



# Economic Impact of WinSport on the Calgary Economy

March 2017

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# Executive Summary

## Purpose:

This report was conducted on behalf of WinSport with the support of Calgary Economic Development. Though WinSport provided data for this study neither WinSport nor CED had any input into the following analysis.

This report analyzes the economic impact of WinSport's Canada Olympic Park ("WinSport"), located on the western edge of Calgary to the local economy. Employment and GDP impacts to the local economy are measured.

Economic Impact Analysis is normally performed when someone is deciding whether or not to construct a new facility. The standard analysis methods consider construction costs as a major contributor to the local economy. In this case we consider the economic impact of a currently going concern, the WinSport facility in Calgary, Alberta. As such the analysis we employ focuses more on the contribution of the ongoing operations to the Calgary economy rather than the one-time construction contribution that is normally considered in such analysis.

## Findings:

Using data for a sample 12 month period in or around the calendar 2016 year, we estimated the employment and financial impacts of the WinSport facility on the Calgary economy. Please note that 2016 was a recessionary year and as such the numbers presented in this report may be considered a conservative estimate of what WinSport contributes in a more typical year.

Direct and indirect economic impacts because of the WinSport facility result in 1,200 full time equivalent jobs in Calgary (596 of which work at the WinSport facility) and boost the local economy by \$120 million annually.

# 1. Introduction

This report seeks to enumerate and describe the economic and social impacts of the operations of the WinSport facility within the borders of the city of Calgary.

The limitations of this are not trivial. It is common for this type of analysis to be used in determining whether or not a new sports stadium should be constructed. In analyzing such circumstances it is often noted that players, coaches and owners typically do not reside in the city where the facility is located during the off season. As such salaries, profits, dividends and bonuses paid are considered a negative cash outflow from the local city, an ongoing drag with negative economic multiplier effects on the local economy. This often makes the economic analysis of a new stadium show very little benefit to a local economy<sup>1,2</sup>. The WinSport facility is significantly different. First, it is already built. Second, there is no “off season” to the WinSport facility. It operates as a not-for-profit organization with most of its coaches and employees residing in Calgary. The majority of WinSport facility users including athletes that train at WinSport reside in Calgary and the athletes typically do not receive the large salaries common among athletes playing in professional sport franchises.

## Research Methodology:

Tim Chapin<sup>3</sup> at Florida State University suggests a framework for analyzing the impacts of sports facilities. Aside from the Economic impacts, which are typically measured using multiplier analysis from Input/Output models, Chapin implores researchers to go beyond typical Economic analysis to include non pecuniary, or difficult to measure, impacts which go beyond the typical range of economic analysis. He suggests a list of items to consider and notes that in some cases each item will be a net cost and in other cases any item on the list may show up as a net benefit.

With these significant differences we modify the list provided by Chapin (2002) to analyze the impact of WinSport on Calgary. In particular we are not concerned with construction or land acquisition costs – these monies were spent in the past and our concern for this study is the current annual impact of WinSport on the Calgary economy. That said, the suggested list of topics to be considered are presented below followed by a short description of each item and its application to WinSport. The rest of this report will analyze each member of the WinSport family’s contribution to the total impact of the WinSport facility on Calgary.

Typically a Cost	Typically a Benefit
O&M costs	Tax revenues (sales, property, personell...)
Infrastructure improvement	Facility revenues that flow to the public sector
Business relocation costs	Total economic activity (dollars and Jobs)
Property tax losses	Spin-off businesses
Public service cost of events (police)	District (re-)development
Opportunity cost for funds	New money, new jobs
Opportunity cost for land	Re-use opportunities for old facility (if applicable)
Encumbrance of bonding capacity	Impact on area of old facility (if applicable)
Demolition and site work for old facility	Community identity
	Civic pride
	Consumption benefits
	Political Capital
	Support of Development Logic
	Project planning capacity building

## 2. Initial Analysis

### 2.1 O&M costs

The ongoing maintenance of a facility should be offset from the revenue generated from the facility. This should go without saying except that we must recognize that these monies are spent in Calgary and provide jobs to Calgarians. The multiplier effect of these expenditures shows up as a benefit in the analysis, but the primary effect of maintenance expenditures is not included as a benefit.

