

WEST VILLAGE–CALGARYNEXT - PHASE ONE ANALYSIS

EXECUTIVE SUMMARY

Calgary Sports and Entertainment Corporation (CSEC) has proposed CalgaryNEXT, a combined arena/event centre and multi-sport stadium/fieldhouse, on City-owned land in West Village. The arena/event centre design has several innovative features, and would be a welcome new venue for sports and events in Calgary. The fieldhouse/stadium is intended to replace the fieldhouse project proposed by The City at the Foothills Athletic Park.

The West Village location proposed by CSEC is contaminated and presents significant development challenges. In addition to the \$85 million to \$140 million cost for the clean-up referenced in this report, it is anticipated that facility construction could not begin until 2022-2026, due to required environmental approvals and remediation activity.

The CSEC financing plan estimates that the CalgaryNEXT facility will cost \$890 million. Given that the design is currently in the concept phase, Administration did not independently confirm the cost estimate. CSEC has offered to invest \$200 million in cash and proposes a \$250 million loan to be repaid through a ticket surcharge/user fee. It has not been confirmed if the loan placement and repayment would be a CSEC or City obligation. It is also proposed that The City contribute \$200 million to the facility cost (fieldhouse) and that a Community Revitalization Levy (CRL) be used for the remaining balance of \$240 million.

In addition to the facility cost, it is estimated that \$863 million to \$937 million must be invested in land, municipal infrastructure, environmental remediation, and financing. As a result, the total cost for the project is estimated to be between \$1.753 and \$1.827 billion. The proposed public investment in CalgaryNEXT and West Village, after deducting the proposed CSEC contribution (\$200 million) and ticket surcharge/user fee (\$250 million) is \$1.303 billion to \$1.377 billion. This public investment is lowered to \$1.219 billion to \$1.293 billion if it is assumed that CSEC finances the ticket surcharge/user fee, (see Tables on pages 21-22).

A CRL is proposed to finance a portion of CalgaryNEXT as well as contribute to other West Village development costs. Over a 20 year period, CRL revenue is projected to be \$345 to \$435 million. There is greater likelihood that revenue at the low end of the range will be realized.

Administration has come to the conclusion that CalgaryNEXT is not feasible in its present form or location. It is recommended that CSEC be given an opportunity to respond to this report and that The City and CSEC work together to investigate potential locations on or near Stampede Park for an innovative new arena/event centre that benefits Calgarians. It is also recommended that Council reconfirm the Foothills Athletic Park as the preferred location for The City of Calgary fieldhouse project, and that work continue with respect to addressing the contamination issues in West Village.

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ADMINISTRATION RECOMMENDATIONS

That Council:

1. Direct Administration to request a response from CSEC no later than 2016 May 31 regarding this report and report back to Council no later than 2016 June 30;
2. Direct Administration and Calgary Municipal Land Corporation (CMLC) to investigate with CSEC and the Calgary Exhibition and Stampede Limited (CESL) the potential for a new arena/event centre on or near Stampede Park, investigate with the McMahon Stadium Society upgrades to McMahon Stadium, reconfirm Foothills Athletic Park as the preferred location for The City of Calgary fieldhouse project, and report back to Council with an update on the findings of these investigations no later than 2016 October 30;
3. Direct Administration and CMLC to continue to work with Alberta Environment and Parks (Alberta Environment) on addressing the contamination issues associated with the West Village Canada Creosote site and surrounding areas; and
4. Request that Attachment 6 to this report remain confidential pursuant to Section 27(1)(a) of the *Freedom of Information and Protection of Privacy Act* (Alberta).

PREVIOUS COUNCIL DIRECTION / POLICY

CalgaryNEXT

CSEC presented CalgaryNEXT to Calgarians on 2015 August 18 through the CalgaryNEXT website and a presentation to the media and invited stakeholders. At the request of The City, CSEC submitted a written proposal to the City Manager on 2015 September 2, (see Attachment 1). On 2015 November 10, Council approved Mayor's Office Report M2015-0856 and adopted guiding principles for work related to the CalgaryNEXT concept. At that time, Administration was directed to proceed with Phase One of a work plan to analyze the feasibility of CalgaryNEXT and to report back to Council no later than 2016 April 30.

West Village

On 2010 July 19, Council approved the West Village Area Redevelopment Plan (ARP) which provides long range planning, policy, and land use direction for the West Village area, as adopted through Bylaw 17P2010.

On 2012 April 10, Council approved NM2012-22 which directed the CMLC to examine opportunities for new projects, including the West Village, within their business plan and to report back to Council. CMLC has undertaken a review of redevelopment options for the West Village and has continued to report to Council, as sole shareholder of CMLC, on their findings.

At the 2015 February 11 CMLC shareholder meeting, Council as sole shareholder of CMLC, passed a resolution directing CMLC to undertake work to support the redevelopment of the

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West Village, including but not limited to environmental and legal investigations related to the potential future redevelopment of the site.

Foothills Fieldhouse

On 2010 July 19, Council approved CPS2010-47 Foothills and Glenmore Athletic Park Concept Plan and directed Administration, subject to available financing, to proceed in the planning process for Foothills and Glenmore Athletic Parks and report back to SPC on Community and Protective Services no later than 2011 October.

On 2011 November 7, Council approved CPS2011-51 Foothills and Glenmore Athletic Parks – Deferral Request and directed Administration to bring forward the Foothills and Glenmore Athletic Park report no later than 2012 March.

On 2012 March 19, Council approved CPS2012-10 Foothills and Glenmore Athletic Parks Update – Deferral Request and directed Administration to bring forward the Foothills and Glenmore Athletic Park report no later than 2012 November.

On 2012 November 19, Council approved CPS2012-0771 Foothills and Glenmore Athletic Parks Update – Deferral Request and directed Administration to bring forward a revised site plan for the Foothills Fieldhouse and Athletic Park, along with the associated phasing implications for Glenmore Athletic Park, no later than 2013 May.

On 2013 April 22, Council approved CPS2013-0351 Foothills Fieldhouse – Progress Update, received for information potential funding options that support the development of a fieldhouse and approved in principle, the revised location for the Foothills Fieldhouse.

BACKGROUND

CalgaryNEXT and Phase One Analysis

In early November 2015, Council directed Administration to analyze the feasibility of the CalgaryNEXT concept, as outlined in Mayor's Office Report M2015-0856 (Attachment 2). By mid-November, Administration convened a small multidisciplinary project team from The City and CMLC to examine several primary considerations and respond to Council direction. A detailed review of each consideration is provided in the Investigation section of this report.

West Village

West Village is an approximately 53 ha (130 acre) area immediately west of Calgary's downtown core. The boundary is the Bow River to the north, the Canadian Pacific Railway (CPR) right-of-way to the south, Crowchild Trail S.W. to the west, and 11th Street S.W. to the east (outlined in red on Figure 1).

The area was historically used for industrial and large scale storage operations. These functions were important to the development of Calgary, however there is little physical evidence of that history today. Currently, three major roadways, Bow TR, 9 AVE SW, and 14 ST SW, occupy

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much of the area. These high volume commuter corridors have affected the urban form and resulted in solitary buildings and fragmented development.

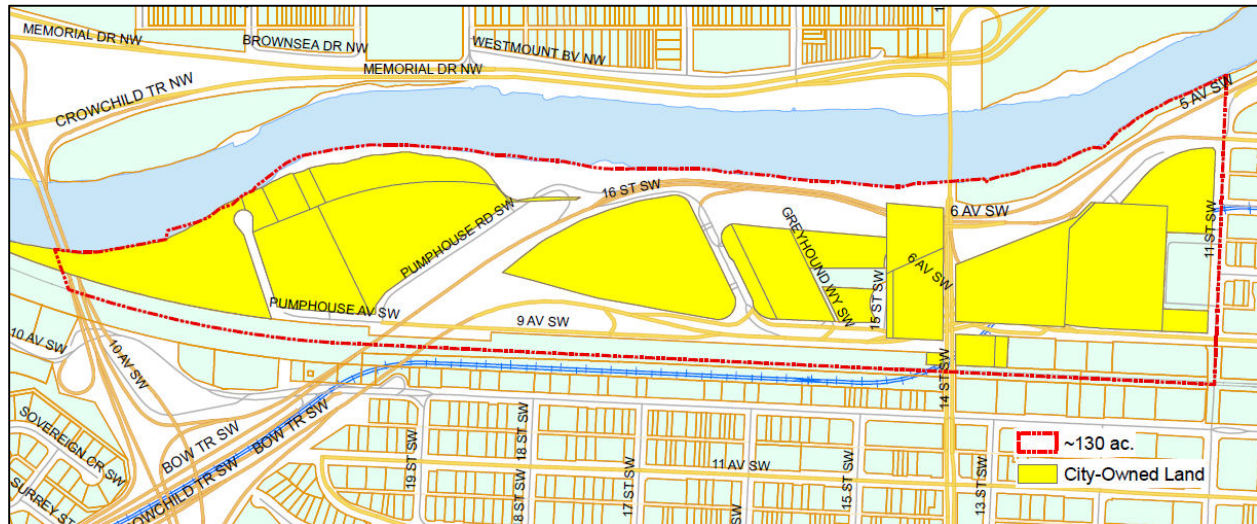


Figure 1 West Village Area

The four primary land uses in the area are: commercial, institutional, park, and transportation, with the predominant commercial uses being auto dealerships and a large bus terminal. The West Light Rail Transit (LRT) line (shown in blue on Figure 1) flanks the CPR tracks on an elevated alignment along the southern boundary and the Sunalta LRT station serves the Sunalta community to the south. The Sunalta station directly connects to the bus terminal to the north via a pedestrian overpass.

Using the most recently updated flood maps, the floodway has been identified along some sections of the area, primarily on the western side. No flood fringe or overland flow areas have been identified in the area. No significant flooding occurred during the 2013 flood. The Bow River Regional Pathway extends along the entire east-west length of the area and some portions of the pathway are in the floodway. Some of these portions had mild flooding in 2013.

Historic resources in the area, as listed on The City's Inventory of Evaluated Historic Resources, include the Calgary Centennial Planetarium, the Pumphouse Theatre (Bow River Pumphouse No. 2), and the Mewata Armoury.

West Village has been included in, or the subject of, several planning studies and statutory plans over the past 30 years. The major planning documents that address all, or a portion of West Village, include: Sunalta Area Redevelopment Plan (1983, 2009), Centre City Plan (2007), Expo 2017 Feasibility Study (2009), and West Village Area Redevelopment Plan (2010).

In terms of real estate and land ownership, the approximately 53 ha (130 acres) of West Village is split between road right-of-way (approximately 17 ha or 41 acres) and titled properties (approximately 36 ha or 89 acres). There are 30 properties in the area with ownership divided amongst The City, the Province of Alberta, Government of Canada and several private owners. The City has owned property in the area since 1909 and has acquired property in the area as

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recently as 2014. The City owns 21 of the 30 properties, which equates to approximately 28 ha (70 acres) (79% of titled area). City-owned lands in West Village include a City of Calgary Roads depot, Pumphouse Park and the Pumphouse Theatre in the western portion of the area, and Shaw Millennium Park and the Centennial Planetarium in the eastern portion (shown in yellow on Figure 1).

West Village has a long and varied history of environmental issues. The most significant concerns have related to the former Canada Creosote site (outlined in red on Figure 2). From 1924 to 1962 Canada Creosote Ltd. operated a pressure wood preserving operation on an 18 ha (44 acre) site in the west-central portion of West Village. In the late 1980s to mid-1990s site investigations performed for Alberta Environment found extensive creosote and hydrocarbon contamination in the soil and groundwater. Several remediation methods such as gravel washing and extraction were examined in the early 1990s but were found to be unworkable. In the mid-1990s, Alberta Environment determined that site clean-up would be impractical and instead adopted a containment strategy. A contaminant containment system was installed by Alberta Environment in 1995. A containment wall was constructed and contaminated groundwater is collected and pumped to an on-site plant, treated, and disposed of into the sanitary sewer. This system is specifically designed for containment, not site remediation. In 1997, the containment system and operational responsibility was transferred to The City.

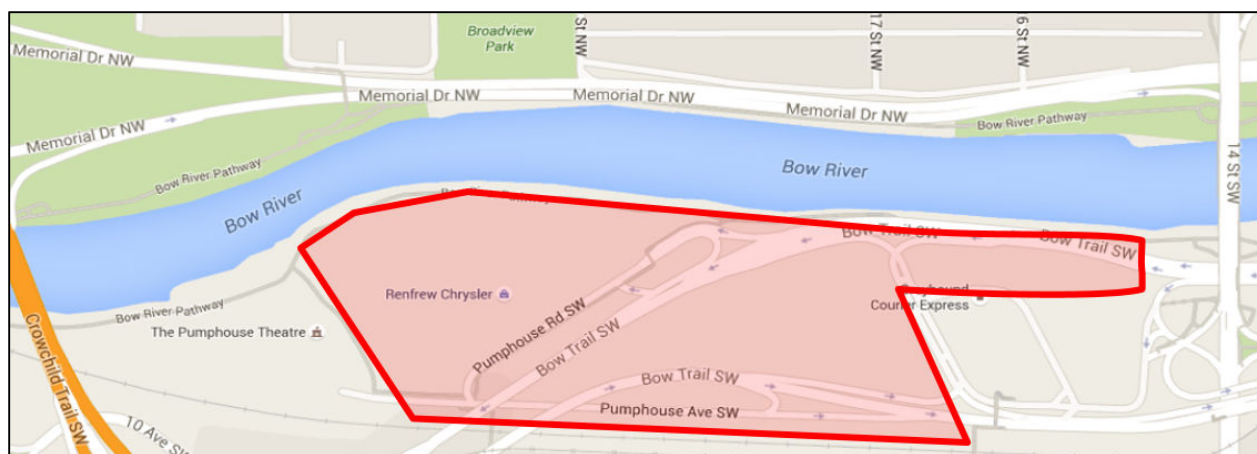


Figure 2 Former Canada Creosote Site

Concurrent with the transfer of the containment system and operational responsibility from the Province to The City, a Release Agreement was signed between Alberta Environment and The City stating that Canada Creosote site contamination was not caused or contributed to by The City and that Alberta Environment agreed not to initiate recovery action against The City. The City acknowledged that the Province is not responsible or liable for the contamination. A detailed environmental review is included in the Investigation section of this report and Attachment 5. Attachment 6, which contains an analysis of West Village contamination legal and regulatory issues, is a confidential and legally privileged report and is circulated under separate cover.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

The CalgaryNEXT concept is complex and multifaceted in nature. To ensure that all work on CalgaryNEXT by Administration was undertaken in a way that best addressed the needs of diverse stakeholders, Council adopted the following six guiding principles, as outlined in the Mayor's Office Report M2015-0856:

1. Public money must be used for public benefit,
2. There must be extensive stakeholder consultation, public engagement, and open and transparent communications with Calgarians regarding the CalgaryNEXT proposal,
3. West Village must be designed and developed as a vibrant mixed-use neighbourhood,
4. Any new fieldhouse must meet the needs of all stakeholders including, but not limited to, the University of Calgary, amateur sports groups, and the general public,
5. Any new arena-stadium/event facility located within or near Calgary's centre city, must complement the existing amenities of the centre city, and contribute to the centre city's long term vibrancy and appeal, and
6. The cost for remediating contamination of the West Village site should be the responsibility of the polluter(s), to the extent that such recovery is legally possible.

These principles have been used to guide and inform this review and analysis.

Decision Model and Work Plan

Council direction requires that Administration examine the CalgaryNEXT concept in an orderly and efficient way by prescribing a multi-phase review process. Phase One is a review of the following primary considerations:

1. The CSEC Proposal
2. West Village Contamination
3. Fieldhouse
4. Community Revitalization Levy (CRL)
5. Impacted Organizations

Each consideration is assessed in detail in this report. This first phase of analysis is intended to determine the preliminary feasibility of the proposed concept and to prepare Council to make decisions on how to proceed. Attachment 3 is a graphic representation of the complete Decision Model.

Project Governance and Approach

The Phase One analysis was a joint exercise carried out by Administration and CMLC. At the outset of the project The City and CMLC entered into a protocol agreement that defined respective roles, responsibilities, and approaches for undertaking the work requested by Council. Protocols related to the sharing, use, and protection of confidential and proprietary materials were also specified in the agreement. CMLC has undertaken an environmental review and legal and regulatory liability analysis of contamination in West Village and an exploration of remediation options and timelines. CMLC also led the CRL analysis. Administration has been

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responsible for the fieldhouse analysis, consultation with impacted organizations, and a review of the CalgaryNEXT concept. Administration has worked with CMLC to assemble the required information to report the Phase One findings to The City's Administrative Leadership Team and then to Council. Administration has been responsible for overall project management and the coordination of report writing.

In November 2015, as directed by Council, Administration issued a formal request to CSEC for any relevant research and analysis materials prepared or commissioned by CSEC with respect to CalgaryNEXT and entered into a confidentiality agreement with CSEC, effective 2016 January 1. From January to March 2016, CSEC provided Administration with information, including confidential and proprietary information. The confidentiality agreement limits the amount of detail that can be included in this report.

Project Methodology

Council directed Administration to review the CalgaryNEXT concept as proposed, including the implications for contaminated land in West Village, a fieldhouse development, a potential Community Revitalization Levy, and feedback from impacted organizations. In Phase One, the project team reviewed public information on the CalgaryNEXT website and additional materials provided by CSEC. The project team did not suggest or discuss modifications to the CalgaryNEXT concept or supporting materials as this was not Council direction for the Phase One analysis.

CSEC provided Administration with information related to the CalgaryNEXT concept, through a series of six presentations between January and March 2016, (see Attachment 4). Additional materials and/or documentation of the presentations were provided to Administration following each presentation.

Methodological Limitations

CSEC provided Administration with an initial set of information in January 2016, and presented additional materials throughout the ensuing two month review period. Much of this information was not on the CalgaryNEXT website and CSEC did not present it to the public. Administration could not disclose much of this information to stakeholder groups, or Calgarians in general, due to the confidentiality agreement.

In December 2015, CSEC suggested that The City and CSEC coordinate a joint stakeholder consultation process related to the fieldhouse analysis. Having regard to Council direction, Administration declined this suggestion and conducted City-initiated consultations (see Attachment 7). In early 2016, CSEC conducted separate fieldhouse stakeholder consultations, which included many of the same organizations consulted by Administration. These independent consultations occurred either concurrently with or following The City's process. CSEC engaged in a dialogue with various organizations and responded to their concerns. In some cases, Administration received two responses from the same organization, the later response being based on additional information or clarification from CSEC. One example was the feedback received in late March from the Calgary Multisport Fieldhouse Society (CMFS) indicating that their issues could be addressed by CSEC and CalgaryNEXT (see Attachment 7).

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The approach taken for Phase One is consistent with and supports the project's guiding principles related to stakeholder consultation and transparent communications.

Primary Consideration Review

This section presents the key findings related to Council's five primary considerations. The findings are based on the best available information.

1. The Calgary Sports and Entertainment Corporation Proposal

The CalgaryNEXT concept is proposed on land in the central portion of West Village. The approximately 127,742 square metre (1,375,000 square foot) facility is proposed between the Bow Trail east/west couplet on City-owned sites primarily currently occupied by a bus terminal and an auto dealership (see Figure 3).

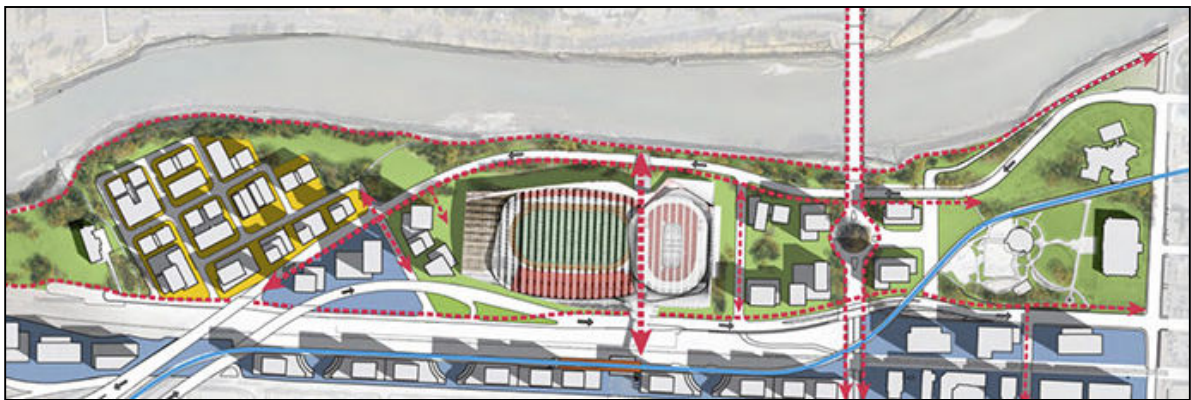


Figure 3 CalgaryNEXT Site Plan

The CalgaryNEXT concept contains the following components:

- 44,129 square metre (475,000 square foot) arena/event centre for professional hockey, lacrosse, and concerts with seating for 18,000 to 20,000 spectators,
- 37,161 square metre (400,000 square foot) multi-sport stadium/fieldhouse with seating for 20,000 to 40,000 spectators,
- stadium/fieldhouse to accommodate football, soccer, basketball, volleyball and badminton, and a 9-lane 400-metre running track,
- practice ice surface/community rink,
- fitness facilities,
- sports medicine centre,
- 2,500 underground parking stalls (300 stalls dedicated for fieldhouse public use), and
- elevated pedestrian walkways (Sunalta LRT station, westbound Bow Trail, 14 St. SW).

The final design of the combined arena/event centre and multi-sport stadium/fieldhouse has not been confirmed.

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CSEC has estimated the economic impact of its sports and entertainment operations on the Calgary economy in 2015. In 2015, CSEC estimates that the total economic impact of hospitality spending on events that it managed was \$95 million dollars. CSEC employs 2,075 full-time and part-time staff for 769 full-time equivalents and estimates the total economic impact of its operations in 2015 at \$373 million dollars. CSEC also applied its economic impact model to the capital spending for constructing the \$890 million CalgaryNEXT facility. CSEC estimates that constructing CalgaryNEXT would have a direct labour impact in the Calgary economy of 2,150 full time equivalent jobs, and estimates that the total economic impact of constructing CalgaryNEXT would be \$886 million.

The total cost of the CalgaryNEXT facility is estimated by CSEC at \$890 million. Given that the design is currently in the concept phase, Administration did not independently confirm the cost estimate. CSEC has offered to invest \$200 million in cash and proposes a \$250 million loan to be repaid through a ticket surcharge/user fee. It has not been confirmed if the loan placement and repayment would be a CSEC or City obligation. It is also proposed that The City contribute \$200 million to the facility cost (fieldhouse) and that a Community Revitalization Levy (CRL) be used for the remaining balance of \$240 million.

In addition to the facility cost, it is estimated that \$863 million to \$937 million must be invested in land, municipal infrastructure, environmental remediation, and financing. The total proposed public investment in CalgaryNEXT and West Village, after deducting the proposed CSEC contribution (\$200 million) and ticket surcharge/user fee (\$250 million) is \$1.303 billion to \$1.377 billion. This public investment is lowered to \$1.219 billion to \$1.293 billion if it is assumed that CSEC finances the ticket surcharge/user fee.

Administration has not received information related to governance and operating costs of the facility, although CSEC has stated that it believes it can operate the public fieldhouse component without an annual public operating subsidy. An analysis of the CSEC proposal is presented in Attachment 4.

2. West Village Contamination

The environmental analysis focused on understanding the complexities associated with West Village through a thorough review and analysis of over 400 reports. In 2012, Council, as sole shareholder, directed CMLC to investigate the redevelopment potential of the area. Building off of that work, environmental site assessment, risk assessment, and remediation approaches were researched as part of this investigation.

A team of specialists was assembled by CMLC to provide expertise and advice. Deliverables included a rigorous review of historical studies, investigative fieldwork, data gap analysis, an environmental site assessment, and a human health risk assessment. A total of 54 boreholes and a subset of monitoring wells were completed during CMLC's environmental site assessment. Results were analyzed from a technical and risk assessment perspective to provide approaches for future remediation.

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The analysis confirmed historical findings and offered the following new information:

- there are no immediate adverse health effects due to current conditions,
- potential risks to future users can be managed and mitigated, and
- a plume of highly concentrated contaminants (dense non-aqueous phase liquid, or DNAPL) extends further west than previously identified.

Six remediation techniques were chosen by the team based on each technology's timeframe and ability to address the contaminants found. The technologies were then used to configure six potential remedial approaches to address the unique development scenarios in West Village, based on the Alberta Tier 2 Soil and Groundwater Remediation Guidelines.

These configurations include:

- excavation and disposal,
- excavation and biostabilization,
- excavation and thermal treatment,
- thermal treatment in place,
- solidification and biostabilization in place, and
- enhanced containment.

Each technique was evaluated with respect to its advantages and limitations, duration and cost, specific to addressing the Canada Creosote site, while the balance of West Village was evaluated based on its similarity to the redevelopment of other mixed used downtown areas (e.g. East Village).

Estimated costing and timelines for an expedited approach and a more measured approach are summarized in table below. The schedule allows for the time to investigate, design, approve and permit the chosen remedy plus the remediation effort. In the case of the expedited schedule, remediation would occur continuously until completion, while in the measured approach, remediation would occur seasonally and then intermittently until completion. The expedited schedule, based on excavation and disposal, is the quickest approach at six to eight years, but also the costliest at approximately \$140 million. By contrast, the measured approach, based on excavation and biostabilization, is the least expensive at \$85 million but the longest at eight to ten years.

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Estimated Costing and Timelines of Remedial Approaches		
Costs	Expedited Approach ²	Measured Approach ²
Canada Creosote site	\$110 million	\$65 million
Balance of West Village ¹	\$30 million	\$20 million
Total cost	\$140 million	\$85 million
Timelines (Canada Creosote site work)		
Additional investigation, regulatory approvals, permitting	3-5 years	3-5 years
Remediation	3 years	5 years
Total time	6-8 years	8-10 years
(1) It is assumed that the balance of West Village remediation would take place in conjunction with redevelopment. (2) The expedited approach is represented by excavation and disposal of all impacted areas, where as the measured approach is represented by excavation and on-site biostabilization and reuse.		

An analysis of the West Village contamination issue is presented in Attachment 5. Also, a confidential and legally privileged analysis of West Village contamination legal and regulatory issues is presented in Attachment 6, which is circulated under separate cover.

Remediation Funding Options

The Federation of Canadian Municipalities (FCM) has a Green Municipal Fund that offers 50% funding up to \$175,000 for brownfield planning work or feasibility studies, 50% funding up to \$350,000 for a Pilot Project, and up to \$5 million in a low interest loan for capital projects.

At the present time there are no applicable funding sources available from either the Government of Canada or Province of Alberta that are specifically targeted at the remediation of contaminated sites like the scenario in West Village.

3. Fieldhouse

The CalgaryNEXT concept locates and integrates the public fieldhouse proposed at Foothills Athletic Park, within an indoor professional football stadium at West Village.

For the purpose of the Phase One fieldhouse investigation, organizations representing broad amateur sport and recreation interests, or who were previously engaged as part of the concept planning process for Foothills Athletic Park, were identified as stakeholders. A consultant was retained to assess the technical and functional/operational feasibility of the proposed concept, including combining multi-use facilities within one building and integrating an indoor football stadium with a fieldhouse.

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Combined Facility – Fieldhouse/Stadium/Arena

Consultant reports confirm that the design and operational requirements of an admission-based spectator stadium are not naturally aligned with those of a public recreation facility. A technical design solution and analysis of the impacts (such as increased costs to operations and lost time for venue change over) are needed to fully understand the implications of incorporating fieldhouse use with indoor football stadium requirements.

Studies and stakeholder feedback are consistent in stating that impacts to access are not solely based on a shared stadium/fieldhouse facility. The proximity of the arena/event centre and the number of events held in the arena/event centre could also impact parking, vehicular traffic and congestion, and interior building movement.

CSEC has stated that potential construction savings of approximately \$330 million could be achieved by combining the fieldhouse, stadium, and arena into one facility. These estimated cost savings appear to be based on the assumption that McMahon Stadium would be replaced rather than renovated and do not account for any modification or repurposing costs for McMahon Stadium.

Stakeholder Needs

In general, amateur sport and recreation stakeholders support the creation of additional sport play space in Calgary; however, feedback consistently cited the need for clarity around the operational and physical logistics of the proposed concept. Specifically, amateur sport and recreation stakeholders are interested in how any proposed models for governance, financing and operations could impact equitable and unhindered access to the public recreation assets. In addition, amateur sport and recreation stakeholders expressed that amenities at West Village should be consistent with plans for the Foothills Athletic Park and that any proposed model for operating a shared facility must accommodate the needs of amateur sport, including affordable access to prime time, convenient and cost-effective physical access, and multi-use recreation amenities. One stakeholder group, the Calgary Multisport Fieldhouse Society, specifically indicated that their issues could be addressed by CSEC and CalgaryNEXT.

Stadium Impacts on Fieldhouse Operations

The proposed stadium/fieldhouse at West Village cannot be reviewed on the same basis as the concept plan for Foothills Athletic Park fieldhouse. The difference is most evident in the physical relationship of the fieldhouse amenities and resulting use patterns. Further consideration could be given to compromises required to integrate an indoor professional football stadium with a public fieldhouse. Based on the 2015 McMahon Stadium usage report, the 2015 Stampeders event calendar, and estimates for prime time use, there will be consumption of prime time hours by the Canadian Football League. In addition, the CalgaryNEXT concept does not include complementary outdoor amenities that currently exist at Foothills Athletic Park, including an outdoor track, rectangular fields and tennis courts.

