbee could make use of the outdoor facility further extending the season by another 4 to 6 weeks a year.

Operating efficiencies will accrue in terms of facility maintenance and the usage of the common infrastructure (e.g. parking, dressing rooms) for 52 weeks a year. Full annual use together with an increase in player and spectator attendance in the summer (due to increased capacity provided by the artificial surface) will increase the commercial value of advertising and promotion to the corporate sector and with a conservatively estimated annual attendance of 250,000 per year, additional revenue streams will be generated.

Based on the experience of Edmonton, Calgary and Saskatoon the WSF is confident that additional indoor complexes will follow. A particular need has been demonstrated in the St. Boniface \ St. Vital area of the City.

Note: Edmonton estimate that 1,000,000 will flow through their two original facilities (east and west) during the 2004/05 year – tab 27.

Board Motion

Passed by the Winnipeg Soccer Federation at their meeting held February 5th, 2004.

"On motion moved by Sean Drain and seconded by Dieter Schmidt and passed unanimously, in view of recent developments, the Winnipeg Soccer Federation established as its priority the analysis, discussion, negotiation and development of the Winnipeg Soccer Complex site for a four-plex with outlying soccer fields."

The phases identified are not "hard-wired" and inter-dependant. The opportunity exists to progress through each stage as part of a long term plan or to cease the improvements as circumstances dictate.

Phase 1

Summary

(A)

- Demolish existing clubhouse
- Erection of 4 field indoor complex
- Footprint estimated at 96,000 square feet
- Amenities
    - Four Indoor Fields approx 80 by 185 feet with scoreboards
    - Dressing Rooms minimum 8
    - Lounge and meeting rooms estimated capacity 300-350
    - Concessions and entertainment area for youth
    - Pro Shop
    - Physiotherapy, Massage
    - Viewing areas

(B)

- Install FIFA approved artificial turf on field 1 (south)
- Re-develop press box to accommodate 10-20 people
- Install additional bleachers to bring capacity to between 8,000 to 10,000
- Permanent outdoor washrooms
- Permanent outdoor concessions area (no kitchen facilities)

Description

The building of the 4 field indoor complex is the priority (noted as A) as the building will provide economies of scale in operating a year round facility and generate a positive revenue stream. The ancillary part of phase 1 (noted as B) is the laying of artificial turf on field 1 (south) and upgrading the facility to a standard suitable to attract and host international matches as well as national, regional, provincial and city wide events. The installation of artificial turf increases the number of games that can be played by a minimum factor of 5 times. It also maximizes the use of support features of the field such as a re-developed press box and the television caliber lights surrounding the park. In

addition artificial turf will extend the potential length of the outdoor season as well as making the field available to other sports such as Lacrosse, Ultimate Frisbee and High School Football.

Timeline

- Submission of Draft Business Plan To City April 2004
- Tabling of Public Use Facilities Study July 2004
- Discussions with City Administration January 2005
- Submission of revised Business Plan To City March 2005
- Acceptance of proposal by City Council May 2005
- Infrastructure Funding Agreement June 2005
- Construction and re-development August 2005
- Re-developed field 1 re-opens April 2006
- Indoor Facility opens September 2006

Capital Costs *Note: Phases are not dependant and a commitment and completion of phase 1 (a) does not entail a commitment to phase 1 (b) should sufficient funds not be available.*

Description	**Phase 1 (A)**	**Phase 1 (B)**	**Total**
Demolish Existing Clubhouse	$ 100,000		$ 100,000
Indoor Facility - 4 plex	$ 8,570,528		$ 8,570,528
Field Turf - outdor field 1		$ 1,200,000	$ 1,200,000
Additional Bleachers (4,000 at $60.00 each)		$ 240,000	$ 240,000
Press Box		$ 75,000	$ 75,000
External Concessions		$ 75,000	$ 75,000
External Washrooms		$ 150,000	$ 150,000
Soft Costs – Set Up, Initial Project Services	$ 130,000	$ 26,000	$ 156,000
Additional Contingency at 6%	$ 520,290	$ 104,500	$ 624,790
GST at 3.5%	$ 326,228	$ 65,468	$ 391,696
TOTAL	**$ 9,647,046**	**$ 1,935,968**	**$ 11,583,014**

Assumption – 50% GST to be paid. Compliance with building codes including full disabled access to both indoor and outdoor facilities. The capital costs of the indoor facility have been estimated by Bird Construction after using the template of the

Edmonton 4 field indoor facilities with suitable adjustments for parking and existing utilities and services.
Significant cost increases – specifically in steel - have been experienced since the draft plan was submitted to the City in April 2004.
Fundraising is dependant on participation of other governments as well as the initial interest from the corporate community, community foundations and final capital costs.

