

# PROSPERA PLACE PROPOSAL

GSL GROUP

JANUARY 2024



# COVER LETTER

JANUARY 30 2024

**Dear Mayor Dyas,**

As requested and as indicated in our letter to you in December 2023, please find attached our proposal for the City of Kelowna regarding the future of Prospera Place.

First, I would like to re-iterate our interest in securing a new agreement with the City of Kelowna based on a shared long-term vision for Prospera Place. As the owner and operator of Prospera Place, GSL Group has a vision to foster a thriving, vibrant arena district in the heart of Kelowna. As part of our vision, we want to partner with the City to make additional long-term investments in Prospera Place so it can continue to be a first-class entertainment facility for decades to come.

This proposal outlines how GSL Group could lead a revitalization of Prospera Place, including working with the City to fund new investments. The key features of our proposal include the following new upgrades to Prospera Place:

- Expansion of Gate 1 and new LED signage on fascia above front entrance
- Revitalization and expansion of food court and restaurant, and modernized lighting and design theme for concourse
- Creation of new restaurant suites
- Expansion of south end of arena, including new dressing rooms, mezzanine, and possibly seats
- Investment in advanced new user experience improvements including LED vomitory signs, concourse light, and theatre mode
- Replacement of premium bowl seats



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While the 30-year agreement we have is clear that the City is responsible for capital repairs and upgrades, the GSL Group is prepared to invest millions more to contribute to improving Prospera Place for the future. GSL Group is committed to a number of building-specific improvements to enhance the City's prospects for a Memorial Cup bid, including:

- New hi-resolution, centre-hung LED 4-sided replay screen/score clock<sup>[1]</sup>
- New flat panel displays throughout the concourse (minimum of 75)
- New ribbon display replacing all backlit upper bowl signage
- New sound system
- New set of goal frames
- New puck freezer

GSL Group's commitment to these specific improvements (valued at approximately \$2.3M) is consistent with our history of supporting Prospera Place and the Kelowna community.

GSL Group is proposing to work with the City to provide funding as part of a renewed agreement as the operator of Prospera Place. GSL would also oversee and ensure the agreed improvements are completed on schedule and on budget as was the case when we built the arena.

One of the advantages of working with GSL Group is our experience and ability to deliver projects on-time and on-budget. We believe partnering with GSL Group would have significant benefits for the City and Kelowna taxpayers. We are projecting a 7-month target to complete all the proposed improvements, which would allow them to be in place for the 2026 Memorial Cup.

GSL Group has been a proud member of the Kelowna community for over 30 years, helping the City develop and open Prospera Place in 1999 (see [www.prosperaplacevision.com](http://www.prosperaplacevision.com)). GSL Group invested over 70% of the original capital in the arena, and to date, we have invested nearly \$20 million to make

[1] CHL report requirement: 4 x 11.9 feet x 6.3 feet; GSL proposal: 4 x 16 feet x 14 feet

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Prospera Place one of the Okanagan's premier sports and entertainment venues. We forecast being able to complete all of the proposed improvements in a budget range of \$18 to \$22 million. Over a 15-year period in partnership with the City we anticipate the amortization of this capital expenditure to be approximately \$2 million per year. We would aim to share this \$2 million between the City and GSL. This arrangement would require no upfront capital from the City, and GSL would continue to pay the annual property taxes, and capital maintenance payments, which totals approximately \$600,000 per year. In addition to these financial commitments, we intend to work toward creating a more financially beneficial lease with the Kelowna Rockets, who are also now in the 25th year of a 30 year commitment to the building.

We recognize the City is facing pressure to make upgrades to the arena, and also that our ownership of Prospera Place expires in 2029 when it will transfer to the City. While we want to work with the City to come to a new, long-term agreement that will benefit all parties, including by reducing the burden on local taxpayers to pay for upgrades at Prospera Place, we understand the City may prefer to pursue a path without investment from GSL Group.

In the coming days, we will be sharing our proposal with the public and local media. I am always available to meet and discuss the future of Prospera Place, and if given the opportunity, I look forward to meeting to discuss our proposal.

If the City decides to take a different path without GSL Group, we will continue to work cooperatively with the City and the Kelowna Rockets until our agreement expires in 2029.

Sincerely,



Graham Lee

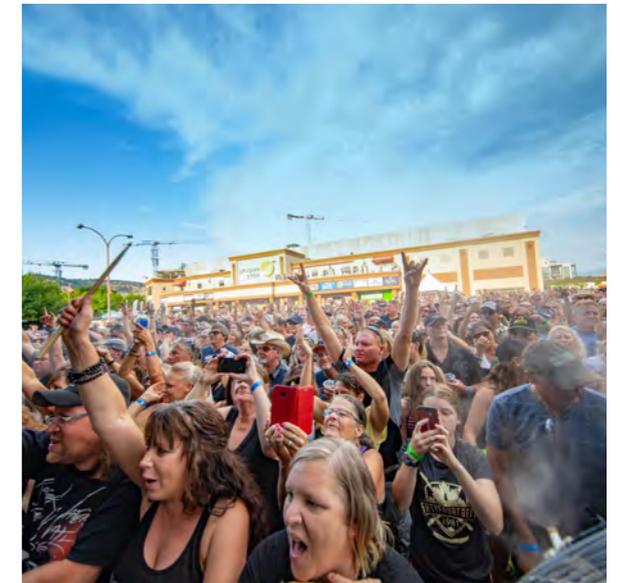
CEO, GSL Group



# ABOUT US

GSL Group's operational expertise, innovative financing, and community development commitment make us an ideal partner for Prospera Place's expansion and upgrade. Our successful business model, emphasizing innovation and private funding, ensures efficiency and sustainability, supported by extensive experience in design, construction, and management.

