

Staff Report



Community Services Department

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REPORT TO: Community and Infrastructure Services Committee

DATE OF MEETING: May 12, 2025

SUBMITTED BY: Bob Cheyne, Director of Sport, 519-904-9373
Allyson Samms, Manager, The Aud, 519-783-7925

PREPARED BY: Helena Foulds, Manager Service Coordination & Improvement (CSD),
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WARD(S) INVOLVED: All

DATE OF REPORT: May 8, 2025

REPORT NO.: CSD-2025-213

SUBJECT: Kitchener Ranger's Request for Renovations at The Aud

RECOMMENDATION:

That Council approve the Kitchener Rangers request to renovate and improve the players' dressing room area, business office and media/scouts room at The Aud as described in CSD-2025-213; and,

That, at the same time as the renovations requested by the Kitchener Rangers are being completed, the City build a restaurant at The Aud that will significantly improve the user/fan experience at the facility while also making The Aud more attractive for future major events, large scale concerts and sporting events/tournaments; and,

That the Kitchener Rangers lead the proposed renovation, including procurement of architectural and contracting services, with continuous project management support from the City of Kitchener; and,

That funding of \$2,000,000 be approved for the restaurant renovations as outlined in the Financial Implications section of report CSD-2025-213.

REPORT HIGHLIGHTS:

- The Kitchener Rangers are requesting they be allowed to make improvements to several spaces at The Aud which are primarily connected to their operations. This work would be fully funded by The Rangers and would include: (1) relocating the majority of their office spaces to the third floor; (2) expanding and improving their player amenities to continue to attract top talent to the team; and (3) relocating the media/scout room to beside the proposed new restaurant.
- This request from The Kitchener Ranges creates a unique opportunity for the City to take advantage of the planned construction work to create a new restaurant at The Aud. The restaurant will add an attractive new amenity for residents, improve the user/fan

experience and position the complex as a more attractive destination for large scale sports and e-sports events (e.g. Memorial Cup), as well concerts and other entertainment opportunities that will generate economic benefits for the community.

- Staff anticipate the restaurant would be open at times when programming at The Aud would attract a significant number of attendees – e.g. game days, major events, concerts, tournaments, and during the facility's peak season which is estimated at approximately 100 days/nights a year depending on programming at The Aud. The restaurant will also provide flexibility for community groups and event/tournament organizers (at The Aud and at the twin pads) to host private events.

BACKGROUND:

The Kitchener Memorial Auditorium Complex (The Aud) has been a community cornerstone for over 70 years. Since 1963, The Aud has been home to the Kitchener Rangers and continues to be considered by many as the best arena in the Ontario Hockey League. Over time, the City of Kitchener and the Kitchener Rangers have developed a strong, mutually beneficial partnership that has become a central part of The Aud's history.

With 70,000 square feet of exhibition space and two adjoining ice surfaces (Kinsmen, Kiwanis), The Aud hosts more than 500,000 guests each year for tradeshow, concerts, and events. The Aud is also home to the KW Titans and the Kitchener Panthers, KW Jr. A Lacrosse Club, and the twin pad arenas, which are well used by the community for recreational programming and tournaments (i.e., hockey, ringette, lacrosse).

The Aud was originally built in 1950 and has undergone a series of renovations. The most recent major renovation to the facility was completed in 2012 through a strong partnership between the City and the Kitchener Rangers. This renovation added 1,000 new seats, a third-level concourse, fourth-level community room, concessions, washrooms, offices, and media area.

The Aud remains in good condition with no immediate facility or maintenance-related issues that would require it to be closed in the short or medium term. At the same time, just like every other City facility, The Aud will require ongoing maintenance and future investments to maintain that condition going forward.

Staff recognize that a clear vision for the long-term future of The Aud is needed. To that end, by the end of 2026 staff will begin work on two key initiatives – (1) an assessment of the current venue and (2) a strategic roadmap that identify and sequences all of the work that will need to be completed so that city Council can make an informed decision about the long-term future of The Aud. Staff will engage the support of third-party firms with expertise in these specific issues to support the completion of this work. Given all of the work that will need to be completed before City Council can make an informed decision about the long-term future of The Aud, staff anticipate the facility will continue to operate as it does today for the next five, and likely closer to ten years.

REPORT:

Rationale for Renovation

When the 2012 renovations of The Aud were complete, the Kitchener Rangers were considered to have the best dressing rooms and player amenities (e.g. fitness centre, lounge, dressing room) in the league. Over the past decade other CHL venues have surpassed The Aud making it more challenging for the Rangers to continue to attract top talent to the team. Improvements to the player amenities and management offices are essential to maintaining the Rangers competitive position within the league.

The Rangers are seeking approval from the City to allow them to proceed with renovations to three key areas within The Aud. The following chart outlines the rationale of the proposed changes, which will be fully funded and led by the Kitchener Rangers.

Element	New Location	Rationale
Improved player amenities	Existing offices/main floor – near team change room	Improved player amenities will allow the Rangers to attract and retain top-tier athletes increasing revenue and league status. All player amenities will remain on the main floor. Improvements include relocation of the fitness centre, enhanced and expanded player lounge and enhanced and expanded player athletic, pool therapy.
Relocation of office space (Rangers)	Third floor (Legens Level)	The offices will move from the main floor to the third floor (suite level). The relocation is required to accommodate the improved player amenities.
Media/Scouts Lounge	Second floor within existing Subscriber's Lounge	The media lounge will be relocated next to the proposed restaurant. The new location creates a multi-use space which can be opened into the restaurant for larger events or be closed off and accessed through a private entrance.

