



**The City of Calgary**

---

**West Village-CalgaryNEXT  
Phase One Analysis**

**CSEC Proposal Review**

**April 2016**



## EXECUTIVE SUMMARY

Calgary Sports and Entertainment Corporation (CSEC) has proposed CalgaryNEXT, a combined arena/event centre and multi-sport stadium/fieldhouse, on land in the West Village. The arena/event centre design has several interesting features, and would be a welcome new venue for sports and events in Calgary. The stadium/fieldhouse is intended to replace the fieldhouse project proposed by The City's Recreation business unit in the Foothills Athletic Park. The location proposed by CSEC for CalgaryNEXT in the West Village will present challenges for redevelopment because of long development timelines that can only begin once remediation of the site is complete. CSEC estimates that total cost of the CalgaryNEXT facility will be \$890 million, and they propose that \$440 million in public funds be invested in the facility, while CSEC have offered to service an additional \$250 million of public debt through a ticket surcharge and to invest \$200 million. In addition to the facility costs, the proposal is for The City to invest an estimated \$863 to \$937 million in land, municipal infrastructure, environmental remediation, and financing to prepare the facility site and provide transportation infrastructure and municipal utilities for the redevelopment of the West Village. As a result, the total cost for the project is estimated to be between \$1.753 and \$1.827 billion, including the cost of remediation. This amount of spending can be absorbed in The City's debt and debt servicing capacity, but it will require Council to choose between CalgaryNEXT and other important municipal infrastructure projects.

The proposal from Calgary Sports and Entertainment Corporation is not feasible in its present form. Administration's recommendation is that Calgary Sports and Entertainment Corporation should be given opportunities to respond to The City's feasibility concerns and to combine the innovative and original concepts of their design with financing, site selection and development timelines that would make CalgaryNEXT a concept that works for Calgarians.



<THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK>



# Contents

- Chapter 1 – Introduction** **1**
- 1.1 Background ..... 1
- 1.2 Details of the CSEC Proposal ..... 1
- 1.3 Analysis of the Design ..... 2
- Chapter 2 – Feasibility analysis** **4**
- 2.1 Land Ownership ..... 4
- 2.2 Land Remediation ..... 4
- 2.3 Land Use Planning ..... 5
- 2.4 Transportation Infrastructure ..... 5
- 2.5 Utility Infrastructure ..... 7
- 2.6 Capital Costs ..... 8
- 2.8 Lost Tax Revenue ..... 11
- 2.9 Financing Capacity ..... 11
- 2.11 Timeline for Development ..... 11
- Chapter 3 – Conclusions** **12**
- Appendix A – Record of Meetings** **13**



<THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK>

## CHAPTER 1 – INTRODUCTION

### 1.1 Background

Calgary Sports and Entertainment Corporation (“CSEC”) has proposed CalgaryNEXT, a combined arena/event centre and multi-sport stadium/fieldhouse complex to be located in Calgary’s West Village. Council directed Administration to develop an understanding of the CSEC proposal in M2015-0856, and this report has been prepared to summarize our findings specific to Phase 1 item number one:

“The Mayor’s Office proposes that Administration would meet with the CSEC CalgaryNEXT project team to better understand the proposal and gather any additional information and materials required to undertake the work outlined in this report. Administration would request copies of the research and analysis undertaken by CSEC with respect to CalgaryNEXT, including but not limited to feasibility studies, preliminary designs, business plans, and financial information. In addition, these materials will be reviewed and used to inform the Phase 1 analysis and further refine the work in subsequent phases of the evaluation of the proposal.”

A record of the six meetings that were held with CSEC are shown in Appendix A. The City of Calgary (“The City”) entered into a confidentiality agreement to protect any confidential and proprietary information provided to us as part of the proposal, and a collection of documents were provided to Administration by CSEC in 2016 January. This report has been prepared based on the content of these meetings and documents, but does not present any information that would infringe on CSEC’s intellectual property.