Beyond operational excellence, GSL integrates art centres, affordable housing, and recreational amenities, aligning with Kelowna's vision for social cohesion and economic growth. Our unmatched sports management expertise, demonstrated across British Columbia with facilities such as the recently renamed MNP place in Kelowna, Save On Foods Memorial Center in Victoria and Planet Ice Hockey Facilities across Vancouver, makes GSL Group an exemplary choice for Prospera Place's management. GSL's involvement will not only ensure efficient facility management but also a meaningful impact on Kelowna's social and economic landscape.



# EXECUTIVE SUMMARY

This proposal advocates for GSL to continue its partnership with the city of Kelowna to further enhance Prospera Place, a vital community asset with significant historical and cultural significance. Our proposed updates aims to enhance the overall functionality, and aesthetic appeal of the arena, ensuring it remains a cornerstone for community engagement and sporting events.

## Key Points:

1. Renovation Scope: Upgrade Prospera Place with modern facilities, improved seating, and advanced technology
2. Community Impact: Revitalize the arena for increased community engagement, fostering pride and unity
3. Economic Benefits: Attract diverse events, boosting local tourism, and generating revenue for the city
4. Sustainability: Prioritize eco-friendly solutions, such as LED replacements, with energy-efficient systems and sustainable materials
5. Timeline and Budget: Phased approach for timely project completion, minimizing disruptions and managing costs effectively

The continued partnership of GSL with the City of Kelowna to manage Prospera Place is a strategic investment in the cultural and economic vitality of our community. By supporting this proposal, the city stands to gain a modernized and sustainable arena that will serve as a focal point for community pride, diverse events, and economic growth.



# EXECUTIVE SUMMARY

Specifically, this report will highlight the following proposed Prospera Place updates:

- Gate 1 Main Lobby building expansion of approximately 3,300 square feet, providing new exterior building finishes, LED building Facade and interior new finishes/décor to the existing lobby area
- North end ground floor building expansion of approximately 2,000 square feet to incorporate new ground floor food services and seating areas accessible from the main arena concourse
- Alterations to the restaurant area by reducing restaurant seating with an increase to the north seating sections by approximately 200 seats with views to arena events
- Seating additions and dressing room additions by expanding the south building structure by approximately 24 feet to allow for the construction of two additional dressing rooms and an increase of approximately 530 seats in the south sections
- As an alternate to the south seating expansion dressing rooms only being added at the building south end, expanding the ground floor to provide for 2 new dressing rooms that could allow some current south areas to be converted to back-of-house facilities or other use
- As an alternate concept to the north seating structure, the addition of semi-private seating areas within the existing restaurant floor providing full view of arena events while maintaining view of the arena from the restaurant seating area
- With the new exterior concepts and exterior finishes, a change in exterior colour scheme
- In addition to the arena lighting upgrades to current WHL/CHL specifications completed in 2022, new decorative lighting concepts in the concourse areas
- Visual systems additions, local product displays, wayfinding signage and décor distributed within the public concourse areas
- Video Scoreboard, message centre and video display to enhance fan experience
- Audio system designed to provide speech intelligibility
- LED Ribbon display
- LED Signage

# NEW TECHNOLOGY UPGRADES

Our proposal includes the installation of an LED Facia at the front entrance of the arena. This feature is designed to create a more vibrant exterior, contributing to the overall modernization of the facility. The LED Facia serves as a dynamic visual element that not only enhances the aesthetics of the entrance but also adds a contemporary touch to the arena's exterior, making it more visually appealing and engaging for visitors.

In addition, GSL will make upgrades to concourse lighting and the replacement of large backlit signs. This not only serves an aesthetic purpose but also opens up opportunities for dynamic video advertising, adding a modern and engaging element to the arena's visual



Artist renderings of arena exterior upgrades

# NEW TECHNOLOGY UPGRADES

GSL will introduce the addition of an LED score clock to enhance the arena experience. Similar to what is commonly seen at NHL games, the LED score clock will consist of four panels that remain visible at all times. To maximize space when not in use, the panels can be flipped up and winched up into the rafters. GSL also proposes integrating a ribbon display just above the suites, replacing fixed signage with dynamic LEDs.