Capital Funding

It is proposed that the project be financed by an application to government infrastructure programs together with a secured loan of $4 M. The Winnipeg Soccer Foundation would fundraise to reduce the loan. Fundraising expenses would be netted against funds raised. An Infrastructure application has been made in the amount of $6.5M. As stated previously construction costs have increased during the period since an initial plan was submitted and the contribution from government has increased. Since the infrastructure application.

Cost Reduction Plan

As currently budgeted the project exceeds the Infrastructure application. This is largely due to the increase in the cost of steel. A cost analysis prepared by Bird Construction is included in the appendix. If there is a need to reduce expenses it would be accomplished by prioritization of capital improvements. The priorities would be set out as follows:

Demolish existing clubhouse and construct indoor 4-plex	$9.65 M
Field Turf Outdoor Field	$1.33 M
Bleachers, press box, external concessions, washrooms	$600 K

Operating Costs

Detailed line estimates, comparison with other facilities and an apportionment of costs between indoor and outdoor are included in the appendices.

Conclusion

For an estimated cost of $11.6 M the city will be home to a first class community and soccer facility and one of only a handful of sites in Canada that can operate 52 weeks a year. The Winnipeg Soccer Federation is confident that sufficient cash flow can be generated from the indoor facility to support a 25 year loan of $4 M – may be reduced by corporate fundraising. Given that the WSF will have the support of the Winnipeg Soccer Foundation Inc. - a registered charitable foundation - there is a significant opportunity to reduce this amount by corporate and public fundraising.

As indicated by the formation of the Winnipeg Soccer Federation and the Winnipeg Soccer Foundation there is unparalleled support within the extended soccer community for such a project. Now is the time to act.

OPERATING STANDARDS

The facility has over the last 17 years, relied on a significant amount of volunteer labour from members of the soccer community. This investment has been by necessity given the financial realities of operating the facility. The soccer community is willing and able to continue this investment into a revitalized WSC but believe that the day to day operations are best left to a qualified professional staff. It is proposed that the volunteers would be involved in the governance of the WSC rather than the day to day operations. The operating standards for the building will be as agreed with the City of Winnipeg while the outdoor fields will follow the guidelines set by the manufacturer of the artificial surface and grass specialists. As contained in the operating budget the following staff positions are anticipated.

Facility Manager 1 F.T.E. (Full Time Equivalent)

- Responsible for the overall management of the facility.
- Marketing, Bookings
- Reports to Board of Directors
- Supervises all staff

Prime Time Manager 1.5 F.T.E.

- Responsible for the operations of the facility during prime operating hours
- Supervises staff during her \ his shift

Maintenance Supervisor 1 F.T.E.

- Maintains the indoor and outdoor assets

Accountant 0.25 F.T.E.

- Handles cash receipts
- Produces Financial Statements
- Prepares cheques

Office Assistant 0.40 F.T.E.

- Provides administration support to the staff

Cleaning Staff 3.5 F.T.E.

- Winter 5 people – 26 weeks – 35 hours each
- Summer 2 people – 26 weeks – 35 hours each
- Probably a service contract
- Report to the Maintenance Supervisor

GOVERNANCE

Board

The Board of Directors will adopt an *"Entrepreneurial Non for Profit Model"* and as such will be the ultimate authority responsible for the operation of the Winnipeg Soccer Complex. (The Winnipeg Soccer Foundation will retain ownership of the asset.) The Board will contain representation from all areas of the soccer community and be representative of a community-government partnership.