CSEC provided Administration with an estimate of the economic impact of its sports and entertainment operations on the Calgary economy in 2015. The estimate uses the Conference Board of Canada Tourism Economic Assessment Model to determine the total economic impact using spending multipliers. In 2015, CSEC estimates that the total economic impact of hospitality spending on events that it managed was \$95 million dollars. CSEC employs 2,075 full-time and part-time staff for 769 full-time equivalents and estimates the total economic impact of its operations in 2015 at \$373 million dollars.

### 1.2 Details of the CSEC Proposal

Calgary Sports and Entertainment Corporation proposes a complex consisting of:

- An arena/event centre, intended to host hockey, lacrosse, and concerts with seating for 18,000 to 20,000 spectators. Located on the east side of the site, the 475,000 square foot arena/event centre is a proposed training and competition facility for the Calgary

Flames National Hockey League (NHL) team, the Calgary Hitmen Western Hockey League (WHL) team, and the Calgary Roughnecks National Lacrosse League (NLL) team. The arena/event centre would include a practice ice surface/community rink which would be made available for limited public use. Public entry would be on the east side of the building and from a central elevated walkway.

- A multi-sport stadium/fieldhouse, intended for the public use envisioned in Recreation's fieldhouse project, and providing a configurable football field/soccer pitch, courts for basketball, volleyball, and badminton, a 9-lane 400-metre running track, and fitness and exercise facilities. Located on the west side of the site, the 400,000 square foot stadium/fieldhouse is a proposed training and competition facility for the Calgary Stampeders Canadian Football League (CFL) team. Seating for 20,000 to 40,000 could be extended and retracted over the playing surfaces as required. The stadium/fieldhouse would include sport medicine and training facilities. The public entry and a community drop-off route would be on the west side of the building, and additional public entry would come through the elevated central walkway.
- Underground parking for 2,400 vehicles, with 300 stalls dedicated for public use of the fieldhouse.
- An open-air elevated pedestrian walkway from the Sunalta CTrain station, between the arena and fieldhouse, and across Bow Trail / 6 Avenue SW to a river walk. A service entry into the facility would be provided to allow access from 9 Avenue and 6 Avenue SW under the walkway. Public entry to both the arena/event centre and the stadium/fieldhouse would be facilitated from this walkway.
- An open-air elevated pedestrian walkway across 14 Street SW to the east edge of the complex. Public entry to the arena/event centre would be provided from this walkway, and pedestrian conflicts with vehicle traffic on 14 Street SW could be minimized.

CSEC's proposal indicates that the facility would be developed and owned by The City. Additionally, under the proposal The City would be responsible for developing and paying for the infrastructure identified in the West Village Area Redevelopment Plan (ARP), and all additional off-site infrastructure required for CalgaryNEXT.

### 1.3 Analysis of the Design

The design proposed by CSEC for CalgaryNEXT is a high-level architectural concept. Administration's analysis of the design is based on information presented by CSEC's architects in our 2016 February 11 meeting. It is not possible, with this level of concept, to evaluate the accuracy of the cost estimates provided by CSEC. Administration accepts the design concept and the estimates

for construction and infrastructure costs provided by CSEC as the basis for performing the Phase 1 evaluation of the proposal.

CSEC has come up with an innovative architectural concept for CalgaryNEXT that would create a unique event experience for Calgarians. The arena/event centre is intended to maximize viewing sight lines for attendees, while providing more space for concession vending within the facility. The stadium/fieldhouse design is intended to enable public use when it is not being used for professional sporting events. The concept proposes a common mechanical plant for both facilities; CSEC suggests that this will reduce the overall capital and operating costs. In order to achieve cost savings, the infrastructure components of the design rely on the concept that both sides of the CalgaryNEXT facility would never be used simultaneously for major events.

In the public realm around the facility, CSEC's proposal is to use grade separation to manage access. The elevated pedestrian outdoor walkway from the Sunalta light rail transit (LRT) station would take pedestrians between the facilities and extend north to the river bank. An additional elevated pedestrian outdoor walkway is proposed to extend from the Millennium Park, over 14 Street SW, and into the east side of the facility.

Public entrance for the fieldhouse component including pick-up/drop off would be provided on the west side of the facility. Separation of ticketed event attendees will be accomplished by moving between levels in the facility.