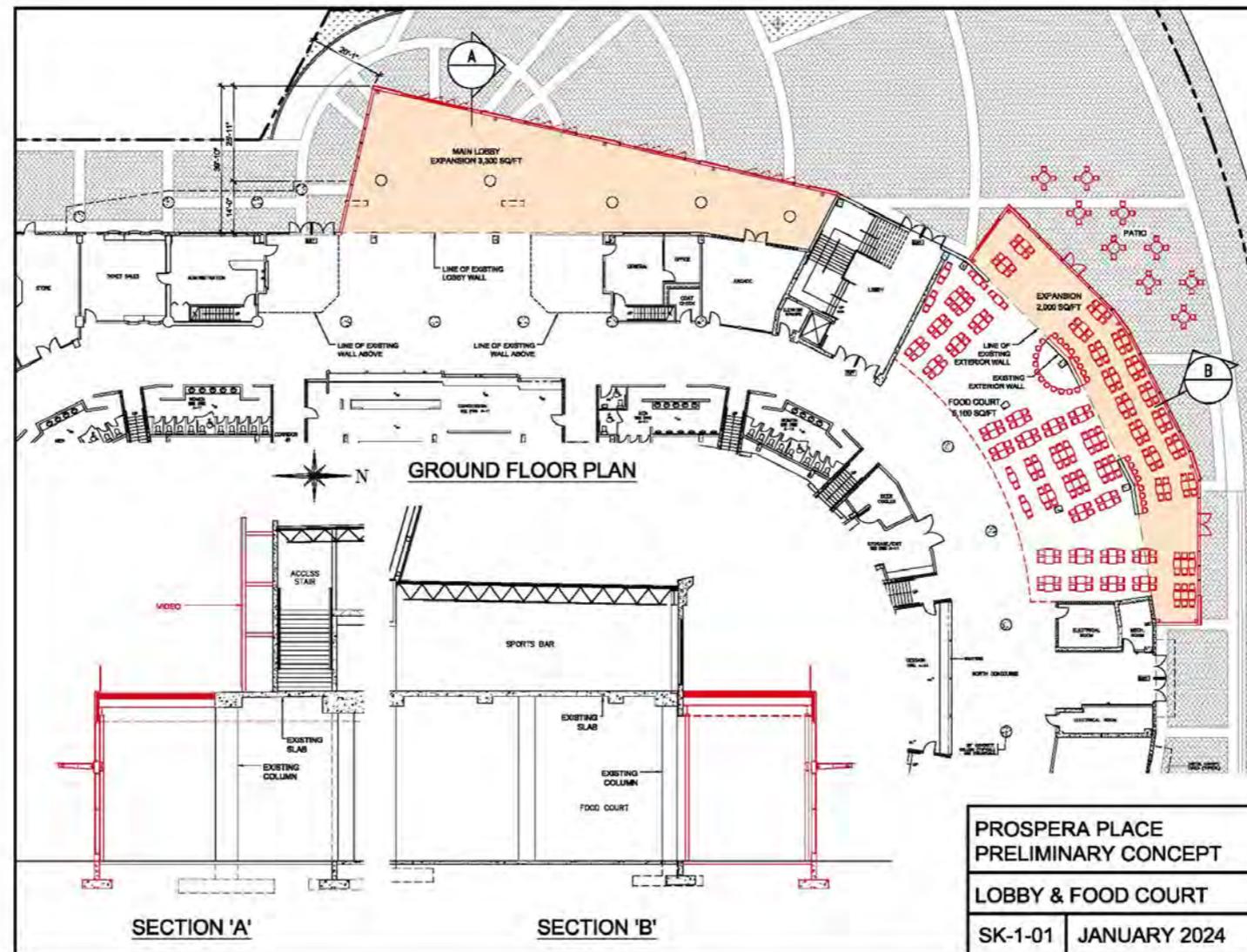
New LED vomitory signs will also be added as part of the arena enhancement plan. These signs, designed entirely with LED technology, offer increased visibility, flash, and modernization, contributing to an upgraded overall atmosphere. Our team at GSL can implement these LED vomitory signs cost-effectively, ensuring a seamless integration that aligns with the desired modern aesthetic and enhances the visual appeal of the arena.

Furthermore, our proposal includes the implementation of a new sound system within the arena. By upgrading to a new sound system, we aim to deliver a superior audio experience that enhances the overall enjoyment of events and ensures the arena remains technologically current, meeting the expectations of both event organizers and attendees.



Example images of LED score clock enhancement, LED vomitory signs and ribbon display

# GATE 1 LOBBY AND NORTH END GROUND FLOOR EXPANSION



Our proposal encompasses a comprehensive plan for the expansion of Gate 1, the main entrance that sees approximately 80% of event attendees. GSL envisions a significant expansion of approximately 3,300 square feet, introducing new exterior building finishes, a dynamic LED building facade, and refreshing the interior finishes and décor of the existing lobby area. This expansion aims to create a more spacious and aesthetically appealing entrance, fostering a welcoming atmosphere for patrons.

# GATE 1 LOBBY AND NORTH END GROUND FLOOR EXPANSION



Artist renderings of food court upgrades, and example concept design

Additionally, our proposal involves a ground floor expansion at the north end, totaling approximately 2,000 square feet. This extension is dedicated to incorporating new ground floor food services and seating areas accessible from the main arena concourse. The addition of these facilities aligns with our goal of providing a centralized and inviting gathering spot, enhancing the overall vibrancy and experience for event attendees.

# NEW EXPANSION FOR FOOD COURT / RESTAURANT

In terms of visuals and design, GSL would like to do an introduction of a new theme for the entire main concourse level including the new food court. The objective is to cultivate a more inviting and homely atmosphere, with the incorporation of additional gathering areas. These thematic elements could be integrated into the food court, restaurant and/or lobby spaces, enhancing the overall ambiance and creating a welcoming environment for attendees.