- Winnipeg Youth Soccer Association
- Manitoba Men's Senior Soccer League
- Winnipeg Women's Soccer League
- Federal, Provincial and City representation.
- Members at Large (business, community leaders, union)

The primary responsibilities of the Board will be:

- Set and maintain the strategic plan for the Winnipeg Soccer Complex
- Set policies in regard to the operations of the Winnipeg Soccer Complex
- Appoint and evaluate the Facility Manager
- Prepare (in consultation with the Facility Manager) and approve 5 year rolling budgets
- Conduct annual review with the City of Winnipeg
- Engage external Auditor and accept Annual Audited Statements
- Appoint Committees as required

Committee Structure

It is anticipated that the following committee's will report to the Board of Directors.

- Finance Committee
    - Operating and Capital Budget preparation and monitoring
    - Drafting of financial policies
    - Work in conjunction with external auditor
    - Undertake Internal Audit duties (due to high incidence of cash handling)

- Competition Committee
    - Setting operating policies and standards
    - Time allocation and tournaments
    - Monitoring Customer satisfaction
- Facility Committee
    - Operating policies
    - Maintenance and Repair
    - Security
- Fundraising
    - Capital campaign
    - Sponsorship and Advertising
    - Sponsor benefits and relations
    - Rental revenue and special events
    - Concessions, Lounge and Tenants

FINANCING

Project Financing

For the purposes of this proposal project financing will be addressed in three phases.

- Interim Financing
- Development Financing
- Capital Reserves and Long Term Development

The issue of operational financing is addressed under the Marketing Plan.

Interim Financing

This will cover the period from the initiation of the business plan to the acceptance by City Council. The Winnipeg Soccer Federation have to date been unsuccessful in garnering grants to support this initiative. The stakeholders (*) have financed the expenses relating to the organization by way of loans to the WSF. Without access to grant money in support of facility development the WSF is not in a position to contribute to any costs relating to engineering or architectural feasibility studies.

* The funding provided to the WSF by the stakeholders (Winnipeg Youth Soccer Association, Manitoba Major Men's Soccer League, Winnipeg Women's Soccer League) has financed the development of this plan, together with negotiations with the City of Winnipeg re WSC lease and the development of a web site.

Development Financing

As indicated in the operating budget the Winnipeg Soccer Federation is confident that the revenue generated by the facility can cover a loan of $4m over 25 years at a rate of 7% per annum. This would require a monthly loan payment of $28,040 per month – principle and interest. Edmonton carried loans of a lesser magnitude through access to a combination of city and provincial grants or by a subsidized rent to loan arrangement. On the basis that the Winnipeg Soccer Foundation would own the assets on the site and it is presently being incorporated it is assumed that the City of Winnipeg would be required to guarantee the loan. The soccer community's contribution to this project will be the

repayment of the $4 M loan together with a fundraising campaign that will allow the loan to be written down in an accelerated manner.

The Winnipeg Soccer Foundation will form a Capital Committee with a mandate to acquire funds. This may require participation from provincial and federal governments (possible infrastructure programs) as well as community foundations and the corporate sector. The Sport Legacy Trust intake deadline of January 2005 has now past. There is another set for October 20005 and a Community Places Grant application will also be made.

Capital Reserves and Sustainability

The 25 year projections identify sufficient revenue generation to support the managed care guidelines set out by the City of Winnipeg.

Year	Indoor Complex	Fundraising Charitable Receipts	Managed Care at 1.5% to year 10 - 3.5% after year 10	Net	Cumulative
1	$151,668	$40,000	$128,558	$ 63,110	$ 63,110
2	$164,601	$41,000	$128,558	$77,043	$140,153
3	$159,559	$42,025	$128,558	$73,026	$213,179
4	$168,786	$43,076	$128,558	$ 83,304	$296,483
5	$170,607	$44,153	$128,558	$ 86,202	$382,685
6	$172,313	$45,256	$128,558	$ 89,011	$471,696
7	$174,036	$46,388	$128,558	$ 91,866	$563,562
8	$175,777	$47,547	$128,558	$ 94,766	$658,328
9	$177,534	$48,736	$128,558	$ 97,713	$756,041
10	$179,310	$49,955	$ 128,558	$100,706	$856,747
11	***$181,103***	***$70,000***	***$ 299,968***	***-$48,866***	***$ 807,881***
12	$182,914	$71,750	$299,968	-$45,305	$762,577
13	$184,743	$73,544	$299,968	-$41,682	$720,895
14	$186,590	$75,382	$299,968	-$37,996	$682,899
15	$188,456	$77,267	$299,968	-$34,245	$648,654
16	$190,341	$79,199	$299,968	-$30,429	$618,225
17	$192,244	$81,179	$299,968	-$26,546	$591,679
18	$194,167	$83,208	$299,968	-$22,594	$569,085
19	$196,108	$85,288	$299,968	-$18,572	$550,513
20	$198,069	$87,420	$299,968	-$14,479	$536,034
21	$200,050	$89,606	$299,968	-$10,312	$525,722
22	$202,051	$91,846	$299,968	-$ 6,072	$519,650
23	$204,071	$ 94,142	$299,968	-$1,755	$517,895
24	$206,112	$96,496	$299,968	$ 2,639	$520,534
25	$208,173	$98,908	$299,968	$7,113	$527,647
	$4,609,383	$1,703,370	$5,785,106		

