



GTA group 'not able to complete' expansion application

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A major gamble, but it would make the NHL the first major sports league in North America to house a team in Nevada's glitzy gambling mecca. The league already has a foothold in Vegas, with the city hosting the league's award show over the last few years. (QMI Agency)

When it comes to this upcoming round of NHL expansion, bringing a second NHL franchise to T.O. is a no go.

Less than a month after the league announced it was opening the door for interested parties looking to land a franchise, the Monday evening deadline for accepting applications came and went without a submission from GTA Sports & Entertainment, the organization that had hoped to build an arena in Markham for the past few years.

Those aspirations for a "Sheet of Dreams" north of the city fizzled in the end, much like the group's intentions to officially file a bid this week.

"While we continue to focus on developing the GTA Centre, we were not able to complete the necessary work by the application deadline," a spokesperson for GTA Sports & Entertainment said in an email to the Toronto Sun. "We hope that another such opportunity presents itself in the future."

Applications were received from Quebecor for Quebec City and from entrepreneur Bill Foley for Las Vegas. But there reportedly was none forwarded from any of the three groups looking to land a team for Seattle, a coveted location that has been on the league's radar.

When the league first revealed its plans back on June 24 to start a formal expansion process, GTA Sports & Entertainment CEO Graeme Rouston, who has been attempting to construct the 18,000-plus seat GTA Centre in the Kennedy Road-Highway 407 area, was quick to confirm that his organization definitely would pursue the opportunity .

"I'd say that in the coming days we intend to reach out to the league about bringing another NHL franchise to southern Ontario," Rouston said at the time during a phone interview with the Sun. "(The league's announcement) means different things to different people. We're now seeing an opportunity for a process

to apply for an NHL franchise which we've privately been hoping for.

"We're going to proceed with the process. Hopefully we're successful with it."

So, what went wrong?

The lack of a facility remains the No. 1 reason.

Plans for the proposed GTA Centre were hatched in the spring of 2012, with Roustan spearheading the project. But after a series of meetings dominated by political haggling, Markham council voted to keep public money out of the equation and to use private backers only.

The issue has polarized Markham politicians and residents, with the anti-arena faction showing no fear in slagging Roustan and his plans. As recently as February, some of them referred to the project as "dead."

Last month, once the NHL revealed it would consider expansion, Roustan would not identify Markham specifically as a potential site, saying only that "all opportunities around the GTA will be explored."

"At this time, there is no specific agreement (with any community)," Roustan said in June. "We do plan on speaking with politicians in the province about moving this process forward."

"Being involved in any franchise in the NHL is a once-in-a-lifetime opportunity that drowns out any noise that comes from the cheap seats," Roustan added, referring to critics of the proposed GTA Centre project.

Just two years ago, Roustan's proposal to Markham for the GTA Centre included a cost for the facility of \$325 million. Had the local city council backed the mayor's urging to accept the project instead of shooting it down, the building could have very well been in its final stages of construction at this time.

But the freefalling Canadian dollar means that the original estimated cost has now escalated by about \$100 million. Add that figure to an NHL expansion fee that is estimated to be in the neighbourhood of \$600 million US, and the total cost for the team and arena would be somewhere near \$1.2 billion in Canadian funds.

Even here in the self-proclaimed Centre of the Hockey Universe, that figure is difficult to digest for the city's financial community.

Roustan has long insisted that the original \$325 million price tag was reasonable enough to construct a facility that didn't have an NHL tenant. But with costs now rocketing, you pretty much would need an NHL team to make it work. As such, how do you get investors to pump cash into an endeavour when there are no guarantees that you'll end up landing a franchise?

Moving forward, an NHL expansion franchise to be housed at the almost-completed Las Vegas Arena in time for the 2017-18 season, at the earliest, pretty much seems to be a done deal. And the Quebec City bid

continues to roar full speed ahead despite potential concerns identified by critics concerning the issue of Pierre-Karl Peladeau, Quebecor's former president and CEO and leader of the separatist Parti Quebecois.

Of course, the ideal setup, from a format perspective, would see Las Vegas and Seattle join the Western Conference. Right now there are 16 teams in the East and 14 in the West.

But the lack of a building in Seattle continues to be a roadblock for expansion to that city.

Just like it is for GTA Sports & Entertainment.

TWO TEAMS IN '17?

The Quebec Nordiques 2.0. The Las Vegas Black Knights.

Could those potential expansion teams be in play as early as 2017?

While that remains to be seen, groups representing both Quebec City and Vegas officially submitted applications to the NHL by the time the deadline for submissions arrived on Monday.

After his season ticket drive in Vegas netted more than 13,200 deposits, entrepreneur Bill Foley submitted a bid under the title Black Knight Sports and Entertainment LLC, according to ESPN.com. It is widely believed the league is eager to rubber stamp the application, thereby allowing the NHL to be the first of the four major North American sports leagues to leave its footprint in Sin City.

Quebecor announced its application on Twitter, confirming it had submitted its "candidacy for the NHL expansion process in order to bring the Nordiques back to Quebec City."

Will the falling Canadian dollar be an obstacle here? And what factor, if any, will be played by the politics of Pierre-Karl Peladeau, Quebecor's former president and CEO and leader of the separatist Parti Quebecois?

What Quebec City does have is both a beautiful new arena and a rabid fan base.

Meanwhile, no bids reportedly were submitted by Seattle, a location the league is said to be smitten with.

But that doesn't mean the NHL won't leave the door open for any of the three groups looking to put teams there.

Because the league was asking \$10 million US for applications — \$2 million of which is non-refundable — the interested parties were not going to hand over all that money if they didn't have an arena deal in place. But if any of the groups — if not all — can slog through the politics and bureaucracy involved in getting a hockey-first arena approved, don't be surprised if the NHL welcomes their late bids with open arms.