## CHAPTER 2 – FEASIBILITY ANALYSIS

### 2.1 Land Ownership

The City of Calgary owns 79% of the land in the West Village proposed for the site of CalgaryNEXT. The remaining land would have to be acquired. The City currently leases the land it owns in the West Village to tenants including Greyhound Canada, General Supplies Co. Ltd., and Renfrew Chrysler.

The value of the land that CSEC anticipates The City contributing to the project must be included in evaluating the costs of the proposal. For the purposes of evaluating the financial proposal, Administration is estimating the value of the land at \$80 million, based on the book value of our current land holdings and an allowance for acquiring the remainder.

It should also be noted that The City of Calgary does not own the land in the Sunalta community CSEC proposed in a CRL boundary as described in Attachment 8. Without acquiring land ownership, The City will not have the ability to manage the redevelopment that a successful CRL would rely on to realize its revenue goals.

### 2.2 Land Remediation

The City-owned land in the West Village proposed for CalgaryNEXT is impacted by contamination from the former Canada Creosote site, as described in Attachment 5. The City's existing tenants' use of the land is consistent with the current site management of the contamination. Bringing in new uses, whether those contemplated in the West Village ARP or those proposed by CSEC, requires approval by Alberta Environment of a remediation plan for the site. The type of remediation needed will be determined by the use of the land. Site investigations and assessments of remediation options have been ongoing since the original containment system was installed, and Environment and Safety Management recommends that an Environmental Management Plan aligned with the West Village ARP will continue moving the site on a path to redevelopment.

Remediation must be completed prior to construction on the West Village site. Administration's experience in redeveloping sites of similar size and remediation complexity suggests that it will take another six to ten years to complete remediation, and this is consistent with the findings of Attachment 5. With no potential for construction on the site during this period, the impact of land remediation on a feasibility analysis of the CalgaryNEXT proposal is that the timeline for construction envisioned by CSEC is seriously compromised. There is no potential for construction of a CalgaryNEXT facility to begin on the West Village site before 2022 and possibly as late as 2026.

## 2.3 Land Use Planning

The CalgaryNEXT concept would require a significant amendment to the West Village ARP that was approved by Council in 2010. This would include some revision to the overall vision for the area as well as changes to the land use, density, mobility and open space concepts. While the plan does anticipate West Village being an area for both recreation and residential development, it did not anticipate the major sports facility proposed in the CalgaryNEXT concept. The plan would need to be re-thought in order to create appropriate interfaces with residential uses as well as to create a new open space and mobility system that can support the needs of the facility, while still supporting a vibrant residential community with a high quality public realm. However, proximity to the entertainment options provided by CalgaryNEXT can also provide exciting planning opportunities for a complete community that would not be a typical neighborhood. A review of adjacent policy documents such as the Sunalta ARP would be required to assess potential amendments necessary to accommodate and integrate a revised West Village vision.

In order to undertake amendments, a comprehensive planning process would be required to assess the viability of proposed development not directly related to the CalgaryNEXT concept, as well as to engage the surrounding communities and relevant stakeholders. The communities to be consulted would include Beltline, Downtown West, Scarboro, Shaganappi and Sunalta. Additionally, the communities of Hillhurst and West Hillhurst may also have an interest given the potential impact on travel patterns and potential visual impacts.

A comprehensive planning process would include amendments to the West Village ARP, potential amendments to the adjacent ARPs, and any necessary land use redesignation to support development of the CalgaryNEXT concept. The land use redesignation would also need to be chosen to align with the remediation plan for the site. Administration's experience with similar development proposals has been that this could be completed within a 12 month period. However, timelines are heavily dependent on the scope of technical issues to be resolved and the planning resources available for the project.

For the purposes of feasibility analysis, Administration agrees that obtaining the appropriate land use is feasible, and that the amount of effort required for appropriate community consultation will be significant.