### 2.2 Tax Revenues (Sales, Property, Personal...)

Tax revenues generated as a result of sales and operations represent a contribution to the public accounts and as such are a benefit to society. As the City of Calgary does not charge a sales tax (most U.S. cities do) this is not included in the analysis. Payroll taxes also accrue to higher orders of government in Canada and surprisingly little of that money collected in Calgary is returned to Calgary through government programs or expenditures so these are excluded from the analysis. As WinSport is a not-for-profit entity it is exempt from local property taxes.

### 2.3 Facility Revenues that Flow to the Public Sector

The WinSport facility operates as a not-for-profit organization. No level of government takes a direct role in any WinSport activity, there are no sales of publicly provided goods or services, and no revenue sharing arrangements as part of any partnership activities. No revenues flow to the public sector from operations at WinSport.

### 2.4 Total Economic Activity (Dollars and Jobs)

Under this heading comes the typical Input/Output analysis showing the direct and indirect impacts of a facility in a local market. In this analysis we will be utilizing our in-house developed Input/Output model specific to the Calgary economy. To our knowledge, it is the only city of Calgary specific Input/Output model in existence, though there are other generic models available like the Province of Alberta I/O model or the Conference Board of Canada's Tourism Economic Assessment Model (TEAM).

Data was collected from WinSport and from the partner organizations that operate out of the WinSport facility;

- Luge Canada
- Alpine Canada
- International Hockey Academy
- National Sports School
- Own the Podium
- Canada's Sports Hall of Fame
- Canadian Sport Institute
- Calgary Gymnastic Centre
- Hockey Canada
- Bobsleigh Canada Skeleton

Data on expenditures and employees collected from the partner organizations was utilized in this study. We opted for the expenditure approach to preserve confidentiality in the identity of individual financial contributions from these partner organizations. As such we report aggregate numbers only. In total these organizations

employ 370 Calgaryans and have a total payroll expenditure of \$23.2 million supporting about 800 local program participants. The WinSport facility itself provides employment to hundreds and has an annual payroll of approximately \$18 million. The direct impact of employment at the WinSport facility sums to \$41.2 million positive contribution to the Calgary economy. In addition, 234 athletes receive monthly financial assistance from these organizations to a total of \$3.4 million.

These earnings are spent in Calgary on goods and services, which generates economic activity and further employment. Called the “indirect employment” we utilize our in-house Input/Output model to determine the total direct and indirect employment effects in Calgary from the annual operations of the WinSport facility.

Employment Direct Contribution:	\$41.2 million
Employment Indirect Contribution:	\$21.2 million
Athlete Support Direct Contribution:	\$3.4 million
Athlete Support Indirect Contribution:	\$1.7 million
<b>Total Employment Contribution to Calgary Economy:</b>	<b>\$67.5 million</b>

At an average hourly wage in 2016 in Alberta of \$27.00 this translates to a total 1,200 Full Time Equivalent jobs in Calgary.

WinSport itself was also analyzed based upon revenues from the various activities available on-site. Ordinarily only revenues received from people outside the local area would be included in such analysis but in this case, we have to recognize the unique nature of the WinSport facility and the close proximity of similar facilities outside Calgary. In this case we include only moneys spent in Calgary which otherwise would likely not be spent here if WinSport did not exist. Considerations raised in the remainder of this report were employed in the analysis, for example, revenues from food and beverage sales were not included in the analysis but revenues from licensed sales are included. Also not included are Mountain Bike activity revenues and various event revenues (concerts, private functions).

In reviewing WinSport’s financial statements we discovered two significant anomalies which have not been considered in the academic literature; volunteers and endowments. It is both shocking and trite to say that WinSport could not operate without them and so they need to be included in the analysis.