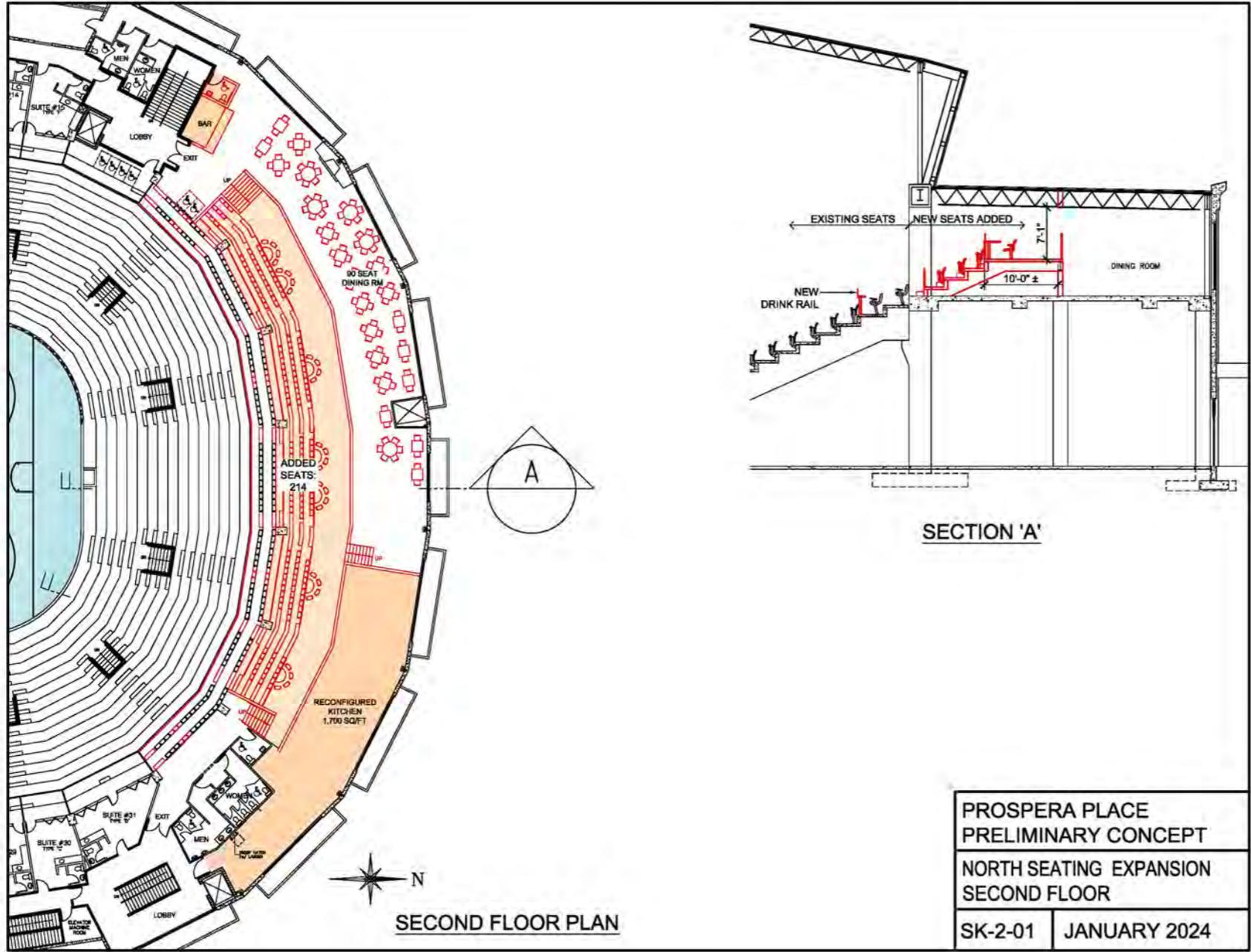


Concept design examples



# RESTAURANT SUITE EXPANSION - OPTION 1

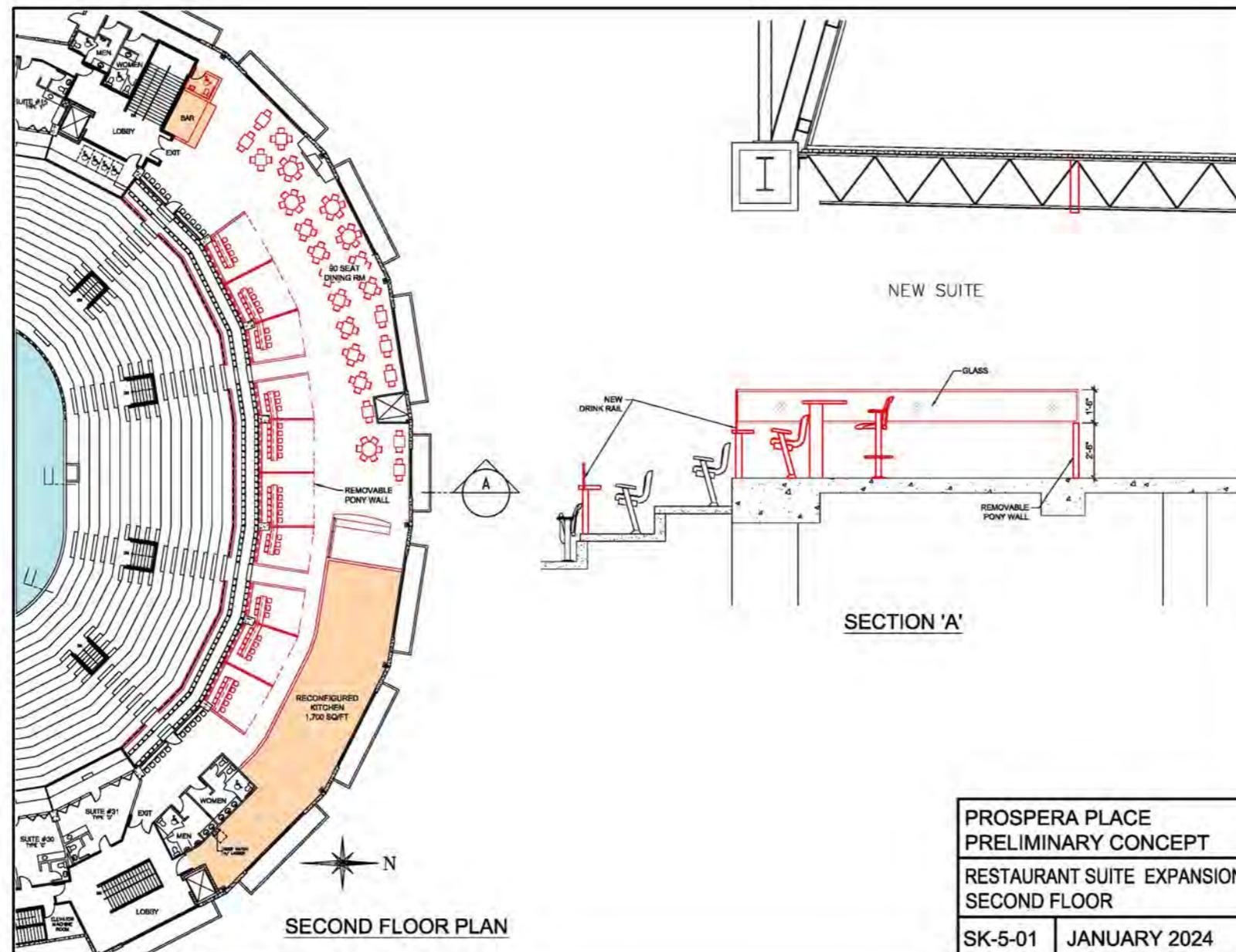
Additionally, our proposal involves the expansion of suites into a restaurant, encompassing alterations to the restaurant area. This entails reducing restaurant seating while increasing the north seating sections by approximately 200 seats, providing enhanced views of arena events. The construction of new areas within the suites, along with the potential implementation of a pony wall for flexibility, is designed to create additional space for attendees.



