

Stampede BMO Expansion Review – Update and Work Plan

EXECUTIVE SUMMARY

The Calgary Stampede (Stampede) has submitted a Convention and Trade Centre Expansion Plan to The City and formally requested City funding for a portion of the project. Administration had engaged with the Stampede and Calgary Municipal Land Corporation (CMLC) to undertake a review of the expansion plan. This report provides Council with an update and work plan describing how the review is being coordinated amongst the three agencies. The final Stampede BMO Expansion Review report on findings and next steps will be presented to the Priorities and Finance Committee in Q1 2018.

ADMINISTRATION RECOMMENDATION:

That Priorities and Finance Committee:

1. Receive this report for information; and
2. Direct Administration to continue the Stampede BMO Expansion Review Work Plan as outlined in Attachment 1 and report back on findings and next steps no later than Q1 2018.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2017 July 19, Council directed Administration to engage with the Stampede and CMLC to undertake a review of the Calgary Stampede Convention and Trade Centre Expansion Plan and report back on findings and next steps no later than Q4 2017.

BACKGROUND

Over the past three years, the Stampede has extensively analysed a BMO Centre expansion. In June 2017, this work culminated in the development of the Calgary Stampede Convention and Trade Centre Expansion Plan. Shortly thereafter, Council directed Administration to review that Plan, including but not limited to potential:

- integration with the Rivers District Master Plan;
- implications for current and future capital funding; and
- partnerships and funding from the Federal and Provincial governments.

Administration is currently working with the Stampede and CMLC to review the expansion plan.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Calgary Stampede Convention and Trade Centre Expansion Plan is a substantial document containing historical background, drawings, plans, consultation reports, economic impact studies and government correspondence. Administration, the Stampede and CMLC have met to discuss all analysis to date and have prepared a Work Plan for the comprehensive review requested by Council. Updates on the Calgary Telus Convention Centre and cooperation amongst Calgary's premier convention centres is also included in this section.

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Work Plan

The workplan consists of a three-part review by The City, CMLC, and the Stampede. No consulting services are required to complete the review. The full review will be presented to the Priorities and Finance Committee in Q1 2018.

CMLC is leading The Rivers District Master Plan integration. Earlier this year, CMLC assembled a team of stakeholders and a master planner to assist in the development of the plan. They prepared area-specific urban design principles and are currently analysing development demand and demography in the district. The timing of the Master Plan work precludes the completion of the Stampede BMO Expansion Review by Q4 2017. Having concurrent reviews permits CMLC to examine the proposed BMO Centre expansion in conjunction with The Rivers District Master Plan.

The City is investigating municipal capital funding implications. Administration is exploring all funding sources for a BMO Centre expansion including but not limited to, corporate programs surplus, pay-as-you-go, and existing reserve funds. An extension of The Rivers District Community Revitalization Levy (CRL) beyond the current 2027 termination date is also being examined jointly by The City and CMLC.

The Stampede is taking the lead on government funding and partnerships. They have engaged the Provincial and Federal governments for the past 18 months. While discussions are ongoing, Federal representatives have provided encouragement and confirmed the merit of the project. Provincial representatives have also expressed support and have suggested that a CRL analysis be prepared to determine the amount of incremental property tax revenue anticipated over an extension period. CMLC will continue analyzing the CRL and may prepare a CRL extension business case if required. The business case would be part of a potential CRL extension application that The City would have to submit to the Province.

The work plan does not include or require additional consulting services. Between 2014-2016, the Stampede commissioned a market study by Dunn Consulting and PKF Consulting, and an economic impact study by CBRE and the Conference Board of Canada. Both studies indicated an expanded BMO Centre would have significant benefits in terms of employment, economic growth and diversification. In 2016, CMLC commissioned an independent review by HVS Consulting which confirmed the Conference Board findings. The Stampede BMO Expansion Review work plan is provided in Attachment 1.