## Volunteers

Calgary’s volunteer spirit is legendary. It is perhaps one of the defining characteristics of what it is to be a Calgaryan. Indeed, during the 2013 flood event that hit Calgary volunteering to help people whose property was drenched was commonplace. That spirit of volunteerism was not a one-off event. Six hundred and seventy volunteers contribute 28,645 hours of service per year at WinSport. If WinSport had to pay for that labour it would incur an additional \$0.5 million in expenses. It therefore has a direct impact upon the prices WinSport must charge and as a result represents a net benefit enjoyed by all users of the WinSport facility. To include the direct and indirect impact of volunteerism at WinSport on the community we include an additional \$0.8 million as a source of revenue in the economic impact analysis.

## Endowments

In 1987 the Government of Canada entrusted endowments to WinSport. Approximately \$71 million was entrusted to help fund operational costs at WinSport and the Olympic Oval at the University of Calgary. This

money was invested in accordance with the trust terms, creating a continuing legacy. Markets have gone up and down since 1987 but through prudent management the original endowments have now grown to about \$111.2 million net of investment profit distributions as of December 31, 2016. During each year, some of these investment profits are distributed to the University of Calgary to help cover the operating costs of the Olympic Oval (Oval operations are not part of this study), and to WinSport to help cover operating costs at the WinSport facility. This represents a clear benefit to WinSport and everyone who uses the facility. As such we include this revenue in the analysis. It represents money spent or that could be spent in Calgary which would not exist but for the WinSport facility. The endowment funds themselves, \$111.2 million, is money invested in various accounts which does not enhance the economic activity in Calgary. As such, the endowment funds do not enter into our analysis.

After accounting for these two anomalies we sum revenues from all activities which would not be spent in Calgary but for the WinSport facility. Those revenues come from a host of activities including for example:

- Partner Organizations (see 2.4 Total Economic Activity)
- Ski Hill Tickets
- Ski lessons
- Equipment rentals
- Food and beverage (licensed sales only)
- XC Ski activity (discontinued in the 2016/17 season)
- Public use of the Bobsleigh / Luge track (winter and summer)
- Service Fees from the Calgary Public School operated on site
- Zipline
- Adventure Camps / Active Lives summer day camps
- Revenues from Ice facilities (including curling, skating)
- Active Lives skate revenues
- Fees for tournament use of Bobsleigh / Luge track
- Sky Line Luge
- Fees and revenues form other tournament events

Specifically not included, as these represent money that likely would be spent elsewhere in Calgary if WinSport were not in operation, are for example:

- Public skate / shinny
- Mini Golf
- Mountain Biking
- Outdoor Corporate Programs including Challenge Course
- Sales of food and beverages
- Performance Training Centre
- Medical Clinic
- Rentals to some commercial tenants

These revenues, which are moneys that would not be spent in Calgary but for the existence of the WinSport facility, sum to \$30.8 million, comprised of \$13.7 million from endowment contributions and \$17.1 million from WinSport operations. These revenues are, in turn, spent by WinSport on operating expenses. The money then re-enters the Calgary economy and causes spin-off effects through two mechanisms, through wages and salaries and through purchase of goods and services. The indirect impact of wages and salaries on the Calgary economy of all monies spent by WinSport was already accounted for at the start of section 2.4, so we subtract the secondary labour market impact of WinSport expenditures in Calgary to avoid double counting indirect effects. This



yields an indirect impact on the Calgary economy of \$14.9 million. Summing together yields an annual impact on the Calgary economy from WinSport revenues and Endowment funds of \$45.7 million.

## 2.5 Spin-off Businesses

One of the impacts of a sports oriented facility is that it supports demand for complimentary goods and services. The ability to participate in activities like skiing enhances the demand for skis and ski wear which may be purchased at local outlets that are not affiliated directly with WinSport. These impacts are extremely difficult to quantify but they should at least be acknowledged.

