

June 24, 2020

Sent by Email

Isabelle Jasmin  
Deputy City Treasurer, Corporate Finance  
City of Ottawa  
110 Laurier Avenue West  
Ottawa, ON  
K1P 1J1

Dear Ms. Jasmin:

**Re: Request to Guarantee New OCIP Credit Lines****Introduction**

Ottawa Community Ice Partners ("OCIP") is writing to request that the City of Ottawa agree to guarantee two new credit lines that will be used by OCIP to pay principal and interest payments for the balance of 2020 on the existing mortgages for each of Bell Sensplex and Richcraft Sensplex. You will recall that the City has previously agreed to guarantee OCIP's payments under these existing mortgages (in the case of Bell Sensplex, with Bank of Nova Scotia; in the case of Richcraft Sensplex, with RBC). The amount of the guarantees being requested for the two new credit lines are \$2,000,000 for Bell Sensplex and \$3,000,000 for Richcraft Sensplex.

**Background**

In 2004, the City of Ottawa guaranteed OCIP's obligations under its Bank of Nova Scotia mortgage for the Bell Sensplex facility. Similarly, in 2013, the City of Ottawa guaranteed OCIP's obligations under its RBC mortgage for the Richcraft Sensplex facility.

Given provincial regulations and public health concerns associated with COVID-19, OCIP was forced to close its facilities effective March 13, 2020, and uncertainty remains as to when and how we will be able to reopen. Although we have taken steps to access available government grants and reduced expenses dramatically, with little to no revenue being generated, tenants that are unable to pay rent and concerns about resumption of business, OCIP's cash flow projections are negative for the balance of 2020. The biggest expenses that we cannot reduce are our mortgage expenses for the two facilities. Based on our projections, we would need to dip in to our reserves meant for capital expenditures or other items, if we do not obtain flexibility from our current mortgage providers.

To this end, we have approached OCIP's two mortgage providers, the Bank of Nova Scotia and RBC, and both have agreed to provide new credit facilities in amounts of \$2,000,000 and \$3,000,000 respectively. These funds will be available to be used for general operating expenses, including payment of the total principal and interest that OCIP would otherwise have to pay for the ten month period commencing March 1 and ending December 1, 2020 (namely \$1,933,574 for Bell Sensplex and \$1,118,051 for Richcraft Sensplex). Both banks have indicated that their commitment to provide the new credit facilities would be conditional on the City of Ottawa providing the same form of guarantee that it provided for the original mortgages.

For your information, and as requested by our financial institutions, we have attached OCIP's cash flow projections to December 31, 2020 for each of the Bell Sensplex and Richcraft Sensplex, both on an individual facility and consolidated basis. OCIP's Board of Directors have recently reviewed these projections and our opportunities to finance same and has recommended that OCIP enter into negotiations with the banks and the City of Ottawa to finalize the new credit lines and guarantees.

**Conclusion**

OCIP and the Sensplex facilities have prided themselves on providing the best possible youth and adult ice programs as well as supplying rink and field facilities for the Ottawa community via a public-private partnership that has worked extremely well since inception. Although OCIP has reduced its expenses as much as reasonably possible since being forced to suspend operations due to COVID-19, OCIP is unable

to withstand the continued payment of its two mortgages without using its much needed reserves. It is with this in mind that we hereby respectfully request that the City consider supporting OCIP's financing efforts by agreeing to guarantee the two new credit lines as described above. Please do not hesitate to contact me should you require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian Crombie', with a stylized, cursive script.

Brian Crombie  
Chairman, Ottawa Community Ice Partners  
CFO, Ottawa Senators Hockey Club

cc: Bill Courchaine – General Manager, Sensplex Facilities