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Further detailed study is required to fully understand how integrating a public fieldhouse with a professional football stadium in West Village would impact recreational use. A thorough understanding of the compromises inherent in replacing plans for a fieldhouse with an integrated fieldhouse/indoor football stadium adjacent to an arena/event centre is required. This understanding could inform a strategy for mitigating the loss of public prime time access or specific challenges to physical accessibility. At a meeting on 2016 March 2, the CSEC indicated they are prepared to work with The City to mitigate challenges.

McMahon Stadium

The future of McMahon Stadium is also part of a complete evaluation. Based on planning documents and design explorations by the McMahon Stadium Society, the stadium has a current projected life span of 25 to 30 years should approximately \$2 million be invested in structural and mechanical systems. An investment of approximately \$37 million for improvements to the existing concourse would improve user experience and address the majority of current user convenience issues. Execution of all proposed amenity improvements would represent an investment in the range of \$69 million to \$89 million.

The stadium is also a popular site for amateur sport and recreation activities that need continued accommodation at the stadium or another facility. Relocating the Calgary Stampeders to a fieldhouse/stadium at West Village could render McMahon stadium economically unviable.

University of Calgary

The University of Calgary has responded that a fieldhouse located close to their main campus and Foothills campus is critical to serve faculty, students, staff, and clinics. Similar to other stakeholders, the University of Calgary expressed concerns related to balancing multiple user needs and booking priorities in a single stadium/fieldhouse. The University of Calgary stated that Dinos Football home games could potentially be played at the proposed West Village location. A comprehensive fieldhouse analysis is presented in Attachment 7.

Fieldhouse Summary

Consultant reports identified that the CalgaryNEXT concept is technically feasible if certain implications associated with relocating the fieldhouse to West Village are accepted. Primary among these are the implications associated with combining a public fieldhouse with the functional and operational requirements of an indoor professional football stadium.

This preliminary analysis identifies numerous challenges with the proposed CalgaryNEXT fieldhouse component. Additional work should be undertaken to better understand the implications of the proposed arrangement and to understand potential solutions.

4. Community Revitalization Levy (CRL)

A CRL analysis for demand and revenue projections was completed as part of this investigation. Included in the CRL boundary were the West Village ARP area, the Downtown

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West community, and a portion of the Sunalta community. In addition to the CRL boundary delineation, the following four key assumptions were considered, as they have a significant impact on projection outcomes:

- Timelines for remediation,
- Start of construction timing,
- Tax rates,
- Inflation.

Similar assumption categories were used for the East Village (i.e. Rivers District) CRL calculations. However, the CRL projections for East Village only envisioned a one to two year time lag prior to construction commencement, and West Village assumes a minimum six to eight year time lag, due to remediation efforts. This time lag increases the risk associated with material changes to the assumptions during that time. The East Village CRL calculations were also completed on a block by block basis but since the ultimate land configuration for West Village is undetermined, a block by block analysis is not possible and only a global demand estimate for all of West Village is provided.

Given the recent challenging economic environment which has impacted housing demand, conservative absorption rates and estimates were used for West Village and the surrounding study areas. Commercial demand is minimal due to the surplus of space available in Calgary (1,393,500 square metres or 15 million square feet). This represents approximately 14 years of annual absorption at historical rates.

Year 2020 was used as a baseline to calculate the CRL projections. Two scenarios were considered. The first assumes that no commercial anchor would be built to generate CRL revenue. The second scenario contemplates a commitment to build an additional 65,032 square metres or 700,000 square feet of commercial space, in the near term, to guarantee immediate, ongoing, and greater CRL revenue. The resulting CRL revenues range from \$345 million to \$435 million, as shown in the following table.

Base Year 2020		
Area	Without Commercial Anchor	With Commercial Anchor
	Amount (millions)	Amount (millions)
West Village	\$250	\$340
Downtown West	\$73	\$73
Sunalta	\$22	\$22
Cumulative CRL	\$345	\$435

It should be noted that these revenues can fluctuate depending on economic and market conditions. A CRL analysis is presented in Attachment 8.

Implementing a new CRL is an involved endeavor that can take up to two years. The process would include additional research, preparation of a detailed infrastructure plan, an application to Municipal Affairs, a public hearing and Council bylaw approval, and finally

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Lieutenant Governor in Council approval. Approval of a new CRL by the Province is not assured.

5. Impacted Organizations

Following the CalgaryNEXT announcement in August 2015, Calgary Economic Development (CED) convened a meeting with stakeholders to discuss the proposed concept with respect to Calgary's Economic Strategy. Since December 2015, Administration has worked with CED to understand the general interests and issues of several potentially impacted organizations. Based on Council direction, Administration met individually with Calgary Exhibition and Stampede Limited (CESL), Calgary TELUS Convention Centre, Saddledome Foundation, and Tourism Calgary to better understand their specific interests and positions.

Administration conducted interviews with each organization and then presented the primary contact person with the following feedback options: 1) Administration-prepared summary documentation, confirmed by the organization, 2) Organization-prepared letter, or 3) both an Administration summary and an Organization letter. Letters were submitted by: CED, CESL, Saddledome Foundation, and Tourism Calgary and are included in Attachment 9.

While Calgary TELUS Convention Centre did not submit a letter, it stated that CalgaryNEXT is positive because it is promoting discussions related to major facility needs in Calgary.

Project Analysis

The key findings of the foregoing investigations are collected in the following analysis framework. This structure highlights the details associated with individual elements and identifies impacts to The City, CSEC and Calgarians. The framework is designed to assist Council with the decision making process.

CSEC Proposal Analysis		
Element	Details	Implications
1. Facility components	<ul style="list-style-type: none">• Original design• Multi-use capacity• Common concourse area• LRT integration• 2,500 u/g parking stalls	<ul style="list-style-type: none">• Differentiates Calgary from other cities• Potential operational efficiencies (arena/stadium)
2. Infrastructure requirements	<ul style="list-style-type: none">• Utility upgrades required• Transportation upgrades required	<ul style="list-style-type: none">• All utilities impacted and extensive renewal required• Transportation design is feasible (preliminary review)• Mixed use development scenario would also require upgrades

WEST VILLAGE-CALGARYNEXT - PHASE ONE ANALYSIS

CSEC Proposal Analysis (continued)		
Element	Details	Implications
3. Funding	<ul style="list-style-type: none"> Facility costs: \$890M Total costs: \$1.8B (+/-) Additional City investment required for land, remediation, infrastructure, and financing Sources: <ul style="list-style-type: none"> CSEC \$200M Ticket surcharge/ user fee \$250M City \$1.3B (+/-) Governance and Operating model not received by City for review 	<ul style="list-style-type: none"> Large capital cost to City City to finance fieldhouse, CRL, infrastructure, remediation City fieldhouse investment (\$200M) regardless of location CSEC offering investment capital Responsibility and funding for remediation undetermined. Revenue entitlements undetermined Operational responsibilities undetermined.
4. City Financing capacity	<ul style="list-style-type: none"> Within Council debt limit Within Council servicing limit 	<ul style="list-style-type: none"> Will limit City's ability to pursue other large capital projects
5. Development timeline	<ul style="list-style-type: none"> 6-8 years to completion of remediation (expedited) 8-10 years to completion of remediation (measured) 	<ul style="list-style-type: none"> Lengthy remediation and completion timelines Limited City control over timelines

West Village Contamination Analysis		
Factor	Details	Implications
1. Extent and urgency	<ul style="list-style-type: none"> Contamination extent slightly further than previously known No immediate human health risk 	<ul style="list-style-type: none"> Larger proportion of redevelopment properties impacted Immediate remediation not required
2. Options and costs	<ul style="list-style-type: none"> Five approaches evaluated \$85-\$140 million 	<ul style="list-style-type: none"> Flexibility in addressing contamination Expedited approaches increase costs
3. Polluter pay potential	<ul style="list-style-type: none"> Currently being explored AEP involvement necessary 	<ul style="list-style-type: none"> Timeframe and outcome uncertainty Potentially lengthy timeframe

WEST VILLAGE-CALGARYNEXT - PHASE ONE ANALYSIS

West Village Contamination Analysis (continued)		
Factor	Details	Implications
4. Government funding potential	<ul style="list-style-type: none"> Limited environmental specific funds 	<ul style="list-style-type: none"> Funding uncertainty Timeframe uncertainty
5. Implementation timeline	<ul style="list-style-type: none"> 6-10 years to prepare site 	<ul style="list-style-type: none"> Lengthy remediation timeline Limited City control over timeline

Fieldhouse Analysis		
Factor	Details	Implications
1. Fieldhouse/arena compatibility and efficiencies	<ul style="list-style-type: none"> No comparable combined facilities in other cities Shared elements: lobbies, kitchen concession, parking, storage, loading, and administration 	<ul style="list-style-type: none"> Potential efficiencies and cost savings (capital & operating) Potential for scheduling conflicts related to parking, food service, and security Increased construction costs to provide independent access when arena/event used concurrently with fieldhouse recreation users
2. University of Calgary position	<ul style="list-style-type: none"> Location close to main campus and Foothills campus is critical Concerns with balancing multiple user needs and booking priorities Potential to play Dinos Football home games at West Village location 	<ul style="list-style-type: none"> A fieldhouse located at Foothills Athletic Park meets requirements
3. Community stakeholder feedback	<ul style="list-style-type: none"> Opportunities: partnerships, cross-training, increased multi-sport exposure, and transit proximity Concerns: parking, primetime availability, transit reliance, coinciding event congestion, and sport changeover timing Support of CMFS 	<ul style="list-style-type: none"> High level of support for additional play space Combined amenities generally supported Concern that pro sports and large events could marginalize amateur sport Potential for multiple site operations and equipment duplication

WEST VILLAGE-CALGARYNEXT - PHASE ONE ANALYSIS

Fieldhouse Analysis (continued)		
Factor	Details	Implications
4. McMahon Stadium requirements	<ul style="list-style-type: none"> • Good general construction condition • \$2M ensures structural and mechanical integrity for next 30 years • \$37M for concourse renovations (concession, washrooms) • \$69-\$89M for full modernization (main entrance, washrooms, store, corporate boxes, meeting rooms) 	<ul style="list-style-type: none"> • Stadium remains viable for CFL football and amateur sport use • If stadium not used for CFL football it may be economically unviable and amateur sport use must be accommodated elsewhere
5. Stadium/fieldhouse compatibility	<ul style="list-style-type: none"> • Football use requires 50% more volume than a fieldhouse and a floor area increase of 400-500k sq. ft. • Stampeder operations require +/- 50k sq. ft. above fieldhouse requirement • Different spectator view requirements and field dimensions for soccer, football, track & field, and other sports. • Stampeder and amateur sports require facility at same time 	<ul style="list-style-type: none"> • Increased construction costs to provide independent access to fieldhouse recreation users when arena/event centre is used concurrently • Increased construction costs to meet CFL requirements • Potential for scheduling conflicts • Potential increased operating costs due to use/space conversion

Community Revitalization Levy Analysis		
Factor	Details	Implications
1. Revenue potential	<ul style="list-style-type: none"> • \$345-\$435 million 	<ul style="list-style-type: none"> • Insufficient amount to fund facility, infrastructure, land, remediation, and financing
2. Market viability	<ul style="list-style-type: none"> • Limited commercial demand over the 20 year CRL time frame 	<ul style="list-style-type: none"> • Debt servicing uncertainty

WEST VILLAGE-CALGARYNEXT - PHASE ONE ANALYSIS

Impacted Organizations Analysis		
Factor	Details	Implications
1. Stakeholder position(s)	<ul style="list-style-type: none">• Supportive of new sport facilities in Calgary• Pleased that CalgaryNEXT generating discussion• Alternative sites and configurations suggested	<ul style="list-style-type: none">• Some support for arena/event centre at alternative locations• Some support for fieldhouse and/or stadium at Foothills Athletic Park• Some support for fieldhouse at West Village

Analysis Summary

Guiding Principle Assessment

Council directed that all work undertaken by Administration related to the CalgaryNEXT concept be consistent with the six guiding principles adopted for the project. This Phase One analysis is preliminary in nature and as a result, it is challenging to apply all the principles at this time.

Principle One

Public money must be used for public benefit.

A portion of the public investment would be for the public stadium/fieldhouse. As this investigation identifies, however, areas within the stadium/fieldhouse would not be publicly accessible to the public at all times. It also proposed that a significant portion of the CRL be used to fund the arena/events centre which would not provide direct benefit to the public. This raises questions and concerns regarding public access and investment.

Principle Two

There must be extensive stakeholder consultation, public engagement, and open and transparent communications with Calgarians regarding the CalgaryNEXT proposal.

The Council-identified impacted organizations as well fieldhouse stakeholders were consulted, and feedback was received from both groups. Citizens were provided with information on calgary.ca regarding the CalgaryNEXT concept, West Village environmental issues, and the Foothills Athletic Park Fieldhouse concept plan.

Principle Three

West Village must be designed and developed as a vibrant mixed-use neighbourhood.

It has not been determined if the CalgaryNEXT concept would lead to the development of a vibrant mixed-use neighbourhood in West Village. Council direction is for a comprehensive planning evaluation and analysis of the CalgaryNEXT concept to be potentially examined in Phase Two.

WEST VILLAGE-CALGARYNEXT - PHASE ONE ANALYSIS

Principle Four

Any new fieldhouse must meet the needs of all stakeholders including but not limited to, the University of Calgary, amateur sports groups, and the general public.

Integrating a stadium with a public fieldhouse requires compromises for stakeholders, such as the allocation of prime time hours. The design and operational requirements of an admission-based spectator stadium are not naturally aligned with those of a public fieldhouse. A complete operations impact analysis is needed to fully understand the implications of incorporating a public fieldhouse with an indoor professional football stadium as envisioned by CalgaryNEXT.

Principle Five

Any new arena-stadium/event facility located within or near Calgary's centre city, must complement the existing amenities of the centre city, and contribute to the centre city's long term vibrancy and appeal.

According to Council direction, the contribution CalgaryNEXT would make to the centre city's long term vibrancy and appeal is to be potentially examined in Phase Two.

Principle Six

The cost for remediating contamination of the West Village site should be the responsibility of the polluter(s), to the extent that such recovery is legally possible.

CMLC and Administration have initiated discussions with AEP, the regulator responsible for the Canada Creosote site, with respect to polluter responsibility for remediation costs. A legal and regulatory briefing is outlined in Attachment 6. This attachment is confidential and legally privileged, and is circulated under separate cover

Financial Assessment

The CSEC financing plan estimates that the CalgaryNEXT facility will cost \$890 million. This figure is the estimated cost of construction of the CalgaryNEXT facility only, and does not include the cost of required infrastructure, land, environmental remediation or financing. Including these components increases the total cost of the CalgaryNEXT concept to between \$1.753 billion and \$1.827 billion. It should be noted that infrastructure and environmental remediation costs of components unrelated to CalgaryNEXT but necessary to redevelop the remainder of West Village, have been included in the total. This inclusion is consistent with the guiding principle that the entire West Village be developed as a vibrant mixed-use neighbourhood. Complete uses and sources of funds for the CalgaryNEXT concept are outlined in the following table.

WEST VILLAGE-CALGARYNEXT - PHASE ONE ANALYSIS

Uses and Sources of Funds	Amount (millions)
Uses:	
Facility	\$890¹
Infrastructure, Land, Remediation, Financing	
Infrastructure	
Utilities	\$56
Transportation	\$166
Other West Village redevelopment	\$105
	\$327 ¹
Land - Current City properties & acquisitions	\$80
Remediation - Various approaches	\$85 – \$140 ²
Financing	
Interest expense - ticket surcharge/user fees	\$84
Interest expense ³ - fieldhouse, CRL, infrastructure, remediation	\$287 - \$306
	\$371 - \$390 ³
sub-total	\$863 - \$937
Total	<u>\$1,753 - \$1,827</u>
Sources:	
Facility	
CSEC contribution	\$200
City contribution (fieldhouse)	\$200
Ticket surcharge/user fees	\$250
CRL – CalgaryNEXT Facility	\$240*
sub-total	\$890
Infrastructure, Land, Remediation, Financing	
CRL - interest payments	\$105 - \$195*
Ticket surcharge/user fees – interest payments	\$84
Other City resources – interest payments	\$182 - \$111
	\$371 - \$390
Additional City contributions	\$492 – \$547
sub-total	\$863 - \$937
Total	<u>\$1,753 - \$1,827</u>
* Total projected CRL revenue of \$345 - \$435 million	

(1) Data provided by CSEC

(2) Cost estimates within a +/- 50% accuracy range

(3) Debt financed over 20 years at 3% (no allowance made for interest rate increases)

WEST VILLAGE-CALGARYNEXT - PHASE ONE ANALYSIS

The foregoing Uses and Sources of Funds assumes that debt financing will be used, along with CSEC's \$200 million contribution, to construct the CalgaryNEXT facility, related infrastructure, and separate West Village municipal infrastructure. The carrying cost (interest) on this debt is approximately \$371 - \$390 million over 20 years. In addition, further funding of \$492 to \$547 million will be required for infrastructure, land acquisition, and environmental remediation.

The total public cost for the CalgaryNEXT facility and accompanying West Village land servicing, remediation and other pre-development work, after deducting the proposed CSEC contribution (\$200 million) and ticket surcharge/user fee (\$250 million) is in the range of \$1.303 billion to \$1.377 billion. This public investment is lowered to \$1.219 billion to \$1.293 billion if it is assumed that CSEC finances the ticket surcharge/user fee. These costs are summarized in the tables below.

City Costs (if ticket surcharge financed by City)	Amount (millions)
Total funds required	<u>\$1,753 - \$1,827</u>
Less:	
CSEC contribution	\$200
Ticket surcharge/user fees	\$250
City contribution (ticket surcharge financed by CSEC)	<u>\$1,303 - \$1,377</u>

City Costs (if ticket surcharge financed by CSEC)	Amount (millions)
Total funds required	<u>\$1,753 - \$1,827</u>
Less:	
CSEC contribution	\$200
Ticket surcharge/user fees	\$250
Interest for ticket surcharge/user fees	<u>\$84</u>
City contribution (ticket surcharge financed by CSEC)	<u>\$1,219 - \$1,293</u>

With projected CRL revenue of \$345 million to \$435 million, there is insufficient CRL revenue to fund the entire development costs. These costs would have to be met through City reserves, taxes or other contributions.

Concluding Assessment

The Phase One analysis identified concerns in each of the five primary consideration areas Administration was directed to investigate.

Complete facility and infrastructure costs exceed The City's ability to fund the development. Remediation costs are projected to be \$85 million to \$140 million and this is a +/- 50% estimation which creates a significant level of uncertainty. Estimated remediation timeframes are lengthy at 6-10 years and there is currently additional uncertainty created by regulatory requirements. It has not been confirmed if such timelines meet the needs of CSEC. While the

WEST VILLAGE-CALGARYNEXT - PHASE ONE ANALYSIS

fieldhouse could be technically feasible in either West Village or Foothills Athletic Park locations, there are fewer unknowns and generally greater support amongst stakeholders for the Foothills location. Due to the current economic downturn and fluctuating real estate markets there are uncertainties and risks associated with CRL revenue projections. Feedback received from impacted organizations is either neutral or unsupportive of the West Village location and/or the incorporated fieldhouse concept.

In summary, the CalgaryNEXT concept is not feasible in its present form or location and alternative development concepts, locations, and financial models should be investigated.

Proposed Work / Next Steps

The Impacted Organization analysis identified Stampede Park and surrounding area as a potential location for a new arena/event centre, due to the existing infrastructure and planned investment in the area, including the future Green Line LRT. It is recommended that Administration work with CSEC and CESL to investigate the potential for a new arena/event centre on or near Stampede Park. This work would consider potential funding and operating models, functional design, urban planning, transportation, parking, utilities, and environmental matters. It is recommended that Administration investigate potential upgrades to McMahon Stadium, as well as reconfirm Foothills Athletic Park as the preferred location for The City of Calgary fieldhouse project. Administration and CMLC should also continue to work with Alberta Environment on addressing the contamination issues associated with the West Village Canada Creosote site and surrounding areas. An update report on these matters should be presented to Council no later than 2016 October 30.

Stakeholder Engagement, Research and Communication

Based on Council direction, thorough communications and stakeholder engagement strategies were developed and implemented to support Phase One of the CalgaryNEXT analysis.

The communications strategy focused on laying the foundations for a transparent, integrated, proactive and robust communication program that would support and be integrated with the entire decision making process. This preliminary work involved confirming impacted audiences and stakeholders, identifying communications risks, confirming a cross-departmental communications workgroup and outlining specific tactics for each audience to help meet the communication goals for this phase. Citizens were provided with preliminary information on calgary.ca regarding the CalgaryNEXT concept, environmental issues associated with West Village and engagement work and activities undertaken to date with respect to the existing concept plan for Foothills Athletic Park Fieldhouse. In Phase One, internal communications were facilitated through information updates to internal stakeholders and Council, and through bi-weekly core project team meetings and regular communications workgroup meetings.

In addition to ongoing consultation with CSEC, the stakeholder engagement strategy for Phase One commenced preliminary consultations with those organizations identified by Council as being critical to an initial review of the CalgaryNEXT concept. From the perspective of the proposed fieldhouse concept, interviews were conducted with organizations considered to be directly impacted by the CalgaryNEXT concept, or who represent broad stakeholder interests.

WEST VILLAGE–CALGARYNEXT - PHASE ONE ANALYSIS

Other sports and recreation stakeholders received and responded to a questionnaire. As requested by Council, Administration also held initial meetings with CED, Tourism Calgary, Saddledome Foundation, Calgary TELUS Convention Centre, and CESL in late 2015 and early 2016. Further consultation and exchanges of information followed, culminating in the Impacted Organizations Report (Attachment 9) and submission of letters from four of the five organizations providing their perspectives regarding the CalgaryNEXT concept.

It is anticipated that broader communications activities and more comprehensive consultation with the public would occur in a future phase of the project, subject to and in alignment with direction(s) provided by Council.

Strategic Alignment

The recommendations in this report will ensure that ongoing decisions related to the CalgaryNEXT concept are aligned to The City's Municipal Development Plan (2009), West Village ARP (2010), Action Plan 2015-2018, and Centre City Plan (2007).

Social, Environmental, Economic (External)

Extensive social, environmental and external economic implications are identified, in detail, throughout this report.

Financial Capacity

Current and Future Operating Budget:

The majority of the work related to this Phase One analysis has been completed with existing resources. City Administration has spent approximately 3,200 hours on the individual components of the CalgaryNEXT concept analysis which, with legal, communications and program management represents a salary and wage expenditure of approximately \$270,000. In addition, Administration awarded two consulting contracts for research related to the fieldhouse analysis, in the combined amount of \$68,040. CMLC has spent approximately 525 hours on West Village analysis which represents a salary and wage expenditure of approximately \$51,612. In addition, CMLC awarded consulting contracts for research related to West Village analysis, in the combined amount of \$1,815,038. Much of this consulting included foundational studies that can be applied to future work.

Current and Future Capital Budget:

A new arena/event centre and stadium/fieldhouse concept is exploratory at this stage. While the total proposed cost to The City for such a facility and infrastructure has been identified in the range of \$1.219 billion to \$1.377 billion, the figure is for investigation and discussion purposes only.

Risk Assessment:

Administration has reviewed risks raised by the foregoing Phase One analysis, in the context of The City Integrated Risk Management system. Several key risks have been identified in the

WEST VILLAGE-CALGARYNEXT - PHASE ONE ANALYSIS

following areas: financial, market/timing, environmental, regulatory/legal and operations. Due to the complex and interconnected nature of the analysis, many of these risks are interrelated and should be considered comprehensively.

It has been determined that there would be insufficient CRL revenues to entirely fund the development costs. Funding shortfalls would have to be met through City reserves, taxes or other contributions. The proposed funding plan includes a ticket surcharge/user fee portion that may be debt financed by The City, which also presents fiscal uncertainties. The cost of the entire project, including the facility, related infrastructure, and separate West Village municipal infrastructure, is significant and would necessitate the reprioritization and potential postponement of other high-priority infrastructure projects.

The environmental review determined the extent of contamination and the cost and timing of potential remediation options. However, it concluded that further studies should be continued to increase understanding of the contamination. Additionally, the remediation cost estimates need to be refined because they are within a +/- 50% accuracy range.

The City's legal liability protection as described in the legal and regulatory analysis set out in the Legal and Regulatory Report – Attachment 6, is not absolute. Pursuing the development of the CalgaryNEXT concept or other West Village redevelopment will likely require the consideration and negotiation of reallocations and assumptions of more or less environmental risk associated with the remediation of the Calgary Creosote Site and other sites in West Village involving persons responsible for contamination, developers, lenders, current and future owners, The City, and Alberta Environment amongst others. Ultimately, the implementation of a remedial option acceptable to Alberta Environment will significantly mitigate future environmental risks and the costs of implementing such a remedial option should be wholly or partially offset by the benefits of redevelopment.

There are market and timing risks associated with the CRL. Under current legislation, CRL revenue can only be invested in the area for a period of 20 years. If there is limited redevelopment within that timeframe, or if development occurs late in the 20 year period, insufficient CRL revenue would be generated to pay for the CalgaryNEXT facility, infrastructure and service debt. Given current real estate market projections, such a scenario is a possibility. There are operational risks related to the CalgaryNEXT concept as governance and operating plans have not been provided at this stage for either the arena/event centre or the fieldhouse/stadium.

While several risks have been identified, there may be a variety of ways to potentially mitigate these risks. Given the Council direction and timeframe for the Phase One analysis, risk mitigation strategies have not been fully reviewed.

REASONS FOR RECOMMENDATIONS:

There is stakeholder support for both a new arena/event centre and the development of Calgary's first fieldhouse. The Saddledome and McMahon Stadium are older facilities relative to other sport venues across North America, and a fieldhouse has been identified as a high priority project for several years.

WEST VILLAGE-CALGARYNEXT - PHASE ONE ANALYSIS

REASONS FOR RECOMMENDATIONS: (continued)

The CalgaryNEXT concept is not financially feasible solely relying on CRL funds. Other potential CRL related concerns include real estate market fluctuations and government approval uncertainties. There is also cost uncertainty associated with the required remediation.

From an environmental perspective, the West Village is not an ideal location, due to remedial option considerations, the potential time frame associated with regulatory approvals, and the undefined timelines and uncertain outcomes should recovery from the polluter be pursued.

It's been established that the CalgaryNEXT concept fieldhouse is technically feasible but outstanding questions remain in terms of scheduling and functioning. It has been confirmed that there would be few operational concerns with a fieldhouse located at the Foothills Athletic Park.

Finally, the impacted organizations consulted are generally supportive of new sport and entertainment facilities. Thoughtful feedback has been received, generally expressing that West Village may not be the most suitable location and suggesting that an arena/event centre should be located on or near Stampede Park.

ATTACHMENTS

1. CSEC Proposal Submission
2. CalgaryNEXT Analysis Framework (M2015-0856)
3. Decision Making Process
4. CSEC Proposal Review
5. Environmental Background Report
6. Legal and Regulatory Report (to be circulated under separate cover)
7. Fieldhouse Investigation
8. Community Revitalization Levy Background Report
9. Impacted Organizations Report



CALGARY SPORTS AND ENTERTAINMENT CORPORATION

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555 Saddledome Rise SE | Calgary, AB, Canada | T2G 2W1

September 2, 2015

Mr. Jeff Fielding
City Manager
The City of Calgary
P.O. Box 2100, Stn M (#8003)
800 Macleod Trail SE
Calgary, AB
T2P 2M5

Dear Mr. Fielding:

RE: CalgaryNEXT Proposal

Thank you for your continued input and guidance relative to our above noted proposal. I represent the ownership group of Calgary Sports and Entertainment Corporation (CSEC) and the owners of the Calgary Stampeders (2012) Limited Partnership (CSLP).

Over an extended period we have had informal discussions with Mayor Nenshi on the concept for a new multi-use facility. The vision, once limited to the creation of a new event centre to replace the Scotiabank Saddledome, has evolved to become a fully integrated facility that includes an event centre, public field house and a football stadium within the field house. We listened carefully to suggestions on how we might better create a project and environment conducive to the successful execution of the project.

West Village was chosen as the best candidate to locate the facility for a number of reasons including, but not limited to, the splendid opportunity to stimulate the examination and ultimate clean up of a decades long environmental contamination caused by a former creosote treatment plant. We can also begin the process to develop the balance of West Village to its greatest potential.

In the preceding months we shared our vision, on a confidential basis, with the Mayor and members of Calgary City Council as well as other potential stakeholders. The proposal included a funding model as well as preliminary conceptual drawings of the proposed project and our "vision" for an important City of Calgary opportunity. A number of issues were identified but, as we all know, all ambitious city building concepts face challenges.

Feedback from the confidential sessions, while not without issues, was encouraging and we were urged to share our vision and begin public discourse.

On Tuesday, August 18th, 2015 we shared our vision with the public at large through information sessions and a media briefing that included Deputy Mayor Diane Colley-Urquhart and Councillor Evan Woolley. Several members of Council were also in attendance for the public briefings. The response from the inaugural and subsequent information sessions has been very positive notwithstanding the myriad of questions anticipated and arising from the concept.



Mayor Nenshi provided an immediate response to our public conversations and reiterated the challenges facing such a project. He also indicated he was "intrigued" by the proposal.

