

CITY OF CALGARY  
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CITY CLERK'S OFFICE

Key Due Diligence Summary				
	Work Stream	Summary of Due Diligence Review Completed	Responsible Party	Risk Rating 2019 July
1	Stampede Park Lease Agreement	<ul style="list-style-type: none"> <li>Review to determine: 1) necessary amendments for land subdivision and list of leased lands, and 2) required covenants and default provisions.</li> </ul>	City	Low
2	BMO Centre Expansion Contribution Agreement	<ul style="list-style-type: none"> <li>The parties are in the process of negotiating this agreement to outline the rights and obligations of The City, the Stampede and CMLC.</li> <li>City is contributing 2/3 of capital costs to the project via a loan to CMLC and a contribution agreement with the above-mentioned parties.</li> <li>The agreement will speak to The City's representation on a steering committee to oversee general progress, design, and construction of the BMO Centre expansion.</li> <li>All parties will perform independent reviews and ensure the terms and conditions contained in the agreement are to its satisfaction and ability to meet its obligations.</li> </ul>	City / CMLC / Stampede	Low
3	East Victoria Park Event Parking Review	<ul style="list-style-type: none"> <li>CMLC engaged a consultant to undertake a high level review of the event parking requirements associated with the event centre, specifically related to the visitor parking needs</li> <li>The direct application of The City of Calgary by-law would result in the need for 5,000 parking stalls on-site</li> <li>If all visitors to the arena travelled via vehicle (drivers and/or passengers) then parking requirements would be in the range of 5,700 to 6,000 stalls</li> <li>Applying a mode split (based on the inclusion of the Green Line LRT) of 56% auto and 44% other modes reduces the parking requirement to between 3,200 and 3,400 stalls.</li> <li>Onsite parking requirement - with redevelopment of the surrounding surface parking lots and full events occurring on the Stampede grounds, 1,000 visitor parking stalls may be required for the proposed arena at a long term horizon as development replaces the area surface lots</li> </ul>	CMLC/City	Medium

Willing to accept and monitor these risks since they have low likelihood of occurrence however with minor consequences.

Recognizes these risks will probably occur and will have moderate consequences. Management will monitor and manage risks by implementing contingency plans to reduce the likelihood and impact of their occurrence

Recognizes these risks are top priorities of critical importance to the organization. Management is spending more effort to manage and monitor these risks by implementing risk mitigation strategies to reduce the likelihood and impact of their occurrence

4	Victoria Park Rivers District Infrastructure Master Plan	<ul style="list-style-type: none"> <li>2016 draft received</li> <li>Background investigation for Rivers District Master Plan</li> </ul>	CMLC	Low
5	Insurance Costs: <ul style="list-style-type: none"> <li>Property insurance</li> <li>Flood insurance</li> </ul>	<ul style="list-style-type: none"> <li>City received rough estimated costs from current insurer to add facility type to The City's portfolio.</li> <li>Parties to explore most appropriate and effective way of insuring the Event Centre</li> <li>Until the Event Centre is built and the parties discuss details of insurance, exact costs and impact to The City are unknown.</li> </ul>	City	Low
6	Property Taxes – Interior Facility and Secondary Facility	<ul style="list-style-type: none"> <li>High-level analysis to confirm that a long term tax agreement is anticipated to be permitted under the MGA</li> <li>Initial discussions with Assessment regarding the proposed area of the Event Centre facility that would be exempt from municipal property tax</li> </ul>	City / CMLC	Medium
7	Tax Agreement – Interior and Secondary Facilities	<ul style="list-style-type: none"> <li>High-level analysis to confirm that a long term tax agreement is anticipated to be permitted under the MGA.</li> <li>Initial discussions with Assessment regarding the proposed area of the Event Centre facility that would be exempt from municipal property tax</li> </ul>	City	Medium
8	Community Sports Payments	<ul style="list-style-type: none"> <li>City performed due diligence to confirm existing levels of payments in lieu to sports organizations to validate the negotiating position for the community sports payments.</li> </ul>	City	Low
9	Community Engagement Program	<ul style="list-style-type: none"> <li>City to agree annually with CSEC on the specific composition of ticket packages to fulfill this obligation. This program will require annual oversight by Administration.</li> </ul>	City	Low
10	Ancillary Land Options for CSEC	<ul style="list-style-type: none"> <li>CMLC land has been identified as a non-strategic land parcel by CMLC</li> <li>Potential acceleration of private development on this parcel will generate incremental CRL</li> </ul>	CMLC	Low
11	Indirect Returns to the Rivers District	<ul style="list-style-type: none"> <li>CMLC estimated incremental tax generation within the Rivers District that may be attributable to the new project over the 35-year Management and License Agreement term</li> <li>CMLC assumed the project would stimulate incremental Rivers District private development equal to 10% additional market absorption (versus existing CMLC long term forecasts of new private development). Additional incremental CRL scenarios were also considered.</li> <li>High-level review by City of the projected increase in private development, tax rates and incremental tax generation</li> </ul>	CMLC	Medium

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