One spin-off business that can be quantified is the impact on the hospitality industry. As a result of sporting events, corporate conferences, meetings and events held at WinSport an astonishing 67,000 visitors to Calgary seek hotel accommodations here. Note that this is an underestimate as this does not include people who visit WinSport while in Calgary on other business. Assuming double occupancy for these visits the local hotel industry benefits by \$3.7 million per year. Further spin-off activity in the local economy as a result of these hotel stays sums to an additional \$2.7 million benefit to the Calgary economy.

## 2.6 District (Re-)Development

When a new facility is built there is an enhancement to property values in the immediate vicinity. There has been significant work in the literature as to whether or not such uplift to property values in the vicinity of a sports facility are a catalyst for development or redevelopment in the local district. The consensus opinion is no, sports facilities do not entice further local development. They do, however add to the list of amenities in close proximity to certain properties which makes them more desirable properties and increases their value.

Studies have suggested that the area affected with increased property values could be an entire city, but realistically a statistically significant property value uplift is only measurable within a couple of miles of a facility.<sup>4</sup> Feng and Humphreys (2008) did a study on the property value uplift within 1 mile of two facilities in Columbus Ohio. They found residential property values were uplifted, on average, by 3% as a result of close proximity to those stadiums. We lack the resources and time to do a detailed analysis of this for Calgary but if we can extrapolate the Ohio analysis to the WinSport area then some back of the envelope calculations give a rough property value uplift to about 7400 residential properties within 2 km of around \$120 million<sup>5</sup> which would also give an annual uplift to municipal property taxes of around \$1.2 million and about another \$1.2 million in Provincial School property taxes. These numbers are approximate and would require significant effort to estimate with any degree of confidence and are therefore not listed as a direct or indirect benefit from the WinSport facility.

## 2.7 Infrastructure Improvements

When a new sports facility is constructed there are often upgrades necessary to local roads, water, sewer and electric infrastructure to support operations of the facility. Those costs are typically the responsibility of the local municipality and hence form a cost to society for constructing the new facility.

In the current study the WinSport facility is not expanding and there are currently no public infrastructure enhancements necessary to support activities there. Public infrastructure; roads, water, and sewer in the vicinity of WinSport are currently being upgraded, but the primary purpose of those upgrades is to support new community development that is currently happening to the east of the WinSport facility.

## 2.8 New Money, New Jobs

One of the most difficult things to get a handle on in this type of analysis is the notion that the only benefits to

having a facility is in what new or additional economic activity does it engender that would not have happened but for that facility being in place. Traditionally this is used as a rationale for discounting or outright ignoring the revenues received by sports or recreation facilities in economic impact analysis. As one author put it,

Expenditures by those who reside in the community do not represent the circulation of new money. Rather, they represent only a recycling of money that already existed there. It is probable that if local residents had not spent this money on the sports event, then they would have disposed of it either now or later by purchasing other goods and services in the community. Thus, their expenditure associated with the sports events is merely likely to be switched spending, which offers no net economic stimulus to the community, and it should not be counted as economic impact.<sup>6</sup>

Congruent with this it is necessary to dive into WinSport's activities to determine which services provided there would seem to match this description. To do this we ask a simple question, "if this service was not available at WinSport what would customers most likely do instead?"

## **2.9 Skiing, Tube Park, Outdoor Adventure and Ski Lessons**

The most likely alternative for ski activities provided at WinSport would be for customers to spend money outside Calgary at one of the nearby mountain ski resorts. As such, revenues from ski operations should be included in the analysis even though they mostly come from local residents because this is money that would likely otherwise be spent outside Calgary.

## **2.10 Zipline / Public Bobsled**

The most likely alternative would be for customers to spend money outside Calgary at the next best available high adrenaline activity, like skydiving. As such, we believe these revenues should also be included.