## 2.4 Transportation Infrastructure

CSEC provided The City with a preliminary analysis of the transportation infrastructure that would be needed to enable the CalgaryNEXT concept, and compared it to an analysis of the transportation infrastructure envisioned in the approved West Village ARP. The CSEC estimate with CalgaryNEXT included in the West Village is that \$166 million in transportation infrastructure will be required, an additional \$73 million over their estimate of \$93 million in transportation infrastructure costs to

implement the approved West Village ARP. The proposal indicates that The City would provide all of the investment in transportation infrastructure, over and above the \$890 million facility cost.

CSEC's preliminary transportation assessment provided a high-level overview of the transportation-related implications of accommodating the development within the approved 2010 West Village ARP lands. The methodology for the analysis was to superimpose the proposed project onto the approved 2010 West Village ARP road network. The assessment was focused primarily on the arena/event centre and stadium/fieldhouse uses, and relied on a concept of not holding major public events concurrently in both facilities in order to minimize impact on the transportation network. An assessment of programming, access, and functionality of the proposed public fieldhouse use was not considered within the preliminary transportation assessment. A complete and comprehensive transportation assessment, including the public fieldhouse use and aligned with any changes to the West Village ARP, will be required in a future phase that identifies, rationalizes, and confirms the transportation network, inclusive of transit, active modes, and transportation management strategies necessary to support overall area redevelopment.

The CalgaryNEXT transportation proposal relies primarily on an integrated approach of public transit use and active modes to accommodate the trips generated by the events at the facility, with a parking strategy that reduces the number of available vehicle parking stalls on-site to approximately 2400 stalls. The balance of parking stalls (approximately 5000 stalls in accordance with the Land Use Bylaw) would be accommodated off-site in existing public or private parking facilities mainly located within the downtown core. Ideas to facilitate the overall strategy include provision of a shuttle service to off-site parking within the downtown core, variable parking rates to promote higher vehicle occupancies, and bicycle valet parking. The preliminary assessment did not include details as to who would operate that system or the projected operating procedures or cost.

The road network assumed within the preliminary transportation proposal is consistent with the approved 2010 West Village ARP. Modifications are likely required at 14 Street NW to accommodate anticipated background and development-generated traffic demands, as well as to integrate active modes corridors along and across the 14 Street NW corridor. Anticipated traffic generated by the CalgaryNEXT concept is typically off-peak in nature (i.e. outside the rush hours associated with downtown office employees), with some overlap of pre-event traffic with the evening peak-hour. An overall net-reduction in morning and afternoon peak-hour volumes is likely anticipated when replacing portions of medium-density, multi-residential and mixed-use development within the West Village ARP with the CalgaryNEXT facility. New peak periods of traffic flow would be created by pre- and post-event travel demands on public transit and the road network. Possible implications of public fieldhouse uses on the road network within the overall plan were once again not assessed within this initial overview.

Administration's analysis of CSEC's transportation proposal on feasibility is that the concept of not using both sides of the facility concurrently is problematic as this would also impact the public uses of the fieldhouse when an event is being held in the arena. The lack of analysis of the public use of the

fieldhouse on transportation networks will need to be resolved before proceeding, and ideas to reduce on-site parking are interesting, but the associated operating costs for The City must be assessed.

## 2.5 Utility Infrastructure

CSEC provided The City with a preliminary analysis of the municipal utility infrastructure changes and costs that would be required for the CalgaryNEXT concept. The CSEC estimate with CalgaryNEXT included in the West Village is that \$56 million in utility infrastructure will be required, a decrease of \$6 million from their estimate of \$61 million in utility infrastructure costs to implement the approved West Village ARP. Additionally, a \$105 million investment would be required by the CSEC proposal within the CRL boundary. The proposal indicates The City would provide all of the investment in utility infrastructure, over and above the \$890 million facility cost.

CSEC's proposal for operating CalgaryNEXT to minimize its utility infrastructure impact relies on a concept of not holding major public events concurrently in both facilities. Their infrastructure estimate is based on a maximum occupant load of 40,000 spectators. This may allow sufficient capacity to operate the public fieldhouse concurrently with an event in the arena/event centre, but it will require additional study to determine the impact on public use.