The proposed renovation plan presented by the Kitchener Rangers is an example of the commitment to maintaining a lasting and mutually beneficial relationship between the City of Kitchener and the Rangers organization.

The Rangers have provided a letter (Appendix A) to the City requesting permission to proceed with these renovations – and committing to fully funding their portions of the renovations (everything except the construction of the new restaurant).

Opportunity for the City of Kitchener – A New Restaurant

The proposed renovation by the Kitchener Rangers creates an opportunity for the City to “piggy-back” on that construction work to create a new restaurant at The Aud that would position the complex to be a more attractive destination for large scale sports and e-sports events (e.g. Memorial Cup), as well concerts and other entertainment opportunities that will generate economic benefits for the community. In addition, the restaurant would provide a unique community experience for people visiting the twin pads for minor sport events,

tournaments, or recreational use; as well as those who attend Titans and Rangers games or other events.

Vision for a New Restaurant

Staff propose transforming the current Subscriber's Lounge into a modern restaurant that complements The Aud's atmosphere. With limited full-service food and beverage locations currently available at The Aud, this new restaurant could greatly enhance the experience for facility attendees.

Staff anticipate the restaurant would be open for approximately 100 days/nights a year depending on programming at the facility (e.g. for Rangers and Titans games, concerts, tradeshow, and major events; sport tournaments hosted at the twin pads; watch parties when major events are taking place like the Memorial Cup, Olympic hockey games, NBA finals, etc.) The restaurant could also be used as a community rental for private events and meetings, or large corporate events that require catering.

The new restaurant will include a fully equipped kitchen and licensed bar with capacity for more than 120 occupants. The 2,318 square foot space offers flexibility to operate as a full-service restaurant or host private events/meetings. The Rangers media/scout room would be located directly beside the restaurant and can also be used as a smaller, bookable space for small private events (capacity 80 people) when it is available. The media room will have a secure and private access separate from the restaurant. The restaurant will include multiple large TV screens.

The City's food and beverage partner will be fully responsible for operating the restaurant and bar operations, including menu planning and development, kitchen operations, staffing, health and safety, etc.

Financial Analysis

The Kitchener Rangers have committed to fully fund their portion of the renovations – the new office space, player amenities and media room. The City would fund the creation of a new restaurant at a cost of \$2M (only \$575,000 of which would come from the tax base).

Funding Sources for City's Costs

Staff have reviewed outstanding The Aud capital balances and reprioritized other projects at The Aud to identifying funding for the new restaurant. Funding from the Aud Ticket Reserve and the Municipal Accommodation Tax have also been allocated to help fund a portion of the restaurant costs as these funds were specifically collected to fund this type of improvement to the facility, which will help attract increased tourism and economic activity. An additional \$575,000 from the City's Capital Contingency Account would also be used to fund the remainder of the project – meaning approximately 25% of the cost of the new restaurant would be funded by taxpayers.

The following chart summarizes staff's proposal to fund the City's portion of these renovations:

Project Budget (Restaurant)	\$2,000,000
Reprioritization of KMAC Capital Funding (including CRF)	\$600,000
Aud Ticket Sales Reserve	\$400,000
Municipal Accommodation Tax Reserve	\$415,000
City's Capital Contingency Account (tax funded)	\$575,000

Return on Investment

Staff completed initial revenue projections to determine the feasibility of a restaurant and bar at The Aud. These numbers were provided by the current food and beverage provider at The Aud based on their experience in the facility. Based on the existing food and beverage agreement at The Aud, the City of Kitchener estimates the following revenue projections for 100 operational days.

Seating Capacity	City's Share of Revenue	Capital Contingency Recovery (tax-funded)
60%	\$86,184	7 years
70%	\$100,548	6 years
80%	\$114,912	5 years
90%	\$129,276	4 years

Based on these estimates, if the restaurant is open for 100 days/nights, the City would generate enough revenue to pay back the tax-base (\$575,000) within 4-7 years. It is important to note the restaurant has potential to earn higher revenue through private event rentals or expanding operations beyond 100 days, which would shorten that payback period.

Project Delivery & Schedule

Like the 2012 renovation at The Aud, the Kitchener Rangers would lead the design and construction of the office spaces, player amenities, and media room. The City of Kitchener will provide project management resources through the Facilities Management division to support the project. The City will have final approval on the design, construction and operations of restaurant. The Rangers and the City are committed to working closely throughout this process to ensure a cohesive design and cost efficiencies wherever possible.

The project schedule provided by the Kitchener Rangers general contractor indicates that construction will take place during the Rangers off season (July to October 2025). The Kitchener Rangers maintain full responsibility for the construction schedule and will monitor progress carefully to ensure the newly renovated space is open and ready for use when the Rangers kick-off their 2025/2026 season in October 2025. If construction is delayed or other project constraints occur, the restaurant may open later in the year after the Rangers renovation is completed.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Capital Budget – The recommendation has an impact of \$2M on the capital budget. See above for further details.

Operating Budget – The recommendation will generate revenue to pay back the cost of the renovations within 15 to 20 years. It would take only 4 to 7 years to pay back the investment from the capital contingency account.

APPROVED BY: Michael May, Deputy CAO & General Manager of Community Services

ATTACHMENTS:

Appendix A – Letter from the Kitchener Rangers Requesting Approval to Proceed with Renovations at The Aud