To maintain a suitable ambiance during concerts, we propose the use of black curtains, ensuring a seamless transition between the restaurant and concert areas while maximizing functionality and attendee comfort.

# RESTAURANT SUITE EXPANSION - OPTION 2

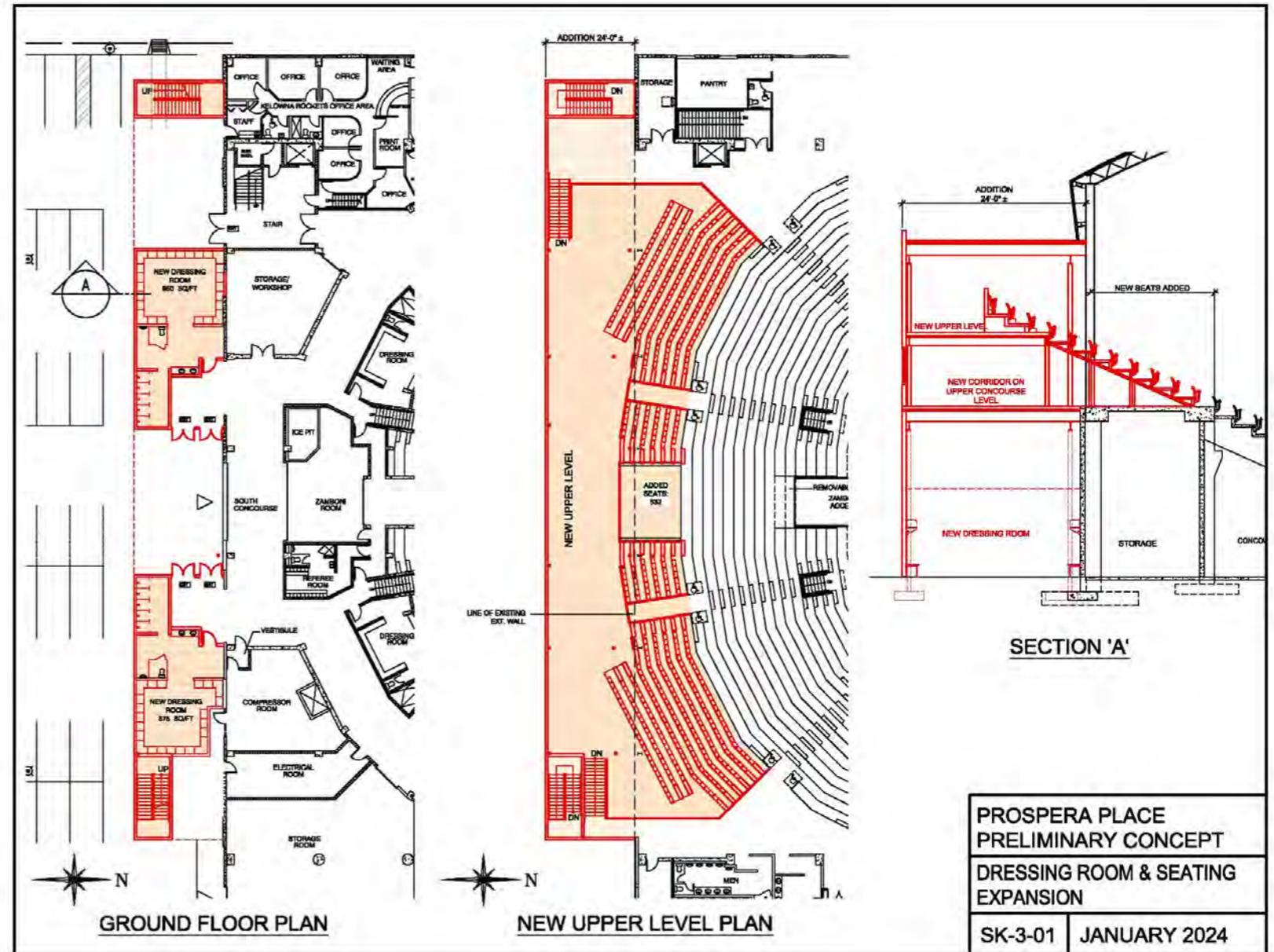
Introducing an alternative concept to enhance the north seating structure, we propose the incorporation of semi-private seating areas seamlessly integrated into the existing restaurant floor. This innovative approach not only ensures a full and unobstructed view of arena events but also maintains the panoramic vista of the arena from the restaurant seating area. This concept aims to elevate the overall spectator experience, combining exclusivity and optimal event visibility within the sophisticated ambiance of the restaurant space.



Moreover, our proposal involves the replacement of premium bowl seats with upgraded club seats featuring padded seating. These seats would be upgraded to leather/cushion, contributing to an enhanced spectator experience and significantly improves the overall comfort and satisfaction of attendees.