We remain encouraged by both the public and political response and wish to move to a more formal discussion on the proposal. It is my understanding that the next step may require Council to provide direction to City Administration to begin formal work on the file.

We are anxious and willing to work closely with whomever we are directed. To begin I would ask for guidance in terms of what you or Council may require to commence our dialogue and formal discussions.

Thank you for your assistance to date and we look forward to working closely with you on the project.

Sincerely,



Ken M. King
President and CEO
Calgary Sports and Entertainment Corporation

cc: Mayor Naheed Nenshi
Chima Nkemdirim
N. Murray Edwards, Chairman, CSEC ✓

CALGARYNEXT ANALYSIS FRAMEWORK

EXECUTIVE SUMMARY

This report provides background information, outlines issues, and proposes both guiding principles and a framework for The City of Calgary Administration to support Calgary City Council in determining next steps related to the CalgaryNEXT arena-stadium/fieldhouse project. This Project was proposed by the Calgary Sports and Entertainment Corporation, the organization which owns the Calgary Flames, the Calgary Stampede, the Calgary Roughnecks, and the Calgary Hitmen, on 2015 August 18.

MAYOR'S OFFICE RECOMMENDATIONS

That Council:

1. adopt the guiding principles identified in this report under the heading "Investigation: Alternatives and Analysis - Guiding Principles";
2. direct Administration to proceed with Phase 1 of the work identified in this report under the heading "Investigation: Alternatives and Analysis - Workplan - Phase 1";
3. direct Administration to enter into an agreement with the Calgary Municipal Land Corporation to undertake the work that is to be performed by Calgary Municipal Land Corporation as specified in this report; and
4. direct Administration to provide Council with the results of the Phase 1 work and recommendations arising from the report no later than 2016 April 30.

PREVIOUS COUNCIL DIRECTION / POLICY

There is no previous City of Calgary ("**The City**") Council ("**Council**") direction on the CalgaryNEXT arena-stadium/fieldhouse project. However, there is previous Council direction on the Foothills Athletic Park Fieldhouse ("**Foothills Fieldhouse**") and the development of the West Village area ("**West Village**").

West Village

On 2010 July 19, Council approved the West Village Area Redevelopment Plan ("**West Village ARP**"), which provides long range planning, policy, and land use direction for West Village as adopted through Bylaw 17P2010.

On 2012 April 23, Council approved NM2012-22 Notice of Motion requesting the Calgary Municipal Land Corporation ("**CMLC**") to examine opportunities for next steps in the business plan including but not limited to West Village. This report was presented to the shareholder in October 2012.

On 2014 March 24, Council, in its capacity as sole shareholder of CMLC, passed a resolution directing CMLC to undertake due diligence on two long term strategic development opportunities, including West Village.

CALGARYNEXT ANALYSIS FRAMEWORK

At the 2015 February 11 CMLC shareholder meeting, the shareholder passed a resolution that directed CMLC to undertake work to support the redevelopment of the West Village, including but not limited to environmental and legal investigations related to the potential future redevelopment of the site. Resources to undertake this work were included in the CMLC budget approved by Council.

Foothills Fieldhouse

On 2010 July 19, Council approved in principle CPS2010-47 Foothills and Glenmore Athletic Park Concept Plan; and directed The City of Calgary Administration ("**Administration**"), subject to available financing, to proceed in the planning process for Foothills and Glenmore Athletic Parks and report back to SPC on Community and Protective Services no later than 2011 October.

On 2010 July 19, Council adopted Alderman Pincott's Motion Arising with respect to CPS2010-47, directing Administration to complete additional research required; and further that \$500,000 be transferred from the Reserve for Future Capital to Recreation Program 507 to fund this work. On 2011 November 7, Council approved CPS2011-51 Foothills and Glenmore Athletic Parks – Deferral Request; and directed Administration to bring forward the Foothills and Glenmore Athletic Park report no later than 2012 March.

On 2012 March 19, Council approved CPS2012-10 Foothills and Glenmore Athletic Parks Update – Deferral Request; and directed Administration to bring forward the Foothills and Glenmore Athletic Park report no later than 2012 November.

On 2012 November 19, Council approved CPS2012-0771 Foothills and Glenmore Athletic Parks Update – Deferral Request; and directed Administration to bring forward a revised site plan for the Foothills Fieldhouse and Athletic Park along with the associated phasing implications for Glenmore Athletic Park no later than 2013 May.

On 2013 April 22, Council approved CPS2013-0351 Foothills Fieldhouse – Progress Update; and approved in principle, the revised location for the Foothills Fieldhouse and received for information the potential funding options for supporting the development of a Fieldhouse.

BACKGROUND

CalgaryNEXT is a proposed arena-stadium/fieldhouse complex which would include a 20,000 seat arena/event centre for hockey games and concerts as well as a multi-purpose fieldhouse stadium that would include a International Federation of Association Football ("**FIFA**") sized soccer field, a 400-metre indoor running track, and a Canadian Football League ("**CFL**") football field with seating for 30,000+ ("**CalgaryNEXT**" or "**the Project**"). The Project was proposed to the public by Calgary Sports and Entertainment Corporation ("**CSEC**") on 18 August 2015. The City Manager requested a written proposal from CSEC and a letter was received on 2 September 2015 (see attachment 2).

The proposed location for the Project is adjacent to the Bow River north of the community of Sunalta in West Village. The Project would replace the Scotiabank Saddledome located on the Calgary Stampede grounds which was built in 1983 and the McMahon Stadium which was built in 1960.

CALGARYNEXT ANALYSIS FRAMEWORK

CSEC estimates that CalgaryNEXT will cost \$890 million for the building, excluding the cost of the land. The majority of the land on which the Project would be located is owned by The City. CSEC's proposed funding formula for CalgaryNEXT would require a \$690 million financial commitment from The City and a \$200 million financial commitment from the CSEC assuming that The City provides the financing for the ticket tax. The City component would consist of a \$240 million community revitalization levy ("CRL"), a \$250 million loan to be repaid by a ticket tax, and \$200 million from The City's capital budget.

The funding formula does not include the cost of the land or the cost of remediating the contaminated land in West Village, infrastructure for the Project and redeveloped neighbourhood or any required improvements to the adjacent road, transit and river pathway network, nor the terms and conditions under which CSEC would use the Project. The City has not allocated any funds that could be applied to this project in its 2015-2018 capital budget.

Before The City initiates public consultation, Council and Administration need to understand whether the Project is feasible. This requires further examination of the environmental contamination on the proposed site, the operational requirements of the fieldhouse, and the revenue potential of the CRL. This report sets the stage for the first phase of work which would address land contamination and The City's operational needs for the fieldhouse. It is important to note that The City has not received an application for CSEC for CalgaryNEXT, and it will be necessary for Council to determine how much work should occur without receiving an application and associated fees.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

To guide Administration in supporting Council in responding to the CalgaryNEXT proposal, this report proposes the following: (1) guiding principles for all work pertaining to CalgaryNEXT and; (2) a workplan for Administration to analyze the CalgaryNEXT proposal in order to support Council's decision making process.

Guiding Principles

To ensure that all decisions and work related to CalgaryNEXT are undertaken in the best interest of Calgarians, the Mayor's Office recommends the following guiding principles be adopted for all work related to CalgaryNEXT:

1. Public money must be used for public benefit;
2. There must be extensive stakeholder consultation, public engagement, and open and transparent communications with Calgarians regarding the CalgaryNEXT proposal;
3. West Village must be designed and developed as a vibrant mixed-use neighbourhood;
4. Any new fieldhouse must meet the needs of key stakeholders including but not limited to, the University of Calgary, amateur sports groups, and the general public;
5. Any new arena-stadium/event facility located within or near Calgary's centre city, must compliment the existing amenities of the centre city, and contribute to the centre city's long term vibrancy and appeal; and
6. The cost for remediating contamination of the West Village site should be the responsibility of the polluter(s), to the extent that such recovery is legally possible.

CALGARYNEXT ANALYSIS FRAMEWORK

Aligning all City directed work related to the CalgaryNEXT proposal to these principles will ensure a transparent process and the best possible outcome for Calgarians.

Workplan

The CalgaryNEXT proposal raises a number of questions and issues that will have to be addressed. Given that detailed analysis and public engagement on all of these issues at once would require the allocation of significant resources, including personnel and operating budget, the Mayor's Office is recommending a multi-phase process. At the end of the first phase, Administration would report back to Council with the results of its analysis and recommendations. Council would then decide if it wants to proceed with or modify the next phase of work. This approach would ensure that The City's resources are used effectively and would provide Council with multiple off-ramps throughout the process.

The Mayor's Office has identified five primary considerations which should be addressed in the first phase of analysis ("**Phase 1**"). These are primary considerations which could ultimately determine the feasibility of the proposal early in the process. Based on the decisions made by Council with the information received during this first phase, Administration could then be directed to proceed with the next phase of work. However, if Council determines that the CalgaryNEXT project is not feasible as proposed, Council could pursue other options, which could include directing Administration to develop alternatives or requesting CSEC to submit an alternative proposal.

Phase 1

1. **Understanding the CSEC Proposal:** The Mayor's Office proposes that Administration would meet with the CSEC CalgaryNEXT project team to better understand the proposal and gather any additional information and materials required to undertake the work outlined in this report. Administration would request copies of the research and analysis undertaken by CSEC with respect to CalgaryNEXT, including but not limited to feasibility studies, preliminary designs, business plans, and financial information. In addition, these materials will be reviewed and used to inform the Phase 1 analysis and further refine the work in subsequent phases of the evaluation of the proposal.
2. **West Village Contamination:** The proposed project location in West Village has a long history of commercial and industrial uses that were or are potentially sources of contamination. The most significant contamination source for the area is the former Canada Creosote business site. The CSEC proposed funding scheme does not address the costs of site remediation or risk management, and only suggests that a previous landowner be held responsible for these costs.

The current environmental and legal analysis that is being undertaken by CMLC related to West Village shall be expanded to include:

- (a) A comprehensive investigation and assessment of the extent of the environmental contamination and whether there is any urgency with respect to remediating the contamination;

CALGARYNEXT ANALYSIS FRAMEWORK

- (b) A comprehensive assessment of the remediation, risk management, and/or mitigation options available to The City in order to develop the West Village into a vibrant mixed-use neighbourhood and the estimated cost of implementing such options;
 - (c) A regulatory and legal analysis with respect to The City's ability to require the polluter to pay for the cost of the remediation, risk management, and/or mitigation;
 - (d) An identification and assessment of funding options from the federal and provincial governments and related agencies; and,
 - (e) An estimated timetable for implementing the identified remediation, risk management, and/or mitigation options.
3. **Fieldhouse:** The City has unfunded plans for a multi-purpose fieldhouse to be built at Foothills Athletic Park, near McMahon Stadium. The development of this public facility requires an investment of \$202 million, based on \$94 million for the fieldhouse building (including a 400m indoor track and FIFA sized field) and \$108 million for the associated support/sport spaces, site clearing, site redevelopment, parking and project soft costs. There has been extensive stakeholder consultation regarding the Foothills Fieldhouse and significant discussions with the University of Calgary to be a partner in this project. Central to The City's vision for the fieldhouse is public accessibility and usability, supporting the amateur sporting community, and partnering with the University of Calgary. The Foothills Fieldhouse did not contemplate the use of the fieldhouse as a CFL football stadium, and excludes the cost of remediation and infrastructure that would be required to support the Project.

The CalgaryNEXT project proposes to re-locate the fieldhouse and integrate it within this development and design so it can be used as an indoor football stadium for the Calgary Stampeders. CSEC believes that there will be construction savings of approximately \$330 million by combining the fieldhouse, the stadium, and the arena into one facility. The estimated cost savings appear to be based on the assumption that McMahon Stadium would be replaced rather than renovated.

The Mayor's Office proposes that Administration prepare an analysis with respect to the fieldhouse to support Council in determining if it wishes to change its decision regarding the fieldhouse location. The analysis would include:

- (a) A preliminary analysis of the feasibility of a multi fieldhouse/arena facility including the implications of incorporating these facilities within one building;
- (b) Consulting with the University of Calgary with respect to the features they require in a fieldhouse so that the facility would serve the University effectively and also satisfy the needs of its students and stakeholders. In particular, the consultation should include a discussion with respect to the implications of locating the fieldhouse in the West Village instead of the Foothills Athletic Park;

CALGARYNEXT ANALYSIS FRAMEWORK

- (c) Consulting with the community stakeholders of the fieldhouse, including the Calgary Multisport Fieldhouse Society, Sport Calgary, the amateur athlete community and the general public with respect to the features that they require in a fieldhouse so that the facility can satisfy the needs of the stakeholders. In particular, the consultation should include a discussion with respect to the implications of locating the fieldhouse in the West Village instead of the Foothills Athletic Park;
 - (d) Consulting with the McMahon Stadium Society to understand what renovations are required to the stadium to improve the customer experience and the estimated cost of such renovations;
 - (e) A preliminary analysis of the feasibility of incorporating a CFL stadium into a fieldhouse, the operational and space requirements of the Calgary Stampeders, and the impact a CFL team would have on the operations of the fieldhouse with respect to the other stakeholders; and
 - (f) Consulting with the University of Calgary with respect to the implications of the Calgary Stampeders relocating to CalgaryNEXT and their short-term and long-term plans for the McMahon Stadium land and the implication of those plans to The City.
4. **Community Revitalization Levy:** The Mayor's Office proposes that CMLC conduct an analysis of the revenue potential for the CRL. This analysis should include a comparison of the potential revenue that could be generated if the West Village is developed: (i) without CalgaryNEXT; (ii) with CalgaryNEXT as proposed; and (iii) with CalgaryNEXT located in a different portion of the site.
5. **Other Impacted Organizations:** Calgary Economic Development ("CED") has already met with some of the stakeholders with respect to CalgaryNEXT and Calgary's economic strategy. Administration would work collaboratively with CED to understand the issues and concerns from impacted organizations such as the Calgary Stampede, the Calgary Convention Centre, the Saddledome Foundation, Tourism Calgary, and other relevant stakeholders.

The Mayor's Office proposes that Administration address these five primary considerations and provide a report to Council with recommendations and information required for Council to decide on whether to proceed to a potential Phase 2.

It is anticipated a Phase 1 report be provided to Council by 2016 April 30.

Phase 2

At the end of Phase 1, Council would determine whether the Project is feasible. If the Project is not feasible, as proposed, Council could direct Administration to develop alternatives or request CSEC to submit an alternative proposal.

CALGARYNEXT ANALYSIS FRAMEWORK

Alternatively, if Council concludes that the Project could be feasible, Council could direct Administration to proceed with Phase 2 which would potentially include a detailed analysis of CalgaryNEXT on the future of West Village and downtown Calgary. It is expected that Phase 2 would respond to Phase 1 findings, and that the issues outlined below would be revisited, based on the outcomes of Phase 1 and subsequent Council direction. Phase 2 may include analysis related to the following:

1. **Future of West Village:** The proposed CalgaryNEXT project would have a significant impact on West Village. Council approved the West Village ARP in 2010, which plans and directs future development in the West Village area. The West Village ARP provides a clear policy framework supporting a mixed-use, dense, Transit Oriented Development ("TOD") residential neighbourhood and does not consider a large scale sporting facility within this plan. CalgaryNEXT would have a significant impact on the future character of the West Village area. Advancing development at the proposed CalgaryNEXT site would also have impacts on other redevelopment areas including Westbrook and East Village.

The Mayor's Office proposes that Administration collaborate with CMLC to prepare a report to Council with information on the impacts of the CalgaryNEXT proposal on West Village, including impacts on existing and proposed land use, impacts on existing and requirements for additional infrastructure, potential opportunities and/or challenges, compatibility of the proposal with other potential forms of development in the area, impacts on surrounding communities and the development of other TOD projects and redevelopment areas, and an assessment of the opportunities and challenges of the proposed CalgaryNEXT in spurring suitable development in the area.

2. **Future of Calgary's centre city:** The proposed CalgaryNEXT project would have a significant impact on downtown Calgary. Council approved the Centre City Plan in 2007 which set a strategic long term vision for the Calgary's centre city. Though the CalgaryNEXT site is adjacent to 14 Street SW (the boundary of the Centre City Plan), it would none the less have a significant impact on downtown Calgary and its existing amenities and destinations (including Stampede Park).

The Mayor's Office proposes that Administration report to Council with information on the impacts of the CalgaryNEXT proposal on downtown Calgary, including impacts on transportation, cycling, and pedestrian infrastructure, local economy, Business Revitalization Zones, existing destinations, and compatibility with the long term vision in the Centre City Plan.

It is expected that Phase 2 would include robust public consultation related to the future of West Village as well as high level master planning analysis of both the West Village area and downtown Calgary.

Understanding the impacts of CalgaryNEXT on the future of West Village, downtown Calgary, and the surrounding area is proposed to be undertaken in the second phase of analysis given the comprehensive engagement and level of work required. Following an information report on Phase 2, it is anticipated Council would provide direction for Administration to move forward with additional work to support further decision making or reject the CalgaryNEXT proposal in its current form.

CALGARYNEXT ANALYSIS FRAMEWORK

Subsequent Phases

Further analysis will be necessary if Council, upon receiving information reports from Phase 1 and 2, decides to move forward with further exploration of the CalgaryNEXT proposal. Administration would be directed to develop the next phases of the work and present a workplan for Council approval. The work in subsequent phases of the analysis would address the remaining issues arising from the CalgaryNEXT proposal which may include issues such as:

1. Infrastructure and mobility considerations of the proposed project (transportation upgrades, parking and accessibility, utilities and services, LRT station and system capacity, flood mitigation);
2. Future land and facility ownership, leasing and operating and revenue allocation scenarios;
3. Review of other potential arena locations (including the Stampede Grounds);
4. Any potential bids for major international sporting events;
5. The future of the Calgary Saddledome;
6. The future of McMahon Stadium;
7. The impacts of the proposed development on the Foothills Athletic Park;
8. The impacts of the proposed development on the Calgary Stampede;
9. The impacts of the proposed development on Calgary Convention Centre;
10. The future of the Greyhound Bus operations in Calgary;
11. The future of the existing leases in the West Village;
12. Operating and capital budgetary considerations;
13. Case studies from similar developments in other North American cities;
14. Project phasing.

Stakeholder Engagement, Research and Communication

In coordination with all phases of this work, Administration would develop a thorough communication and stakeholder engagement strategy to ensure clear and consistent communication and consultation regarding the CalgaryNEXT proposal. It is essential that Calgarians are informed and engaged in this discussion.

Communications Strategy: Administration would develop a transparent, integrated, proactive, and robust communications strategy that would be integrated through the entire decision making process to ensure all Calgarians understand what is happening and at what points they will be engaged regarding the CalgaryNEXT proposal. This communication strategy could also include potential risks, risk management tactics, and key messages to ensure the proposal conversation remains positive and productive. It may be necessary to develop targeted communications approaches and tactics for specific purposes (i.e. communicating with the surrounding neighbourhoods, the sporting community etc.). Administration will also work with CSEC, CED, and CMLC where and when possible, to ensure alignment in messaging and communications.

Stakeholder Engagement: Administration would develop a comprehensive stakeholder engagement strategy which would ensure that various stakeholders have meaningful input into the CalgaryNEXT proposal at appropriate times. While some targeted stakeholder consultation would occur in Phase 1, it is anticipated that broader and more comprehensive consultation with the public would occur in Phase 2 and subsequent phases.

CALGARYNEXT ANALYSIS FRAMEWORK

Strategic Alignment

The recommendations set forth in this report will ensure that decisions related to the CalgaryNEXT proposal are aligned to The City's Municipal Development Plan (2009), West Village Area Redevelopment Plan (2010), Action Plan 2015-2018 and Centre City Plan (2007).

Social, Environmental, Economic (External)

Social

Social implications of the CalgaryNEXT proposal would be considered through all phases of collection and analysis of information. These implications would be highlighted to Council once Administration returns with an update.

Environmental

Environmental implications of the CalgaryNEXT proposal would be considered through all phases of collection and analysis of related information. These implications would be highlighted to Council once Administration returns with an update.

Economic (External)

Economic implications of the CalgaryNEXT proposal would be considered through all phases of collection and analysis of related information. These implications would be highlighted to Council once Administration returns with an update.

Financial Capacity

Current and Future Operating Budget:

There are no implications on the current City operating budget. Phase 1 environmental related work needs to be undertaken to prepare the West Village lands for development regardless of which form it takes. It is anticipated that work related to fieldhouse analysis and the future of West Village could be undertaken with existing resources. If a Council decision is made to advance discussions to Phase 2, there may be implications on the current operating budget to undertake additional work. It is anticipated that Administration would return to Council with details on these implications. It is also anticipated that CSEC would be called on to contribute to this work when and where appropriate.

A constructed CalgaryNEXT would have impacts on future City operating budgets. This would be addressed during Phase 3 and subsequent Phases of a decision making process.

Current and Future Capital Budget:

The proposed funding formula requires \$690 million in public funding, excluding the cost of the land, remediation of the environmental contamination and the infrastructure required to make the West Village a complete community and any required improvements to the adjacent transportation network.

CALGARYNEXT ANALYSIS FRAMEWORK

Risk Assessment:

This report sets a framework for effective risk identification and management pertaining to CalgaryNEXT and will support City Council in making informed decisions regarding the Project and associated risks.

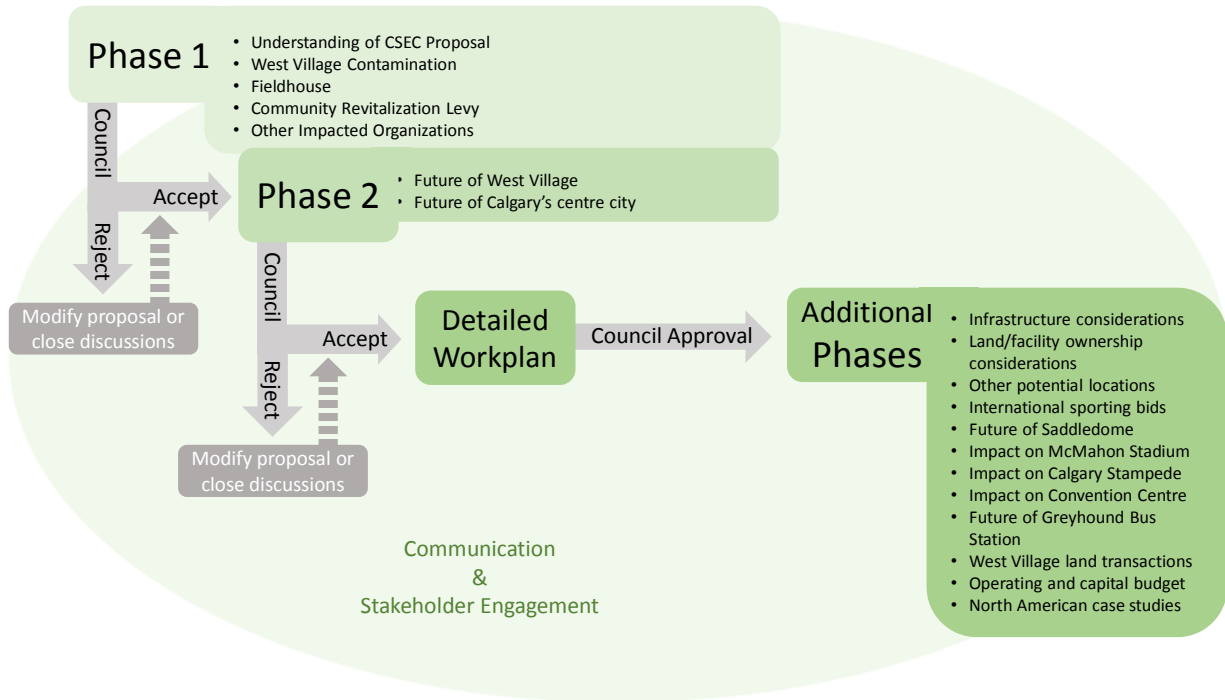
REASONS FOR RECOMENDATIONS:

Council direction to undertake the work indicated in this report would position Administration to move forward with work related to the CalgaryNEXT proposal in a coordinated and efficient way.

ATTACHMENTS

1. Decision Making Flowchart
2. CSEC Letter

CALGARYNEXT ANALYSIS FRAMEWORK - DECISION MAKING FLOWCHART





CALGARY SPORTS AND ENTERTAINMENT CORPORATION

P.O. Box 1540, Station M | Calgary, AB, Canada | T2P 3B9 | t: 403.777.2177 | f: 403.777.2171

555 Saddledome Rise SE | Calgary, AB, Canada | T2G 2W1

September 2, 2015

Mr. Jeff Fielding
City Manager
The City of Calgary
P.O. Box 2100, Stn M (#8003)
800 Macleod Trail SE
Calgary, AB
T2P 2M5

Dear Mr. Fielding:

RE: CalgaryNEXT Proposal

Thank you for your continued input and guidance relative to our above noted proposal. I represent the ownership group of Calgary Sports and Entertainment Corporation (CSEC) and the owners of the Calgary Stampeders (2012) Limited Partnership (CSLP).

Over an extended period we have had informal discussions with Mayor Nenshi on the concept for a new multi-use facility. The vision, once limited to the creation of a new event centre to replace the Scotiabank Saddledome, has evolved to become a fully integrated facility that includes an event centre, public field house and a football stadium within the field house. We listened carefully to suggestions on how we might better create a project and environment conducive to the successful execution of the project.

West Village was chosen as the best candidate to locate the facility for a number of reasons including, but not limited to, the splendid opportunity to stimulate the examination and ultimate clean up of a decades long environmental contamination caused by a former creosote treatment plant. We can also begin the process to develop the balance of West Village to its greatest potential.

In the preceding months we shared our vision, on a confidential basis, with the Mayor and members of Calgary City Council as well as other potential stakeholders. The proposal included a funding model as well as preliminary conceptual drawings of the proposed project and our "vision" for an important City of Calgary opportunity. A number of issues were identified but, as we all know, all ambitious city building concepts face challenges.

Feedback from the confidential sessions, while not without issues, was encouraging and we were urged to share our vision and begin public discourse.

On Tuesday, August 18th, 2015 we shared our vision with the public at large through information sessions and a media briefing that included Deputy Mayor Diane Colley-Urquhart and Councillor Evan Woolley. Several members of Council were also in attendance for the public briefings. The response from the inaugural and subsequent information sessions has been very positive notwithstanding the myriad of questions anticipated and arising from the concept.

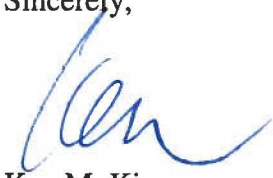
Mayor Nenshi provided an immediate response to our public conversations and reiterated the challenges facing such a project. He also indicated he was "intrigued" by the proposal.

We remain encouraged by both the public and political response and wish to move to a more formal discussion on the proposal. It is my understanding that the next step may require Council to provide direction to City Administration to begin formal work on the file.

We are anxious and willing to work closely with whomever we are directed. To begin I would ask for guidance in terms of what you or Council may require to commence our dialogue and formal discussions.

Thank you for your assistance to date and we look forward to working closely with you on the project.

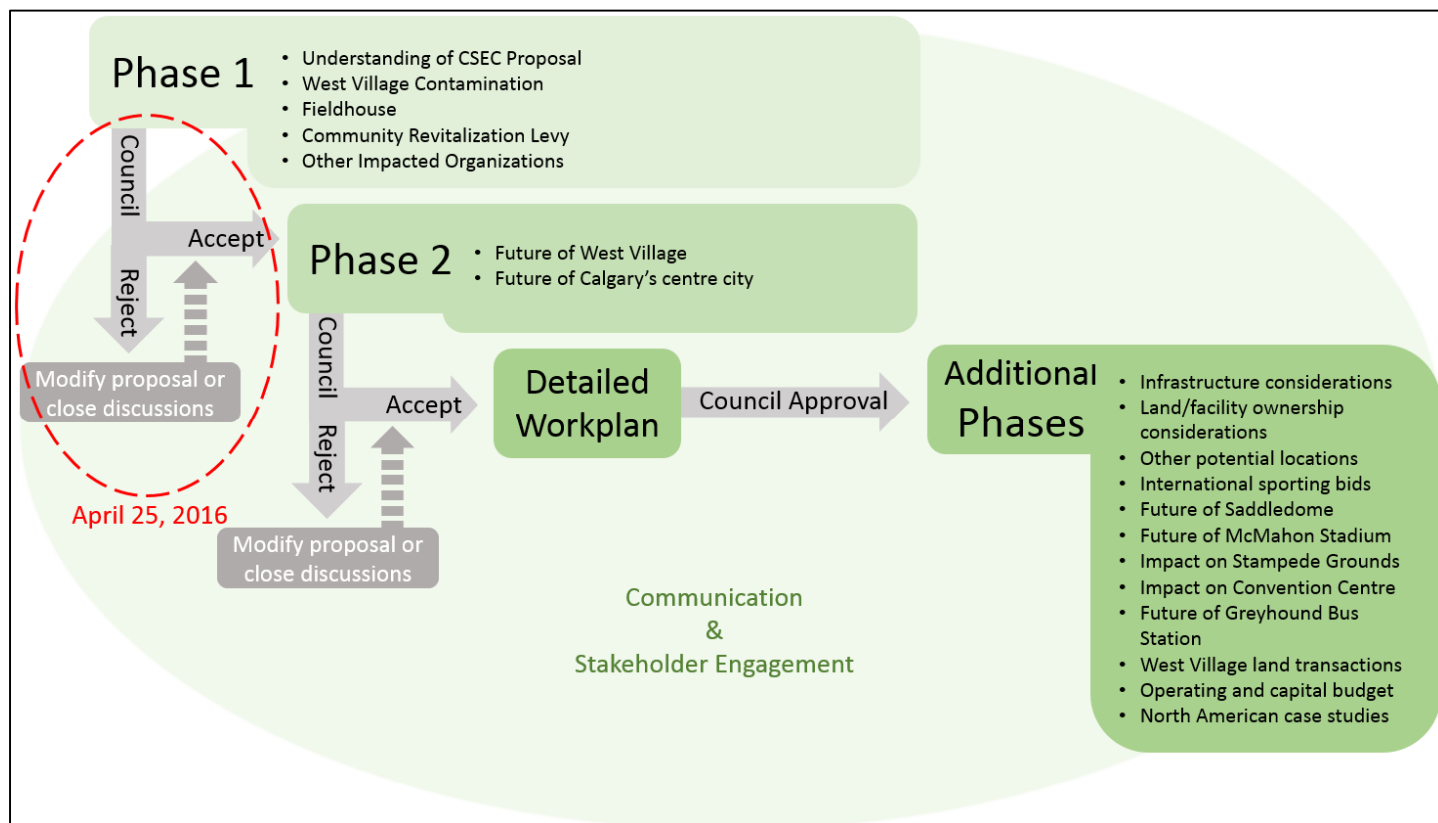
Sincerely,



Ken M. King
President and CEO
Calgary Sports and Entertainment Corporation

cc: Mayor Naheed Nenshi
Chima Nkemdirim
N. Murray Edwards, Chairman, CSEC ✓

West Village-CalgaryNEXT Analysis Decision Making Process



The decision process outlines that at the conclusion of each phase, Council can accept or reject the CalgaryNEXT concept as proposed. Should Council reject the concept, there is an option to modify the proposal.