The analysis below supports the notion that the combination of an indoor and outdoor complex improves the financial position although the outdoor component still "loses" money. The "losses" are reduced to do the benefit of costs absorbed by the indoor facility and incremental revenue opportunities available due to the indoor facility.

Year	Outdoor Complex	Fundraising Charitable Receipts	Managed Care at 1.5% to year 10 - 3.5% after year 10	Net	Cumulative
1	$2,896	$10,000	$19,950	-$7,054	-$7,054
2	$579	$10,250	$19,950	-$9,121	-$16,175
3	-$4,895	$10,506	$19,950	-$14,339	-$30,514
4	-$5,389	$10,769	$19,950	-$14,570	-$45,084
5	-$5,904	$11,038	$19,950	-$14,816	-$59,900
6	-$5,963	$11,314	$19,950	-$14,599	-$74,499
7	-$6,023	$11,597	$19,950	-$14,376	-$ 88,874
8	-$6,083	$11,887	$19,950	-$14,146	-$103,020
9	-$6,144	$12,184	$19,950	-$13,910	-$116,930
10	-$6,205	$12,489	$19,950	-$13,667	-$130,597
11	***-$ 6,267***	***$30,000***	***$ 46,550***	***-$22,817***	***-$153,414***
12	-$6,330	$30,750	$46,550	-$22,130	-$175,544
13	-$6,393	$31,519	$46,550	-$21,424	-$196,968
14	-$6,457	$32,307	$46,550	-$20,700	-$217,669
15	-$6,522	$ 33,114	$46,550	-$19,957	-$237,626
16	-$6,587	$33,942	$46,550	-$19,195	-$256,821
17	-$6,653	$34,791	$46,550	-$18,412	-$275,233
18	-$6,719	$35,661	$46,550	-$17,609	-$292,841
19	-$6,786	$36,552	$46,550	-$16,784	-$309,626
20	-$6,854	$37,466	$46,550	-$15,938	-$325,564
21	-$6,923	$38,403	$46,550	-$15,070	-$340,635
22	-$6,992	$39,363	$46,550	-$14,180	-$354,814
23	-$7,062	$40,347	$46,550	-$13,265	-$368,079
24	-$7,133	$41,355	$46,550	-$12,327	-$380,407
25	-$7,204	$42,389	$46,550	-$11,365	-$391,772
	-$144,013	$649,992	$ 897,750		

The next analysis combines the indoor and outdoor revenue and expenses annually and the "managed-care" component. It reinforces the need for an external source of finance. The Winnipeg Soccer Foundation can provide that source.

