

DEED private partner agreement framework approval report FAQs

PREPARED OCTOBER 22, 2025

The City Administration paused on bringing the matter forward based on the trade environment in the spring. What's the difference now compared to April?

- Oak View Group (OVG) has come forward with additional information to address some questions regarding Canadian business operations including organizational structure, Canadian presence, economic contributions and community commitments.

The report outlines the proposed profit-sharing arrangements and that the proportion of the profits has changed. What's different from what was previously provided?

- Negotiations considered the entirety of the Agreement Framework, including the upfront capital investment, OVG's responsibilities for operating losses, the term and the incentive fee structure.
- The financial incentive fee structure has been adjusted as follows:

Previous Agreement

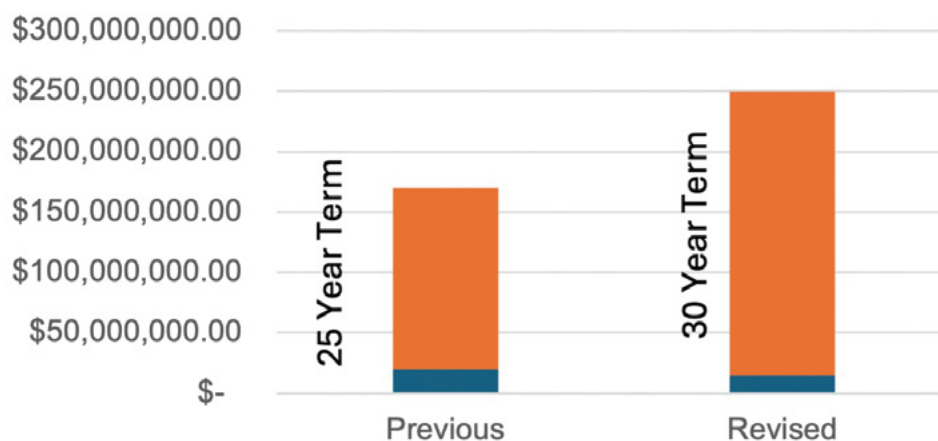
Annual Event Profit	Percent to OVG	Percent to City
\$0 to \$2,000,000	10%	90%
\$2,000,000 to \$3,000,000	20%	80%
\$3,000,000 to \$4,000,000	30%	70%
Greater than \$4,000,000	40%	60%

Revised Agreement

Annual Event Profit	Percent to OVG	Percent to City
\$0 to \$2,000,000	50%	50%
\$2,000,000 to \$4,000,000	0%	100%
\$4,000,000 to \$6,000,000	5%	95%
\$6,000,000 to \$8,000,000	10%	90%
Greater than \$8,000,000	15%	85%

- An incentive fee structure was negotiated as part of the agreement as opposed to using only a management fee. Incentive fee structures link the operator's compensation to the achievement of higher event profits, motivating the private partner to maximize performance and revenue, whereas management fees provide fixed compensation regardless of results and may not encourage the same level of operational excellence or innovation.
- The incentive structure is designed to motivate OVG to maximize profits, not just reach the minimum threshold. Their share increases significantly for annual event profits above \$4 million, creating a strong financial reason to strive for higher performance.
- Based on Administration's reasonably conservative financial analysis, year one event profits are expected to exceed \$6 million, and increase over time.
- The City retains oversight and can address any concerns about underperformance through contract mechanisms.
- The incentive fee structure is a proven model for aligning operator interests with the City's goals for operational excellence and revenue growth.
- The agreement includes \$15 million in up-front capital plus a projected \$235 million in forecasted operating revenue over the full potential 30-year term, in contrast with the previous agreement which estimated a projected \$170 million (combined capital and operating revenue) over 25 years

Total Net Projected Cash Flow



- There is also less risk for the City now with OVG assuming full responsibility of any annual operating loss which would increase the project's success.

What if Council doesn't approve this arrangement? Then what happens to the DEED project?

- The report is about continuing to pursue financial opportunities that would support the potential Downtown Event and Entertainment District. A final agreement is only one part of the funding strategy. Many pieces are needed and will be part of a future report in response to a [Council Resolution](#) from August 28, 2024 which directed City Administration to proceed with advancing the funding tools that support the funding strategy, work towards securing financial commitments from other orders of government, and report back on additional revenue sources and project savings to fortify the City's ability to fund the project with no property tax increase and reduce the financial reliance on the accommodations industry and amusement tax revenue streams.
- If Council decides not to approve the Agreement Framework, the Administration will report back further to Council regarding an operating framework for the future venues as part of the response to the outstanding resolution.
- This is not a commitment to getting started now; it's the necessary work that needs to be done to prepare a fully funded plan and a project that's shovel ready.
- We are getting all the pieces in place so future decisions about starting construction can be made without delay and when funding opportunities become available.

We've heard, "Doing nothing is not an option." Why?

- This is not a legacy project. It is a city-building initiative, with the purpose of strengthening and growing Saskatoon's place as a centre where people want to live, work, learn and play.
- If we don't make sure we are moving forward, Saskatoon risks becoming a fly-over city. We won't have the facility requirements to hold big touring shows or larger events. Major concert events and conventions will select other cities and people will not choose Saskatoon as a place to live due to a perception of it being stagnant.
- Based on an [economic impact assessment conducted in 2023](#), major concerts in Saskatoon generate substantial economic activity to the city of Saskatoon and province of Saskatchewan. Failure to maintain or improve Saskatoon and Saskatchewan's position as a desirable destination for major entertainment events puts this economic activity at risk. It also reduces the quality of life without premier event opportunities for residents and visitors to enjoy.
- Renovating SaskTel Centre would be a substantial cost, expected to be in excess of \$300 million and any funding plan would require the consideration of property tax increases to pay for the renovation.
- Renovation of SaskTel Centre would require the venue to be closed for at least two years, resulting in a loss of business and opportunities. Renovation of the venue at its current location also would not contribute to a revitalized Downtown.

What about the impact to property tax?

- The project goal has always remained the same: no property tax impact.
- The finalization of this agreement framework continues with the commitment that the project avoids a direct impact on taxpayers.
- We are continuing to work towards having a fully funded strategy which will be part of a future report to City Council in response to the August 28, 2024, resolution.