At the conclusion of Phase 1, Administration recommends that Council:

1. Direct Administration to request a response from CSEC no later than 2016 May 31 regarding this report and report back to Council no later than 2016 June 30.
2. Direct Administration and Calgary Municipal Land Corporation (CMLC) to investigate with CSEC and the Calgary Exhibition and Stampede Limited the potential for a new arena/event centre on or near Stampede Park, investigate with the McMahon Stadium Society upgrades to McMahon Stadium, reconfirm Foothills Athletic Park as the preferred location for The City of Calgary fieldhouse project, and report back to Council with an update on the findings of these investigations no later than 2016 October 30.
3. Direct Administration and CMLC to continue to work with Alberta Environment and Parks on addressing the contamination issues associated with the West Village Canada Creosote site and surrounding areas.

CHAPTER 1 – INTRODUCTION

1.1 Background

Calgary Sports and Entertainment Corporation (“CSEC”) has proposed CalgaryNEXT, a combined arena/event centre and multi-sport stadium/fieldhouse complex to be located in Calgary’s West Village. Council directed Administration to develop an understanding of the CSEC proposal in M2015-0856, and this report has been prepared to summarize our findings specific to Phase 1 item number one:

“The Mayor’s Office proposes that Administration would meet with the CSEC CalgaryNEXT project team to better understand the proposal and gather any additional information and materials required to undertake the work outlined in this report. Administration would request copies of the research and analysis undertaken by CSEC with respect to CalgaryNEXT, including but not limited to feasibility studies, preliminary designs, business plans, and financial information. In addition, these materials will be reviewed and used to inform the Phase 1 analysis and further refine the work in subsequent phases of the evaluation of the proposal.”

A record of the six meetings that were held with CSEC are shown in Appendix A. The City of Calgary (“The City”) entered into a confidentiality agreement to protect any confidential and proprietary information provided to us as part of the proposal, and a collection of documents were provided to Administration by CSEC in 2016 January. This report has been prepared based on the content of these meetings and documents, but does not present any information that would infringe on CSEC’s intellectual property.

CSEC provided Administration with an estimate of the economic impact of its sports and entertainment operations on the Calgary economy in 2015. The estimate uses the Conference Board of Canada Tourism Economic Assessment Model to determine the total economic impact using spending multipliers. In 2015, CSEC estimates that the total economic impact of hospitality spending on events that it managed was \$95 million dollars. CSEC employs 2,075 full-time and part-time staff for 769 full-time equivalents and estimates the total economic impact of its operations in 2015 at \$373 million dollars.

1.2 Details of the CSEC Proposal

Calgary Sports and Entertainment Corporation proposes a complex consisting of:

- An arena/event centre, intended to host hockey, lacrosse, and concerts with seating for 18,000 to 20,000 spectators. Located on the east side of the site, the 475,000 square foot arena/event centre is a proposed training and competition facility for the Calgary



Flames National Hockey League (NHL) team, the Calgary Hitmen Western Hockey League (WHL) team, and the Calgary Roughnecks National Lacrosse League (NLL) team. The arena/event centre would include a practice ice surface/community rink which would be made available for limited public use. Public entry would be on the east side of the building and from a central elevated walkway.

- A multi-sport stadium/fieldhouse, intended for the public use envisioned in Recreation's fieldhouse project, and providing a configurable football field/soccer pitch, courts for basketball, volleyball, and badminton, a 9-lane 400-metre running track, and fitness and exercise facilities. Located on the west side of the site, the 400,000 square foot stadium/fieldhouse is a proposed training and competition facility for the Calgary Stampeders Canadian Football League (CFL) team. Seating for 20,000 to 40,000 could be extended and retracted over the playing surfaces as required. The stadium/fieldhouse would include sport medicine and training facilities. The public entry and a community drop-off route would be on the west side of the building, and additional public entry would come through the elevated central walkway.
- Underground parking for 2,400 vehicles, with 300 stalls dedicated for public use of the fieldhouse.
- An open-air elevated pedestrian walkway from the Sunalta CTrain station, between the arena and fieldhouse, and across Bow Trail / 6 Avenue SW to a river walk. A service entry into the facility would be provided to allow access from 9 Avenue and 6 Avenue SW under the walkway. Public entry to both the arena/event centre and the stadium/fieldhouse would be facilitated from this walkway.
- An open-air elevated pedestrian walkway across 14 Street SW to the east edge of the complex. Public entry to the arena/event centre would be provided from this walkway, and pedestrian conflicts with vehicle traffic on 14 Street SW could be minimized.

CSEC's proposal indicates that the facility would be developed and owned by The City. Additionally, under the proposal The City would be responsible for developing and paying for the infrastructure identified in the West Village Area Redevelopment Plan (ARP), and all additional off-site infrastructure required for CalgaryNEXT.

1.3 Analysis of the Design

The design proposed by CSEC for CalgaryNEXT is a high-level architectural concept. Administration's analysis of the design is based on information presented by CSEC's architects in our 2016 February 11 meeting. It is not possible, with this level of concept, to evaluate the accuracy of the cost estimates provided by CSEC. Administration accepts the design concept and the estimates



for construction and infrastructure costs provided by CSEC as the basis for performing the Phase 1 evaluation of the proposal.

CSEC has come up with an innovative architectural concept for CalgaryNEXT that would create a unique event experience for Calgarians. The arena/event centre is intended to maximize viewing sight lines for attendees, while providing more space for concession vending within the facility. The stadium/fieldhouse design is intended to enable public use when it is not being used for professional sporting events. The concept proposes a common mechanical plant for both facilities; CSEC suggests that this will reduce the overall capital and operating costs. In order to achieve cost savings, the infrastructure components of the design rely on the concept that both sides of the CalgaryNEXT facility would never be used simultaneously for major events.

In the public realm around the facility, CSEC's proposal is to use grade separation to manage access. The elevated pedestrian outdoor walkway from the Sunalta light rail transit (LRT) station would take pedestrians between the facilities and extend north to the river bank. An additional elevated pedestrian outdoor walkway is proposed to extend from the Millennium Park, over 14 Street SW, and into the east side of the facility.

Public entrance for the fieldhouse component including pick-up/drop off would be provided on the west side of the facility. Separation of ticketed event attendees will be accomplished by moving between levels in the facility.



CHAPTER 2 – FEASIBILITY ANALYSIS

2.1 Land Ownership

The City of Calgary owns 79% of the land in the West Village proposed for the site of CalgaryNEXT. The remaining land would have to be acquired. The City currently leases the land it owns in the West Village to tenants including Greyhound Canada, General Supplies Co. Ltd., and Renfrew Chrysler.

The value of the land that CSEC anticipates The City contributing to the project must be included in evaluating the costs of the proposal. For the purposes of evaluating the financial proposal, Administration is estimating the value of the land at \$80 million, based on the book value of our current land holdings and an allowance for acquiring the remainder.

It should also be noted that The City of Calgary does not own the land in the Sunalta community CSEC proposed in a CRL boundary as described in Attachment 8. Without acquiring land ownership, The City will not have the ability to manage the redevelopment that a successful CRL would rely on to realize its revenue goals.

2.2 Land Remediation

The City-owned land in the West Village proposed for CalgaryNEXT is impacted by contamination from the former Canada Creosote site, as described in Attachment 5. The City's existing tenants' use of the land is consistent with the current site management of the contamination. Bringing in new uses, whether those contemplated in the West Village ARP or those proposed by CSEC, requires approval by Alberta Environment of a remediation plan for the site. The type of remediation needed will be determined by the use of the land. Site investigations and assessments of remediation options have been ongoing since the original containment system was installed, and Environment and Safety Management recommends that an Environmental Management Plan aligned with the West Village ARP will continue moving the site on a path to redevelopment.

Remediation must be completed prior to construction on the West Village site. Administration's experience in redeveloping sites of similar size and remediation complexity suggests that it will take another six to ten years to complete remediation, and this is consistent with the findings of Attachment 5. With no potential for construction on the site during this period, the impact of land remediation on a feasibility analysis of the CalgaryNEXT proposal is that the timeline for construction envisioned by CSEC is seriously compromised. There is no potential for construction of a CalgaryNEXT facility to begin on the West Village site before 2022 and possibly as late as 2026.

2.3 Land Use Planning

The CalgaryNEXT concept would require a significant amendment to the West Village ARP that was approved by Council in 2010. This would include some revision to the overall vision for the area as well as changes to the land use, density, mobility and open space concepts. While the plan does anticipate West Village being an area for both recreation and residential development, it did not anticipate the major sports facility proposed in the CalgaryNEXT concept. The plan would need to be re-thought in order to create appropriate interfaces with residential uses as well as to create a new open space and mobility system that can support the needs of the facility, while still supporting a vibrant residential community with a high quality public realm. However, proximity to the entertainment options provided by CalgaryNEXT can also provide exciting planning opportunities for a complete community that would not be a typical neighborhood. A review of adjacent policy documents such as the Sunalta ARP would be required to assess potential amendments necessary to accommodate and integrate a revised West Village vision.

In order to undertake amendments, a comprehensive planning process would be required to assess the viability of proposed development not directly related to the CalgaryNEXT concept, as well as to engage the surrounding communities and relevant stakeholders. The communities to be consulted would include Beltline, Downtown West, Scarboro, Shaganappi and Sunalta. Additionally, the communities of Hillhurst and West Hillhurst may also have an interest given the potential impact on travel patterns and potential visual impacts.

A comprehensive planning process would include amendments to the West Village ARP, potential amendments to the adjacent ARPs, and any necessary land use redesignation to support development of the CalgaryNEXT concept. The land use redesignation would also need to be chosen to align with the remediation plan for the site. Administration's experience with similar development proposals has been that this could be completed within a 12 month period. However, timelines are heavily dependent on the scope of technical issues to be resolved and the planning resources available for the project.

For the purposes of feasibility analysis, Administration agrees that obtaining the appropriate land use is feasible, and that the amount of effort required for appropriate community consultation will be significant.

2.4 Transportation Infrastructure

CSEC provided The City with a preliminary analysis of the transportation infrastructure that would be needed to enable the CalgaryNEXT concept, and compared it to an analysis of the transportation infrastructure envisioned in the approved West Village ARP. The CSEC estimate with CalgaryNEXT included in the West Village is that \$166 million in transportation infrastructure will be required, an additional \$73 million over their estimate of \$93 million in transportation infrastructure costs to



implement the approved West Village ARP. The proposal indicates that The City would provide all of the investment in transportation infrastructure, over and above the \$890 million facility cost.

CSEC's preliminary transportation assessment provided a high-level overview of the transportation-related implications of accommodating the development within the approved 2010 West Village ARP lands. The methodology for the analysis was to superimpose the proposed project onto the approved 2010 West Village ARP road network. The assessment was focused primarily on the arena/event centre and stadium/fieldhouse uses, and relied on a concept of not holding major public events concurrently in both facilities in order to minimize impact on the transportation network. An assessment of programming, access, and functionality of the proposed public fieldhouse use was not considered within the preliminary transportation assessment. A complete and comprehensive transportation assessment, including the public fieldhouse use and aligned with any changes to the West Village ARP, will be required in a future phase that identifies, rationalizes, and confirms the transportation network, inclusive of transit, active modes, and transportation management strategies necessary to support overall area redevelopment.

The CalgaryNEXT transportation proposal relies primarily on an integrated approach of public transit use and active modes to accommodate the trips generated by the events at the facility, with a parking strategy that reduces the number of available vehicle parking stalls on-site to approximately 2400 stalls. The balance of parking stalls (approximately 5000 stalls in accordance with the Land Use Bylaw) would be accommodated off-site in existing public or private parking facilities mainly located within the downtown core. Ideas to facilitate the overall strategy include provision of a shuttle service to off-site parking within the downtown core, variable parking rates to promote higher vehicle occupancies, and bicycle valet parking. The preliminary assessment did not include details as to who would operate that system or the projected operating procedures or cost.

The road network assumed within the preliminary transportation proposal is consistent with the approved 2010 West Village ARP. Modifications are likely required at 14 Street NW to accommodate anticipated background and development-generated traffic demands, as well as to integrate active modes corridors along and across the 14 Street NW corridor. Anticipated traffic generated by the CalgaryNEXT concept is typically off-peak in nature (i.e. outside the rush hours associated with downtown office employees), with some overlap of pre-event traffic with the evening peak-hour. An overall net-reduction in morning and afternoon peak-hour volumes is likely anticipated when replacing portions of medium-density, multi-residential and mixed-use development within the West Village ARP with the CalgaryNEXT facility. New peak periods of traffic flow would be created by pre- and post-event travel demands on public transit and the road network. Possible implications of public fieldhouse uses on the road network within the overall plan were once again not assessed within this initial overview.

Administration's analysis of CSEC's transportation proposal on feasibility is that the concept of not using both sides of the facility concurrently is problematic as this would also impact the public uses of the fieldhouse when an event is being held in the arena. The lack of analysis of the public use of the



fieldhouse on transportation networks will need to be resolved before proceeding, and ideas to reduce on-site parking are interesting, but the associated operating costs for The City must be assessed.

2.5 Utility Infrastructure

CSEC provided The City with a preliminary analysis of the municipal utility infrastructure changes and costs that would be required for the CalgaryNEXT concept. The CSEC estimate with CalgaryNEXT included in the West Village is that \$56 million in utility infrastructure will be required, a decrease of \$6 million from their estimate of \$61 million in utility infrastructure costs to implement the approved West Village ARP. Additionally, a \$105 million investment would be required by the CSEC proposal within the CRL boundary. The proposal indicates The City would provide all of the investment in utility infrastructure, over and above the \$890 million facility cost.

CSEC's proposal for operating CalgaryNEXT to minimize its utility infrastructure impact relies on a concept of not holding major public events concurrently in both facilities. Their infrastructure estimate is based on a maximum occupant load of 40,000 spectators. This may allow sufficient capacity to operate the public fieldhouse concurrently with an event in the arena/event centre, but it will require additional study to determine the impact on public use.

From preliminary analysis presented by CSEC, the CalgaryNEXT concept would have significant impacts on infrastructure in the West Village. Additional information and analysis would be required to identify upgrades that may be necessary to provide potable water, sanitary, and storm water infrastructure for the proposed development. This additional information is required to estimate utility infrastructure upgrade costs, timing or phasing of any upgrades, and determine capital improvements that may be the responsibility of The City.

The West Village ARP encourages development to occur with full consideration of the water cycle, including efforts to reduce potable water consumption and encourage supply from non-potable sources. Given the proposed scale of the CalgaryNEXT development, addressing peak demand impacts during events should be explored in alignment with these goals. A Master Drainage Plan remains a requirement of the West Village ARP and could be influenced by the scale of development proposed.

Administration's analysis of CSEC's utility infrastructure proposal on feasibility is that the concept of not using both sides of the facility concurrently is problematic as this would once again impact the public uses of the fieldhouse when an event is being held in the arena. The opportunity to integrate and advance the utility servicing goals of the West Village ARP should be considered in any further analysis of the CalgaryNEXT proposal.

2.6 Capital Costs

Administration is relying on the studies prepared by CSEC to understand the capital costs of the CalgaryNEXT concept. The information is sufficient to understand the magnitude of the spending that would be involved in the CalgaryNEXT project and predict the impact on The City's capacity for debt, but we have not verified its accuracy or engaged in a process to find opportunities to reduce the cost.

CSEC has proposed a capital financial model for the CalgaryNEXT project that consists of:

- An investment of \$200 million by CSEC;
- \$200 million provided by The City, matching the amount that has been projected but is currently unfunded for construction of a public fieldhouse;
- \$250 million borrowed by The City, with the payments to be financed through a 'user fee' or 'ticket surcharge' charged to users. CSEC has offered to 'guarantee' the revenue stream for these payments, but as the borrower responsible for the debt, The City would ultimately be responsible for making the payments.
- \$240 million borrowed by The City, with the payments to be financed through a CRL. The details of the Community Revitalization Levy are studied in Attachment 8. Similar to the user fee, The City would ultimately be responsible for making the payments by raising taxes if the CRL does not result in sufficient revenue.
- Provision of land by The City in the West Village estimated by Administration at \$80 million;
- \$166 million provided by The City for transportation infrastructure supporting the facility, including pedestrian bridges and underpasses, Bow Trail realignment, riverbank enhancement, interior roads, and traffic signals.
- \$56 million provided by The City for site preparation and utility infrastructure supporting the facility, including demolition, utilities removal, sanitary upgrades, storm sewer relocation, electrical transmission and distribution infrastructure, and water and sanitary servicing.
- \$105 million provided by The City for additional community revitalization work within the proposed CRL boundary. This is included in the analysis because it would be prompted by the levy boundary proposed as part of the CalgaryNEXT concept.
- \$85 - \$140 million provided by The City for environmental remediation. The guiding principle provided by Council for remediation was that the polluter pays for remediation, and for our

feasibility analysis we interpret this to mean that The City would attempt to recover this amount after the fact through a legal process.

- \$371 - \$390 million in financing charges, reflecting that the additional spending required to implement the project would be borrowed by The City.

Uses and Sources of Funds	Amount (millions)
Uses:	
Facility	\$890¹
Infrastructure, Land, Remediation, Financing	
Infrastructure	
Utilities	\$56
Transportation	\$166
Other West Village redevelopment	\$105
	\$327 ¹
Land - Current City properties & acquisitions	\$80
Remediation - Various approaches	\$85 - \$140 ²
Financing	
Interest expense - ticket surcharge/user fees	\$84
Interest expense ³ - fieldhouse, CRL, infrastructure, remediation	\$287 - \$306
	\$371 - \$390 ³
sub-total	\$863 - \$937
Total	<u>\$1,753 - \$1,827</u>
Sources:	
Facility	
CSEC contribution	\$200
City contribution (fieldhouse)	\$200
Ticket surcharge/user fees	\$250
CRL – CalgaryNEXT Facility	\$240*
sub-total	\$890
Infrastructure, Land, Remediation, Financing	
CRL - interest payments	\$105 - \$195*
Ticket surcharge/user fees – interest payments	\$84
Other City resources – interest payments	\$182 - \$111
	\$371 - \$390
Additional City contributions	\$492 – \$547
sub-total	\$863 - \$937
Total	<u>\$1,753 - \$1,827</u>
* Total projected CRL revenue of \$345 - \$435 million	

(1) Data provided by CSEC

(2) Cost estimates within a +/- 50% accuracy range

(3) Debt financed over 20 years at 3% (no allowance made for interest rate increases)

Details of the ticket surcharge, such as which party finances the debt carrying costs, have not been determined. Administration has prepared two estimates of the total public costs of the CalgaryNEXT concept based on this uncertainty:

City Costs (if ticket surcharge financed by City)	Amount (millions)
Total funds required	<u>\$1,753 - \$1,827</u>
Less:	
CSEC contribution	\$200
Ticket surcharge/user fees	\$250
City contribution (ticket surcharge financed by CSEC)	<u>\$1,303 - \$1,377</u>

City Costs (if ticket surcharge financed by CSEC)	Amount (millions)
Total funds required	<u>\$1,753 - \$1,827</u>
Less:	
CSEC contribution	\$200
Ticket surcharge/user fees	\$250
Interest for ticket surcharge/user fees	<u>\$84</u>
City contribution (ticket surcharge financed by CSEC)	<u>\$1,219 - \$1,293</u>

The City's contribution to the total costs, potentially including remediation and financing of the ticket surcharge, is estimated to range between \$1.303 - \$1.377 billion. Administration is also expecting that, similar to the model used for the Saddledome, capital improvements over the life of the facility would also be the responsibility of The City.

CSEC applied its economic impact model to the capital spending required for constructing the \$890 million CalgaryNEXT facility. CSEC estimates that constructing CalgaryNEXT would have a direct labour impact in the Calgary economy of 2,150 FTEs, and estimates that the total economic impact of constructing CalgaryNEXT would be \$886 million.

2.7 Operating Costs

Calgary Sports and Entertainment Corporation suggests that it will be able to operate the public fieldhouse component to break even, without requiring an operating subsidy. Otherwise, CSEC has not provided an operating model for the CalgaryNEXT concept. Administration has assumed an operating model similar to that used for the Saddledome, with the following characteristics;

- CSEC to provide operations and maintenance of the facility; and,

- CSEC to retain all revenues from the facility excepting payments of the ‘user fee’ or ‘ticket surcharge’.

For the purposes of feasibility analysis, Administration is not forecasting that The City will participate in any operating revenues or costs for the facility.

2.8 Lost Tax Revenue

As a City-owned facility, CalgaryNEXT would not result in any tax revenue. Currently the Assessment business unit estimates the tax revenue from the West Village at \$1.7 million per year, including both municipal and provincial components. Because a Community Revitalization Levy is proposed as a financing mechanism, any increase in assessed values for the facility and other development in the West Village would be used to repay the debt for the life of the CRL, and no increase in tax revenue is included in our analysis.

2.9 Financing Capacity

Corporate Finance has analysed the impact of \$1.303 - \$1.377 billion in public debt on our debt capacity and debt servicing capacity. A cash flow model was used with a proposed construction commencement date of 2018 and capital draws spread over a construction period of four years. Assuming a 3% interest rate, Corporate Finance has forecast that we would remain within our Council-approved debt limits and the debt capacity allowed under the Municipal Government Act, and that we would also remain within our Council-approved debt servicing limit. However, this would bring us close enough to our limits that Council would need to choose between project alternatives in The City’s capital plan.

2.11 Timeline for Development

An understanding of the timelines for any redevelopment in the West Village has a significant impact on our analysis of the feasibility of the CalgaryNEXT proposal. Administration has analysed possible redevelopment scenarios and determined that the time for environmental remediation of the site dominates any scheduling. Based on our experience with remediation of the similarly-impacted former Imperial Oil refinery site of similar size, Administration suggests that six to ten years will be required to complete remediation before construction of the transportation infrastructure, municipal utilities, and the facility itself can begin. An additional three years would be reasonable to complete construction, similar to the experience with the Edmonton arena project, resulting in an overall development timeline for CalgaryNEXT on the West Village site of nine to thirteen years. This timeline to complete development would also impact the feasibility of repaying a CRL within twenty years.

CHAPTER 3 – CONCLUSIONS

Calgary Sports and Entertainment Corporation provided Administration with a high-level proposal consisting of overviews on land use planning, transportation, infrastructure, financing, design, and suitability as a public fieldhouse of the CalgaryNEXT concept. Administration's feasibility analysis of the concept has highlighted the following conclusions:

1. The design for CalgaryNEXT is innovative and original, and has the potential to provide for a variety of public and professional sports uses.
2. The transportation and municipal utility infrastructure proposed in the concept makes it clear that significant costs will be incurred by The City for additional development to support the facility, and that the estimates rely on the design assumption that both parts of the facility will never be used concurrently.
3. The capital financing model assumes that a portion of the construction costs and all of the infrastructure costs will be paid by The City, with no participation by The City in the resulting operating revenues from the facility. The financing model is not fully aligned with the guiding principle that public money should be used for public benefit.
4. The proposal would fit within The City's debt capacity and debt servicing capacity, but it would require Council to choose between CalgaryNEXT and other high-priority infrastructure projects,
5. The development timeline for the CalgaryNEXT concept as proposed in the West Village is extremely long at nine to thirteen years, and it is dominated by the time needed to complete the remediation of the site prior to commencing any other construction.

In summary, the CalgaryNEXT concept is not feasible in its present form and alternative development concepts, locations, and financial models should be investigated. Administration's recommendations are that Calgary Sports and Entertainment Corporation should be given an opportunity to respond to The City's feasibility concerns, and that Administration should work with Calgary Sports and Entertainment Corporation to investigate other potential locations and financial models for a new arena/event centre.

APPENDIX A – RECORD OF MEETINGS

Date	Purpose	Attendees	Results
2015 Dec 16	Initial Meeting	C. Berry, G. Kneller K. King, D. Swanson, D. Edmunds	- Discussed process and content of meetings.
2016 Jan 21	Urban Planning	B. Stevens, C. Berry, G. Kneller, T. Mahler, J. Chase J. Power, D. Swanson, D. Edmunds, J. Bean	- Overview of the planning policies relevant to CalgaryNEXT
2016 Jan 22	Transportation	B. Stevens, C. Berry, G. Kneller, F. Lakha, J. Chase G. Pardoe, D. Swanson, J. Bean	- Transportation plan for CalgaryNEXT - Parking, Public Transit, 14 Street SW interface
2016 Jan 25	Infrastructure	C. Berry, G. Kneller, M. Patterson, J. Chase K. King, P. Nottvett, D. Swanson	- Infrastructure estimate for CalgaryNEXT - Water, sanitary, storm and electrical - Public amenities
2016 Jan 26	Community Revitalization	B. Stevens, C. Berry, G. Kneller, J. Chase, S. McMullen, K. Bwanali K. King, C. Hudspeth, D. Swanson	- Design of a CRL and financing capacity - Land uses in the CRL boundary - Assumptions about market demand used in the analysis
2016 Feb 11	Design	B. Stevens, C. Berry, G. Kneller, J. Chase K. King, D. Swanson, D. Edmunds, J. Bean, M. Rossetti	- High level design of the buildings - Pedestrian interface and connection to a river pathway - Overview of other sites considered for the CalgaryNEXT footprint
2016 Mar 2	Field House	B. Stevens, C. Berry, G. Kneller, J. Chase, G. McLaughlin K. King, D. Swanson, D. Edmunds, K. Knights	- Overview of the fieldhouse component as a public facility



West Village-Environmental Analysis

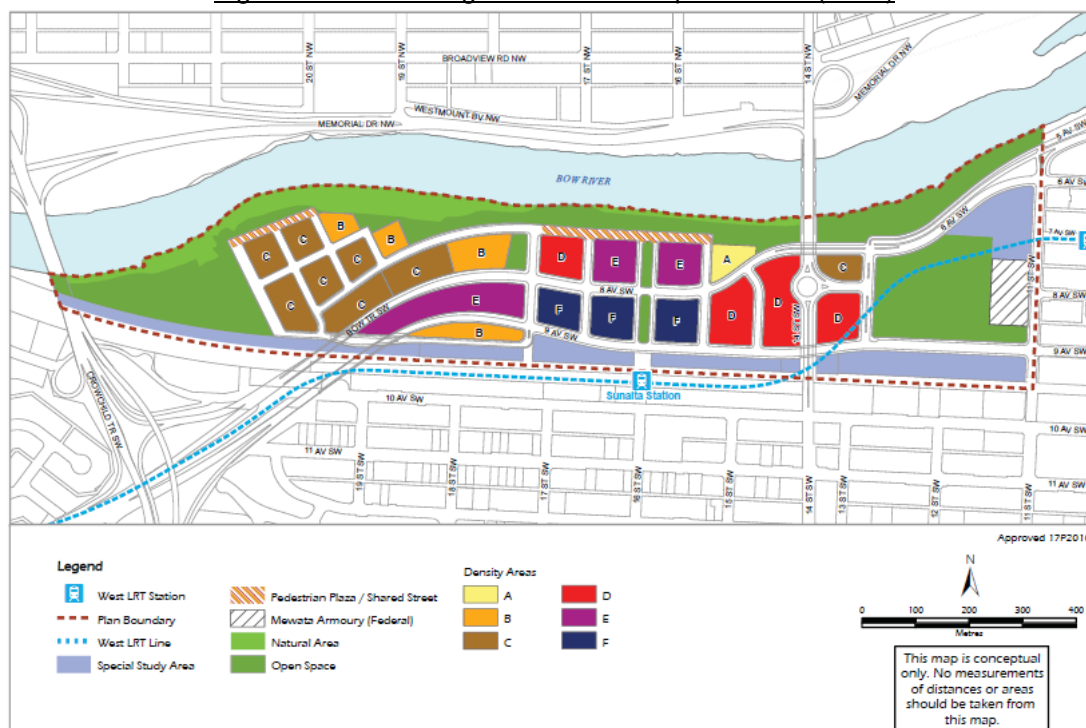
1.2 Purpose of the Report

The purpose of the West Village Environmental Analysis Report is to provide information on the existing environmental conditions, assess the human health risk and provide remedial solutions to redevelopment in West Village. In practice the specific remediation plans are tied directly to the detailed redevelopment plans for a site. As this project is still at the conceptual stage in order to guide the environmental analysis, CMLC identified three specific potential redevelopment scenarios within the West Village. These scenarios were based on the proposed location of the Council approved Area Redevelopment Plan, CalgaryNEXT located at the west end of West Village, and CalgaryNEXT project as identified by the Calgary Sports and Entertainment Corporation (CSEC). The following provides a brief summary of each redevelopment scenario.