Year	Combination	Fundraising Charitable Receipts	Managed Care at 1.5% to year 10 – 3.5% after year 10	Net	Cumulative
1	$154,564	$50,000	$148,508	$56,056	$56,056
2	$165,180	$51,250	$148,508	$67,922	$123,978
3	$154,664	$52,531	$148,508	$58,687	$182,665
4	$163,397	$53,845	$148,508	$68,734	$251,399
5	$164,703	$55,191	$148,508	$71,386	$322,785
6	$166,350	$56,570	$148,508	$74,413	$397,197
7	$168,014	$57,985	$148,508	$77,490	$474,688
8	$169,694	$59,434	$148,508	$80,620	$555,308
9	$171,391	$60,920	$148,508	$83,803	$639,110
10	$173,105	$62,443	$148,508	$87,040	$726,150
11	***$174,836***	***$100,000***	***$346,518***	***-$71,683***	***$654,467***
12	$176,584	$102,500	$346,518	-$67,435	$587,033
13	$178,350	$105,063	$346,518	-$63,106	$523,926
14	$180,133	$107,689	$346,518	-$58,696	$465,230
15	$181,935	$110,381	$346,518	-$54,203	$411,028
16	$183,754	$113,141	$346,518	-$49,624	$361,404
17	$185,591	$115,969	$346,518	-$44,958	$316,446
18	$187,447	$118,869	$346,518	-$40,203	$276,244
19	$189,322	$121,840	$346,518	-$35,356	$240,887
20	$191,215	$124,886	$346,518	-$30,417	$210,470
21	$193,127	$128,008	$346,518	-$25,383	$185,088
22	$195,058	$131,209	$346,518	-$20,251	$164,836
23	$197,009	$134,489	$346,518	-$15,021	$149,816
24	$198,979	$137,851	$346,518	-$ 9,688	$140,127
25	$200,969	$141,297	$346,518	-$4,252	$135,875
	$ 4,465,370	$2,353,362	$6,682,856		

The fundraising charitable receipt column is based on an annual giving model. The assumption is that capital maintenance costs will be incurred annually.

The last analysis shows the impact if a Capital Campaign is undertaken prior to the opening of the facility.

Explanations and assumptions.

Surplus – from operating projections.
Trf. to operating reserve – 10% of surplus transferred to operating reserve – "rainy day fund"
Interest – calculated on balance at the end of the previous year at a rate of 5.25% per year.
Transfer to Care – assumption that major capital maintenance is more likely to happen periodically.
Balance – Balance from previous year + surplus – trf. to operating reserve + interest – trf. to care.

After year 25 the loan would be repaid. Conservative assumption used – if capital goal was reached and used to reduce loan then the balance each year would be even higher.

Year	Capital Goal	Surplus	Trf to Operating Reserve	Interest	Transfer to Care	Balance
	$800,000					$800,000
1		$154,564	$15,456	$42,000		$981,108
2		$165,180	$16,518	$51,508		$1,181,278
3		$154,664	$15,466	$62,017		$1,382,492
4		$163,397	$16,340	$72,581		$1,602,131
5		$164,703	$16,470	$84,112	-$742,540	$1,091,935
6		$166,350	$16,635	$57,327		$1,298,977
7		$168,014	$16,801	$68,196		$1,518,386
8		$169,694	$16,969	$79,715		$1,750,825
9		$171,391	$17,139	$91,918		$1,996,996
10		$173,105	$17,311	$104,842	-$742,540	$1,515,092
11		$174,836	$17,484	$79,542		$1,751,987
12		$176,584	$17,658	$91,979		$2,002,892
13		$178,350	$17,835	$105,152		$2,268,559
14		$180,133	$18,013	$119,099		$2,549,778
15		$181,935	$18,194	$133,863	$1,732,590	$1,114,793
16		$ 83,754	$18,375	$58,527		$1,338,698
17		$185,591	$18,559	$70,282		$1,576,012
18		$187,447	$18,745	$82,741		$1,827,455
19		$189,322	$18,932	$95,941		$2,093,786
20		$191,215	$19,122	$109,924	-$1,732,590	$643,213
21		$193,127	$19,313	$33,769		$850,796
22		$195,058	$19,506	$44,667		$1,071,015
23		$197,009	$19,701	$56,228		$1,304,551
24		$198,979	$19,898	$68,489		$1,552,121
25		$200,969	$20,097	$81,486	-1,732,590	$81,890
		$4,465,371	$446,537	$1,945,906	-$6,682,850	

MARKETING PLAN

The following components have been identified in the marketing plan for a rejuvenated Winnipeg Soccer Complex:

- Field Rentals
    - Indoor soccer
    - Off hours
    - Off season
    - Outdoor soccer
    - Outdoor other sports
- Concessions and Lounge
- Sponsorship and Advertising
    - Naming Rights
    - Field Rights
    - Advertising Boards
    - Miscellaneous Opportunities
- Pro Shop
- Physiotherapy \ Massage Clinic
- Special Functions
- Tourism
- Walk of Fame

Field Rentals

- Indoor soccer

Field rentals and in particular rentals for indoor soccer constitute the largest percentage of revenue. The key client groups are the Winnipeg Youth Soccer Association, the Manitoba Major Men's Soccer League and the Winnipeg Women's Soccer League. All are represented on the Winnipeg Soccer Federation Executive and are in full support of this Business Plan and the objectives of the WSF.

