

## VICTORIA PARK OPTION

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### EXECUTIVE SUMMARY

Calgary Sports and Entertainment Corporation (CSEC) has proposed a multi-use sport and entertainment concept called CalgaryNEXT in West Village. Council reviewed that concept and requested that a new arena/event centre development concept in Victoria Park be investigated.

A Victoria Park concept has been prepared. Located north of the Stampede grounds, the development concept includes a potential event centre site, ancillary mixed-use parcels, and plaza space. This location is well suited for growth, due to recent public infrastructure investments and significant anticipated future investments in the area. A new event centre and ancillary development is consistent with both the surrounding Rivers District plan and the adjacent Stampede Master Plan, while also supporting the new downtown Culture and Entertainment District recently approved by Council. Administration and the Calgary Municipal Land Corporation (CMLC) have determined that the Victoria Park concept is feasible and propose that the concept be included in the Rivers District master planning engagement program. This report examines the feasibility of the Victoria Park site from a planning perspective only; it does not include a discussion of public funding of an arena/event centre concept.

### ADMINISTRATION RECOMMENDATIONS:

That Council:

1. Receive this report for information.
2. Direct Administration to coordinate with CMLC and continue discussions with CSEC based on the Victoria Park concept, and report back to Council as soon as possible.
3. Direct Administration to collaborate with CMLC and include the Victoria Park concept in the Rivers District master planning engagement program.

### PREVIOUS COUNCIL DIRECTION / POLICY

On 2017 March 6 and March 13 Council received verbal reports on major projects and directed Administration to proceed as instructed, and report back to Council as soon as possible.

On 2016 September 26, Council deferred a report regarding major sports facilities, to be reported back to Council, no later than Q1 2017.

On 2016 June 27, Council directed Administration to engage with CSEC and CMLC and undertake a comparative analysis of The City's and CSEC's West Village investigations, examine the CalgaryNEXT concept in conjunction with a Victoria Park development option, consult with key stakeholders, and report back no later than October 2016.

On 2016 April 25, Council directed Administration to request a formal response from CSEC to Report C2016-0254, and requested that Mayor Nenshi invite CSEC to a Strategic Meeting of Council, to present their response and discuss next steps, no later than June 2016.

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On 2015 November 10, Council directed Administration to analyze the CalgaryNEXT concept in accordance with a multi-phase framework, outlined in Mayor's Office Report M2015-0856.

### **BACKGROUND**

In August 2015, CSEC shared their CalgaryNEXT concept with the public and later that year commenced discussions on the concept with The City. CalgaryNEXT is envisioned as a combined event centre and multi-sport stadium/fieldhouse, on City-owned land in West Village. At the direction of Council, Administration and CMLC prepared a report on the feasibility of the concept. The public report (April 2016) concluded that CalgaryNEXT was not feasible in the form or location proposed. After considering a subsequent formal response from CSEC, Council directed Administration to work with CMLC and CSEC to prepare a development concept in Victoria Park.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Administration, CMLC, CSEC, and Calgary Exhibition and Stampede Limited (the Stampede) have met over the past several months to understand each organization's approach and goals for a new event centre development. All parties acknowledge that this specific type of development could meet various objectives and benefit Calgarians, but also believe there are a number of different ways to fund and develop the event centre area. The intent of this report is to present the Victoria Park event centre development concept.

### **Victoria Park Event Centre Development Concept**

#### *Vision*

The 2016 Capital Investment Plan recently identified Victoria Park as a key community within Calgary's new Culture and Entertainment District. This area of east downtown is envisioned as a centre for theatre, dance, music, sports, dining, shopping, tourism and housing. The Plan highlights that current and future investment in the district is intended to foster events, attract business, and support employment.

The redevelopment of Victoria Park is closely connected to the CMLC's Rivers District Master Plan and the Stampede's Master Plan. These two organizations have common development objectives related to tourism, entertainment, and visitor experiences. The creation of a year-round activity centre is central to both master planning endeavours.

#### *Investment*

There has been significant public and private sector investment in the Rivers District since its inception in 2007. In the last 10 years, The City and CMLC have invested more than \$1.44 billion in infrastructure, including buildings, bridges, underpasses, transit, streets, paths and utilities. This public investment has been a catalyst for more than \$2.32 billion in private construction and additional construction is forthcoming. Private developments in the area include offices, residential towers, mixed-use buildings, entertainment facilities and the National Music Centre. Ongoing significant public investment proposed for the area includes Green Line LRT, 17<sup>th</sup> Avenue/Stampede Grounds extension, cycle tracks, and RiverWalk.

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### *Proposed Development Area*

Administration, CMLC, CSEC and the Stampede have discussed locating a new event centre (comprised of an NHL level arena and ancillary services to be determined), immediately north of Stampede Park on a two block site bounded by 12 Avenue, 5 Street SE, 14 Avenue SE, and Olympic Way SE. The approximate 7.2 acre site is situated within the Stampede Master Plan area and is currently used for parking and roadway. Preliminary site planning and architectural investigations have determined that there is sufficient site area for an event centre with the same specifications and details as the event centre included as part of the CalgaryNEXT design.

An event centre, ancillary mixed-use parcels, and plaza space can be accommodated within the proposed development area. Any combination of these elements may be included in a final development program. Due to the nature of ongoing discussions amongst Administration, CMLC, CSEC, and the Stampede, detailed site planning, architectural studies, and renderings have not been prepared. It is anticipated that this work will be part of the formal negotiation process.