1.2.1 West Village Area Redevelopment Plan (2010)

The West Village Area Redevelopment Plan (ARP) is a statutory document approved by Calgary City Council in 2010. It provides the vision and guiding policies for the long-term redevelopment of the area, specifically relating to scale, urban form, and land use. The 2010 ARP did not envision multi-sports complex facility.

Figure 1-1 West Village Area Redevelopment Plan (2010)



Source: City of Calgary, West Village Area Redevelopment Plan



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1.2.2 CalgaryNEXT West

Figure 1-2 West Village, CalgaryNEXT West



Footprint of CalgaryNEXT, located at the western edge of West Village

Source: CMLC

CMLC studied a second opportunity to locate a version of the CalgaryNEXT facility to the west edge of West Village. This scenario could allow for the redevelopment of a more cohesive West Village neighbourhood. With the Sunalta LRT station a 5 minute walk away, a strong desire line between CalgaryNEXT and the LRT station will be created. This allows for the opportunity to provide an enhanced streetscape between the two points so that the journey to and from CalgaryNEXT is created.

1.2.3 CalgaryNEXT Centre

In the final scenario sports complex is located adjacent to the the Sunalta LRT transit stop. This scenario replicates CSEC's proposal, as CMLC understands it.

Figure 1-3: CalgaryNEXT as Proposed by CSEC



Source: Calgary Sports and Entertainment Corporation



West Village-Environmental Analysis

1.3 Environmental Analysis Process

1.3.1 CMLC

CMLC is a leader in brownfield redevelopment and has applied this knowledge to understand the redevelopment potential in West Village. CMLC's organizational capacity ensured this project was guided by best practices in other jurisdictions, existing planning documents, and environmental documents. CMLC's expertise focused in on the redevelopment potential of the neighbourhood while incorporating historical public input. CMLC built on the foundation of work completed by the City of Calgary, and followed by engaging local and international experts successful in similar remediation projects.



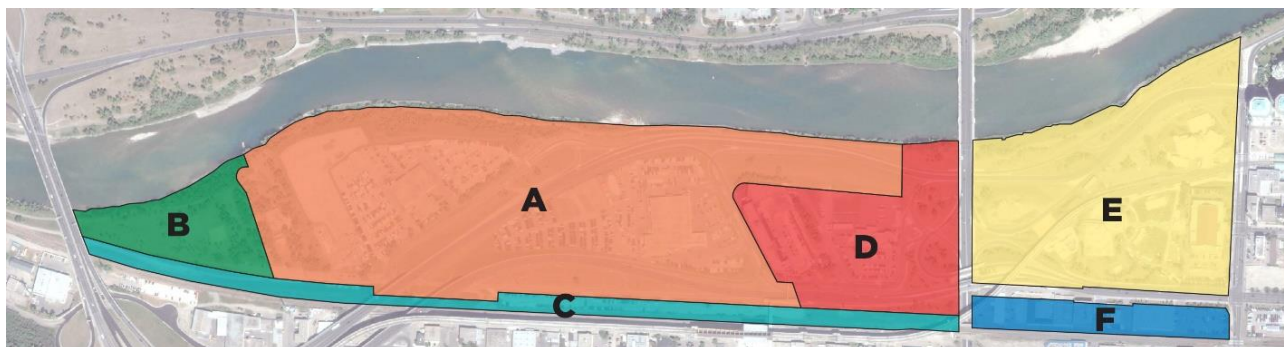
2.0 SITE ASSESSMENT KEY FINDINGS

2.1 West Village Site Characterization

One objective of this report was to evaluate available environmental information for the study area, identify data gaps, and develop a framework to direct future investigations in the context of future redevelopment scenarios. The framework developed involves six management areas, identified as Areas A through F.

Management Area A—the former Canada Creosote Site (CCS)—has a complex set of contaminants to deal with. Management Areas B through F have contamination that is consistent with what is expected for historical industrial land use. These areas have hosted a variety of industrial and commercial operations since the early 1900s including incinerators, gas/service stations, bus terminal, military armoury, former auto body repair operations, car dealerships, railway right-of-way/spur lines/loading docks, asphalt operations, metal machining and transportation corridors. The majority of these previous uses lead to an identification of areas of potential environmental concern (APECs) within these management areas.

Figure 2-1 West Village Environmental Management Areas



Source: CMLC, 2016

2.2 Area A – Canada Creosote Site (CCS)

Management Area A (44 acres), primarily used by Canada Creosote Co., was a wood treatment facility active from 1924 to 1963. The wood preservatives used—coal tar, creosote, pentachlorophenol (PCP), and zinc—dripped or spilled on the ground, leaked from waste ponds and contaminated the soil, groundwater, and the bedrock below. Due to the length of time the company operated, the extent of the site's contamination is significant. Alberta Environment, which manages issues beyond the CCS, has documented preservatives extending under the Bow River and across into the West Hillhurst area.

Existing land uses on site include the City of Calgary's snow dump, and two car dealerships, Renfrew Chrysler, and Chevy City. Contamination related to these operations, including fuel releases and high salinity, may also determine how soils from these areas can be remediated.



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2.3 Area B – Pumphouse Theatre and Park

This is the western edge of West Village and houses the Pumphouse Theatre, a designated historic resource, and adjoining park. This site did not have any active industrial uses other than the pumphouse that was an integral component of Calgary's water system. However, many of the prior industrial uses were in close proximity, and it appears that a significant amount of fill was added to this area, including a large amount of debris and contaminated fill. Therefore, further assessment is needed to evaluate the extent of contaminated fill and possible effect to the underlying groundwater prior to redevelopment taking place.

2.4 Area C – Canadian Pacific Railway

The Canadian Pacific Railway (CPR) right-of-way has been located south of 9th Avenue SW since 1883 and forms the southern boundary of West Village. The portion that extends from 14th Street to Crowchild Trail SW comprises Area C. The rail lines in this right-of-way and the associated spur lines were used to service Area A to the north and transport bulk goods, including hazardous substances such as fuels and wood preservatives and therefore there is potential for a release to have occurred. In addition to railway ballast often contaminated with metals, creosote railway ties, debris, suspect fill, and stained areas have been observed along the length of Area C. Further assessment is warranted prior to redevelopment.

2.5 Area D – West of 14 Street SW

Area D is a combination of several parcels that have had a wide variety of historical uses, including lumber storage associated with CCS and CPR, asphalt operations, service stations, automobile repair, automobile salvage operations, metal machining, and car dealerships. Its eastern and north-central portion have been the locations of two City of Calgary municipal waste incinerators, and asphalt operations. These operations, and the placement of poor fill in Area D, indicate further assessment is appropriate.

The western portion is currently the location of the Greyhound Terminal, the Hyatt Auto Gallery, and the Mercedes Benz Service Center, while the eastern portion is the location of the Mewata (14 Street) Bridge and 14 Street/Bow Trail interchange.

2.6 Area E – East of 14 Street SW

Area E, east of 14th Street has been primarily used for large public or government uses such as the Mewata Armoury, a designated historic resource, and the former Mewata Football and Soccer Stadium. Significant fill of unknown quality has been placed in Area E, primarily for the construction of the Mewata Bridge and surface street connectors. The Mewata Armoury, in operation since 1917, is listed as a Contaminated Site on the Federal Land database, reporting minor amounts of contamination.

The remainder of Area E is currently occupied by the Millennium Skate Park, and the former Calgary Planetarium.



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2.7 Area F – South of 9 Avenue SW & East of 14 Street SW

Area F hosts six commercial parcels that were developed in the late thirties. Historical uses include automotive repair and parts distribution shop, a seed processing plant, a laboratory, a metal machining shop, commercial printing operations, and a parts and hardware distributor. A CPR spur line and a loading platform were located at the eastern end of Area F. Staining was observed in historical photographs for several parcels in Area F. That, in combination with the nature of businesses in this Area, including the use of volatile organic compounds (VOCs) by past printing operations, indicates further evaluation is appropriate.

2.8 Summary

With the exception of Area A where environmental concerns will have a high impact on the redevelopment process and cost for West Village, the remaining Areas B through F each have potential environmental concerns that will have a moderate degree of impact on the process and cost.

Overall the environmental concerns identified outside of the CCS site are consistent with those found in the redevelopment of the East Village. The estimated cost of addressing remediation issues in areas B-F is approximately \$20 million (measured approach) to \$30 million (expedited approach). The majority of these concerns can be addressed efficiently throughout redevelopment as each piece of property is developed.



3.0 MANAGEMENT AREA A—CANADA CREOSOTE SITE

One of the biggest development challenges of West Village is the former Canada Creosote property. The property has been studied through environmental investigations initially conducted in the late 1980s and early 1990s. Much of the historical environmental information is now dated. New information was collected as part of the West Village environmental analysis that built on characterization updates commissioned by the City starting in 2010 as part of the ARP process.

Information collected to date is sufficient for site characterization and planning, but additional investigation and evaluation will still be needed to reliably and cost-effectively deal with the contamination in a manner that is protective of human health and the environment. Key to that is making use of a conceptual site model (CSM). A CSM is used to organize and communicate information about the environmental characteristics of a site. It provides a summary of how and where contaminants are expected to move and what impacts that may have. It supplies information to explain what you know, what you don't know, what you need to know, why there is a problem, and why remediation may be required. A CSM is iteratively developed and refined during the lifetime of a project. Developing a good CSM is necessary to understand the site and develop appropriate approaches for cleanup, as well as provide certainty around costs and risks. This was the process used to scope and implement this analysis.

3.1 Background

Former operations at the Canada Creosote Site (CCS) primarily consisted of treating wood to preserve it from decay. The operations lead to releases of wood treating chemicals from specific operational areas of the CCS (referred to as “source areas”), which include:

- product storage tanks;
- treatment buildings;
- process water storage ponds; and
- treated wood drying and storage areas.

Contamination migrated from the source areas into the underlying soils, through the unsaturated fill soils, into the saturated, native soils and groundwater, and the weathered and fractured bedrock.

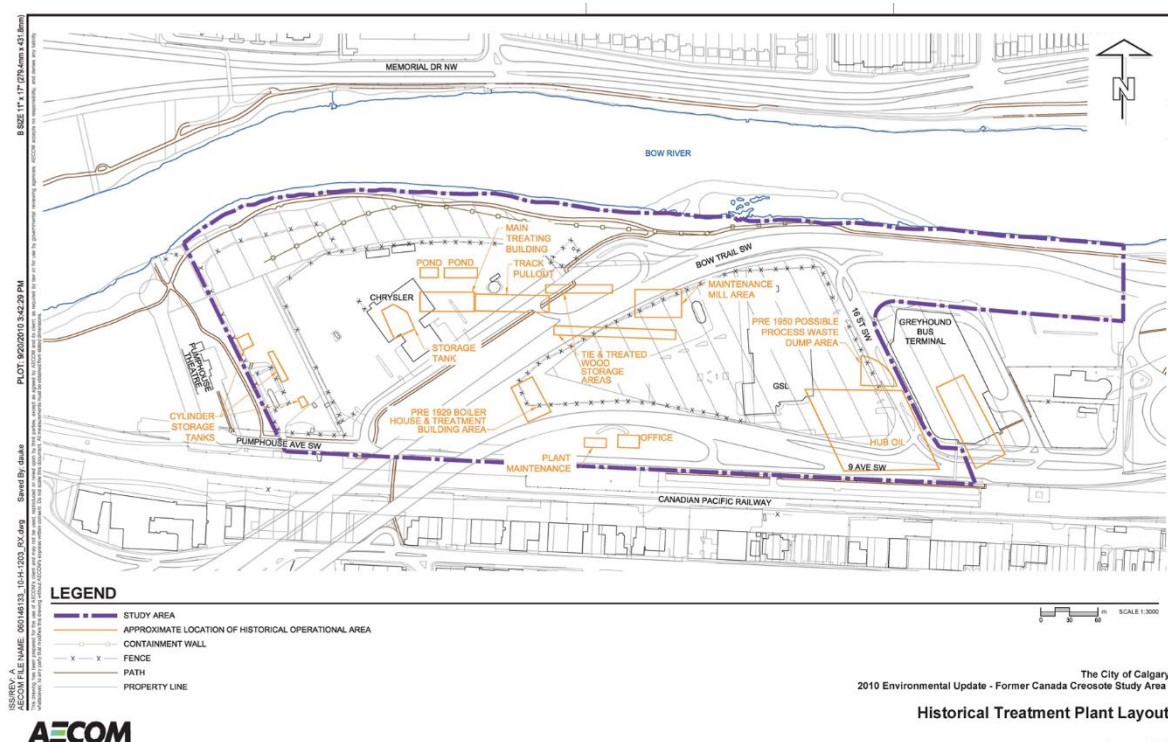
Additionally, when wood treating operations ceased in 1964, the wood treating plant was demolished but contaminated soil and rubble was left at the ground surface as well as pushed to lower lying areas of the site and covered with fill.

Several years later, from 1988 through to the mid 1990s, extensive investigative work was completed to identify why wood treating residuals were surfacing in the bed and banks of the Bow River and how to stop surfacing of these residuals. This resulted in the Province of Alberta constructing a containment system, consisting of a containment wall, “dirty” extraction well system, a clean groundwater diversion system, and a groundwater treatment plant by 1996. The Province of Alberta then operated the system until transferring that responsibility, but not liability for the contamination, to the City of Calgary in 1997.



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Figure 3-1 Historical Uses



Source: AECOM, 2010

3.1.1 Chemicals of Potential Concern

CCS operations used several wood preservatives, including coal tar and creosote, thinned with diesel-like oil, to treat raw railway and utility poles. Creosote is comprised of a wide range of chemicals and is created when coal is heated to produce coke. This process produces coal tar creosote, coal tar and coal tar pitch, which are all mixtures of similar compounds that are commonly referred to as creosote.

Because creosote is a general name for a mixture of different chemicals and limited research on health effects has been completed, it is difficult to quantify the risks. Creosote has been classified as a probable carcinogen by the International Agency for Research on Cancer (IARC 2A).

In addition to coal tar creosote, pentachlorophenol (PCP) dissolved in a diesel-like oil was added to the operation in the 1950s. PCP is a pesticide used to preserve wood and is considered a possible carcinogen (IARC 2B). Dioxins and furans are present at trace levels in commercial grade PCP as a by-product of its manufacture. Excessive exposure to these compounds can lead to a variety of serious health problems. Finally, for a short period during World War II, wood was also treated with zinc chloride.

Based on the predominant use of coal tar, creosote and PCP in carrier oil, contamination from CCS activities is primarily characterized by testing for polycyclic aromatic hydrocarbons (PAHs), other petroleum hydrocarbons (PHCs), and PCP. Although the physical and chemical nature of these compounds varies in



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terms of their relative hazard, they, and the additional suite of compounds that can occur in the environment due to site operations or poor-quality fill, are chemicals of potential concern (COPCs).

3.1.2 Other Sources of Chemicals of Potential Concern

During the lifetime of the CCS, other industrial operations were taking place on adjacent properties. To the west where the City of Calgary snow dump is today, and possibly to the southwest, bulk oil was stored and distributed. These areas have related contamination characterized by PHCs and related volatile organic compounds (VOC's) (e.g., benzene), and salinity.

After the wood treatment facility was decommissioned and demolished, fill was imported to the area in the mid-1960s. The site was then redeveloped in the late 1960s to early 1970s for car dealerships and transportation corridors, which is what is seen today. Both car dealerships had leaky underground storage tanks (USTs) that were replaced by Above Ground Storage Tanks (AGSTs). These areas also have related contamination characterized by PHCs and VOHs.

Finally, because poor-quality fill (from an environmental perspective) has been used both during operations and in the 1960s, some areas have high metal concentrations (e.g., lead).

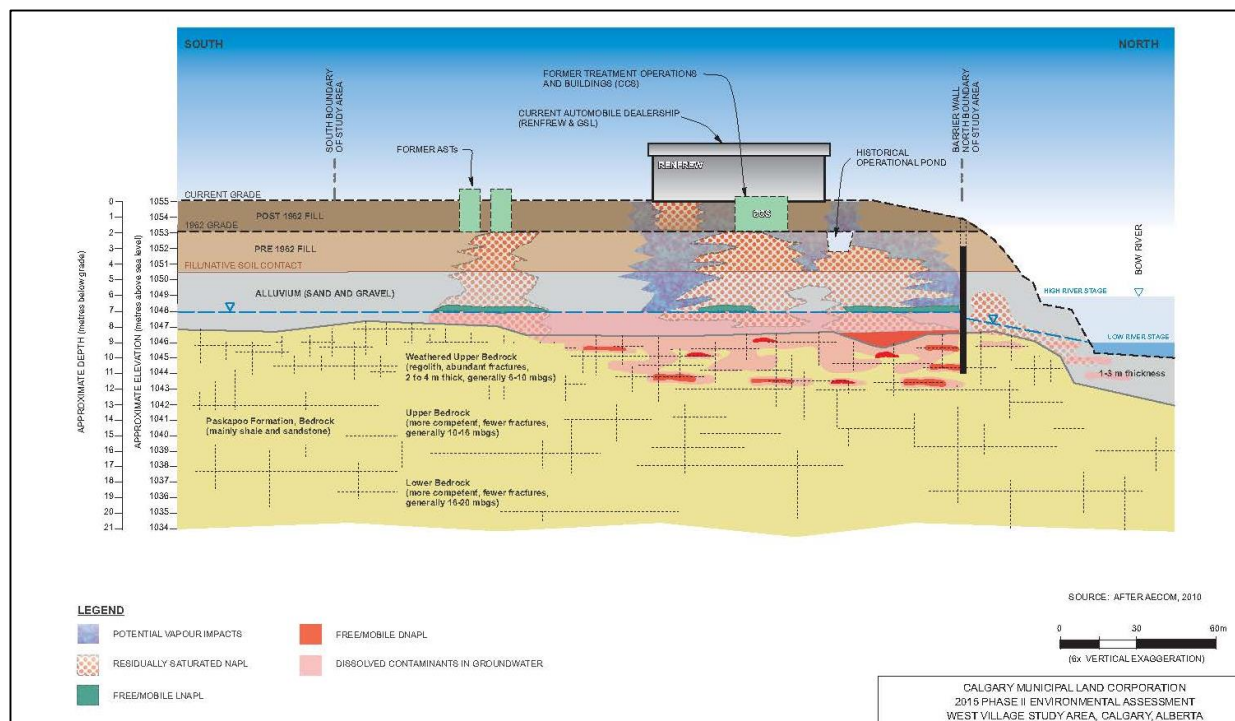
3.1.3 The Conceptual Site Model

In addition to chemicals of potential concern (COPCs) and their source areas, the site's conceptual site model involves several different layers of soil and bedrock: two types of fill (pre- and post-1962), alluvium (mostly wet or "saturated", but some is dry or "unsaturated"), and bedrock (a highly weathered surface or "regolith" and more competent bedrock underneath). The two types of fill are due to the phases of placing fill during the operation of Canada Creosote (pre-1962 fill) and after the plant was demolished (post-1962 fill). The fill at the site is typically above groundwater; however, when the river is high (e.g., spring), groundwater can extend into the base of the fill, particularly nearer to the river. Alluvium is the underlying native soil that was deposited by the historic reach of the river on top of the bedrock. This is where groundwater beneath the site is first encountered. The top of the bedrock is highly weathered, having been broken down into looser rock and soil called regolith. Beneath this regolith is more competent, or much less weathered and harder bedrock, which is still fractured in many places. The bedrock also carries groundwater.



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Figure 3-2 Conceptual Site Model



Source: CMLC, 2015

The main wood preservatives that were used are denser than water and immiscible. They are known as dense non-aqueous phase liquids or DNAPLs. If enough DNAPL is released, gravity will cause it to sink through the saturated soil to bedrock, where it will flow along the bedrock surface, and into the bedrock as well. The diesel-like oil is lighter than water and may separate and accumulate as a light non-aqueous liquid (LNAPL). LNAPL will float on and move with the top of groundwater, so as the groundwater level moves up and down seasonally, a contaminated smear zone fringe is created. These NAPLs are long-term sources of contamination due to the concentrated presence of COPCs within them.

The high concentrations of COPCs in NAPL, and its ability to migrate in the alluvium along the bedrock surface to beneath the river is what led to the installation of the containment wall. The wall not only contains the NAPL that is south of the river, but in combination with clean and dirty pumping wells, contains much of the contaminated groundwater.

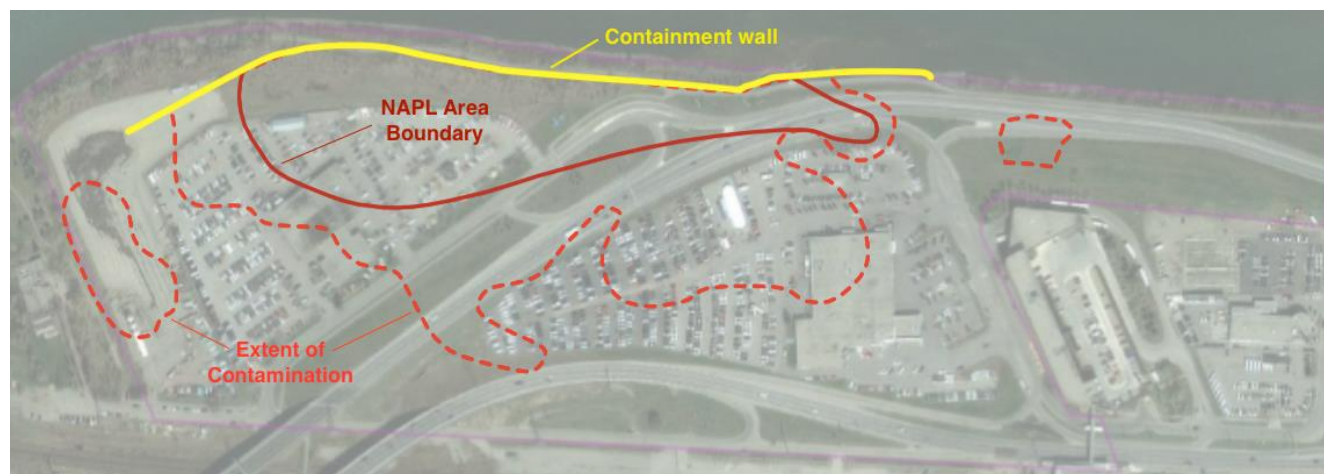
The volatile portion of wood treating compounds also generates a soil vapour plume in the subsurface that can migrate toward the ground surface. If it does not naturally degrade first, it can infiltrate underground structures like parkades, utility corridors, basements and buildings through cracks and present a possible human health risk. Because of this mobility, soil vapour can also be used during site investigations to detect surrounding or underlying soil or groundwater contamination.

The following figure shows the estimated extent of a plume of NAPL, and the footprint of contamination in soil and bedrock, projected over an aerial photograph of the current development.



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Figure 3-3 Estimated Extent of Contamination



Source: CMLC, 2016

3.2 2015-2016 Environmental Site Assessment

CMLC's environmental site assessment built on and refined the site's existing CSM by focusing on collecting data from areas that were needed with respect to evaluating the three development scenarios. Past work has focused on developing and maintaining the existing containment system. By integrating past and current work into data visualization software, a more sophisticated and refined CSM was created. The software used allowed the site to be depicted by COPC concentration, location and volume, so that the three West Village development scenarios and potential remediation costs could be evaluated as well.

To provide a sense of the work involved to refine the CSM, the following summarizes work completed and key findings.

3.2.1 Conceptual Site Model-Background Work

The site assessment involved several components: ground surface and downhole geophysics, installing and sampling soil vapor monitoring wells, drilling several borings to sample soil and install monitoring wells to sample groundwater, and investigating bedrock.

Geophysical techniques were first used at the ground surface in accessible locations to map the surface of bedrock, and the interface between the alluvium and fill.

The soil vapour program was designed to provide insight for the CSM and support evaluating human health risks. Soil vapour probes were installed at 10 locations across the Site and sampled.

Fifty-four borings were drilled and numerous soil samples were collected and analyzed to better identify where NAPL and COPCs exist in the fills, alluvium, regolith and underlying bedrock. This included gathering information on COPCs, including VOCs, metals, and dioxins and furans, for evaluating potential risks to human health. Monitoring wells were installed in 21 of the borings, and groundwater samples were collected

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and analyzed. Geophysical techniques were used down some boreholes that extended into bedrock. Geotechnical information was also collected and used to help configure and cost potential remedial approaches, and provide baseline information for future redevelopment.

The key findings include:

- Dioxins and furans were confirmed to be present;
- The DNAPL plume extends further to the west than previously identified;
- The LNAPL plume is small and focused in the former processing area and immediate area near the containment system pumping wells;
- Minor hot spots of NAPL and COPCs were identified near a former outer-lying boiler house and treatment building;
- NAPL is present in the uppermost bedrock, but does not appear to penetrate into the underlying less fractured, more competent bedrock;
- Volatile PHCs are present beneath the snow dump where storage tanks were located;
- The distribution of COPCs in groundwater is similar to what has been seen in the past. This includes the presence of lighter PHCs fractions in groundwater from a well; and
- Groundwater contamination in the deeper bedrock is minimal.



4.0 CANADA CREOSOTE SITE, HEALTH RISK ASSESSMENT

A Human Health Risk Assessment (HHRA) was undertaken on the Canada Creosote Site (CCS) to estimate the potential risk of adverse health effects from exposure to the wood treating chemicals or chemicals of potential concern (COPCs). HHRA takes into account the inherent characteristics of the COPCs as well as the characteristics of target populations or “receptors”. Receptors are those people who could live and/or work in an area under study that may have an adverse health effect due to unwitting exposures to COPCs. Conservative assumptions were applied to ensure potential risks were not underestimated. The riverbank along the north perimeter of West Village, as well as the river itself, are important habitats, and these should be evaluated as well. Alberta Environment, who has responsibility for these areas, conducted an ecological risk assessment in the mid-1990s.

4.1 Human Health Risk Assessment (HHRA) Framework

In order to provide a framework for evaluating COPCs and potential health risks, Management Area A, or the Canada Creosote Site, was further divided into six areas or Areas of Potential Environmental Concern (APECs) based on historical land use, available monitoring data and a grouping of COPC types. Six major COPC groups were identified: polycyclic aromatic hydrocarbon (PAHs), petroleum hydrocarbons (PHCs), pentachlorophenol (PCP) and other phenols, halogenated aliphatics, other organic compounds, and metals.

Figure 4-1 Areas of Potential Environmental Concern for the Human Health Risk Assessment



Area 1, 2, 4, and 5 have the highest chemicals of potential concern that exceed human health guidelines

Source: CMLC, 2016

The highest COPC concentrations are located in APEC 2, which contains the large NAPL plume and also has the largest amount of monitoring data available. APECs 1, 2, 4, and 5 had multiple COPCs that exceeded human health guidelines. Lesser impacts were seen in APECs 3 and 6, which is consistent with the minimal historical infrastructure in these areas; these areas were also the least studied and therefore had the least amount of available monitoring data.

The target human population considered for the HHRA was based on the following three development scenarios:



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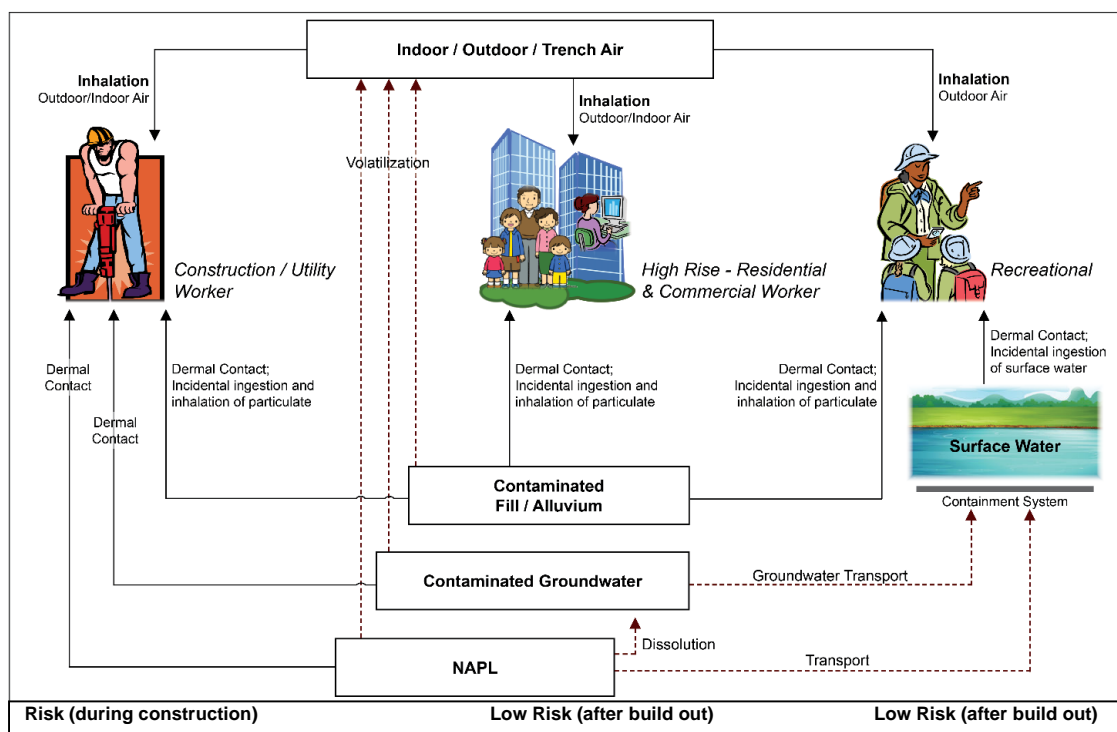
- 1) West Village Area Redevelopment Plan (2010), which involves development of West Village as residential high rise buildings with commercial use at grade;
- 2) CalgaryNEXT West, which has the multi-purpose facility located on the west side of CCS and residential high rise buildings with commercial at grade; and
- 3) CalgaryNEXT Center, which has a multi-purpose recreational facility in the centre of West Village and residential high rise buildings with commercial use at grade and to the east and west of the facility.

