

CITY OF CALGARY  
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# Economic Impact of Rivers District

December 2018

**calgary** economic  
development  
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Calgary Economic Development's collaborative  
energy makes us a conduit, connector, catalyst and  
storyteller for Calgary.

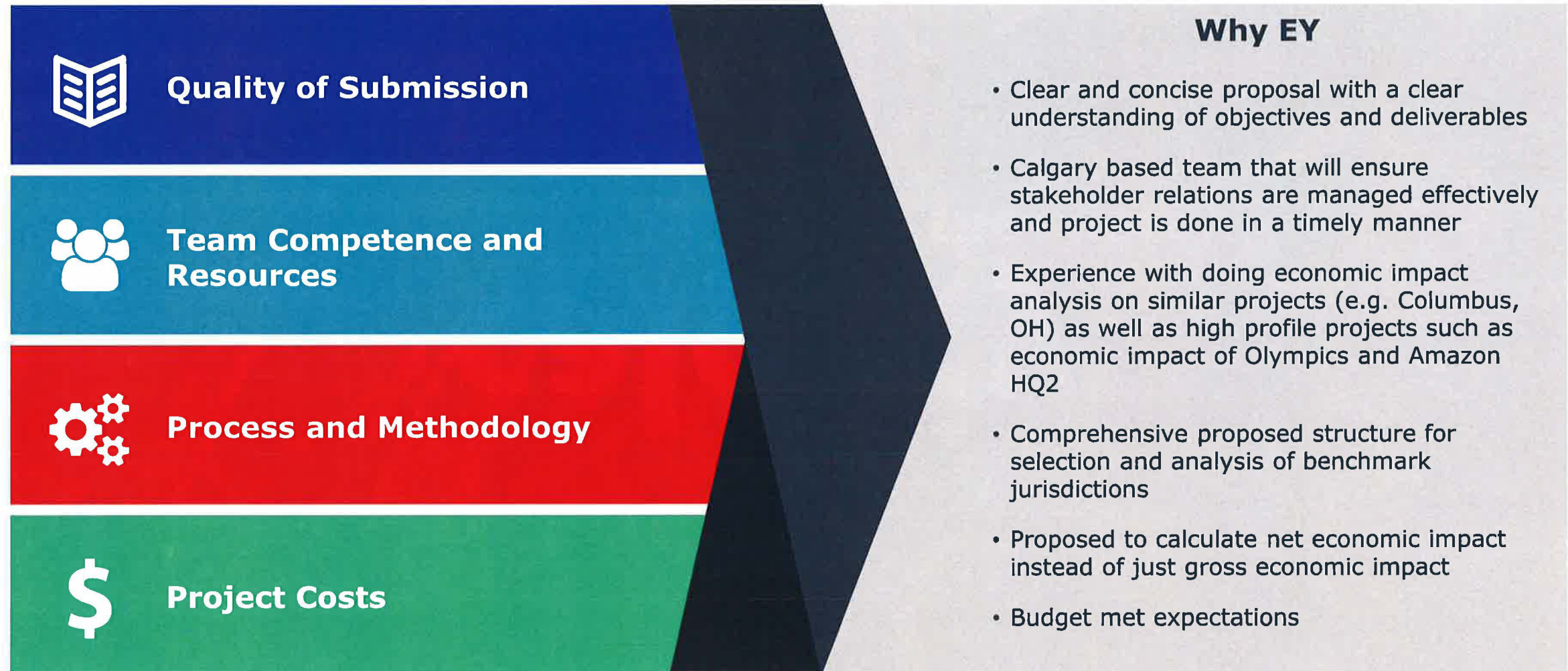
# Place:

Canada's most  
livable city

Place is not just the environment we live in. It includes our overall quality of life. Creating conditions that enhance livability will support how well we attract new talent and businesses.