The proposed event centre development area is owned by the Stampede. Since the existing Saddledome is owned by The City and is situated within Stampede Park, the Stampede has indicated potential support for a land exchange. The specific terms and conditions of a land exchange are subject to further discussions. The proposed event centre development area is of particular relevance to the Stampede, as the site is located within an "Entertainment Zone" identified in the Stampede Master Plan. A new event centre development area that is designed in keeping with the surrounding urban context has the potential to benefit Stampede Park and the surrounding community.

### *The Rivers Community Revitalization Levy (CRL) District*

The proposed event centre development area is located completely within the existing Rivers CRL District. This district, established in 2007, uses a CRL to pay for new infrastructure. Existing infrastructure funded by the CRL includes 4<sup>th</sup> Street Underpass, St. Patrick's Island, Riverwalk, pedestrian bridges, urban squares and heritage buildings. CMLC recently reforecast revenue generation for the remaining 10 year CRL period and determined that another \$150 million in CRL revenue is anticipated. This revenue will be used to fund future infrastructure projects including: Greenline LRT streetscapes, 17<sup>th</sup> Avenue extension, cycle tracks, and RiverWalk. This infrastructure could be of great benefit to the Victoria Park site.

### *Summary*

The Victoria Park community is well suited to new event centre development. Being located in the Rivers CRL District and within proximity of the proposed Green Line LRT, the area has received, and is targeted for a significant amount of public investment. A substantial amount of existing and planned private investment has also occurred in the area, as a result of concerted urban revitalization efforts. Additionally, commercial and entertainment related development adjacent to Stampede Park is both consistent with, and supportive of the Stampede's growth objectives.

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### Stakeholder Engagement, Research and Communication

Administration, CMLC and CSEC have met on more than 25 occasions since April 2016 to discuss event centre issues and prepare the Victoria Park concept.

Through 2017, CMLC will be conducting stakeholder workshops and engagement sessions to gather input and ideas related to the Rivers District Master Plan and an East Victoria Park vision. It is proposed that the Victoria Park event centre development concept be presented and discussed as part of the future envisioning of the community and added to the engagement program.

### Strategic Alignment

Developing an event centre area in Victoria Park is consistent with the policies in The City's Municipal Development Plan (2009), Centre City Plan (2007), Rivers Community Revitalization Plan (2007), Action Plan 2015-2018 Mid-Cycle Review (2016), the Stampede Master Plan (2009), and the CMLC 2017-2019 Business Plan (2016).

### Social, Environmental, Economic (External)

#### Social

The culture and entertainment district envisioned for the east downtown is becoming a reality with the development of the National Music Centre, New Central Library, East Village renewal and Stampede's planned expansion. A new event centre and related development would reinforce the area as a centre for culture, sport and entertainment. The extent and nature of the social benefits related to a new event centre area will be determined through a public engagement program and ongoing civic discussion.

#### Environmental

A phase 1 environmental review of the proposed development area and immediately surrounding lands has been completed. It was determined that the majority of the review area was historically residential and that no environmental concerns or related costs were identified for the proposed event centre development area.

#### Economic (External)

There are differing views on the impact of professional sport facilities/event centres on the local economy. Most academic research has found little evidence of positive economic impact from professional sports facilities and franchises on urban economies<sup>1</sup>. Alternatively, privately commissioned economic impact studies have predicted positive economic impacts<sup>2</sup>. It has been suggested that each event centre development is unique and could generate economic benefit if conceived as part of a broader redevelopment plan<sup>3</sup>.

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<sup>1</sup> Coates, Dennis. "Growth Effects of Sports Franchises, Stadiums and Arena: 15 Years Later." *Mercatus Working Paper*, Mercatus Center at George Mason University, Arlington, VA, September 2015.

<sup>2</sup> Coates, Dennis and Humphreys, Brad R. "Professional Sports Facilities, Franchises and Urban Economic Development." *Public Finance and Management*, 3(3), 2003 pp.335-357

<sup>3</sup> Rosentraub, Mark S. *Reversing Urban Decline: Why and How Sports, Entertainment, and Culture Turn Cities in Major League Winners*. 2014.

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### **Financial Capacity**

#### **Current and Future Operating Budget:**

The work related to this phase of analysis has been completed with existing resources. The Victoria Park event centre development concept is exploratory at this stage and an operating budget has not been determined.

#### **Current and Future Capital Budget:**

The City, CMLC, CSEC and the Stampede are engaged in ongoing capital budget discussions that include project costs and funding.

### **Risk Assessment**

Given the early stage of the Victoria Park investigation, no significant risks have been identified. To date, deliberations amongst the key parties has been productive and continued discussions are anticipated. The City Integrated Risk Management system will be applied to any resulting proposal and reported to Council at that time.

### **REASONS FOR RECOMMENDATIONS:**

In 2016, Council directed that a new Victoria Park event centre concept be prepared. Administration and CMLC are reporting back on that investigation. The Victoria Park concept appears feasible to all involved parties. It is necessary for The City and CMLC to continue discussions with CSEC, the Stampede, and the public, in order to determine if new event centre development in Victoria Park is viable.

### **ATTACHMENTS**

None