Therefore, the HHRA included the assessment of those persons living or working in high-rise buildings (and spending time outdoors), using a multi-purpose facility, and those persons involved in construction or utilities installation and maintenance. The following assumptions were applied to the methodology:

- i. All buildings will have underground parking facilities with commercial at grade;
- ii. All residential units are assumed to be located above the first floor;
- iii. No single detached residential or at grade residential is proposed;
- iv. The City will supply water;
- v. Groundwater would not be used for domestic purposes; and
- vi. Construction or utility workers would have potential contact with contaminated soil, NAPL, and inhalation of vapours in trenches.

The CSM for the assessment can be summarised by the following figure:

Figure 4-2 Human Health Risk Assessment, During & Post Remediation and Construction, CSM



Source: CMLC, 2016



West Village-Environmental Analysis

For each type of receptor, exposure to surface soil, inhalation of indoor air potentially impacted by soil vapour, and inhalation of outdoor air potentially impacted by soil vapour were assessed. The CSM assumes that NAPL and groundwater transport from contaminated areas south of the containment wall can be controlled by the containment system.

4.2 Preliminary Human Health Risk Assessment (HHRA) Findings

The preliminary results indicate the following:

- There are no immediate adverse health effects due to current conditions.
- Potential risks to future users can be managed and mitigated.
- Specific findings with regard to redevelopment includes:
 - There is low potential risk of adverse health effects due to direct contact with surface soil for all receptors (residential, recreational, and commercial), assuming that green spaces will be created with clean soil within 1 metre of the ground surface.
 - There is low potential risk of adverse health effects due to outdoor vapour inhalation for all receptors (residential, recreational, and commercial),
 - There is low potential risk of adverse health effects due to inhalation of soil vapour concentrations measured within the CCS for residential and commercial receptors in both slab-on-grade or parkade building structures.
 - If remediation does not occur, there is elevated risk of adverse health effects due to inhalation of naphthalene (APECs 2 and 4) and Petroleum hydrocarbons (APECs 1, 2, 4, and 6) in soil vapour using conservatively estimated (modelled) concentrations for the residential and commercial worker receptors.
 - There is potential risk of adverse health effects due to direct contact with petroleum hydrocarbons, and dioxins and furans, for construction and utility workers for five of the six APECs.
 - There is potential risk of adverse health effects due to inhalation of petroleum hydrocarbons and naphthalene for construction and utility workers in trenches, the magnitude of which varies with trench depth and width assumptions.



5.0 REMEDIATION, SCHEDULE AND COSTING

5.1 Remediation Overview

Former wood-treating sites such as the CCS site are a type of brownfield site found across North America. The wood-treating processes and the types of chemicals that were used are very similar and generally well understood. Thus, the contamination problems, technologies and remedies that work at these sites are also similar. Best practices applied to clean up these sites show that, in general, six technologies or strategies can be used, usually in combination. Other technologies are also available, but have less available performance data. These may be considered during subsequent stages as useful or appropriate for cleanup. Consequently, there is a range of means for addressing cleanup problems at CCS and the balance of West Village.

An approach to treating creosote and pentachlorophenol (PCP) contaminated soil, sludge, and sediments is generally developed from the following strategies:

- Excavation and disposal in authorized landfills;
- Excavation and thermal treatment (incineration);
- Excavation and biostabilization;
- In-place treatment using solidification and stabilization;
- In-place treatment using thermal desorption; and
- Containment (this was the chosen remedy at the CCS site implemented by the Province in 1995).

Each of these strategies has individual implementation and engineering challenges, which would need to be addressed prior to selecting a remedy.

Generally, remediation focuses on contaminated soils, sediments and sludges, while impacted groundwater is controlled via a combination of institutional controls and construction of containment systems.

Incineration is considered the most technically developed and proven technology, however it often has difficulty getting public support and is usually the most expensive remedy. The other technologies, including biostabilization, have track records indicating they may be appropriate; however, the selection of technologies that are less proven or less capable than incineration will always bring a greater risk of inability to achieve cleanup or redevelopment goals.

5.2 Alignment with Redevelopment

As West Village is still in the conceptual redevelopment stage and the three redevelopment scenarios are currently being assessed for viability, assumptions were made regarding the placement of future buildings, roadways, and the configuration of the CalgaryNEXT complex at the two different locations. These



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assumptions allowed conceptual layouts to be superimposed over the existing contamination at CCS, and allowed the timing and physical aspects of remediation to be evaluated and identify potential timeframe drivers or conflicts.

Practically speaking, the analysis determined whether the timing of any the development scenarios drove the selection of remedial technologies that could or should be used. At this level of analysis, it did not.

5.3 Identification and Screening of Remediation Strategies

The first step in evaluating remedies was to develop a list of proven remediation strategies that have been successfully applied at wood treating sites similar to CCS. The following technology options were identified: excavation and disposal in authorized landfills, incineration, bioremediation, solidification and stabilization, in-place treatment using thermal desorption, and enhanced containment. Enhanced containment involves updating the existing containment system (the chosen remedy for CCS implemented in 1995). Each of these is described briefly below.

Excavation of contaminated soil from a site involves digging it up for “ex situ” (above ground) for either treatment or for disposal in a landfill. Excavation also may involve removing buried debris that might be contaminated and screening oversized coarse granular materials for re-use. Contaminated soil is excavated using standard construction equipment, like backhoes and excavator track hoes. Excavation is a common and frequently implemented component for the management of contaminated soils. It is often coupled with off-site disposal for smaller sites. Off-site disposal for a project of this magnitude would be expensive.

Incineration is the process of burning creosote and PCP materials at temperatures high enough to destroy contaminants. Incineration is conducted in an “incinerator,” which is a type of furnace designed for burning hazardous materials in a combustion chamber. Incineration is a well-developed and proven technology but also subject to wide spread opposition. It is typically expensive, but less than off-site disposal.

Bioremediation is the use of microbes to clean up contaminated soil and groundwater. Microbes are very small organisms, such as bacteria, that live naturally in the environment. Bioremediation stimulates the growth of certain microbes that use contaminants as a source of food and energy. Contaminants treated using bioremediation include oil and other petroleum products, solvents, and creosote. For bioremediation to be effective, the right temperature, nutrients, and food also must be present. Proper conditions allow the right microbes to grow and multiply—and eat more contaminants. Wood treatment chemicals can be difficult to biodegrade, but bioremediation can transform the contaminants into more stable, non-leachable compounds. This process is called biostabilization. It is typically less expensive than other strategies.

Solidification and stabilization refer to a group of cleanup methods that prevent or slow the release of harmful chemicals from contaminated soil, sediment, and creosote. These methods usually do not destroy the contaminants. Instead, they keep them from “leaching” above safe levels into the surrounding environment. Solidification binds the waste in a solid block of material and traps it in place. This block is also less permeable to water than the waste. Stabilization causes a chemical reaction that makes contaminants less likely to be leached into the environment. It is typically expensive, but less than off-site disposal or incineration.



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In-situ thermal treatment methods move or “mobilize” creosote in soil and groundwater using heat. The chemicals move through soil and groundwater toward wells where they are collected and piped to the ground surface to be treated using other cleanup methods. Some chemicals are destroyed underground during the heating process. Thermal treatment is described as “in situ” because the heat is applied underground directly to the contaminated area. It can be particularly useful for NAPLs, which do not dissolve readily in groundwater and can be a source of groundwater contamination for a long time if not treated. Similar to stabilization, it is expensive, but less than off-site disposal or incineration.

The containment system constructed in 1995 at CCS that remains operational has several components, including a downgradient barrier to intercept the flow of contaminated groundwater and creosote liquids towards the Bow River and an up-gradient system of groundwater wells to intercept clean groundwater moving in towards CCS. The downgradient barrier (a slurry wall) was made of impermeable materials, which means they prevent or minimize the flow of water and contaminants through the wall. The slurry wall was constructed by digging a narrow trench, 1.2 m wide and 8 m deep with a long-reach excavator. The trench was filled with slurry, which consisted of soil mixed with water and clay. A type of clay called “bentonite” was used because it expands when wet to fill gaps or holes in the barrier wall. Groundwater wells near the wall are used to extract contaminated groundwater for treatment. Containment is a common strategy that is less expensive, and often used in combination with other remedial technologies.

5.4 Assembly of Preliminary Remedy Combinations

Five technology combinations were configured based on above strategies, including three involving excavation and two involving treatment in place. A sixth approach that involves an upgrade or enhancement of the existing containment system was also configured to be used in combination with the others or by itself. The sixth approach would be used to maintain the conditions of the Release Agreement between the Province and the City. The Release Agreement releases the City from liability for the contamination but requires the City to maintain operation of the containment system. Operation and maintenance of the containment system forms part of each of the remedy combinations. The six approaches were then evaluated based on their relative benefits and limitations, effectiveness in reducing risk, duration, and cost.

Table 5-1 presents the assembled approaches that provide a representative range of actions to allow for subsequent detailed comparison and evaluation, and a reasonable range of planning-level cost.



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Table 5-1 Assembly of Preliminary Remedy Combinations

Technology Grouping	Technology Type	Process Option	Description
Ex-situ	Excavation	Off-site Disposal	Remove all contaminated soils and dispose of as-is. A portion will require management and disposal as hazardous wastes. Dewatering for excavation may limit excavation cell size.
	Excavation	Thermal treatment and reuse	Remove all contaminated soils and treat in a thermal de-sorber or incinerator prior to reuse. Dewatering will be similar to excavation described above.
	Excavation	Biostabilization and reuse	Remove all contaminated soils and treat via bioremediation above grade prior to reuse. Dewatering will be similar to excavation described above.
In-Situ	Solidify Soils	Inject and mix bentonite	Auger or similar injection and mixing equipment will allow in-situ solidification of contaminants. No dewatering is necessary.
	Thermal	ERH	Electro-Resistive Heating applies heat to a well point and relies on thermal conductivity of the soil matrix to heat and remove contaminants. No dewatering is necessary. Vapour recovery and treatment is necessary. Disposal of waste concentrates is necessary.
	Enhanced Containment	Slurry wall, groundwater recovery and treatment	Maintains operation of the existing containment system. Provides maintenance updates to recovery wells and automation to the existing treatment plant components.

The volumes of contaminated soil requiring remediation are shown in Table 5-2. Table 5-2 presents the estimated schedule for implementing the remedial strategies, and Table 5-4 presents the estimated time to when construction of each of the redevelopment scenarios could proceed.

Table 5-2 CCS Soil Volumes

Site Area	Estimated Soil Volume (cubic metres)
NAPL impacted soils ¹	171,000
The unsaturated fringe zone (contamination in soil above groundwater outside of the NAPL zone)	47,000
The saturated fringe zone (contamination in soil below groundwater outside of the NAPL zone)	39,000
Hot spot excavations	12,000
Total	269,000

Notes: Volume of soils between bedrock and highest measured NAPL elevation¹



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Table 5-3 CCS Remediation Schedule

Strategy	Investigation, Design, and Permitting (Approximate years)	Remediation Phase (Approximate years)	Total Duration (Approximate years)
Excavate and Dispose	2	3	5
Excavate, Treat Thermally and Reuse	3	4	7
Excavate, Biostabilize and Reuse	2.5	5.5	8
In-Situ Solidification	2.5	5	7.5
In-Situ Thermal	3	7	10
Enhanced Containment*	1	0.5	1.5

* Enhanced Containment timeline is assumed to be used in combination with one of the other remedial options.

5.5 Cost Estimate

Cost estimates were generated for the six remedy combinations presented above using peer-reviewed base cost data accumulated by the remediation team over the years from prior projects and from site-specific cost corrections applicable for Calgary. These costs are limited to primary treatment technologies with some technology-specific polishing activities for groundwater. Costs do not include any redevelopment specific needs nor coordination costs or schedule impacts. Costs are presented in present value dollars using a 0% discount rate for construction and monitoring cash flow. Specific cost details for each Remedial Alternative grouping are summarized in Table 5-4 below.

Table 5-4 Estimated Cost Summary (\$CAD) for Each Remedy Combination

Remedy Combination	1	2	3	4	5	6
Criteria \ Value	Excavate and Dispose	Excavate Treat Thermally and Reuse	Excavate Biostabilize and Reuse	In-Situ Solidification	In-Situ Thermal	Enhanced Containment
Construction Cost Estimate	\$69,000,000	\$57,000,000	\$42,000,000	\$51,000,000	\$48,000,000	\$1,800,000
Loaded Project Estimate	\$41,000,000	\$31,000,000	\$23,000,000	\$28,000,000	\$26,000,000	\$1,100,000
Total	\$110,000,000	\$88,000,000	\$65,000,000	\$79,000,000	\$74,000,000	\$2,900,000

The above-referenced construction cost estimate comprises contractor costs. The loaded total project estimate includes costs such as pre-design investigations, consulting, design, and permitting. In addition, weather is not expected to impact in-situ technologies except during initial set-up. All other technologies have weather and climate related scheduling of site activity.



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5.4 Class of Cost Estimate and Risk

CMLC considers the cost estimates provided to be of an order of plus or minus 50%. While the cost estimates provide a reasonable level of cost understanding for site remediation, they are not based around a known end land use. The desired scenario for redevelopment needs to be determined prior to the final remediation remedy being defined and costs determined.

5.5 Summary

Estimated costing for the range of remedial approaches for an expedited schedule and more measured approach are summarized in Table 5-5 below. The summary costing associated with the various remediation options range from \$85,000,000 to \$140,000,000. The schedule allows for the time to investigate, design and permit the chosen remedy plus the construction effort. In the case of the expedited schedule, construction would occur continuously until completion, while in the measured approach, construction would occur seasonally and then intermittently until completion.

Table 5-5 Estimated Costing and Timeline of Remedial Approaches

Estimated Costing of Remedial Approaches	Expedited Approach*	Measured Approach*
Canada Creosote Site	\$110,000,000	\$65,000,000
Balance of West Village	\$30,000,000	\$20,000,000
Estimated Total	\$140,000,000	\$85,000,000
Estimated Timeline for Canada Creosote Site Work		
Additional Investigation, Regulatory Approvals and Permitting (approximate time)	3-5 years	3-5 years
Remediation (approximate time)	3 years	5 years
TOTAL	6-8 years	8-10 years
*The expedited approach is represented by excavation and disposal of all impacted areas, where as the measured approach is represented by excavation and on-site biostabilization and reuse.		

CMLC has concluded that given the recent interaction and feedback from the regulator and additional information gathered during the most recent investigations, further studies should be continued in order to align and optimize the triple bottom line solution for West Village contamination and redevelopment efforts.



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9.0 LIST OF FIGURES

Figure 1-1 West Village Area Redevelopment Plan (2010)

Figure 1-2 West Village, CalgaryNEXT West

Figure 1-3 CalgaryNEXT as Proposed by CSEC

Figure 2-1 West Village Environmental Management Areas

Figure 3-1 Historical Uses

Figure 3-2 Conceptual Site Model

Figure 3-3 Estimated Extent of Contamination

Figure 4-1 Areas of Potential Environmental Concern for the Human Health Risk Assessment

Figure 4-2 Human Health Risk Assessment, During & Post Remediation and construction, CSM



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10.0 LIST OF TABLES

Table 5-1 Assembly of Preliminary Remedy Combinations

Table 5-2 CCS Soil Volumes

Table 5-3 CCS Remediation Schedule

Table 5-4 Estimated Cost Summary (\$CAD) for Each Remedy Combination

Table 5-5 Estimated Costing and Timeline of Remedial Approaches



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11.0 APPENDICES

11.1 References

AECOM, Canada Creosote Study Area 2011 Evaluation of Groundwater Containment System Calgary, Alberta, Canada, May 2012

The City of Calgary, Corporate Project Management Framework Estimation & Contingency Guidance Document, February 2012

International Agency for Research on Cancer (IARC), 2010. *IARC Monographs on the Evaluation of Carcinogenic Risks to Humans, Volume 92, Some Non-heterocyclic Polycyclic Aromatic Hydrocarbons and Some Related Exposures*, pg 772, 2010.

International Agency for Research on Cancer (IARC), 2010. *IARC Monographs on the Evaluation of Carcinogenic Risks to Humans, Volume 53, Occupational Exposures in Insecticide Application, and Some Pesticides*, pg 394, 1991.



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11.2 List of Acronyms

APEC	Area of potential environmental concern
ARP	Area redevelopment plan
AST	Above ground storage tank
CSEC	Calgary Sports and Entertainment Corporation
CCS	Canada Creosote site
CMLC	Calgary Municipal Land Corporation
COPC	Chemical of potential concern
CSM	Conceptual site model
DNAPL	Dense non-aqueous phase liquid
ESA	Environmental site assessment
HHRA's	Human health risk assessment
LNAPL	Light non-aqueous phase liquid
mbgs	metres below ground surface
NAPL	Non-aqueous phase liquid
PCP	Pentachlorophenol
PAH	Polycyclic aromatic hydrocarbon
PHC	Petroleum hydrocarbons
SVOC	Semi-volatile organic compounds
UST	Underground storage tank
VOC	Volatile organic compounds




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11.3 Reports Informing 2016 WV Environmental Analysis Report

The following is a list of reports produce in 2015 and 2016 specifically to inform the contents of this report:

- Site Characterization Gap Analysis - Proposed West Village Area, Calgary, Alberta
- 2015 Geophysical Investigation at the Former Canada Creosote Site - Seismic Refraction, ERT & GPR
- Site Characterization Gap Analysis - Remaining West Village Lands - Proposed West Village Area, Calgary, Alberta
- Geotechnical Investigation at the West Village Study Area – Former Canada Creosote Site
- Chlorodibenzo-P-Dioxins and Chlorodibenzofurans Strategy-Former Canada Creosote Site, West Village Study Area
- 2015 Phase II Environmental Site Assessment-West Village Study Area, Calgary, Alberta-Volume 1, 2 and 3
- 2015 Data Review and Gap Analysis
- 2016 Problem Formulation
- 2016 Preliminary Soil Vapor Intrusion Modelling
- 2016 Preliminary Results, Human Health Risk Assessment
- 2016 Remediation Options Assessment Model

A wide-angle aerial photograph of Calgary, Alberta, Canada. The image shows the city's skyline with various skyscrapers, including the Calgary Tower on the right. The Bow River flows through the city, and a large green park area is visible in the foreground. A semi-transparent white box is overlaid on the right side of the image, containing the title text.

The City of Calgary

West Village-CalgaryNEXT Phase 1 Analysis Fieldhouse Investigation

April 2016

EXECUTIVE SUMMARY

The City of Calgary (“The City”) has unfunded plans for a multi-purpose fieldhouse to be built at Foothills Athletic Park, near McMahon Stadium. The development would require an investment of \$250 million (current value based on capital escalation from 2012 estimates). The CalgaryNEXT concept proposes to re-locate the fieldhouse to West Village and integrate it within an indoor football stadium for the Calgary Stampeders, adjacent to an arena for the Calgary Flames.

The Calgary Sports and Entertainment Corporation (CSEC) believes there will be construction savings of approximately \$330 million by combining the fieldhouse, the stadium and the arena into one facility. The estimated cost savings appear to be based on the assumption that McMahon Stadium would be replaced rather than renovated and do not account for any modification or repurposing costs for McMahon Stadium.

Per Council’s direction, The City retained a consultant to assess the technical feasibility of the proposed concept, including combining multi-use facilities within one building and integrating a Canadian Football League (CFL) stadium into the fieldhouse. Preliminary feasibility studies identify that the CalgaryNEXT concept is technically feasible if certain implications related to the function and operation of the fieldhouse are accepted.

Existing studies conducted by the McMahon Stadium Society indicate that an investment of approximately \$2.08 million (current value based on capital escalation from 2015 construction estimates) over the next four to five years would ensure the stadium structure and mechanical systems could provide service for another 25 to 30 years.

An investment of approximately \$36.7 million (current value based on capital escalation from 2007 construction estimates) for improvements to the existing concourse would improve user experience and address the majority of current user convenience issues. Execution of all proposed amenity improvements would represent an investment in the range of \$69.4-89.2 million (current value based on capital escalation from 2012 construction estimates).

Based on consultation with the McMahon Stadium Society, the stadium remains a viable facility for accommodating CFL football and amateur sport use in Calgary. In 2015, 464 of 1,784 total scheduled hours are attributable to amateur sport and recreation use. This demand would need to be accommodated elsewhere if the existing stadium is not maintained.

Feedback from stakeholders indicates that complexing (or combining amenities into one facility) is generally supported as long as infrastructure (parking, route access, amenity design, etc.) supports multiple uses and high volumes. While there is a high level of support for creating additional play space in Calgary, more information is needed to determine the actual impacts to public recreation and amateur sport users. For example, allocation of time will need to be directly



West Village-CalgaryNEXT Phase 1 Analysis
Fieldhouse Investigation

addressed to ensure equitable access for amateur sport and more information is needed to understand the full amenity complement being proposed.



West Village-CalgaryNEXT Phase 1 Analysis
Fieldhouse Investigation



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CHAPTER 1 – INTRODUCTION

1.1 Background

The City of Calgary (“The City”) has unfunded plans for a multi-purpose fieldhouse to be built at Foothills Athletic Park, near McMahon Stadium. The development of this public facility requires an investment of \$202 million, based on \$94 million for the fieldhouse building (including a 400 meter indoor track and FIFA sized field) and \$108 million for associated support/sport spaces, site clearing, site redevelopment, parking and project soft costs.

There has been extensive stakeholder consultation regarding the Foothills Fieldhouse and significant discussions with the University of Calgary to be a partner in this project. Central to The City’s vision for the fieldhouse is public accessibility and usability, supporting the amateur sporting community, and partnering with the University of Calgary. The Foothills Fieldhouse did not contemplate the use of the fieldhouse as a Canadian Football League (CFL) football stadium, and excludes the cost of remediation and infrastructure that would be required to support this function.

The CalgaryNEXT project proposes to re-locate the fieldhouse and integrate it within this development and design so it can be used as an indoor football stadium for the Calgary Stampeders. Calgary Sports and Entertainment Corporation (CSEC) believes there will be construction savings of approximately \$330 million by combining the fieldhouse, the stadium and the arena into one facility. The estimated cost savings appear to be based on the assumption that McMahon Stadium would be replaced rather than renovated and do not account for any modification or repurposing costs for McMahon Stadium.

Previous Council Direction/Policy

On 2010 July 19, Council approved in principle CPS2010-47 Foothills and Glenmore Athletic Park Concept Plan; and directed Administration, subject to available financing, to proceed in the planning process for Foothills and Glenmore Athletic Parks and report back to SPC on Community and Protective Services no later than 2011 October.

On 2010 July 19, Council adopted Alderman Pincott’s Motion Arising with respect to CPS2010-47, directing Administration to complete additional research required (preliminary background studies, costing, programming, operational analysis and revenue potential); and further that \$500,000 be transferred from the Reserve for Future Capital to Recreation Program 507 to fund this work.

On 2011 November 7, Council approved CPS2011-51 Foothills and Glenmore Athletic Parks – Deferral Request; and directed Administration to bring forward the Foothills and Glenmore Athletic Park report no later than 2012 March.



On 2012 March 19, Council approved CPS2012-10 Foothills and Glenmore Athletic Parks Update – Deferral Request; and directed Administration to bring forward the Foothills and Glenmore Athletic Park report no later than 2012 November.

On 2012 November 19, Council approved CPS2012-0771 Foothills and Glenmore Athletic Parks Update – Deferral Request; and directed Administration to bring forward a revised site plan for the Foothills Fieldhouse and Athletic Park along with the associated phasing implications for Glenmore Athletic Park no later than 2013 May.

On 2013 April 22, Council approved CPS2013-0351 Foothills Fieldhouse – Progress Update; and approved, in principle, the revised location for the Foothills Fieldhouse within Foothills Athletic Park.

1.2 Purpose of the Background Report

The Background Report summarizes preliminary research and stakeholder feedback with respect to the feasibility of the proposed CalgaryNEXT concept. The purpose of the Fieldhouse Investigation is to gain insight into implications for key stakeholders, including the University of Calgary, the McMahon Stadium Society and representatives of the amateur sport community in Calgary.

The Fieldhouse Investigation is comprised of six parts to determine the feasibility and implications of the proposed fieldhouse at West Village:

- Mayor's Report M2015-0856 Items 3 (a) and 3 (e) require consulting services to determine the feasibility of (1) incorporating the fieldhouse and arena into one facility and (2) integrating the CFL stadium into a fieldhouse, respectively.
- Items 3 (b) and 3 (f) require consultation with the University of Calgary with respect to (1) the features they require in a fieldhouse and the implications of the proposed location at West Village, and (2) the implications of relocating the Calgary Stampeders and any short- or long-term plans for McMahon Stadium, respectively.
- Item 3 (c) requires consultation with community stakeholders of the fieldhouse with respect to the features they require in a fieldhouse and the implications of the proposed location at West Village.
- Item 3 (d) requires consultation with the McMahon Stadium Society to understand the cost for renovations to improve customer service in the existing stadium.

The next section – Chapter 2 – provides a summary of results from consultant assessments and consultation with key stakeholders. All original reports and responses are appended to this report.



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CHAPTER 2 – SUMMARY OF RESULTS

2.1 Response to Item 3 (a)

A preliminary analysis of the feasibility of a multi fieldhouse/arena facility including the implications of incorporating these facilities within one building;

Approach

To determine the functional and technical requirements of a combined fieldhouse/arena amenity, the Project Team liaised with internal subject matter experts to supplement a preliminary feasibility assessment conducted by a retained consultant.

Research includes:

1. a case study comparison of similar buildings to identify relevant implications
2. preliminary research and analysis of the functional/operational and technical implications of a co-located facility

Technical requirements are built attributes required to support physical co-location while functional/operational requirements relate to the scheduling, coordination and execution of events, games and practices, and the implications these have on accessibility for recreation use.

Outcomes

A review of professional sport spectator venues in Canada and the United States did not reveal comparable facilities where National Hockey League (NHL) and CFL/NFL teams are co-located within one physical building. The closest Stadium to what is being proposed by CSEC is TD Place Stadium and Arena in Ottawa, which incorporates a spectator ice rink for the Ottawa 67's (Canadian Hockey League) under the football grandstands for the CFL Redblacks. Other similar facilities are located in close proximity to each other on adjacent properties or across a parking lot.

Spectator venues are typically housed in separate facilities with secure perimeters to limit unpaid access. This limits opportunities for shared facility components that could increase efficiencies and cost savings (both in terms of capital and operational costs). Facility components that could be shared between pro sport spectator and public venues similar to what is being proposed by CSEC include: guest lobbies, concessions, kitchens and commissaries, storage, staging, loading, security, parking and administration.

With respect to scheduling, considerations include physical access limitations created by larger spectator numbers, parking availability, servicing and delivery for food and beverages stores,

security and access control between paid admission events, and the 'clearing' of shared spaces prior to next use.

The ability to share facility components is impacted by the number of large scale events occurring onsite over the course of the year. Posted schedules for the Flames (NHL), the Hitmen (WHL), the Roughnecks (NLL) and special events such as concert performances or shows, indicate there are 118 events scheduled for the NHL venue in 2015/2016. McMahon Stadium bookings for the same time period indicate there are 11 CFL games and seven special events (marching band shows and fundraisers). A total of 136 large scale events are scheduled over the course of the year 2015/2016.

Implications

Given the typical interstitial space available in stadium-type facilities, CFL club operational requirements could be accommodated in a comprehensively designed stadium. A potential impact is increased construction costs. A detailed technical assessment is needed to assess initial capital construction impacts and short-, medium- and long-term operational impacts. In addition, a comprehensive operational plan is needed to determine the operational requirements of shared amenities and the potential impact of competing demand.

2.2 Response to Item 3 (b)

Consulting with the University of Calgary with respect to the features they require in a fieldhouse so that the facility would serve the University effectively and also satisfy the needs of its students and stakeholders. In particular, the consultation should include a discussion with respect to the implication of locating the fieldhouse in the West Village instead of the Foothills Athletic Park;

Approach

In response to Item 3b of the review framework, City Administration approached Dr. Elizabeth Cannon, President and Vice-Chancellor of the University of Calgary. A meeting was attended by Chima Nkemdirim, Chief of Staff, Office of the Mayor, Brad Stevens, Deputy City Manager, Bart Becker, Vice President (Facilities), University of Calgary and Dr. Cannon on 19 February 2016.