1. Accelerate urbanization and connectivity in the downtown core (immediate initiative)	2. Expand and enhance tourism, cultural and recreational assets	3. Actively support diversity and inclusion
<p><b>Activities</b></p> <p>Target investment to build on existing and planned assets.</p> <p>Investigate funding models for catalytic investments.</p> <p>Create a multi-agency committee to implement the vision for our downtown core.</p> <p>Enhance connectivity between the downtown core, Rivers and Entertainment Districts and the Beltline.</p>	<p><b>Activities</b></p> <p>Attract, enhance and promote premier experiences and events showcasing Calgary as the Ultimate Host City.</p> <p>Pursue a transportation corridor linking YYC Calgary Airport, Downtown Calgary and Banff.</p> <p>Support <a href="#">Cultural Plan for Calgary</a> and <a href="#">Living a Creative Life</a>.</p> <p>Continue to build on livability assets that reflect our diversity throughout the city.</p>	<p><b>Activities</b></p> <p>Increase economic participation for the underrepresented and underemployed.</p> <p>Promote <a href="#">Enough for All</a> – Calgary's poverty reduction strategy.</p> <p>Continually provide affordable housing options.</p>

# Selection Process for Study





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# Project Objectives

To outline the role and economic impact of the proposed Rivers District projects in enhancing arts, culture, and entertainment in Calgary. This will enable relevant stakeholders to:

- 1 Acknowledge the impact and contribution that the Rivers District Master Plan will have on the local economy
- 2 Acknowledge the distinct impact that an event centre, an expanded BMO Centre and Arts Commons will have on the local economy
- 3 Further recognize the growing and intrinsic value of arts, culture, and entertainment for the Calgary community
- 4 Establish the city as a vibrant cultural and entertainment destination in Canada and around the world



# Methodology

Below is an overview of our methodology and a brief explanation of the objectives of each phase.


<b>Phase 1</b> Project Kick-Off	Align on stakeholder expectations and agree on methodology, milestone dates and attributes of the final deliverable.
<b>Phase 2</b> Review of Background Material	Obtain data on economic, financial and social indicators which, along with key economic indicators, provide the basis for: <ul style="list-style-type: none"> <li>▶ Evaluating the landscape of the Rivers District, including area information and usage of facilities;</li> <li>▶ Assessing the current and future economic state of the Rivers District; and</li> <li>▶ Developing the economic model to determine impacts of the investments on GDP, employment, labour income, and taxes.</li> </ul>
<b>Phase 3</b> Analysis of Comparative Jurisdictions	Understand outcomes of investments in building entertainment districts in other jurisdictions comparable to Calgary as they relate to: <ul style="list-style-type: none"> <li>▶ Changes in economic activity;</li> <li>▶ Further redevelopment opportunities, and more generally, revitalization of certain areas of the comparator jurisdiction; and</li> <li>▶ The impact on the branding of the city.</li> </ul>
<b>Phase 4</b> Economic Impact Assessment (EIA)	Assess the direct, indirect, and induced impacts of the Rivers District Master Plan on Calgary's economy including qualitative assessments. <ul style="list-style-type: none"> <li>▶ Macro effects include: incremental gross outputs, Gross Domestic Product ("GDP"), employment income, job creation, community dependency measures, and tax revenue by level of government.</li> <li>▶ Micro effects include: construction expenditures, operations and maintenance costs, wages and salaries spent on each project, and attributable visitor expenditures.</li> </ul>
<b>Phase 5</b> Final Report	Develop a comprehensive report detailing the outcomes of the project, broken down by investment project as well as for the Rivers District Master Plan as a whole.

# Jurisdictional Analysis Process

We worked collaboratively with CED to perform a jurisdictional analysis following an objective methodology



Criteria	City & Development							
	Edmonton, Alberta <i>Ice District</i>	Montreal, Quebec <i>Quad Windsor</i>	Columbus, Ohio <i>Arena District</i>	LA County, California <i>Hollywood Park</i>	Denver, Colorado <i>West Lot</i>	Denver, Colorado <i>Stadium District</i>	Nashville, Tennessee <i>Nashville Yards</i>	Tampa, Florida <i>Water Street</i>
Comparable Population	✓	✓	✓		✓	✓	✓	
Comparable Unemployment	✓	✓		✓				✓
Comparable Land Size			✓					
Development Stage	In-progress	In-progress	Completed	In-progress	In-progress	Planning	In-progress	In-progress
Event Centre	✓	✓	✓	✓	✓	✓	✓	✓
Convention Centre			✓				✓	✓
Arts/Performance Centre	✓		✓		✓		✓	✓
Hotel	✓	✓	✓	✓	✓		✓	✓
Residential Space	✓	✓	✓	✓	✓	✓	✓	✓
Commercial/Retail Space	✓	✓	✓	✓	✓	✓	✓	✓