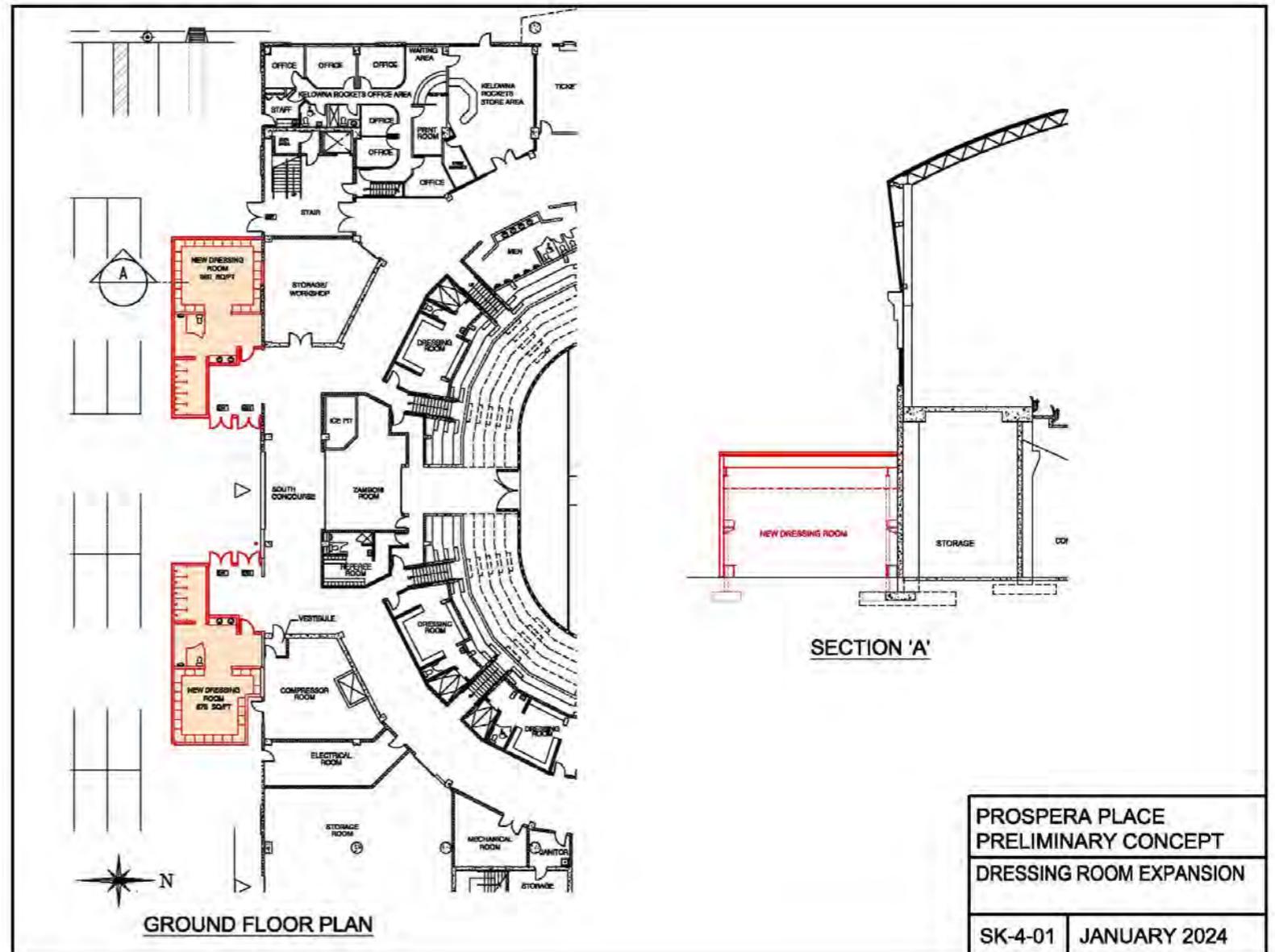
# NEW AND EXPANDED DRESSING ROOMS AND SEATING - OPTION 1

Our proposal includes enhancements to dressing rooms and seating capacity. In addition to the upgraded dressing rooms, we propose the construction of new dressing rooms on the Zamboni end, utilizing the existing parking lot area as part of the building. Simultaneously, we plan to expand the south building structure by approximately 24 feet to accommodate two additional dressing rooms and increase seating capacity in the south sections by approximately 530 seats. These strategic additions are poised to significantly enhance the overall functionality and capacity of the arena, ensuring an optimal experience for both performers and attendees alike.