Based on available public information about the CalgaryNEXT concept, and consistent with Council's goals for Phase 1 of the Fieldhouse Investigation, the Project Team identified the following topics to stimulate thinking about the proposed concept:

1. What are the possible implications for your organization of locating the fieldhouse at West Village instead of Foothills Athletic Park?
2. What are the implications of combining multisport amenities (stadium/fieldhouse) into one building and combining multiple sport amenities (stadium/fieldhouse + NHL arena) into one facility?
3. What are the implications of sharing use of the facility among professional leagues, large events and the amateur sport community?
4. What features are required in a fieldhouse to serve university needs both from an academic and recreation-sport perspective?

This list is not exhaustive and the University of Calgary was encouraged to add any items they would like to be considered.

Outcomes

On 18 March 2016, The City of Calgary received a letter response addressed to Mr. Brad Stevens, Deputy City Manager, from Bart Becker, Vice President (Facilities), University of Calgary. The original letter is appended to this report. The letter responds directly to the four discussion topics above and includes information about the University's planning processes for current and future academic research, and community outreach programs – and the facilities that house them – for their Kinesiology Faculty. According to the letter, the University identified a number of programs that could benefit from the co-location and integration of programming in a

fieldhouse, including research and teaching labs, associated office and support spaces, as well as both public and instructional physical activity spaces.

The following is a summary of the University of Calgary's response to the above discussion topics:

1. What are the possible implications for your organization of locating the fieldhouse at West Village instead of Foothills Athletic Park?

The University of Calgary expressed that the success of a joint use athletics facility is dependent on proximity to the existing campus.

2. What are the implications of combining multisport amenities (stadium/fieldhouse) into one building and combining multiple sport amenities (stadium/fieldhouse + NHL arena) into one facility?

The University of Calgary supports the intelligent design of a combined facility and outlined the program elements required to support their vision and purpose, including state of the art fitness facilities and gymnasiums, coaching staff offices, community outreach clinics, as well as offices, and flexible lab and classroom spaces supporting the programming of these various activities.

3. What are the implications of sharing use of the facility among professional leagues, large events and the amateur sport community?

The University of Calgary perceived potential benefits with a co-located facility, but states that dedicated university access is critical to an integrated solution. The University cites parking capacity and scheduling conflicts as possible hindrances and states that without preferential booking and proximity, they would require additional similar facilities to maintain the level of access and programs required for varsity practice and training.

4. What features are required in a fieldhouse to serve university needs both from an academic and recreation-sport perspective?

The University of Calgary identified three overarching principles critical with respect to the location of a fieldhouse to allow for use by the university:

1. Proximity to their main campus and Foothills campus
2. Public parking and direct transit access
3. Dedicated programming times

Finally, the University's response summarizes current programming that could benefit from an integrated and proximal fieldhouse, including academic activities, varsity teams, clubs and programs, and intramural sports.



Implications

Existing spaces at the University of Calgary are oversubscribed and showing their age, and cannot meet current and future demands. Through their capital planning process, the university identified an approximate 45,000 m² expansion, and renewal and repurposing of nearly 11,000 m² of their existing Kinesiology Complex. These plans could benefit from a co-located fieldhouse.

The University of Calgary's ability to be integrated in a future fieldhouse design is directly influenced by its proximity to the academic and research programming located at their main campus and Foothills medical campus, as well as the ease of public access to possible co-located clinics. Given the lack of proximity to their academic and research community, the University of Calgary would anticipate to be at most, an occasional user of facilities at the West Village site.

2.3 Response to Item 3 (c)

Consulting with the community stakeholders of the fieldhouse, including the Calgary Multisport Fieldhouse Society, Sport Calgary, the amateur athlete community and the general public with respect to the features that they require in a fieldhouse so that the facility can satisfy the needs of the stakeholders. In particular, the consultation should include a discussion with respect to the implications of locating the fieldhouse in the West Village instead of the Foothills Athletic Park;

Approach

At this time, stakeholders are those organizations that represent broad sport and recreation interests and were previously engaged as part of the concept planning process for Foothills Fieldhouse. For the purpose of the investigation, stakeholders have been divided into two groups based on their perceived level of interest and influence. The following organizations are considered to be directly impacted by the CalgaryNEXT proposal, or represent broad stakeholder interests:

- Sport Calgary
- Calgary Multisport Fieldhouse Society
- Canadian Sport Institute

Other organizations targeted for engagement as part of Phase 1 include:

- Mount Royal University
- Greater Calgary Amateur Football Association
- Calgary United Soccer Association
- Calgary Track Council
- Nation Sport Academy
- NSD Sports & Fitness Club (formerly National Sport Development)
- Hockey Calgary
- Calgary Ultimate Association
- Tennis Alberta
- Swim Alberta
- Calgary Senior Women Basketball
- Calgary Senior Men's Basketball Association
- Calgary & District Amateur Softball Association
- Calgary Senior High School Athletic Association
- Alberta Little League (District 3)

- Calgary Women's Fastball Association
- Alberta Volleyball Association
- Calgary Minor Soccer Association

Interviews were conducted with organizations considered to be directly impacted by the CalgaryNEXT proposal, or who represent broad stakeholder interests. All other stakeholders received a questionnaire delivered on 2 February 2016 with a request to provide feedback by 22 February 2016.

Extensive stakeholder engagement has already occurred as part of the concept planning process for Foothills Athletic Park. Through this process, The City and its consultants devised a concept plan for the Foothills Fieldhouse based on expressed user needs and preferences. Specifically, the plan reflects feedback from user groups about the features and facilities required to support the amateur sport community in Calgary.

The findings from this engagement are still considered valid and are not revisited in this initial review phase. As per Council direction, this phase focuses on the possible implications of:

- locating the fieldhouse at West Village instead of the Foothills Athletic Park,
- sharing the facility with the Calgary Stampeders and the CFL, and
- any other insights with respect to the implications of the CalgaryNEXT proposal for the amateur sport community in Calgary.

Outcomes – Interviews

Based on interviews and submissions from Sport Calgary (interviewed on 20 January 2016), the Canadian Sport Institute (interviewed on 1 February 2016) and the Calgary Multisport Fieldhouse Society (interviewed on 3 February 2016), the following key themes emerged and are consistent among the organizations:

1. Accessibility – Stakeholders expressed some concerns related to parking, allocation of prime time, the implications of sharing with professional sport leagues and the cost of access. Specific concern was expressed about the appropriateness of public transit as the main access for amateur athletes (youth) and spectators.
2. Amenities – Stakeholders expressed that more information is needed regarding the actual design of the facility. Specific questions include:
 - a. What types of amenities are and are not included?
 - b. How will amenity components be designed?
 - c. What adjacent amenities will be available?
3. Location – More information is needed regarding route accessibility, availability of parking and the appropriateness of public transit as the main access for amateur (youth) athletes and spectators.

Other Feedback

Concurrent with Phase 1 of Administration's review, the CSEC initiated an independent consultation process with amateur sport stakeholders. As follow up to presentations by the CSEC, The City has received additional feedback from Sport Calgary and Calgary Multisport Fieldhouse Society (CMFS). This feedback is summarized below. Original letters included in a comprehensive supporting research report that is compiled under separate cover.

Sport Calgary

On 21 March 2016, the Project Team for the Fieldhouse Investigation received a letter from Sport Calgary as follow up to a presentation to that group by the CSEC. The letter states that the CSEC's presentation "[goes] a long way to address all 5 of the concerns [Sport Calgary has] raised on behalf of the amateur sport community." The letter further states that Sport Calgary "believes the option of incorporating the fieldhouse into the CalgaryNEXT project has considerable merit from an amateur sport perspective."

CalgaryMultisport Fieldhouse Society

On 29 March 2016, the Project Team received a letter from CMFS as follow up to a presentation by K. Knights & Associates and members of GEC Architecture. The letter states that after subsequent review with the board, CMFS feels that CalgaryNEXT/CSEC have demonstrated their willingness and substantial commitment to work closely with CMFS to ensure critical concerns are addressed, including:

- Amenities and programming requirements vs. Foothills Fieldhouse
- Access to the site and adequate parking
- Availability for public use at all time taking into account Fieldhouse and Arena
- Affordability
- Governance (Management and Operations provided by private sector vs. City)

The letter further states that assuming the same level of engagement with CMFS is maintained in subsequent review phases, "CMFS believes there is significant merit for the incorporation of the Fieldhouse into CalgaryNEXT."

Outcomes – Questionnaires

Stakeholder responses to the questionnaire are consistent with feedback from interviews. Responses are generally supportive of adding additional play space in Calgary, however; requests for more information comprise the majority of feedback received.

1. Accessibility – While some respondents indicated they perceive the location at West Village as being more central, there are concerns over route access and the availability of parking, particularly when there are multiple, simultaneous events that could contribute to congestion. Questions arose over governance, which is perceived as influencing the allocation of time and cost of use.
2. Amenities – Specific questions arose around amenity design and composition to accommodate multi-use (i.e. field orientation and boundaries, built volume, storage and play surface). There is some concern that a multi-use stadium could result in lost time due to the changeover between sports. On the other hand, some respondents indicated that a multi-amenity facility creates opportunities for partnerships among athletic organizations, cross-training and increased exposure for sport groups. Overall, respondents cited the need for more detailed information about proposed facility components. For example, Tennis Alberta inquired about plans for outdoor tennis and the Calgary Multisport Fieldhouse Society inquired about plans for an outdoor track adjacent to the fieldhouse.
3. Location – More information is needed regarding route access and availability of parking. Several respondents indicated the proposed location at West Village is more central and proximity to public transit would benefit their membership. Others indicated that relying on public transit to access the site is not ideal for amateur sport participants, organizers and parents, who may need to attend various locations in one evening.
4. Other – There is interest in how the CalgaryNEXT proposal would impact use of McMahon Stadium and redevelopment plans for Foothills Athletic Park.

Implications

More information is needed to determine the actual impacts to public recreation and amateur sport users. There are concerns that the financial profile of professional sports and large events could marginalize amateur sport based on facility cost recovery needs. Allocation of time will need to be directly addressed to ensure equitable access for amateur sport. This is especially relevant given the number of events noted for the 2015/2016 season (refer to item 3a). Some groups have said they already experience a negative impact when interfacing with professional sport teams at Foothills Athletic Park.

Overall, there is a high level of support for creating additional play space in Calgary. Complexing (or combining amenities into one facility) is generally supported as long as infrastructure (parking, route access, amenity design, etc.) supports multiple uses and high volumes. More information is needed to understand the full amenity complement, which could impact the need for duplicate equipment and additional storage. For example, in the absence of green space or an outdoor track, some sport groups may be required to operate from multiple sites. The cost of duplicate equipment is a concern for volunteer-based organizations.

At a meeting with The City on 2 March 2016, the CSEC provided a response that begins to address stakeholders' expressed concerns.

2.4 Response to Item 3 (d)

Consulting with the McMahon Stadium Society to understand what renovations are required to the stadium to improve the customer experience and the estimated cost of such renovations;

Approach

A meeting was held with the McMahon Stadium Society on 25 January 2016. The meeting was attended by Vice Chairman, Steve Allan and Assistant Stadium Manager, Don Phelps. The McMahon Stadium Society also provided background information and previous research to supplement the discussion, including:

- McMahon Stadium Society Usage Report (2015)
- McMahon Stadium: Structural and Mechanical Assessment (2015)
- PLAYBOOK: McMahon Stadium Redevelopment Concepts Final Report (2012)
- Section 1.2: Construction Option Summary Table (2014)

These documents provide important context for a discussion around the current and potential future use of the stadium, as well as required or planned improvements. These documents, as well as internal correspondence around current funding and parking agreements are attached to this report. For additional context, the current Operating Agreement between the McMahon Stadium Society and The City of Calgary is also attached.

Outcomes

Current State and Investment Potential

The stadium is in good general structural condition due to an annual maintenance program in the range of \$200K per year (funds are provided from ongoing operations).

An investment of approximately \$2.08M (current value based on capital escalation from 2015 construction estimates, ref. Morrison Hershfield Report) over the next four to five years would ensure the stadium structure and mechanical systems could provide service for another 25 to 30 years. A funding source has not been identified for this work.

An investment of approximately \$36.7M (current value based on capital escalation from 2007 construction estimates, ref. CANNONDESIGN Report) for improvements to the existing concourse would improve user experience and address the majority of current user convenience issues. A funding source has not been identified for this work.

The McMahon Stadium Society has explored full modernization of the stadium, including:

- new main entrance and lobby
- two levels of corporate boxes
- a hall of fame
- a new Stamps store
- booth/box/suite spectator amenities throughout the existing seating
- adding a south concourse level to replace the existing fieldhouse
- adding washrooms and meeting rooms
- providing pedestrian connectivity throughout entire stadium

Execution of all proposed amenities would represent an investment in the range of \$69.4-89.2M (current value based on capital escalation from 2012 construction estimates, ref. CANNONDESIGN Report). A funding source has not been identified for this work.

Current Use Data

McMahon Stadium was available for bookings 235 days during 2015. On average the facility was used 7.3 hours each day.

In total, 590 bookings were scheduled between 21 March 2015 and 20 November 2015, accounting for 1,784 scheduled hours.

Table 1 summarizes the allocation of prime time and total facility usage for 2014/2015.

Table 1 – 2014/2015 Usage

	2014/2015 Usage	
	2015 Prime Time Usage	2014/2015 Total Time Usage
Calgary Parks/Recreation	32%	26%/27%
Stampeder Football	23%	56%/57%
University of Calgary Athletics	13%	15%/16%
Special Events	2%	2%/1%

Implications

McMahon Stadium remains a viable facility for accommodating CFL football and amateur sport use in Calgary. In 2015, 464 of 1,784 total scheduled hours are attributable to amateur sport and recreation use. This demand would need to be accommodated elsewhere if the existing stadium is not maintained.

The McMahon Stadium Society has identified investment opportunities to ensure ongoing operations. Incremental improvements to user experience have been identified within the available property. Further review is needed to validate the cost of minimal immediate and comprehensive amenity upgrades.



West Village-CalgaryNEXT Phase 1 Analysis
Fieldhouse Investigation

2.5 Response to Item 3 (e)

A preliminary analysis of the feasibility of incorporating a CFL stadium into a fieldhouse, the operational and space requirements of the Calgary Stampeders, and the impact a CFL team would have on the operations of the fieldhouse with respect to the other stakeholder;

Approach

To determine the functional and technical requirements of integrating a CFL stadium within a fieldhouse, the Project Team liaised with internal subject matter experts to supplement a preliminary feasibility assessment conducted by a retained consultant.

Research includes:

1. a case study comparison of similar buildings to identify relevant implications
2. preliminary research and analysis of the functional/operational and technical implications of an integrated facility

Technical requirements are built attributes required to support physical integration while functional/operational requirements relate to the scheduling, coordination and execution of events, games and practices, and the implications these have for accessibility and recreation use.

Emergent Themes

Operational and space requirements of the Calgary Stampeders

Based on planning work completed by the McMahon Stadium Society, football operations for the Calgary Stampeders requires +/- 50,000 square feet of space above what is required for a recreation fieldhouse. This includes space for coaching amenities, administration and player areas. Additional built volume would be required to accommodate permanent spectator seating. The scale and scope of additional built volume is dependent on the final ratio of fixed to permanent seating and the physical configuration of the proposed building.

Built volume would also need to accommodate clear heights for a CFL venue, requiring as much as 50 per cent more built volume compared to a recreation fieldhouse (refer to *Overhead clearance* under item 2 below). There would also need to be an increase in constructed floor area due to the stacking of seating and concourse floor areas. Establishing the floor area increase requires a detailed analysis of the proposed stadium design, however; based on the information available it is believed to be in the range of 400-500K square feet.

Feasibility and implications of integrating CFL use needs

The implications of integrating CFL use needs with a publicly accessible fieldhouse focus on space/area requirements, physical/dimensional configurations and prime time availability.

1. Space/area requirements

Seating – The stacking and storage of retractable seating could impede recreation user movement between amenities, however; this is not a certainty and should be considered as planning and design details become available. The proposed use of customized telescoping seating at the “front” (most desirable) spectator locations could impact durability of the track, seating/platforms and seating quality. The movement (rolling) of retractable seating across the track could impact surface quality, associated warrantee and safety of use.

Research shows that, while common in the early 1970s to the mid-1990s in North America, most professional sport stadiums have moved away from retractable/reconfigurable seating. Instead, some facilities began fixing mobile seating in place or creating multiple dedicated sport-specific facilities to meet the unique spectator needs of each sport. Mobile seating was abandoned primarily due to challenges related to functionality and costs associated with system maintenance and reconfiguration. Notably, a new convertible seat stadium is under development for the Minnesota Vikings using telescoping platforms and retractable seating. The stadium is anticipated to be operational by fall of 2016.

The most typical use of convertible seating currently in use is for conversion between NBA and NHL requirements. If this design model is pursued, operators of like facilities should be consulted to explore optimum procedures and configurations to maximize efficiencies and minimize challenges.

Drop off and access – The proximity of the NHL arena necessitates ample access and circulation routes to accommodate large volumes of spectators who will be using the facility concurrent with recreation users. Dedicated vehicular and pedestrian access points for recreation users should be provided. Direct construction costs will be incurred to provide independent access and an expanded footprint/land area is required.

2. Physical/dimensional configurations

Research indicates there are three primary physical/dimensional characteristics that could be impacted by the integration of a CFL field and a track fieldhouse:

Angle and proximity of spectator viewing – The location of a track around the field may compromise sightline distances and, hence, the quality of spectator viewing. FIFA, CFL and IAAF (International Association of Athletics Federations) each require specific dimensional offsets from the surface of play to the edge of the viewing grandstand to allow spectators to see key boundary focal points.

The proposed retractable seating should meet the viewing needs of soccer and football spectators with some minor compromises to the rake (rise and run angle) as sideline dimensions for these sports are within a similar scale of magnitude. For example, sideline offsets are 13.7 meters (15 yards) for CFL and 9.1 meters (30 feet) for FIFA. To provide for the dimensional requirements of a 400 meter track and sideline area in a reconfigurable seating system, seating would need to be retracted +/- seven meters from the desired football sideline and +/- 10 meters from the desired soccer sideline. This could limit the functionality of the mobile seating system for track and/or soccer if the primary design criteria is based on the needs of football. Further consideration and review is required through detailed design stages.

CFL end zone corners in relation to track corners – CFL field dimensions place it in conflict with IAAF track corner radius requirements (a CFL field does not fit in an IAAF 400m track). The dimensional conflict results in a chamfer of the CFL end zone. This requires a relaxation of CFL end zone dimensions or, alternatively, a solution to accommodate the track and track rail while extending the CFL field turf surface. Further review of operational feasibility will be required once a technical solution is developed.

Overhead clearance – Competition football venues require an overhead clearance of 30 meters to accommodate punting while a fieldhouse accommodating track and recreation soccer could function with 20 meters of overhead clearance. There will be costs associated with providing additional height.

Maximizing use of the track and infield components requires divider curtains around the track and between portions of the field when used concurrently as practice space. Divider curtains and cages are typically stored overhead near the ceiling or within the roof structure. A professional sports stadium generally requires higher ceilings and clear space creating potential conflict between football needs and overhead recreation storage needs. A detailed design solution is required to address the visual (and actual) clutter of overhead storage for safety nets, divider curtains and hitting cages (based on uses envisioned by the Foothills Fieldhouse Concept Plan).

3. Prime time availability

Research indicates that integration of CFL use needs with a publicly accessible fieldhouse will require time availability. Impact on prime time availability for recreation use is projected in Tables 2 and 3 below. Note: Publicly accessible prime time hours may vary by season.

Table 2 – Prime Time Availability

	Prime Time Availability		
	Total available prime time hours	Available recreation hours after integrating CFL schedule	Prime time access required for CFL use
April to August	1351	1094	19%
September to November	805	637	21%
December to March	1092	1092	0%
Annualized	3248	2823	13%

Table 3– Non - Prime Time Availability

	Non-Prime Time Availability		
	Total available recreation hours	Available recreation hours after integrating CFL schedule	Non-prime time access required for CFL use
April to August	1050	459	56%
September to November	640	383	60%
December to March	830	830	0%
Annualized	2520	1546	39%

The tabulated information is based on historical Stampeder use patterns at McMahon Stadium and basic assumptions about operating conditions. Further review is required once a proposed operating model and schedule has been established. Tabulated data assumes:

- The stadium is available for public use prior to and following Stampeder practices but not between preseason practices, which may occur twice a day.
- Practice times include: four-hour practices with two hours of prep and two hours of clean-up (approximately 8 a.m. – 4 p.m.)
- Practices occur on weekdays only.

- The stadium is closed for a full day prior to games for preparations and for a half day after games for building reset.
- Stampeder special events are assumed to be within their practice and game season. Based on the McMahon Stadium Usage Report, 39 events were scheduled in 2015.
- Prime time hours are 4 – 10 p.m. on weekdays, 8 a.m. – 6 p.m. on Saturdays and noon – 6 p.m. on Sundays.

For comparison purposes, it should be noted that, according to the current use profile outlined in the McMahon Stadium Usage Report (2015), the stadium was available for bookings 245 days during 2015 with an average facility use time of 7.3 hours each day. According to the report, total usage/prime time usage is divided as follows:

- Calgary Recreation 26%/32%
- Calgary Stampeders 56%/23%
- University of Calgary Athletics 15%/13%
- Special events 1%/2%

McMahon figures are based on 1,784 scheduled hours over 245 days compared to the projected availability for the proposed CalgaryNEXT fieldhouse of 5,768 hours over 357 days.

Implications

Integrating use requirements for the CFL with recreation amenities will result in some prime time hours being used to support professional football and poses some technical design challenges. Further review is needed to evaluate conflicting design and functional/operating requirements for a shared infield and overhead spaces. The additional built area and volume required to accommodate CFL needs will have implications for capital costs.

Conversion of the main fieldhouse space between uses requires time and effort, placing an increased cost burden on operations. This could impact the financial performance of the Stampeders or the cost to provide recreation access. For each use as a CFL venue, time and cost will need to be allowed for:

- clearing the building (access control of ticket holders, confirming perimeter and internal security)
- modifying spectator seating
- modifying playing surface (interface with track/track rail)
- post-event clean up and building reset



2.6 Response to Item 3 (f)

Consulting with the University of Calgary with respect to the implications of the Calgary Stampeders relocating to CalgaryNEXT and their short-term and long-term plan for the McMahon Stadium land and the implications of those plans to The City.

The University of Calgary's letter response does not identify any short- or long-term plans for the McMahon Stadium site. For a summary of the letter response dated 18 March 2016, please refer to Item 3 (b) on page 11. The original letter is appended to this report.

Land and Operational Agreements between the University of Calgary and The City are attached for reference. It should be noted that if the Stampeders relocate, the University of Calgary will be granted full discretion over the future of the Stadium and associated lands.

CHAPTER 3 – CLOSING

Preliminary feasibility studies and feedback from sport and recreation stakeholders identify that the CalgaryNEXT concept is technically feasible if certain implications associated with relocating the fieldhouse to West Village are accepted. Primary among these are implications associated with combining a publicly accessible fieldhouse with the functional/operational requirements of a CFL stadium and the potential operational impacts of an arena/events centre connected with a fieldhouse/stadium.

In general, stakeholders support the creation of additional play space in Calgary, however; feedback consistently cites the need for clarity around the operational and physical logistics of the proposed concept. Specifically, sport and recreation stakeholders are interested in how any proposed models for governance, financing and operations could impact equitable and unhindered access to recreation assets.

Questions around access and amenity provision are prevalent among stakeholders. For example, stakeholders expressed the expectation that amenities at West Village are consistent with what is planned for the Foothills site and that any proposed operating model for a shared facility accommodate the needs of amateur sport. These needs are identified as being:

- affordable access to **prime time**
- convenient and cost-effective **physical access** (as well as access appropriate for all levels and ages of athletes, parents and organizers)
- **multi-use recreation amenities** that meet the technical and functional requirements of various activities (field orientation and boundaries, building volume, storage, play surface, complementary outdoor amenities)

The proposed fieldhouse/CFL stadium at West Village cannot be reviewed on the same basis as the concept plan for the Foothills Fieldhouse. The difference is most evident in the physical relationship of the recreation amenities and resulting use patterns. Consideration needs to be given to compromises required to integrate a CFL stadium with a public fieldhouse. For example, based on the 2015 McMahon Stadium usage report, the 2015 Stampeders event calendar and estimates for prime time use (refer to tables 2 and 3 on page 19) there will be consumption of prime time hours by the CFL.

Consultant reports and stakeholder feedback are consistent in stating that impacts to access are not solely based on sharing the facility with the CFL. The proximity of the NHL arena could also impact parking, vehicular traffic and congestion, and interior building movement. This is relevant given the number of events noted for the 2015/2016 season. In addition, the current proposal does not incorporate complementary outdoor amenities that currently exist at Foothills Athletic Park, including an outdoor track, rectangular fields and tennis courts.



The design and operational requirements of an admission-based spectator stadium are not naturally aligned with those of a public recreation facility. A technical design solution and analysis of impacts (such as increased costs to operations and lost time for venue change over) are needed to fully understand the implications of incorporating recreation use with CFL stadium requirements.

Further detailed study is needed to fully understand how integrating a public fieldhouse with a CFL venue at West Village would impact recreation use. A thorough understanding of the compromises inherent in replacing plans for a public recreation facility with an integrated model adjacent to an NHL arena is required. This understanding could inform a strategy for mitigating the loss of public prime time access or specific physical accessibility challenges.

On 18 March 2016, The City received a letter response from the University of Calgary with respect to the features they require in a fieldhouse and the implications of the proposed location at West Village. The University's response summarizes current programming that could benefit from an integrated and proximal fieldhouse, including academic activities, varsity teams, clubs and programs, and intramural sports. The University reports that existing spaces are oversubscribed and showing their age, and cannot meet current and future demands. Through their capital planning process, the university identified an approximate 45,000 m² expansion, and renewal and repurposing of nearly 11,000 m² of their exiting Kinesiology Complex. These plans could benefit from a co-located fieldhouse.

The University of Calgary's ability to be integrated in a future fieldhouse design is directly influenced by its proximity to the academic and research programming located at their main campus and Foothills medical campus, as well as the ease of public access to possible co-located clinics. Given the lack of proximity to their academic and research community, the University of Calgary would anticipate to be at most, an occasional user of facilities at the West Village site.

The future of McMahon Stadium should form part of the evaluation. Based on planning documents and design explorations by the McMahon Stadium Society, the stadium has a current projected life span of 25 to 30 years with comparatively minimal investment. McMahon is also a popular site for public sport and recreation activities that need continued accommodation at McMahon or another facility. Consideration should be given to the economic viability of McMahon Stadium if the Stampeders move to West Village.

The University of Calgary's letter response does not identify any short- or long-term plans for the McMahon Stadium site. It should be noted that if the Stampeders relocate, the University of Calgary will be granted full discretion over the future of the Stadium and associated lands.



APPENDIX A – STAKEHOLDER LETTERS

Stakeholder letters received through the research process and attached are:

1. SportCalgary Phase 1 Response, February 8th, 2016
 - a. Schedule 1 'What is Fieldhouse'
2. SportCalgary, March 21, 2016
3. Calgary Multisport Fieldhouse Society, March 29th, 2016
4. University of Calgary, March 18th, 2016

SPORT CALGARY RESPONSE TO THE CITY'S *PHASE 1* CalgaryNEXT CONSULTATION

The context

Sport improves our quality of life

Sport is an essential dimension to quality of life for Calgarians. In 2016, an estimated 400,000 Calgarians will be enrolled in sports activities, with approximately 400 sport organizations offering more than 85 different sport activities, at some 130 local facilities.

Sport helps create a sense of pride and identity for our city

Calgary has a growing reputation internationally as a sports city. After receiving the designation of *Ultimate Sports City (small population)* in 2014 from *Sport Business International*, Calgary is currently shortlisted for the 2016 overall award, with Vancouver the only other Canadian city to make the list, along with others including London, Melbourne, Tokyo, Sochi, Beijing, and Dubai. Criteria include venues, transportation and infrastructure, accommodation, event strategy, government and public support, legacy, quality of life, security, and marketing and branding. Our nomination speaks to the quality of our sport delivery system, the dedication of the many sport groups in the city, and our great legacy of achievement, including Stanley Cup, Grey Cup, Olympic and Paralympic victories. Calgary is also home to university titles and championships in a myriad of other sports, such as figure skating, equestrian show jumping, curling, badminton, volleyball, swimming, skiing, and more.

Sport Calgary's mandate and role

Sport Calgary is a volunteer non-profit society, representing amateur sport in the city of Calgary. Through strong partnerships, Sport Calgary assists, supports, and influences the growth of amateur sport in Calgary. Sport Calgary's mandate is prescribed by its Bylaws, and by Calgary's Civic Sport Policy (CSPSC002). In accordance with the procedures set out in the Policy, Sport Calgary's 2015-2018 Civic Sport Policy Supporting Functions and operating relationships with the City are defined by an Operating Agreement dated June 2, 2015.

The Flames organization/Calgary Sports and Entertainment Corporation (CSEC) and amateur sport

The Flames organization and the CSEC ownership group individually and collectively are amongst the most dynamic supporters of amateur sport in this city. The Flames, Stampeders, Hitmen and Roughnecks teams are important components of the fabric of our city, play a large role for sport in this city, and serve as role models, mentors and economic generators.

