

Northside Multi-Use Facility Phase 1(Twin Arenas) Total Cost of Ownership Estimate

A	B	C	D	E	F
Projected Capital Investment (predesign, design and construction). One-time fixed cost. (Construction \$34.5M + \$13.5M Design*)	Cost of borrowing for \$28,800,000 at 2.019% for 10 years (\$28.8M Debenture + \$19.2M CIR)	Life Cycle Maintenance cost plus 2.0% inflation (compounded annually)	Indoor Operating Subsidy, plus 1.1% inflation (compounded annually)	Outdoor Operating Cost, plus 2.0% inflation (compounded annually)	Total Cost of Ownership(TCO) (A+B+C+D+E)
48,000,000	3,149,461	517,500	710,300	276,000	
		(base year)	(base year)	(base year)	
\$ 48,000,000	\$ 3,149,461	\$ 31,258,026	\$ 35,449,231	\$ 16,670,947	\$ 134,527,666

Assumptions:

A) Borrowing cost only includes the cost of the existing debenture for this project

B) 2.0% inflation used for the lifecycle maintenance cost

C) 1.1% inflation used for the operating subsidy. Lower inflation rate due to inflationary impact on revenue component

D) 2.0% inflation used for the outdoor operating cost

E) Life cycle maintenance cost estimated at 1.5% of \$34.5M construction cost

F) Total Cost Ownership amount above is the inflationary costs over 40 years not Net Present Value(NPV)

** \$13.5M approved budget for the design of the entire Northside Multi-Use Facility*