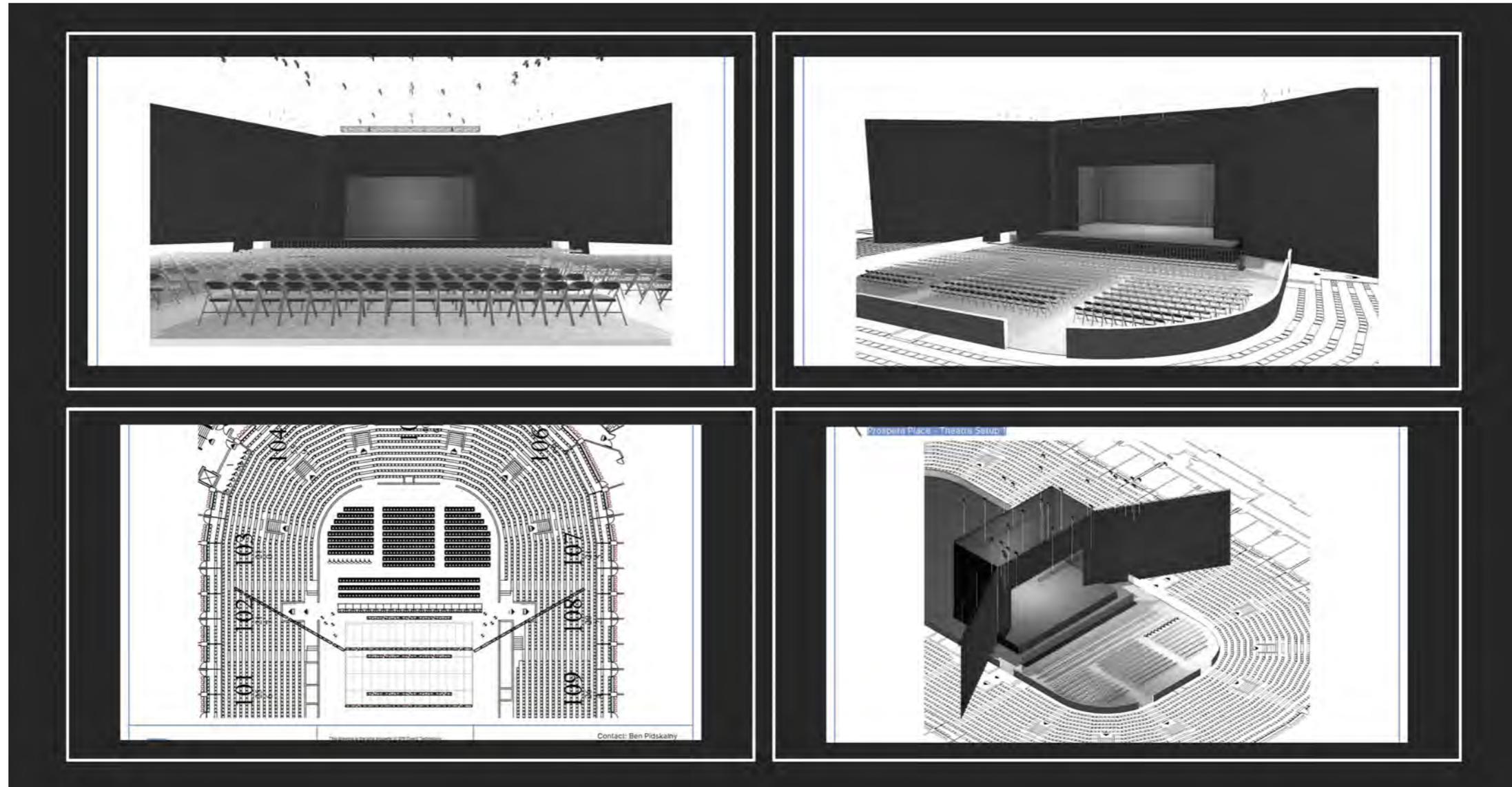


# NEW AND EXPANDED DRESSING ROOMS AND SEATING - OPTION 2

An alternative to the south seating expansion (concept SK-03), our proposal envisions the addition of dressing rooms at the building's south end. This ambitious concept involves expanding the ground floor to seamlessly incorporate two state-of-the-art dressing rooms. This innovative approach not only enhances the facility's backstage capabilities but also opens up opportunities for the conversion of some current south areas into versatile back-of-house facilities or other multifunctional uses. This strategic concept represents a forward-thinking solution that maximizes the arena's potential for both performers and operational efficiency.



# CREATION OF THEATER MODE FOR NORTH END OF ARENA

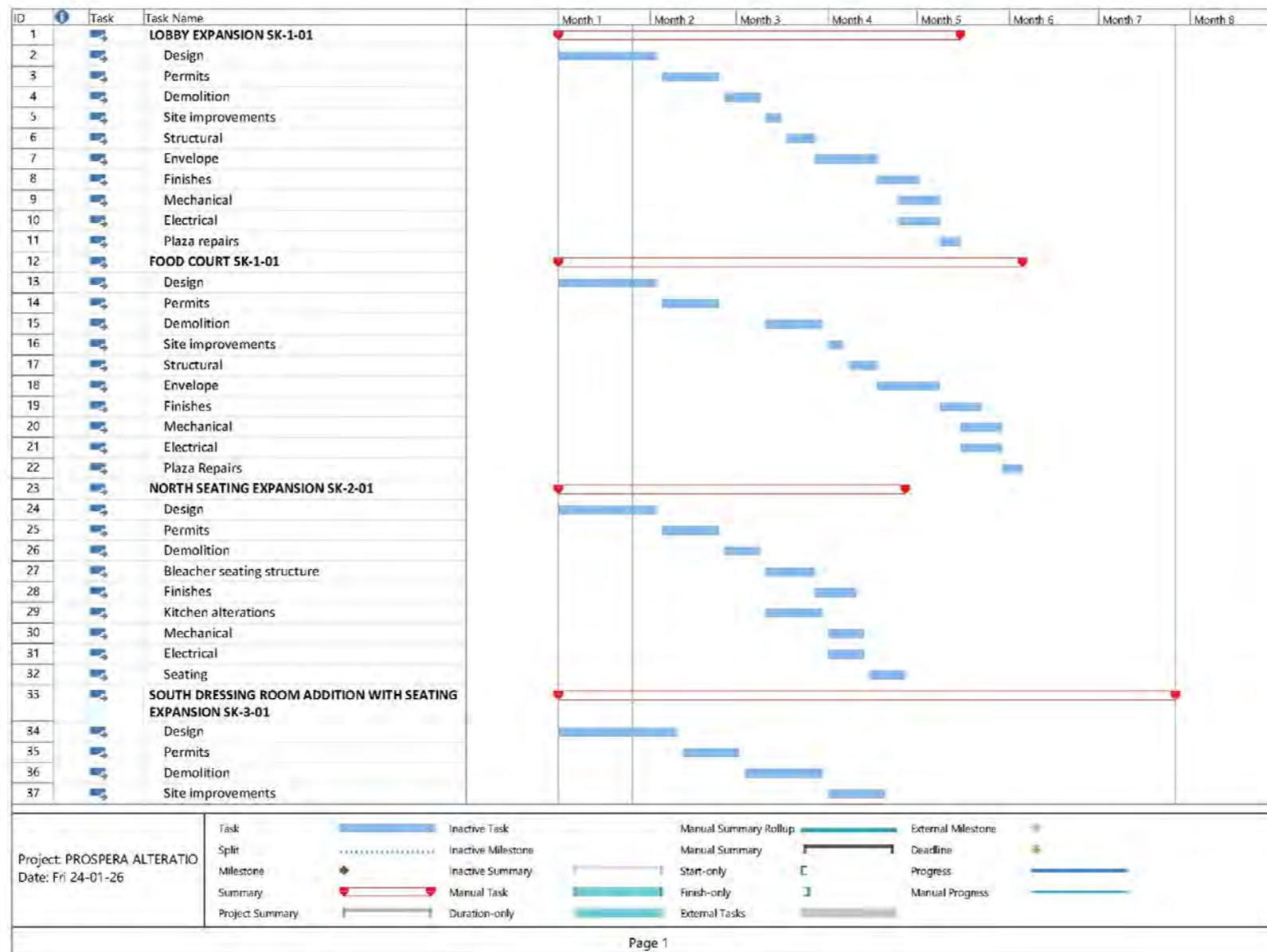


Additionally, we are considering implementing a Theatre Mode in the arena. By adopting this mode, smaller shows of up to 1000 people can be accommodated in our venue at an affordable rate.