From preliminary analysis presented by CSEC, the CalgaryNEXT concept would have significant impacts on infrastructure in the West Village. Additional information and analysis would be required to identify upgrades that may be necessary to provide potable water, sanitary, and storm water infrastructure for the proposed development. This additional information is required to estimate utility infrastructure upgrade costs, timing or phasing of any upgrades, and determine capital improvements that may be the responsibility of The City.

The West Village ARP encourages development to occur with full consideration of the water cycle, including efforts to reduce potable water consumption and encourage supply from non-potable sources. Given the proposed scale of the CalgaryNEXT development, addressing peak demand impacts during events should be explored in alignment with these goals. A Master Drainage Plan remains a requirement of the West Village ARP and could be influenced by the scale of development proposed.

Administration's analysis of CSEC's utility infrastructure proposal on feasibility is that the concept of not using both sides of the facility concurrently is problematic as this would once again impact the public uses of the fieldhouse when an event is being held in the arena. The opportunity to integrate and advance the utility servicing goals of the West Village ARP should be considered in any further analysis of the CalgaryNEXT proposal.

## 2.6 Capital Costs

Administration is relying on the studies prepared by CSEC to understand the capital costs of the CalgaryNEXT concept. The information is sufficient to understand the magnitude of the spending that would be involved in the CalgaryNEXT project and predict the impact on The City's capacity for debt, but we have not verified its accuracy or engaged in a process to find opportunities to reduce the cost.

CSEC has proposed a capital financial model for the CalgaryNEXT project that consists of:

- An investment of \$200 million by CSEC;
- \$200 million provided by The City, matching the amount that has been projected but is currently unfunded for construction of a public fieldhouse;
- \$250 million borrowed by The City, with the payments to be financed through a 'user fee' or 'ticket surcharge' charged to users. CSEC has offered to 'guarantee' the revenue stream for these payments, but as the borrower responsible for the debt, The City would ultimately be responsible for making the payments.
- \$240 million borrowed by The City, with the payments to be financed through a CRL. The details of the Community Revitalization Levy are studied in Attachment 8. Similar to the user fee, The City would ultimately be responsible for making the payments by raising taxes if the CRL does not result in sufficient revenue.
- Provision of land by The City in the West Village estimated by Administration at \$80 million;
- \$166 million provided by The City for transportation infrastructure supporting the facility, including pedestrian bridges and underpasses, Bow Trail realignment, riverbank enhancement, interior roads, and traffic signals.
- \$56 million provided by The City for site preparation and utility infrastructure supporting the facility, including demolition, utilities removal, sanitary upgrades, storm sewer relocation, electrical transmission and distribution infrastructure, and water and sanitary servicing.
- \$105 million provided by The City for additional community revitalization work within the proposed CRL boundary. This is included in the analysis because it would be prompted by the levy boundary proposed as part of the CalgaryNEXT concept.
- \$85 - \$140 million provided by The City for environmental remediation. The guiding principle provided by Council for remediation was that the polluter pays for remediation, and for our



feasibility analysis we interpret this to mean that The City would attempt to recover this amount after the fact through a legal process.

- \$371 - \$390 million in financing charges, reflecting that the additional spending required to implement the project would be borrowed by The City.

Uses and Sources of Funds	Amount (millions)
<b>Uses:</b>	
<b>Facility</b>	<b>\$890<sup>1</sup></b>
<b>Infrastructure, Land, Remediation, Financing</b>	
Infrastructure	
Utilities	\$56
Transportation	\$166
Other West Village redevelopment	\$105
	\$327 <sup>1</sup>
Land - Current City properties & acquisitions	\$80
Remediation - Various approaches	\$85 – \$140 <sup>2</sup>
Financing	
Interest expense - ticket surcharge/user fees	\$84
Interest expense <sup>3</sup> - fieldhouse, CRL, infrastructure, remediation	\$287 - \$306
	\$371 - \$390 <sup>3</sup>
<b>sub-total</b>	<b>\$863 - \$937</b>
<b>Total</b>	<b><u>\$1,753 - \$1,827</u></b>
<b>Sources:</b>	
<b>Facility</b>	
CSEC contribution	\$200
City contribution (fieldhouse)	\$200
Ticket surcharge/user fees	\$250
CRL – CalgaryNEXT Facility	\$240*
<b>sub-total</b>	<b>\$890</b>
<b>Infrastructure, Land, Remediation, Financing</b>	
CRL - interest payments	\$105 - \$195*
Ticket surcharge/user fees – interest payments	\$84
Other City resources – interest payments	\$182 - \$111
	\$371 - \$390
Additional City contributions	\$492 – \$547
<b>sub-total</b>	<b>\$863 - \$937</b>
<b>Total</b>	<b><u>\$1,753 - \$1,827</u></b>
* Total projected CRL revenue of \$345 - \$435 million	