## **2.11 Concert or Reception Revenues**

If concert events were not conducted at WinSport they could be conducted at various locations inside Calgary such as at the Max Bell Arena. Expenditures at WinSport under these categories likely represent relocating customers with Calgary and as such these revenues should not be included in the impact analysis. If the WinSport facility was the largest facility in the City and events would not come to Calgary but for the WinSport facility, then customer revenues on those events should be included in an economic impact assessment.

## **2.12 Arenas**

WinSport is a special facility that houses 1 international sized hockey arena and 3 North American sized ice arenas in close proximity. This unique facility makes it ideal for multiple activities like figure skating, public skating, and public hockey shinny which can all occur at the same time. It is also an ideal location for semi-professional events like the Team Canada World Juniors Showcase games, where participants can practice at one arena then walk over to their scheduled game in the stadium arena. It is a unique facility that has drawn the attention of Hockey Canada which has moved to the WinSport facility. Although there are other arenas in Calgary that could offer similar experiences none offer the combination of convenience this one offers and at present there is no excess ice capacity in the City. As such, we submit arena activities should be included in the economic impact analysis. That said, ordinary admissions for things like shinny could be accommodated elsewhere in Calgary and as such those revenues should not be included in the analysis.

## **2.13 Office Tower**

The WinSport facility has a five storey office tower, three stories of which are rented to commercial tenants. Rents from those tenants should not be included in the analysis. If they were not located at WinSport it is likely they would choose to rent elsewhere in Calgary.

## 2.14 Concession Revenues

This includes food, beverage and equipment rental activities. Though not absolutely necessary for the operation of a sports facility it is difficult to imagine one operating efficiently without these amenities. Even so, with the test being ‘what would customers spend money on if this weren’t done?’ the clear answer is they would bring their own which they likely would buy elsewhere in Calgary. As such, these revenues do not pass the test and should not be included in the analysis.

Licensed sales do, however, pass the test as they can not legally be brought into the facility if purchased elsewhere.

## 2.15 Active Lives

WinSport operates summer camps for sports and adventure, mountain biking, hockey and ringette for ages 4 to 14 where students learn athleticism and fundamental movement skills doing a variety of activities. The WinSport facility is uniquely equipped to offer a diverse range of summer activities to challenge children like biking, rope challenges, luge, ball hockey, lacrosse, and even the new sport of quidditch (muggle quidditch). It should also be noted that WinSport is the only major outdoor summer camp supplier in Calgary, with the vast majority of what WinSport provides being focused on the outdoor environment. Though there are facilities that offer summer camps to children in Calgary none offer the diversity of physical and outdoor experience provided by WinSport.

These camps are extremely popular but we must ask, ‘if money wasn’t spent on these where would customers spend it alternatively?’ The answer is possibly other sports camps, but the only comparables within Calgary offer indoor activities (swimming, etc.), soccer and football. Given this we assert that if the WinSport facility did not offer day camps the majority of customers would either go to camps outside Calgary for a similar experience or would opt to spend more money on their summer vacation outside Calgary. As such we believe the Active Lives summer camps should be included in the impact analysis as monies which would not otherwise be spent in Calgary.

## 2.16 Other Affiliates

WinSport is home to other affiliated organizations including Hockey Canada, Luge Canada, Bobsleigh Canada Skeleton, Alpine Canada, the Canadian Sport Institute and Canada’s Sports Hall of Fame. It is trite to say that none of these operations would exist in Calgary but for the facilities at WinSport. There is also a school operated by the Calgary Board of Education supporting the education of young people who are engaged in advanced sport training at the WinSport facility. If the WinSport facility was not there it is possible that these students would train, live and receive their education outside Calgary so we believe the impacts from the academic aspects associated with WinSport represent monies that would otherwise not be spent in Calgary and should be included in the analysis.

## 2.17 Business Relocation Costs

When a new facility is built there are typically costs associated with relocating operations from the old facility

to a new one. As no construction is currently ongoing at WinSport this does not apply in this case.