The objective is to create a cost-effective means of transforming the arena's seating arrangement, effectively shrinking the bowl to create a more intimate theatre feel. This adjustment aligns with our broader goal of expanding the range of activities within the building by attracting and hosting a variety of smaller shows, enhancing the venue's versatility and community engagement.

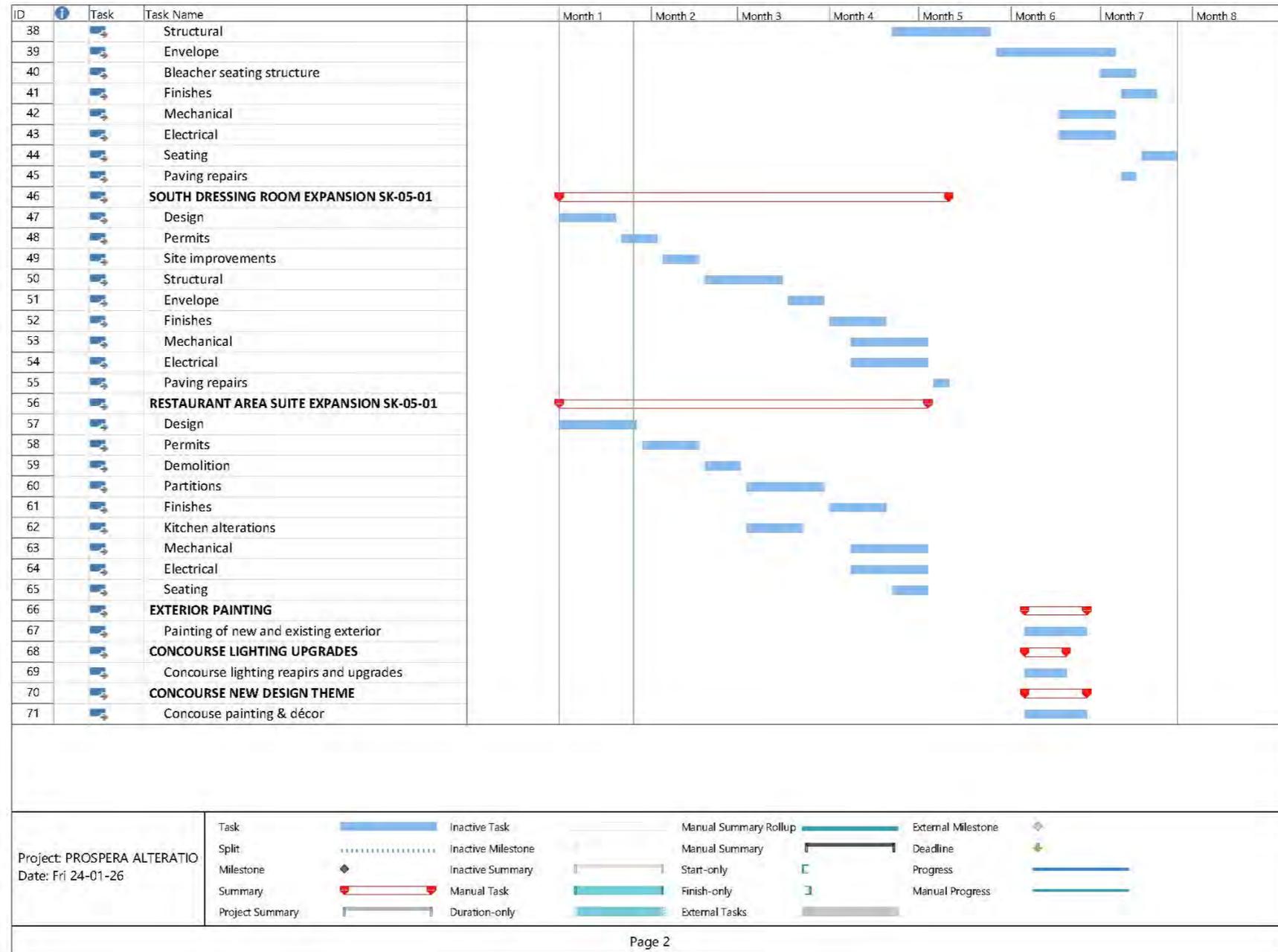
# TIMELINE

This timeline illustrates the phased progression of the Prospera Place renovation project, highlighting key milestones and their corresponding timeframes. Starting with the initial project initiation and design assessment for the various expansions in Months 1-2, the timeline moves through essential phases such as permit application, demolition, and site improvements. The renovation itself is divided into stages, showcasing the systematic upgrade of the facility and the implementation of improved solutions over Months 3-6.



# TIMELINE

Final exterior painting and concourse lighting upgrades, painting and decor marks the near finalization of the project in Month 6, followed by the final completion of the south dressing room addition and seating expansion in Month 7. The visual representations below and on the previous page provides a clear overview of the timeline, ensuring efficient project management and successful completion.





# THANK YOU

For more information and to celebrate Prospera Place's 25th anniversary,  
please follow this link: [www.prosperaplacevision.com](http://www.prosperaplacevision.com)