As the "organizers" of soccer in the City these groups represent the majority of soccer players in the City. At present the Youth and Women's Leagues manage their own indoor leagues by registering players and purchasing time from existing owners. The Men's League doesn't but they would like to. Essentially the three organizations will provide letters of support to the WSF indicating how much time they would commit to purchasing and at what rate given that the complex will be built. It should be noted that the WSF believes that the building of a new indoor 4 filed complex will generate more registrations throughout the city and the existing owners will still be operationally and financially viable. Additional opportunities exist in relation to "Old Timer's" or "Classics" Leagues as well as Co-Ed Leagues and under 8 programs.

- Off hours

Off hours opportunities exist for school leagues, student leagues, lunch hour leagues, employees who work night shift as well as recreational sports such as lawn bowling. Key groups are the High School Soccer Leagues, businesses in the area, University and Red River College as well as the opportunity for the existing senior leagues to offer "night-shift" leagues.

- Off season

Edmonton and Saskatoon have successfully marketed their facilities to other sports and recreation groups during the summer period. By installing an artificial soccer compatible surface over concrete, the floor can be lifted and stored over the summer months. This then allows use by Roller Hockey, dog shows, mega-garage sales – in fact the only limitation is imagination.

- Outdoor soccer

As with indoor rentals the three soccer organizations in the city constitute the most important factor in successfully selling the use of the outdoor fields. For benchmarking purposes these responses were received from the WSF major stakeholders to an inquiry as to how many fields they would rent if the facility was to be available for use in 2004.

The following constitute the dates the Winnipeg Soccer Federation affiliate groups and other soccer groups would have used the WSC facility in 2004.

Winnipeg Youth Soccer Association

May 29, 2004

McDonald's Mini Jambouree

100 Teams playing two games each

100 games played on 13 special sized pitches 4 per main field.

June 6, 2004

Children's Hospital Final day

120-140 teams take part in competition play on 15-20 pitches throughout the city.

20 Finals (10 Boys, 10 Girls ages u9 to u17) at WSC

June 11/12/13, 2004

WYSA Qualifying Cup

32 teams take part in a knock out competition to win the right to participate in the MSA Cup proper. Four separate competitions, eight teams in each.

Finals at WSC

June 27, 2004

Golden Boy International Final day

100-110 teams take part in the event played on fifteen pitches at west end of city.

8 Championship games,8 Bronze medal games and **6** Consolation finals played at the Complex, Semi finals played at Blumberg that day.

October 2/3, 2004

McDonald City Championships (Recreational, Competitive, Regional and Premier)

350-380 Finals take part in the City playoffs - 60 finals take place on the weekend of October 2/3. 30, on each day.

Some finals at the Complex.

Manitoba Men's Major Soccer League

150 games from May to September

Winnipeg Senior Women's Soccer League

10-20 games

Manitoba Soccer Association

The MSA Youth Cup for at least one age group would be played at the Complex: 50 games/ age group.

The MSA Senior Cup would be played at the Complex: 16 games

The National All-Stars (2006) would be hosted at the Complex, as well as, other National events.

Provincial Teams Program

In the past, all practices and games for the Manitoba Provincial Program have occurred at the Complex. This involves all three fields, the fourth smaller field, as well as, all green space. The time involved is approximately 6 weekends (Friday, Saturday and Sunday) and 10-12 days prior to the teams leaving for the All-Stars in July.

Hosting of:

Games with the Saskatchewan Provincial Teams (eight of them).

Goalie Seminars at the Complex on one weekend with a National goaltending coach conducting the Seminars.

Schools of Excellence (Boys and Girls)

Coaching Courses.

Others

There is also an opportunity to partner with the WASRA (Winnipeg Aboriginal Sport and Recreation Association). Funded by the three levels of government an inner-city sports program (WASAC) has operated for the last few years but with little or no soccer programming being offered. During the 2002 North American Games hosted by Winnipeg the soccer competition generated one of the largest numbers of entries so an opportunity exists to offer a soccer program at all youth levels and both indoors and outdoors through the WASAC program at the Winnipeg Soccer Complex.