## **2.18 Re-use Opportunities for Old Facility (If Applicable)**

If a new facility is built, the old facility may not be demolished if it is still in usable condition. The reuse opportunities for the old facility should be included in the impact analysis as this represents new opportunities for economic activity in the local municipality. As no new construction is occurring at WinSport, this is not applicable to the current study.

## **2.19 Property Tax Losses**

If a new facility is constructed it is possible that the next alternative use of the land would have been something that would have generated greater property tax revenue to the local municipality. A new stadium could displace a residential development. Careful analysis needs to be done to determine whether a new facility represents a net property tax change to the local municipality. As there is no new construction occurring at the WinSport facility we may dispense with this item.

## **2.20 Impact on Area of Old Facility (If Applicable)**

When a new arena is built it is possible that relocation of major sporting events to that arena could have a negative impact upon the district where the old arena is. It could lead to lower property values and a change in the nature of the community. Impacts to the old community as a result of the change of use of the old facility must be considered in any impact analysis. As there is no new construction occurring at WinSport we may dispense with this item.

## **2.21 Public Service Cost of Events (Police)**

Some public events, particularly those where consumption of legal and illegal drugs is common, require extraordinary public safety presence. Police, EMS, hospitals and incarceration become necessary for some public events. Those costs are borne by society and those who benefit from such events where such costs are likely to occur should bear those costs.

## **2.22 Opportunity Cost for Funds or Land**

The underlying idea here is that society as a whole only benefits when each resource is put to the best use possible at any given time. The opportunity cost is the cost of forgoing the next best use of resources. Fund managers constantly evaluate what is the next best use of money under their watch. If a new investment suddenly appears to have greater return potential they sell investments that have lower potential to increase their return. From the perspective of developing a new stadium the issue is: is a new stadium a better use of the land than say an office building? Once a facility is already built the opportunity costs tend to be much reduced. In order to have a next best use the facility itself would typically need to be demolished and those demolition costs are typically sufficient to outweigh the benefits possible from an alternative use. That said, as cities grow land tends to increase in value. Eventually the value of the land far exceeds the costs of demolition and alternative uses may become more profitable. WinSport today is not in this situation, but we note it as a cautionary tale that time marches on and one day someone will propose a use for the site that may have greater benefits to society.

## **2.23 Encumbrance of Bonding Capacity**

Some municipalities support the construction of local arenas by providing grants. Those grants are funded by debt typically and that limits the amount of future debt the municipality will be allowed to take on. This can

limit the ability of the local municipality to fund future infrastructure improvements like building new roads, providing fire services and providing safe drinking water. These represent a future burden to the citizens of a municipality and must be included as a public financing cost of a project if public monies are provided to build a new facility. Again, there are no construction activities currently ongoing at WinSport so this is not applicable to the current analysis.

## 2.24 Demolition and Site Work for Old Facility

If a new facility is constructed then the costs for remediating or reconditioning the site of an older stadium should be included in the calculations. These costs will be borne by someone, whether the old owner or if they abandon the property society in general. In the case of WinSport there are no construction activities ongoing so this is not a concern.

## 2.25 Non-Pecuniary Items

Some items simply cannot be valued in terms of dollars. These items must, nevertheless, be included in the calculation of the impacts of any facility when an analysis is done. Frequently the numeric analysis on a project or program indicates minimal benefits to the local economy<sup>7</sup>. Indeed, it is well settled in the economic literature that sports teams and facilities do not stimulate economic growth. In this environment it is often the non-pecuniary items that tip the scale to whether or not a proposal is a good idea for the community.

### Community Identity

There is a term in French that is of particular interest here. “Notre equipe” usually translates to English as “our team” but the French term *equipe* has subtle meanings. It connotes an idea that everyone is part of the same community, maybe even dressed the same, and there is a small sub-group of that community that is representing the whole community in an event. The “C of Red” at home Calgary Flames games is a prime example. The more people that identify themselves as being a fan or a patron of a local event the more it helps to create a sense that ‘we’re all in this together’ that is the hallmark of a community. Of course, one significant detractor from creating this sense of community occurs when the team members don’t actually make the host city their permanent home. This detraction does not exist at WinSport where athletes who represent Calgary and Canada make their home in Calgary.

