

Calgary



Event Centre Update

Presented by City Manager David Duckworth
City Manager's Office

C2021-1164

ISC: Unrestricted

CITY OF CALGARY
RECEIVED
IN COUNCIL CHAMBER

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CITY CLERK'S DEPARTMENT



Report Corrections



There are two corrections to the cover report for your attention:

- In the “Budget and Funding” section of the report, add:

CSEC will recover a portion of their increased contribution through an increase in the facility fee from 8 to 9.5% for non-sporting events, such as concerts. This change has no impact on The City’s share of the facility fee. A facility fee change requires the approval of both CSEC and The City Manager, and does not require Council approval. Administration agrees to this change.

- In the “Next Steps” section of the report, add:

Should all issues be resolved, The City and CSEC plan to execute agreements by 2021 July 29, which is the current mutually agreed date by which preliminary design and budget approval is required to satisfy the pre-construction phase threshold condition. Should this not occur by July 29, The City and CSEC can either agree to extend the date to provide more time, or the agreements and project terminate.

Recommendations

That Council:

1. Approve the proposed Development Management Framework Key Deal Terms in Attachment 2, and direct administration to negotiate and execute all definitive agreements and amendments to definitive agreements, and take all actions required to implement the proposed deal terms, such definitive agreements, amendments and documents to be in content satisfactory to the City Manager, Chief Financial Officer and in form satisfactory to the City Solicitor and General Counsel.
2. Approve an additional Capital Budget appropriation for the Event Centre project of up to \$10 million for anticipated City Additional Costs, to be funded by the projected interest income from the Major Capital Project Reserve.
3. Direct Administration to develop a Rivers District mobility and event management plan and budget, based on Attachment 3.
4. Direct Calgary Municipal Land Corporation to request all approvals required, including shareholder approval, to fulfill its Rivers District obligations in Report C2021-1164 and the Attachments and under the agreements and documents referenced in Recommendations 1 and 3.
5. Determine whether to re-consider the decision on the financial security deal term, as set out in Report C2019-0964.
6. Direct that the closed session discussion and the Financial and Legal Risk Register relating to changes in development management framework and key deal terms in Attachment 7 remains confidential pursuant to Sections 16, 24 and 27 of the Freedom of Information and Protection of Privacy Act, the need for such confidentiality to be reviewed on or before 2021 September 30:

Objectives for Today



1.
Overview of
process



2.
Overview of key
decisions



3.
Approval of
revised framework

Why are we here?

- In July 2019, Council approved a deal with Calgary Sports & Entertainment Corporation (CSEC) for a \$550 million facility, with a provision for a \$25 million Eligible Cost Overrun. This was a Class 5 cost estimate.
- Design work has concluded that a \$608.5 million in funds are required.
- This results in a cost estimate above the budget and \$25 million threshold.
- CSEC and The City have been working to reduce costs and finance the gap.

Project Fundamental Principles



Calgary

- Adhere to Council Event Centre Approvals and City Policies
- Foster a sense of community
- Be “fan-centric”
- Be “right-sized” for the Calgary market
- Incorporate appropriate technologies and design elements
- Be environmentally responsible and designed to be operationally efficient
- Be a gathering place for all Calgarians
- Be viable and sustainable while contributing as part of a comprehensive master plan vision
- Be a catalyst to attract further vibrancy and investment
- Create a facility that provides a competitive advantage
- Provide for a sustainable business model
- Public funds must be used for public benefit
- Engagement with the public throughout the process



Design has progressed

- Improvements to public realm and architecture and visual design
- Increased street level retail
- Includes required seat count
- Enhanced performance spaces
- Improved accessibility
- Increased patron to washroom ratio



Budget and Cost Estimate Progression

Timeline	Project Phase	Amount (\$'000,000s)	Cost Estimate Class	Variance	Description
2018 - 2019	Strategic Planning	---	---	---	Pre-project cost estimate
2019 July	Pre-Project Baseline Budget	550.0	5	-50% to +100%	Order of Magnitude
2020 Nov	Concept Design	605.0	4	-30% to +50%	Conceptual Design
2021 Jan	Schematic Design	620.0	3	-20% to +30%	Preliminary Design
2021 June – 2021 July	Detailed Design / Target Value Analysis (in progress)	608.5	3	-15% to +20%	Detailed Design
	Event Centre Update				
2021 Dec	Design Development (complete)	TBD	2	-15% to +20%	Detailed Design
TBD	Construction Documents	TBD	1	-10% to +10%	Final Design / Pre-Tender

2019 Agreement Commitments

Share of
Eligible Costs

Eligible Cost
Overruns

Additional
Costs

Saddledome
Demolition

City

\$275

+

\$12.5**

=

\$287.5

Unknown

\$15.4

CSEC

\$275

+

\$12.5

=

\$287.5

\$1.0

\$1.4 *

* Includes CSEC up to 10% share of the estimated Saddledome demolition and remediation costs. CSEC transaction costs are unknown.

** Conditionally approved by Council 2021 June 21

Funding Recommendation

Share of
Eligible Costs

Eligible Cost
Overruns

Additional Costs

City

\$275

+

\$12.5

=

\$287.5

+

\$10

(approval requested through this report
as a Class 3 Estimate)

CSEC

\$275

+

\$46.0

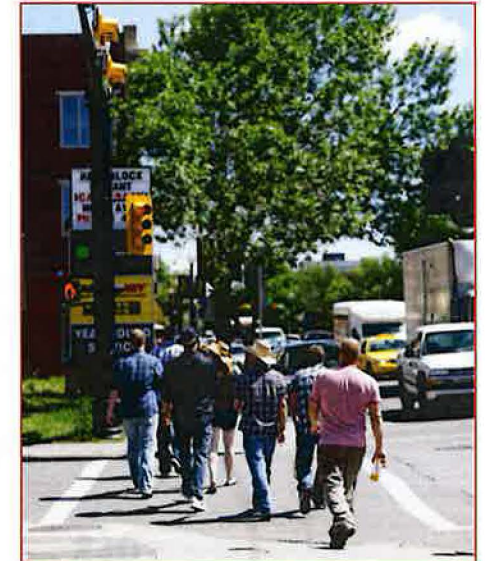
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\$321.0

Total Cost Estimate: \$608.5 million

Mobility & Event Management Plan

- Balances needs of all mobility modes.
- Aligns with the Rivers District Master Plan and the Beltline ARP.
- Evolves the District.
- Supports the functionality and mobility of people through a capital investment of up to \$10 million with proposed capital infrastructure
- Considers signage & wayfinding, lane-use control signals, and other Transit, active modes, or ride share / ride hail infrastructure.
- Reaches beyond the boundaries of the District to the Greater Downtown Plan
- CSEC and The City share (50:50) incremental operations costs of Event Management Plan





Issue Summary

Issue	Consideration / Recommendation
Development Manager Role	Approval of CSEC Co as new Development Manager and Development Management Framework Key Deal Terms
\$75 million Financial Security	Determine whether to reconsider decision on financial security key deal term
Transportation	Direct Administration to develop a Rivers District Mobility and Event Management Plan and Budget
Facility Fee	No Council consideration or approval required. Total Facility Fee increase to 9.5% for non-sporting events. No change to The City's 2% share.



Recommendations

That Council:

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