- Outdoor other sports

  The laying of an artificial surface on field 1 will increase the potential length of the soccer season but also make it available to other supports. Key groups identified are High School Football, Lacrosse and Ultimate Frisbee,

Concessions and Lounge

It is important that the WSC is regarded as a destination type building i.e. a place where an individual, group or family can spend many hours relaxing or being entertained. High quality and value for money concessions and a comfortable lounge can play an important role in achieving this. It is planned to have a separate "lounge" for players and spectators under 18 while a licensed lounge would be available to the older visitors. The lounge and concessions may be managed and operated by the WSF or sub contracted out with an agreed % of gross revenue flowing to the WSC. There is already a number of "supporters clubs" (groups that get together and follow foreign soccer teams) in Winnipeg and there is an opportunity for such groups to host weekly functions at the WSC. Fox Sports World Canada, a digital television station operated by Can West Global Communications and dedicated in a large part to soccer and broadcast from Winnipeg, could also broadcast special shows s from the WSC when tournaments such as the World Cup or the European Championships are held. The Fox Sports World Report is broadcast throughout Canada, the US, Mexico and the Caribbean.

Advertising

The provision of corporate support is vital to the viability of a rejuvenated WSC. The attendance numbers anticipated at the upgraded facility - estimated at in excess of 200,000 - and the broad demographic and ethnic base of visitors provides an excellent opportunity for the corporate sector to communicate their message to the soccer community. The successful generation of sponsorship and advertising dollars will constitute a large portion of the Marketing Committee's responsibilities. It should be noted that opportunities exist for not only cash but also value in kind sponsorships particularly in the initial stage. It is anticipated that the sponsorship and advertising opportunities will arise in four main areas:

- Naming Rights
- Field Rights
- Advertising Boards \ Back Lits \ Banner Program
- Miscellaneous Opportunities

In turn the marketing plan will need to consider the issue of product exclusivity and how it will apply to each of these areas. The product categories will include:

Automobiles	*Computers*	*Telecommunications*
Document Handling	*Electronics*	*Banking*
Financial Services	*Utilities*	*Soft Drinks*
Computer Software	*Radio*	*Courier services*
Insurance	*Retail*	*Agriculture*
Furniture	*Airlines*	*Legal*
Sports Equipment	*Accounting*	*Medical*
Fast Food Burgers	*Fast Food Pizza*	*CD's \ DVD's*
Hotels	*Body Shop*	*Car Rentals*
Real Estate	*Television*	*Newspaper*

Companies buying in it at certain levels of sponsorship will have exclusive ownership of that product category, where exclusivity did not apply; multiple suppliers can be purchase rights.

Pro Shop \ Physiotherapy \ Massage

As the complex will operate on a 52 week basis a fully stocked soccer shop is planned. Access to a core market and the ability to market directly to such customers provides a tremendous competitive advantage. At present the WSF foresees raw space being rented to a business that would in turn pay to the WSC a monthly rental fee. The same applies to a Physiotherapy and or Massage Clinic.

Special Functions

Saskatoon in particular has been very aggressive in promoting the use of their indoor facility for ancillary use. Here is a sampling of these uses.

Arm Wrestling Championships
Box Lacrosse
Coed Volleyball League
Polka Fest
Circle of the Arts
School Field Trips
French Pavilion Folkfest
Home School Association
Cdn In Line Hockey Championship
Kennel Club and Dog Show
Flag Football

The opportunity also exists with proper configuration to host garage sales as well as professional development seminars and business meetings during non-prime hours.

Event Acquisition & Tourism

With a 52 week operating window tremendous opportunities arise in the area of event creation and acquisition. Hosting events, both indoors and outdoors, that fit the WSC infrastructure can attract "sport tourists" from across Canada and the United States. By focusing particularly on the under 18 age group the number of visitors can be maximized due to the requirement for parents and chaperones to attend. The Winnipeg Youth Soccer Association has already demonstrated the ability to create excellent and successful events such as the Golden Boy Tournament and the Children's Hospital Tournament, both annual events known across the continent. The WSC "asset" can play a key role in expanding this existing base of events.