Of course other teams from around the world also train at WinSport but the welcome they are given is another aspect of the local community identity; western hospitality.

### Civic Pride

Sports teams in particular can entice people to a certain level of pride to belong to a community. This can also go the other way, particularly if the local team has a record of not performing well. This does not haunt the WinSport facility. More Olympic medals have been won by Canadian winter athletes that train and/or compete at WinSport than any other facility or venue in Canada. The head office of Hockey Canada, who manage the national hockey teams; Women’s, Men’s and Juniors, to such success that Canadians have grown to believe that a silver medal in any Hockey event is just not good enough, calls the WinSport facility home. Indeed, all professional sport teams in Calgary take at least an occasional break from their own training facilities to get the personal and unique attention that is only available locally at WinSport. If there is a downside to the civic pride that WinSport engenders it is a public relations issue where all the great works done at WinSport are just not known well enough by the community.

Few locations in the world can host as many types of winter sport World Cup events as WinSport.

### Community Visibility

Raising the visibility of a community on the international stage is essentially a mandatory prerequisite for any jurisdiction in attracting investment, innovation, workers, artists and all the myriad of experiences and opportu-

nities that make a dynamic and vibrant thriving community. Enhancements or detractions from the communities external image as a result of any proposed project or ongoing activity should be mentioned in the analysis.

Calgary's second<sup>8</sup> big push onto the international stage was when it hosted the 1988 Olympic games. It was perhaps one of the greatest Olympic events of all time not for the medals but for the incredible show of community participation, volunteerism, and stories of underdogs. The planet's heart stopped when the Jamaican bobsled team crashed and it soared with Eddie the Eagle, both of which events occurred at the WinSport facility.

## 2.26 Consumption Benefits

Commonly referred to as Externalities these can be both positive and negative. Impact analysis should include these items particularly where they occur where there is no market to mitigate them. Matters involving public health, pollution, noise, or traffic are typically of concern, for example the creation of a new stadium could result in traffic congestion near the new site which would be a negative impact on local residents and businesses.

The WinSport facility has its own private driveway and is located on the outskirts of the city along a major highway. Incremental noise and traffic from activities at the facility appear to be minimal.

The majority of activity at the WinSport facility involves children receiving both indoor and outdoor physical education and healthy exercise. Much has been written about the personal and social benefits of a physically active population<sup>9</sup> with current Canadian Physical Activity Guidelines calling for Children to receive 60 minutes of vigorous physical activity daily while adults are encouraged to get at least 150 minutes of moderate to vigorous aerobic physical activity per week.<sup>10</sup> This level of activity is notoriously difficult to achieve in a Canadian winter when just walking proves difficult and potentially dangerous. WinSport is uniquely positioned to offer a variety of activities that can help people meet these objectives. Further, education offered at WinSport in outdoor activities like skiing, snowboarding and skating helps people enjoy the outdoors during Canadian winters their whole lives. Health benefits arising to Calgarians from use of the WinSport facility are impossible to measure but must nevertheless be recognized.

## 2.27 Political Capital

Frequently businesses ask politicians to support their latest proposal. If all goes well then both business and the politicians who supported it may be viewed in a positive light. If the venture does not perform as planned and there is a public outcry the politicians who supported it could face bad publicity which could, if severe enough, result in their removal from office. It may not be necessary to outright state the political risks and rewards from supporting a project in an analysis but any proposer should give this serious thought before putting pen to paper.

## 2.28 Support of Development Logic

The layout of cities is planned. Businesses want to be easily accessed by customers and residents do not want to be unduly bothered by noise, pollution or congestion. Local planning authorities do their best to accommodate everyone while recognizing that every natural environment has a best use. Indeed, the WinSport facility exists where it does because the Paskapoo slopes are high enough, steep enough and face north.