(1) Data provided by CSEC

(2) Cost estimates within a +/- 50% accuracy range

(3) Debt financed over 20 years at 3% (no allowance made for interest rate increases)



Details of the ticket surcharge, such as which party finances the debt carrying costs, have not been determined. Administration has prepared two estimates of the total public costs of the CalgaryNEXT concept based on this uncertainty:

City Costs (if ticket surcharge financed by City)	Amount (millions)
Total funds required	<u>\$1,753 - \$1,827</u>
Less:	
CSEC contribution	\$200
Ticket surcharge/user fees	\$250
City contribution (ticket surcharge financed by CSEC)	<u>\$1,303 - \$1,377</u>

City Costs (if ticket surcharge financed by CSEC)	Amount (millions)
Total funds required	<u>\$1,753 - \$1,827</u>
Less:	
CSEC contribution	\$200
Ticket surcharge/user fees	\$250
Interest for ticket surcharge/user fees	<u>\$84</u>
City contribution (ticket surcharge financed by CSEC)	<u>\$1,219 - \$1,293</u>

The City's contribution to the total costs, potentially including remediation and financing of the ticket surcharge, is estimated to range between \$1.303 - \$1.377 billion. Administration is also expecting that, similar to the model used for the Saddledome, capital improvements over the life of the facility would also be the responsibility of The City.

CSEC applied its economic impact model to the capital spending required for constructing the \$890 million CalgaryNEXT facility. CSEC estimates that constructing CalgaryNEXT would have a direct labour impact in the Calgary economy of 2,150 FTEs, and estimates that the total economic impact of constructing CalgaryNEXT would be \$886 million.

## 2.7 Operating Costs

Calgary Sports and Entertainment Corporation suggests that it will be able to operate the public fieldhouse component to break even, without requiring an operating subsidy. Otherwise, CSEC has not provided an operating model for the CalgaryNEXT concept. Administration has assumed an operating model similar to that used for the Saddledome, with the following characteristics;

- CSEC to provide operations and maintenance of the facility; and,

- CSEC to retain all revenues from the facility excepting payments of the ‘user fee’ or ‘ticket surcharge’.

For the purposes of feasibility analysis, Administration is not forecasting that The City will participate in any operating revenues or costs for the facility.

## 2.8 Lost Tax Revenue

As a City-owned facility, CalgaryNEXT would not result in any tax revenue. Currently the Assessment business unit estimates the tax revenue from the West Village at \$1.7 million per year, including both municipal and provincial components. Because a Community Revitalization Levy is proposed as a financing mechanism, any increase in assessed values for the facility and other development in the West Village would be used to repay the debt for the life of the CRL, and no increase in tax revenue is included in our analysis.

## 2.9 Financing Capacity

Corporate Finance has analysed the impact of \$1.303 - \$1.377 billion in public debt on our debt capacity and debt servicing capacity. A cash flow model was used with a proposed construction commencement date of 2018 and capital draws spread over a construction period of four years. Assuming a 3% interest rate, Corporate Finance has forecast that we would remain within our Council-approved debt limits and the debt capacity allowed under the Municipal Government Act, and that we would also remain within our Council-approved debt servicing limit. However, this would bring us close enough to our limits that Council would need to choose between project alternatives in The City’s capital plan.