Walk of Fame

As illustrated within the history section, Winnipeg has played a key role in the development of soccer in Canada. Many of these Winnipeg leaders have been inducted into the Canadian Soccer Hall of Fame and the Manitoba Sports Hall of Fame. The Walk of Fame will provide an opportunity to recognize these leaders as well as the other instrumental players, officials, coaches and administrators in a soccer setting and allow the history of the sport in the province to be passed on to generations to come.

REVENUE PROJECTIONS

Winnipeg Soccer Complex

Field Rentals

Site	Cost per Hour	Cost per Game based on 1.25 hours each
Winnipeg Soccer Complex	**$136.00**	**$170.00**
Court Sports Winnipeg	**$90.00**	**$112.50**
Winter Club Winnipeg	**$111.50**	**$139.37**
Gateway Winnipeg	**$115.00**	**$144.37**
Cover All Winnipeg	**$120.00**	**$150.00**

Sponsorship and Advertising

The WSC indoor budget includes the following net amounts (after providing for a 15% cost of sales charge) in respect to ongoing corporate support.

Naming Rights	$68,000
Field Rights	25,500
Advertising Boards	13,600
Miscellaneous Opportunities	8,500
Total	**$115,600**

Category Description	Price	Availability	Budgeted	Percentage
Naming Rights	$80,000 per year multi year	1	1	100%
Field Rights	$10,000 per year	4	3	75%
Advertising Boards	$1,000 per year	32 4 fields at 8 ad boards per field	16	50%
Lounge Sponsor	$2,000 per year	1	$10,000	29%
Concession Area	$1,500 per year	1		
Scoreboards	$2,000 per year	4		
Allocation Board	$1,000 per year	1		
Dressing Room	$500 per year	8 minimum		
Referee Room	$250 per year	2		
Outdoor Field Rights	$2,000 per year	2		
Tournaments	TBD	TBD		
Awards	TBD	TBD		
Leagues	TBD	TBD		
Mini boards	$300	12 min		
Banner program	$300	12 min		

Comparisons

- *Saskatoon 2000/01 Financial Statements*

Category Description	Number Sold	Total Value
Major Sponsors	3	
Field Sponsors	3	
Lounge Sponsor	1	
Concession Area Sponsor	1	
Scoreboard Sponsors	4	
Allocation Board	1	
Dressing Rooms	12	
Referee Rooms	2	
General Advertisers	37	$220,781

Note: Within the Financial Statements, $220,781 is a combination of Advertising, Special Events and Fundraising

- *Edmonton East Web Listing February 17, 2004*

Category	Price and details	Sold
Building	$100,000 per year multi year contract	0
Field Sponsors	$10,000 per year – 3 year contract	3
Major Sponsors	Not stated	2
Other Sponsors	Not stated	21
Community Sponsors	Not stated	12
Field Boards	$1,000 each of 4 fields for $3,400	Not known
Mini Boards	$500 each	Not known
Billboard headers	$500 each	Not known

PROPERTY TAXES

- The assumption has been made throughout this document that no property or education taxes will be payable by the Winnipeg Soccer Complex (Winnipeg Soccer Federation as facility operators).

LEASE OR MANAGEMENT ARRANGEMENT

- The Winnipeg Soccer Foundation proposes that the initial agreement run for a period of 50 years.

CRITICAL SUCCESS FACTORS

The following factors have been identified as being critical in developing and establishing the Winnipeg Soccer Complex as a successful facility.

- Effective and cooperative working partnership with the City of Winnipeg
- Ownership of assets by the Winnipeg Soccer Foundation
- Facility to be operated by the Winnipeg Soccer Federation.
- The project is viewed as an investment in the recreational needs of the community and as a contribution to healthy lifestyles.
- An effective Capital Fundraising program
- An integrated Marketing, Sponsorship and Advertising program.
- Maximizing the time players and spectators spend at the WSC
- Inclusiveness – offering equitable access to players irrespective of gender, age, ethnicity and ability.
- A fun and vibrant atmosphere at the facility 52 weeks a year.
- The WSC be the definitive "Home of Soccer" in Winnipeg
- Maximizing usage at off peak times
- Maximizing the participation of other sport and recreation groups as well as the community in general.
- Operating an integrated management structure.