One objective of local planners may be to put facilities that complement each other in close proximity to enhance the experience of users while perhaps also co-locating sufficient competing facilities so that monopoly

situations and monopoly pricing practices do not arise. Another objective may be to have a certain unique character of building design in certain communities and business districts. Supporting the natural physical location and development objectives can be seen as a benefit to the community. Radically changing the physical environment or requiring meetings and presentations to have development objectives changed to match a proposal impose costs on society.

WinSport has in the past presented proposals to the local development authority to further develop the Paskapoo slopes only to be met with opposition because the proposals did not match what the development authority believed would be an appropriate and best use for the area. There are currently no proposals for development at WinSport before any development authority and we proceed with this analysis under the assumption that none are forthcoming any time soon.

## 2.29 Project Planning Capacity Building

Sometimes there simply is no net benefit for doing a particular project. There may even be costs. Still some of them are done just to gain the experience in how to do them, to become more efficient at them, which leads to becoming profitable on the next job.

## 3. Economic Impact Assessment

Data was collected from WinSport as well as the partner organizations that call WinSport home. Those organizations include:

- Luge Canada
- Alpine Canada
- International Hockey Academy
- National Sports School
- Own The Podium
- Canada's Sports Hall of Fame
- Canadian Sport Institute
- Calgary Gymnastics Centre
- Hockey Canada
- Bobsleigh Canada Skeleton

Analysis revealing the economic impact of WinSport and its partner organizations has been included throughout this report. Here is a summary of the findings:

<b>Total Employment impact:</b>	<b>1,200 Full Time Equivalent Jobs across Calgary</b>
<b>Direct Economic Impact:</b>	<b>\$77.6 million</b>
<b>Indirect Economic Impact:</b>	<b>\$42 million</b>
<b>Total Economic Impact:</b>	<b>\$119.6 million per year</b>

## Endnotes

- 1 Hunter, W (1988). Economic impact studies: Inaccurate, misleading and unnecessary. Policy Study #21, The Heartland Institute.
- 2 Hefner, F (1990). Using economic models to measure the impact of sports on local economies. Journal of Sports and Social Issues 14(1): 1-13
- 3 Chapin, Tim, Identifying the Real Costs and Benefits of Sports Facilities, Lincoln Institute of Land Policy Working paper, 2002, WP02TC1
- 4 Feng, Xai and Humphreys, Brad, Assessing the Impact of Sports Facilities on Residential Property Values: A Spatial Hedonic Approach, 2008, IASE/NAASE Working Paper Series No. 08-12
- 5 Using all of the communities of Valley Ridge, Bowness, Cougar Ridge, Greenwood, Crestmont and part of the communities of Silver Springs, West Springs, Scenic Acres, Tuscany, Coach Hill and Patterson we estimate 7433 residential dwellings, valued at an average MLS Dec. 2016 price of \$540,000 each and multiplied by 3% from the Feng and Humphreys study.
- 6 Crompton, John, Economic Impact Analysis of Sports Facilities and Events: Eleven Sources of Misapplication, 1995, Journal of Sport Management, 9, 14-35, pp.26
- 7 Siegfried, J. And Zimbalist, A. The Economic Impact of Sports Facilities, Teams and Mega-Events, 2006, Australian Economic Review, vol 39, no. 4, pp. 420-7
- 8 Arguably the Calgary Stampede was Calgary's first attempt at drawing international attention.
- 9 Warburton, D., Nicol, C. and Bredin, S., Health benefits of physical activity: the evidence, 2006, Canadian Medical Association Journal, 2006, vol. 174, no. 6
- 10 Canadian Physical Activity Guidelines Canadian Sedentary Behaviour Guidelines, your plan to get active every day, 2012 Canadian Society for Exercise Physiology, [www.csep.ca/cmfiles/guidelines/csep\\_guidelines\\_handbook.pdf](http://www.csep.ca/cmfiles/guidelines/csep_guidelines_handbook.pdf) accessed January 2017.





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