## 2.11 Timeline for Development

An understanding of the timelines for any redevelopment in the West Village has a significant impact on our analysis of the feasibility of the CalgaryNEXT proposal. Administration has analysed possible redevelopment scenarios and determined that the time for environmental remediation of the site dominates any scheduling. Based on our experience with remediation of the similarly-impacted former Imperial Oil refinery site of similar size, Administration suggests that six to ten years will be required to complete remediation before construction of the transportation infrastructure, municipal utilities, and the facility itself can begin. An additional three years would be reasonable to complete construction, similar to the experience with the Edmonton arena project, resulting in an overall development timeline for CalgaryNEXT on the West Village site of nine to thirteen years. This timeline to complete development would also impact the feasibility of repaying a CRL within twenty years.

## CHAPTER 3 – CONCLUSIONS

Calgary Sports and Entertainment Corporation provided Administration with a high-level proposal consisting of overviews on land use planning, transportation, infrastructure, financing, design, and suitability as a public fieldhouse of the CalgaryNEXT concept. Administration's feasibility analysis of the concept has highlighted the following conclusions:

1. The design for CalgaryNEXT is innovative and original, and has the potential to provide for a variety of public and professional sports uses.
2. The transportation and municipal utility infrastructure proposed in the concept makes it clear that significant costs will be incurred by The City for additional development to support the facility, and that the estimates rely on the design assumption that both parts of the facility will never be used concurrently.
3. The capital financing model assumes that a portion of the construction costs and all of the infrastructure costs will be paid by The City, with no participation by The City in the resulting operating revenues from the facility. The financing model is not fully aligned with the guiding principle that public money should be used for public benefit.
4. The proposal would fit within The City's debt capacity and debt servicing capacity, but it would require Council to choose between CalgaryNEXT and other high-priority infrastructure projects,
5. The development timeline for the CalgaryNEXT concept as proposed in the West Village is extremely long at nine to thirteen years, and it is dominated by the time needed to complete the remediation of the site prior to commencing any other construction.

In summary, the CalgaryNEXT concept is not feasible in its present form and alternative development concepts, locations, and financial models should be investigated. Administration's recommendations are that Calgary Sports and Entertainment Corporation should be given an opportunity to respond to The City's feasibility concerns, and that Administration should work with Calgary Sports and Entertainment Corporation to investigate other potential locations and financial models for a new arena/event centre.

## APPENDIX A – RECORD OF MEETINGS

Date	Purpose	Attendees	Results
2015 Dec 16	Initial Meeting	C. Berry, G. Kneller K. King, D. Swanson, D. Edmunds	- Discussed process and content of meetings.
2016 Jan 21	Urban Planning	B. Stevens, C. Berry, G. Kneller, T. Mahler, J. Chase J. Power, D. Swanson, D. Edmunds, J. Bean	- Overview of the planning policies relevant to CalgaryNEXT
2016 Jan 22	Transportation	B. Stevens, C. Berry, G. Kneller, F. Lakha, J. Chase G. Pardoe, D. Swanson, J. Bean	- Transportation plan for CalgaryNEXT - Parking, Public Transit, 14 Street SW interface
2016 Jan 25	Infrastructure	C. Berry, G. Kneller, M. Patterson, J. Chase K. King, P. Nottvett, D. Swanson	- Infrastructure estimate for CalgaryNEXT - Water, sanitary, storm and electrical - Public amenities
2016 Jan 26	Community Revitalization	B. Stevens, C. Berry, G. Kneller, J. Chase, S. McMullen, K. Bwanali K. King, C. Hudspeth, D. Swanson	- Design of a CRL and financing capacity - Land uses in the CRL boundary - Assumptions about market demand used in the analysis
2016 Feb 11	Design	B. Stevens, C. Berry, G. Kneller, J. Chase K. King, D. Swanson, D. Edmunds, J. Bean, M. Rossetti	- High level design of the buildings - Pedestrian interface and connection to a river pathway - Overview of other sites considered for the CalgaryNEXT footprint
2016 Mar 2	Field House	B. Stevens, C. Berry, G. Kneller, J. Chase, G. McLaughlin K. King, D. Swanson, D. Edmunds, K. Knights	- Overview of the fieldhouse component as a public facility