The upcoming final report is scheduled for Priorities and Finance Committee in Q1 2018. Consistent with Council direction, this report will be structured around the following guiding principles:

1. The Rivers District Master Plan vision must be achievable.
2. Any City funding contributions must be managed within current and future cash flow and debt level constraints.
3. All orders of government must partner on the expansion and provide equal funding.

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In addition to evaluating the Expansion Plan against these principles, the report will include a recommendation on a City application to the Province for a CRL extension. An outline of the Expansion Review Report is provided in Attachment 2.

Convention Centre Updates

At the 2017 July Combined Council Meeting, the impact of a BMO Centre expansion on the Calgary Telus Convention Centre (CTCC) was raised. Information specific to the CTCC as well as the relationship between the two convention centres are highlighted below.

Calgary Telus Convention Centre Update

The City has reviewed the services of CTCC, independent of the work on the BMO Centre expansion. A separate report will be brought to Council in Q1 2018 outlining a series of issues related to convention centre services in Calgary. That report will build on Council's 2015 November Strategic Session with the Calgary Convention Centre Authority.

Convention Centre Cooperation

Over the past year, the Calgary Telus Convention Centre and the Calgary Stampede have developed a solid working relationship that helps position Calgary as a world-class host city for national and international meetings, conferences and conventions. Both organizations collaborated and invested equally in the development of a first-ever shared industry marketing campaign: "Try Calgary on for size." Additionally, efforts are being applied to align trade show and sales missions to improve efficiencies, to share sales data and industry intelligence and to explore potential new markets for business. The Telus Convention Centre, Meetings and Conventions Calgary and the Calgary Stampede met in October for a two-day facilitated session to identify future opportunities, enhance efficiencies, and grow marketing resources between all three organizations. The Rotary Convention coming to Calgary in 2025 is a tangible example of the results produced when multiple city stakeholders come together for a common purpose.

Stakeholder Engagement, Research and Communication

Administration, CMLC and the Stampede have met on several occasions to discuss BMO Centre expansion issues and prepare the Stampede BMO Expansion Review Work Plan. All three organizations will continue to collaborate on the expansion review. Both the Stampede and CMLC have engaged stakeholders on the BMO Centre expansion and Rivers District Master Plan, respectively. The Stampede will continue to lead funding discussions with the Provincial and Federal governments.

Strategic Alignment

Expanding the BMO Centre in Victoria Park is consistent with the policies in the Rivers District Community Revitalization Plan (2007), the Stampede Master Plan (2009), Action Plan 2015-2018 Mid-Cycle Review – Culture & Entertainment District (2016), and the CMLC 2017-2019 Business Plan (2016).

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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 and Victoria Park communities, and Stampede Park. An expanded BMO Centre would significantly support hospitality, cultural and entertainment industries in the area.

Environmental

A phase 1 environmental review of the proposed development area and immediately surrounding lands has been completed. It was determined that most 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)

A BMO Centre expansion can lead to economic growth and diversification through trade and tourism. This type of development can accelerate urban renewal in Victoria Park and surrounding communities, create construction jobs, and provide local businesses and organizations with access to new revenue streams. The expanded BMO Center would create Tier 1 business opportunities both regionally and internationally and provide Calgary with greater global reach.

Financial Capacity

Current and Future Operating Budget:

The work related to this review can be completed with existing resources. The potential expansion of the BMO Centre would not impact City operating budget.

Current and Future Capital Budget:

The City is exploring capital budget implications. The Stampede is engaged in ongoing capital budget discussions with the Provincial and Federal governments. Both capital budget aspects will be reported back to Priorities and Finance Committee.

Risk Assessment

Given the preliminary nature and work plan stage of the investigation, no significant risks have been identified. A fulsome risk assessment will be included in the final Stampede BMO Expansion Review report in Q1 2018.

REASON(S) FOR RECOMMENDATION(S):

The City, the Stampede, and CMLC must continue discussions and conduct additional analysis for Administration to advise Council on the potential endorsement and funding of the BMO Centre expansion.

ATTACHMENT(S)

1. Stampede BMO Expansion Review - Work Plan
2. Stampede BMO Expansion Review - Report Outline