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1. Edmonton:

  - ▶ Located in Alberta with comparable demographics
  - ▶ Has substantial office, retail, and residential developments planned
  - ▶ Plan to attract high end hotel chains

2. Columbus:

  - ▶ Completed development
  - ▶ Similar land size
  - ▶ Development includes all of Calgary's development characteristics and is centered around an events center

3. Nashville:

  - ▶ Development is located downtown with comparable demographics
  - ▶ Development has all of Calgary's development characteristics nearby including the Frist Art Museum Center, Music City Center and Bridgestone Arena.
- EY

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CED/CMLC  
Rivers District EIA

# Detailed Jurisdictional Research

*We used publically available data to understand the social and economic impacts to the selected jurisdictions*

	Edmonton <i>Ice District</i>	Columbus <i>Arena District</i>	Nashville <i>Nashville Yards</i>
Population	932,549	837,038	643,771
Project Land	Approx. 1,089,000 sq. ft.	Approx. 3,267,000 sq. ft.	Approx. 1,500,000 sq. ft.
Life Cycle	In progress: 4 phases (2016-2020)	Completed (2014)	In-progress (2020-2021)
Cost	Approx. CAD\$2.5 billion	Approx. USD\$1 billion	Approx. USD\$1 billion
Economic & Socio-Economic	<ul style="list-style-type: none"> <li>JW Marriott Skyscraper Residences 90% sold out and Stantec "Sky" Condo Tower 33% sold out.</li> <li>The District will have over 8,000 employees and 1,950 residents (2020 projection).</li> <li>Rogers Place may likely increase surrounding property values by approximately 3%-15% (2015 report from Real Estate Investment Network).</li> </ul>	<ul style="list-style-type: none"> <li>Property value per square foot in the District increased by 267% (1999 to 2008).</li> <li>Sales by businesses in the District was approximately USD\$1.6 billion (359% increase from 2000 to 2008).</li> </ul>	<ul style="list-style-type: none"> <li>Median income has increase by 6% (2010 to 2018).</li> <li>Class A and B space saw an increase in office vacancy (Q3 to Q4 2017).</li> <li>More than 2,350 jobs are supported annually by the Nashville Predators and Bridgestone Arena (2012).</li> </ul>
Investment & Funding	<ul style="list-style-type: none"> <li>Total cost of Rogers Place Project: CAD\$613.7 million.</li> <li>Funding of Rogers Place Project: 51% by City and 49% through private investment/ticket surcharges.</li> <li>Development financing: Part of the public funds will come from a Community Revitalization Levy of CAD\$984m over 20 years (2016).</li> <li>Construction of a new CAD\$32m Grand Villa Edmonton Casino (Completed in 2016).</li> </ul>	<ul style="list-style-type: none"> <li>The District has a private to public investment ratio of 14:1.</li> <li>Recovered approximately 50% of environmental, demolition, infrastructure and interest costs through tax payments.</li> <li>Tax increment financing to support the districts capital improvements.</li> <li>City created an Incentive Program, which provides an annual payment to employers who bring new office jobs downtown.</li> </ul>	<ul style="list-style-type: none"> <li>Development of Grand Hyatt Hotel - upgraded from Regency Hyatt since Amazon announcement (Nov 2018).</li> <li>Southwest Value Partners paid USD\$3.6 million for 52,361 square feet of additional green space for the project.</li> <li>Amazon to build their "Operations Center of Excellence." Facility will employ 5,000 people and generate approximately 8,000 net jobs.</li> <li>Amazon will bring approx. USD\$230 million in capital investment.</li> </ul>