Together, often in partnership with community groups and organizations, they have done much to enhance the quality of life for a vast number of Calgarians.

When the ownership group brought the Flames to Calgary in 1980, part of their stated mandate, which is still prominent today, was to ensure “that the Calgary Flames have a positive impact on the quality of life in Southern Alberta.” To date, \$46 million is the financial contribution the Flames have made to amateur sport. This contribution has resulted in programs such as the Flames EvenStrength program, which has provided financial assistance to families to register for sports since 1998 and the renovation and expansion of the Centennial Arenas – now Flames Community Arenas. Along with the refurbishment and construction of ice rinks in and around Calgary. Thousands of sports teams have received funding through the 50-50 program and the Flames continue to support a long standing commitment to post-secondary athletics in Calgary and southern Alberta. The Calgary Flames and the Flames Foundation also provide access to vital programs such as KidSport, Comrie's Sports Equipment Bank, and HEROS. The Calgary Stampeders, Calgary Roughnecks and Calgary Hitmen each have charitable arms that provide financial assistance to a variety of sports groups as well.

Sport Calgary, CSEC and CalgaryNEXT

We appreciate the initiative taken by the CalgaryNEXT proponents in reaching out to provide Sport Calgary and other community members with requested information, to try and determine the related requirements and concerns of Calgary's amateur sport community.

Separately from this Response to The City's consultative process, Sport Calgary has shared its concerns with the CalgaryNEXT proponents, for their consideration and responses. Concerns raised by us for CalgaryNEXT attention include:

- 1) Fieldhouse amenities and program requirements vs. Foothills Fieldhouse proposal
- 2) Public/amateur sport users' ease of access and parking
- 3) Primetime availability of fieldhouse and practice ice rink given professional sport team and entertainment event priorities
- 4) Affordable rates and fees and long-term guarantees
- 5) Governance model with private sector operator vs. potential City operated or not-for-profit operated alternatives

A critically-important city-wide, city-led dialogue

The CalgaryNEXT proposal has served as the catalyst for a critically important city-wide, city-led dialogue at a critically important point in time in our history, regarding the future direction of sport in our city. Sport Calgary intends to take a strong leadership role in

responding to the CalgaryNEXT initiative on behalf of the amateur sport community in Calgary and will be providing the City with clear and decisive positions in this regard as the process unfolds.

Mayor, Council and City administration are rightly taking the lead, and raising the appropriate questions and seeking responses and direct inputs from various community stakeholders.

Sport Calgary commends the City for doing so, and appreciates being involved in that context. Sport Calgary in turn has engaged with its membership in providing these initial responses.

The key question for Council is whether the CalgaryNEXT proposal is *right* for Calgary. The impact on amateur sport in our city is one important component that requires consideration.

These are important questions, and Calgary needs to get it right.

The City's questions for Sport Calgary

The initial questions posed to us by the City were categorized according to three themes:

- 1) *Locating the fieldhouse at West Village instead of Foothills Athletic Park. For example, could the proposed location have implications for:*
 - a) *physical access (using various modes of transport such as public transit/personal vehicle/pedestrian/cycling)*
 - b) *sport/usage (due to adjacent amenities)*
 - c) *availability of green space/outdoor fields*
 - d) *adjacent community interaction opportunities*
 - e) *parking (during peak and non peak use times)*
 - f) *any additional input/comments you feel are important to assist in the assessment of the proposed relocation concept*
- 2) *Combining multisport amenities (stadium/fieldhouse) into one building, and combining multiple sport amenities (stadium/fieldhouse + NHL arena) into one facility. The combination of these amenities may have implications for:*
 - a) *track and field amenities*
 - b) *proximity and/or availability of additional recreation amenities (these may include fitness studios, fitness equipment rooms, sport court space, aquatic amenities, ice amenities, rectangular sports fields)*
 - c) *any additional input/comments you feel are important to assist in the assessment of the proposed co-location concept*
- 3) *Sharing use of the facility among professional leagues, large events and the amateur sport community. This cooperative use may have implications for:*
 - a) *physical access*
 - b) *bookings*
 - c) *coordination/allocation of access among user groups*
 - d) *any additional input/comments you feel*

Sport Calgary's responses

This confirms our following responses:

1) **Fieldhouse is priority #1.**

Numerous studies and recommendations have identified the fieldhouse as the top priority. Sport Calgary's 2014 *Sport Facility Supply and Demand Study* validates the need for a fieldhouse.

Therefore, Sport Calgary strongly endorses the position and "Non-Negotiable Elements" as enunciated below (and in *Schedule 1*, attached) by the Calgary Multisport Fieldhouse Society (CMFS) and its multiple supporters:

"CMFS – Non-Negotiable Elements:

- 1) *Multisport capability*
- 2) *400m track (opposed to 200m)*
- 3) *Grass roots to high performance training and competition (long term athlete development)*
- 4) *Competition ready (track surface, size, warmup area)*
- 5) *General public access (including reduced mobility) with widespread community usage*
- 6) *Cost effective usage*
- 7) *Parking availability, C-train & bus access*
- 8) *C-train access*
- 9) *Non-prejudiced management of facility:*
 - a) *ability to act in the best interest of all user groups*
 - b) *Flexibility of fee/ membership structure and usage*
- 10) *Timeliness – approval within 2-3 years*
- 11) *Supporting infrastructure – hotels, restaurants already in place*
- 12) *Input on design and technical specifications and eventual final buildout (congruent with various user group requirements)"*

"CMFS POSITION ON CalgaryNEXT

CMFS primary directive is to create awareness and ultimately get a fieldhouse built in the City of Calgary. To that end we are excited to see that a fieldhouse encompassing all the aspects of our proposed plans for Foothills Athletic Park has been presented in the CalgaryNEXT proposal. We are also grateful to the Calgary Sports and Entertainment Corporation for raising the profile of this long needed facility. Working with the City we support the realization of a multisport fieldhouse facility in the shortest timeline possible. If the CalgaryNEXT proposal becomes the viable alternative to meet this goal our position will be to ensure that the mandate of the multisport functionality, public access, and affordability for public use remain faithful to the original plans for the project currently destined for the Foothills Athletic Park lands. In the meantime we continue our diligent

work enlisting the community's help in raising awareness and support for a Calgary multisport fieldhouse."

- 2) Generally, while an arena in the downtown area is likely a great idea for the City of Calgary and for the re-development of the West Village, there are a number of outstanding issues that must be addressed regarding whether the fieldhouse concept is best served in the proposed location. Fieldhouse location and accessibility are huge factors. The ideal scenario (theoretically) might be a large allotment of City-owned, City-operated property in a convenient location elsewhere with lots of space, access, parking, and public transit.
- 3) While Sport Calgary supports the need and strongly endorses the fieldhouse concept, we are not yet comfortable with it being woven into a professional sport and entertainment business environment. There's no question there will be some allocation but there's also no question that amateur sport requirements could be much lower on the priority list. With co-location and a private sector operator, amateur sport requirements must be balanced into professional and entertainment business priorities.
- 4) Transportation and parking: Will it be relatively easy and convenient for the public (amateur sport users) to get to the CalgaryNEXT facility and will there be free parking available for public users? Strong concerns have been voiced by our members regarding youth from across the City needing to use public transit to access the proposed facilities, also the likely difficulties with road access to the area.
- 5) Accessibility for amateur athletes and public use: Competing with major sport leagues and events, will the fieldhouse and Flames training rink amenities be available for public use during the majority of what is considered to be "prime-time" (i.e. weekday evenings and weekends)? We need the kids to have access at reasonable times when their parents can get them there. Allocation of time is often based on financial contributions.
- 6) The indication is that facilities will be available 90% of the time during prime-time usage. With up to 250 potential events per year during prime hours in the mix, over half of the fieldhouse availability may not be easily accessible due to the demands on parking, transit etc. The amateur sport user experience may certainly be compromised as compared to a non co-located alternative or co-location elsewhere.
- 7) Parking and transit accessibility for amateur athletes and concurrent public use when pro sport and other events are taking place: For example, how will it look on a Tuesday night at 7:00PM when the Flames are playing and the Minor Soccer Clubs have rented the fieldhouse for a 7:30PM practice?
- 8) Financial impact of accessibility and affordability for amateur sport: have the financial impacts of required access and affordability for amateur athletes and the

public at the fieldhouse been considered? Also, what will be the downstream impact, if any, for public funding of other amateur sport venues in the City?

- 9) Governance:
 - a) what does governance actually look like?
 - b) Who oversees/owns what, and ultimately how does it impact amateur sport? There have been conversations about whether or not it should be a City-run facility. Private sector operation may further minimize prime-time and impose higher costs for amateur users.
 - c) Will the rates and fees associated with public use of the fieldhouse and Flames practice rink amenities be fair and reasonable, and what guarantees will be put in place to ensure these rates fees remain affordable in the future?
 - d) What will the rates actually be?
 - e) With a private sector operator, can there be prescribed availability and rates benchmarked to City operated facilities à la WinSport (75% of prime-time for Calgary youth, at the youth rates set by City for its ice)?
- 10) Does the CalgaryNEXT Project incorporate all of the amenities and specific program requirements identified for the Foothills Fieldhouse?
- 11) West Village vs. Foothills/co-location vs. standalone fieldhouse?
 - a) Physical access definitely would be constrained at West Village relative to Foothills. West Village access will be compromised with all the ancillary arena events (up to 250 per year during prime-time hours). Both have good mass transit options.
 - b) Usage will be hampered by parking constraints due to adjacent events at West Village location. Not certain about parking at Foothills but assumption is that less stadium usage provides better parking options.
 - c) Limited green space at West Village and no outdoor fields. Would Foothills park design also accommodate an outdoor field or two?
 - d) West Village has the best opportunity for community interaction. Foothills has less commercial uses and more residential.
 - e) Parking – Issue is not how much, it is that at West Village, the non-fieldhouse facility will be utilized up to 250 nights per year which will eat up much of the parking.
 - f) These are the soft trade-off's. The reality will come down to the hard trade-off's: i.e. the capital budgeting process. What amateur sport is getting for \$200M relative to what they can get for \$200M in another location or concept will ultimately be the question that needs to be answered by the City.
 - g) Once again, the co-location is really about whether or not amateur sport is getting the best option for the total likely capital costs to be incurred by the public? Are there alternative scenarios worth considering where

amateur sport could get public funding for the major fieldhouse, perhaps also secondary ones at other locations, and other outdoor field space and indoor arenas for the same amount of cost or less?

- 12) What is the impact to our partners (i.e. tourism)? Why aren't we attracting major sports events & tournaments? Calgary's ability to attract/host events cannot be jeopardized.

We trust the foregoing is helpful in advancing the dialogue at this early Phase, and we look forward to continuing to provide inputs and feedback as the process continues to unfold.

WHAT IS A MULTISPORT FIELDHOUSE?

A multisport fieldhouse is a building housing both an indoor track and facilities to accommodate a wide variety of sports, such as basketball, volleyball, soccer, football, tennis and badminton to name just a few.

The fieldhouse we propose would house a 400m track with a full-sized infield — large enough to accommodate a full football field or a FIFA-standard soccer pitch. ***Such a facility would be unique in Canada.***

THIS IS WHAT THE CALGARY MULTISPORT FIELDHOUSE COULD LOOK LIKE



WHY SHOULD A FIELDHOUSE BE BUILT IN CALGARY?

- Because of our often challenging weather and growing population, indoor sports facilities are desperately needed. In fact, a fieldhouse is high on the priority list of The City of Calgary/Sport Calgary ***10-year Strategic Plan for Sport Facility Development and Enhancement***. A fieldhouse would benefit all Calgarians — youth, seniors, the able-bodied, the physically challenged, and recreational as well as high-performance athletes.
- A fieldhouse has tremendous sports tourism potential — providing a venue for major tournaments and other events.
- Calgary is not keeping up. Our city is one of the few in Canada that doesn't have a multisport fieldhouse. Even smaller cities like Saskatoon, Regina and Kamloops enjoy the benefits of year-round training, recreation and competition provided by their fieldhouses. Edmonton has two multisport fieldhouses.

IS THERE SUPPORT FOR THE IDEA?

- Yes! The concept has broad support. Turn over this page to see a list of organizations that have already backed the idea with donations, letters of support or practical assistance.
- In July 2010 City Council unanimously approved concept plans for the redevelopment at Foothills and Glenmore Athletic Parks and in 2013 confirmed a multisport fieldhouse as the first priority to be built at Foothills. (You can see the conceptual renderings on our website: www.CalgaryFieldhouse.ca/the-concept).
- The Fieldhouse is listed among the highest priority projects in the 2015 Unified List of Unfunded Capital Requirements Report to Council.
- A recent feasibility study indicates that a multisport fieldhouse would be economically sustainable. In a best-case scenario, it would recover 140 per cent of its operating cost each year.

WHERE CAN YOU GET MORE INFORMATION?

Check out our website: www.CalgaryFieldhouse.ca
or to talk to someone from the Society, please contact:

Jason Zaran (Chair) at 403-999-8818 / email: jason@tmdish.com OR
Donna Dixon (Past Chair) at 403-816-0683 / email: dixondm1@shaw.ca

CALGARY MULTISPORT FIELDHOUSE SUPPORTERS

Athletics Alberta
Alberta Soccer Association
Alberta Lacrosse Association
Alberta Gymnastics Federation
Football Alberta
Rugby Alberta
Volleyball Alberta
Basketball Alberta
Alberta Government Community Spirit Program
City of Calgary
Sport Calgary
Calgary Booster Club
Calgary Roughnecks
Calgary Bantam Football Association
Calgary Women's Soccer Association
Calgary Minor Soccer Association (CMSA)
Calgary United Soccer Association
Calgary Minor Basketball Association
Calgary Crush Basketball
Developmental Disabilities Resources Centre of Calgary
Calgary Recreation and Culture Association (Calgary 55 plus)
Calgary Properties Lions Club
Calgary Track Council
Adrenaline Rush Athletics
Big Sky Athletics
Calgary International Track Club
Calgary Olympic Track Club
Calgary Roadrunners Club
Calgary Spartans Track Club
Calgary Warriors Track Club
Calgary Track and Field Athletic Association (CALTAF)
University of Calgary Athletics Club (UCAC)
Calgary Senior High School Athletic Association
Premiere Track and Field Club

March 21, 2016

Mr. James McLaughlin, Architect
City of Calgary
P.O. Box 2100, Stn. M #176
Calgary, AB T2P 2M5

Dear Mr. McLaughlin,

As referenced in Sport Calgary's February 8, 2016 *Response to the City's Phase 1 CalgaryNEXT Consultation* (page 2), Sport Calgary has raised 5 specific concerns for CalgaryNEXT's attention, all based on inputs from our membership:

- 1) Fieldhouse amenities and program requirements vs. Foothills Fieldhouse proposal
- 2) Public/amateur sport users' ease of access and parking
- 3) Primetime availability of fieldhouse and practice ice rink given professional sport team and entertainment event priorities
- 4) Affordable rates and fees and long-term guarantees
- 5) Governance model with private sector operator vs. potential City operated or not-for-profit operated alternatives

The same concerns on behalf of the amateur sport community would apply to any other alternative proposals, such as at the Foothills location.

CalgaryNEXT and CSEC have recently presented their responses to us in confidence.

In their thorough, detailed and focused responses and related discussions, CalgaryNEXT and CSEC have demonstrated their willingness to work closely with amateur sport and have made several significant commitments in that regard. Their specific replies go a long way to address all 5 of the concerns we have raised on behalf of the amateur sport community.

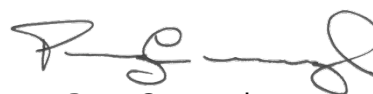
As the City's consultative process proceeds beyond Phase 1, we are hopeful and confident that through further dialogue, including our continuing input, appropriate lasting legal and governance mechanisms can be established to address the need to establish the overall framework to ensure that today's commitments are embedded for the longer-term.

Accordingly, based on all the information and responses we now have received, and a successful ongoing dialogue beyond Phase 1, we are pleased to advise that Sport Calgary believes the option of incorporating the fieldhouse into the CalgaryNEXT project has considerable merit from an amateur sport perspective.

Regards,



Murray Sigler
Executive Director & CEO



Perry Cavanagh
Board Chair

March 29, 2016

City of Calgary
P.O. Box 2100, Stn. M #176
Calgary, AB T2P 2M5

Attention: James McLaughlin

This letter is a follow up to a recent presentation regarding CalgaryNEXT by K.Knights & Associates along with members of GEC architecture.

The Calgary Multisport Fieldhouse Society (CMFS) had identified 12 critical items that would need to be addressed wherever the Fieldhouse is located in Calgary:

- Multisport capability
- 400m track (opposed to 200m)
- Grass roots to high performance training and competition (long term athlete development)
- Competition ready (track surface, size, warmup area)
- General public access (including reduced mobility) with widespread community usage
- Cost effective usage
- Parking availability
- C-train access & bus access
- Non-prejudiced management of facility:
 - Ability to act in the best interest of all user groups
 - Flexibility of fee/ membership structure and usage
- Timeliness – approval within 2-3 years
- Supporting infrastructure – hotels, restaurants already in place
- Input on design and technical specifications and eventual final build out (congruent with various user group requirements)

K.Knights & Associates took these “12 critical points” and summarized them into 5 key concerns that were subsequently assessed:

- Amenities and programming requirements vs Foothills Fieldhouse
- Access to the site and adequate parking
- Availability for Public use at all times taking into account Fieldhouse and Arena
- Affordability
- Governance (Management and Operations provided by private sector vs City)

CMFS believes that the way the aforementioned concerns were addressed sets a good precedent and would expect any other proposed location of a Fieldhouse in Calgary such as Foothills Athletic Park in conjunction with the University of Calgary would require achievement of the same.

After a subsequent review with the CMFS board, we feel that CalgaryNEXT/CSEC have demonstrated their willingness and substantial commitment to work closely with the CMFS to ensure the above 5 key concerns (and most of our 12 critical items) will be addressed through the phases of the Fieldhouse feasibility assessment. There still does remain uncertainty around “busy arena” access during primetime availability hours which could represent well over 100 days. In discussion during our meeting there appears to be a commitment to further thought leadership in this area that will satisfy the requirements of our key stakeholder sport groups across Calgary.

As the City’s consultative process continues we would expect to remain actively involved in the Fieldhouse discussion and have input in the planning/execution process. In summary, CMFS strongly believes that CalgaryNext/CSEC is committed to amateur sport in Calgary and that our user groups would be satisfied with the proposed usage guidelines and framework for progressing the project forward. . We are comfortable with the information and dialogue received from CSEC to date and assuming this same engagement moving forward CMFS believes there is significant merit for the incorporation of the Fieldhouse into CalgaryNEXT.

Regards,

Jason Zaran

Calgary Multisport Fieldhouse Society Chair

cc. Murray Sigler and Perry Cavanagh, Sport Calgary

cc. Kenn Knights, Knights and Associates Ltd

March 18, 2016

Mr. Brad Stevens
Deputy City Manager
City of Calgary
800 Macleod Trail SE
Calgary, AB T2P 2M5

Dear Mr. Stevens,

Thank you for meeting with President Elizabeth Cannon and myself to review the four considerations being asked of the various stakeholders in the City's consultation process about the CalgaryNEXT proposal and the Foothills Athletic Park Fieldhouse project. The University of Calgary supports the City's consultation process and we are pleased to provide feedback on how these proposed projects would affect future programming and development.

In 2013, the University of Calgary finalized its planning processes for our current and future academic, research, and community outreach programs – and the facilities that house them – for our Kinesiology Faculty. We identified an immediate need for dedicated research and teaching labs and associated office and support spaces, as well as both public and instructional physical activity spaces. Our existing spaces are oversubscribed and showing their age, and simply cannot meet current and future demands.

Through our capital planning process, the university has identified and submitted to the Ministry of Advanced Education a proposal for a \$275 million project which includes an approximate 45,000 m² expansion, and renewal and repurposing of nearly 11,000 m², of our existing Kinesiology Complex. Given the discussions that are taking place with respect to new fieldhouse facilities in Calgary, there are a number of teaching, research, clinical, and public and varsity athletic programs that could benefit from the co-location and integration of our respective programs, as well as a strong partnership model with the City of Calgary.

We recognize that the University of Calgary is one of many stakeholders and that some aspects of the CalgaryNEXT proposal are outside any direct impact to the university. It is within this context that we have focused our responses on the opportunities and impacts of the two options being considered for the placement of a fieldhouse. At a high level, the university's ability to be integrated in a future fieldhouse design is directly influenced by its proximity to the academic and research programming located at our main campus and Foothills campus, as well as the ease of public access to possible co-located clinics. Please find below our response to the four stakeholder considerations:

1. Impact of locating the fieldhouse at West Village instead of Foothills Athletic Park.

We believe the level of success of a University of Calgary and City of Calgary joint-use athletic facility is directly influenced by its proximity to our campuses.

A fieldhouse located close to our main campus and Foothills campus is critical to ensure faculty, students, staff and clinics can be served without negatively impacting programming. The university programming that would benefit from a co-located solution is multi-disciplinary and must support the needs of our students, researchers and clinicians across a number of faculties. Convenient access to recreational facilities is core to the success of the university's overall health and wellbeing strategy, our learning and research activities, and the related community programming. Given the lack of proximity to our academic and research community, the University of Calgary would anticipate to be at most, an occasional user of facilities at the West Village site. Dinos Football home games could potentially be played at the West Village site.

2. Combining multisport amenities (stadium/fieldhouse) into one building, and combining multiple sport amenities (stadium/fieldhouse + NHL arena) into one facility.

The University of Calgary practices and supports the need to explore ways to leverage opportunities within discrete projects and programs into a more integrated and comprehensive solution. We believe that an integrated approach will ensure a balance between initial construction costs, ongoing long-term operational costs and building utilization. We support the concept of intelligent design to allow these facilities to increase use and provide strong access to the public.

From the University of Calgary's perspective, the program elements that would be required to support and strengthen our vision and purpose for a fieldhouse would include: state of the art fitness facilities and gymnasiums, coaching staff offices, community outreach clinics, as well as offices, and flexible lab and classroom spaces supporting the programming of these various activities. Examples of programs that could be integrated into a fieldhouse may include our Sports Medicine Centre and associated research space, the Outdoor Centre, training and competitions for varsity and community sports team training, health and wellness studios and general flexible classroom space.

3. Sharing use of the facility among professional leagues, large events and the amateur sport community.

We believe that some of our academic, community and varsity activities could be enhanced by the co-location of a variety of sports that includes athletes from youth through to amateur and professional athletes. Dedicated university access to the facility that respects our student athletes, coaching staff and varsity programming would be critical to an integrated solution.

Our main concern is balancing the needs of multiple stakeholders in one venue and prioritization of booking times. Co-location may bring some venue and parking capacity and/or scheduling conflicts into play, i.e. an NHL game or concert scheduled the same time as a major Dinos event. The university has limited flexibility for practice times and game schedules, so we would require a back-up location for our varsity and visiting teams to compete and practice in the event of a scheduling conflict. In the absence of preferential booking and proximity, we would require similar facilities to ensure our varsity programs maintain the level of access and program required for practice and training.

4. Please comment on features required in a fieldhouse to serve university needs both from an academic perspective and a recreation-sport perspective.

There are three overarching principles that are critical with respect to the location of a fieldhouse to allow for use by the university:

- Proximity to our main campus and Foothills campus to accommodate the academic program schedules of our student athletes, coaches, researchers, clinicians and the greater university community.
- Public parking and direct transit access to allow public access to our clinics and minimize travel time for our students, coaches, researchers and staff traveling between sites.
- Dedicated programming times that support practice, training and game day activities.

The university has reviewed the programming that could be included in, and benefit from, an integrated and proximal fieldhouse. Below is a summary of these programs:

Academic Activity: The university would require space within the facility and potentially some adjacent land to allow for the relocation of existing research and clinical services. We would also require the ability to expand, over time, our existing programming to meet academic and public programming demands.

Dinos varsity teams, with associated national athletes: Depending on the final design of the fieldhouse, an indoor fieldhouse could support football and soccer training and game day activities. An indoor facility could also support training and practice for other varsity teams such as track and field and baseball.

Clubs and Programs: There are a number of clubs currently using university facilities including: the UofC Athletics Club, Calgary Track and Field Athletic Association and Calgary Roadrunners. The university would need to secure dedicated spaces for support and equipment storage for the various clubs that currently use university facilities. The university would also require space for several single-offering or annual programs (such as marathon and triathlon training).

Intramural Sports: Intramural sports for current students such as indoor soccer, ultimate frisbee, quidditch and flag football could utilize an indoor fieldhouse. There is also a potential for various court sports like tennis, racquetball and squash to be included in the fieldhouse programming.

I trust that we have provided the necessary information the City needs to make an informed decision. Should you have any questions regarding our comments, please do not hesitate to contact my office.

Sincerely,



Bart Becker
Vice President (Facilities)
University of Calgary

cc: Jeff Fielding, City Manager, City of Calgary
Elizabeth Cannon, President and Vice Chancellor, University of Calgary
Diane Kenyon, Vice President (University Relations)



APPENDIX B – SUPPORTING RESEARCH

A comprehensive supporting research report has been compiled under separate cover.

An aerial photograph of Calgary, Alberta, Canada. The image shows the city's skyline with various skyscrapers, including the Calgary Tower on the right. In the foreground, there is a large green park area with trees and a winding river. The text is overlaid on a semi-transparent white box in the center of the image.

Calgary Municipal Land Corporation

West Village Community Revitalization Levy Background Report

April 2016



West Village- Village-Community Revitalization Levy
Background Report

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West Village-Community Revitalization Levy Background Report

EXECUTIVE SUMMARY

CMLC has conducted an analysis of the potential Community Revitalization Levy (CRL) estimates for the West Village area. CMLC engaged Coriolis Consulting to prepare the background CRL analysis for demand projections and the CRL revenue projections.

The boundary for the CRL is the West Village Area Redevelopment Plan (ARP); Downtown West neighbourhood; and a portion of Sunalta.

Four key assumptions were considered as part of the analysis as they have a significant impact on the outcome of the CRL projections. The assumptions covered are as follows:

- Timelines for remediation;
- Start of construction timing in West Village;
- Tax rates; and
- Inflation.

Although the difficult economic times have curbed overall demand for new housing, conservative estimates for multi-residential and commercial demand were developed for West Village and the surrounding study areas. Commercial demand is minimal due to the surplus of space available in Calgary (approximately 15 million square feet). This represents approximately 14 years of annual absorption at historical rates.

Year 2020 was used as a baseline to calculate the CRL projections and assumes the first developments are completed in 2021. The resulting projected CRL revenues range from \$345 million to \$435 million. It should be noted these revenues can fluctuate depending on economic and market conditions.

BASE YEAR 2020		
AREA	Without commercial anchor	With a commercial anchor
	<u>\$ Mil</u>	<u>\$ Mil</u>
West Village	250	340
Downtown West	73	73
Sunalta	22	22
Cumulative CRL	345	435

Based on the projections for CRL revenues in the range of \$345 million to \$435 million, and initial preliminary cost estimates of draws against the CRL for infrastructure and remediation/risk management, the CRL will not be sufficient to fully fund these requirements at this time. However if economic and market conditions improve considerably, or if the other alternative scenarios are considered from section 2.3 of this report, the CRL may be sufficient to fund the proposed required expenditures.



West Village-Community Revitalization Levy Background Report

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West Village-Community Revitalization Levy Background Report

CHAPTER 1 – INTRODUCTION

1.1 Background

CMLC has been working on analyzing the future redevelopment potential for West Village over the past four years. CMLC was originally asked by Council in April 2012 to explore strategic opportunities related to future redevelopment projects beyond the Rivers District. Through a series of strategic planning meetings with both the CMLC Board of Directors and City Council as Shareholder, West Village was confirmed as a key future redevelopment area for the City of Calgary that could benefit from CMLC's expertise. A summary of some of the key milestones associated with the strategic planning process from 2012 to 2015 are as follows:

- April 23, 2012 – CMLC's Shareholder, Calgary City Council, approved a Notice of Motion (NM2012-22) requesting CMLC to examine opportunities for next steps in the business plan including West Village.
- September 7, 2012 – CMLC's Board attended a Strategic Planning Retreat and discussed in addition to the future strategic focus of CMLC, options for various potential redevelopment projects that could benefit from the expertise brought to the table by CMLC.
- December 14, 2012 – A Special Shareholder meeting was held and a key component of this meeting was to identify specific redevelopment areas from Council's perspective that could benefit from CMLC's expertise. A short list was created and included West Village.
- February 22, 2013 – CMLC's Shareholder approved CMLC's 2013 Business Plan and budget which included specific direction to perform due diligence and develop preliminary plans for further shareholder consideration for West Village amongst other potential projects.
- March 24, 2014 – CMLC's Shareholder directs CMLC to undertake further due diligence for long term strategic opportunities for West Village.
- February 11, 2015 – CMLC's Shareholder provides specific direction for CMLC to continue analysis of redevelopment options for West Village "including but not limited to environmental and legal investigations related to the future redevelopment potential of the site".
- In the November 9, 2015 Mayors report M2015-0856 requested that CMLC undertake the Community Revitalization Levy (CRL) calculations for the West Village project.

To undertake that work, CMLC engaged Coriolis Consulting to prepare the background CRL analysis related to the demand projections for the area and the CRL revenue projections. CMLC supplied the key assumptions to Coriolis for inclusion in their work.

This report extracts summary information from work completed by Coriolis to March 11, 2016 and is based on current economic and market conditions known to that point in time. Any significant changes to economic or market conditions beyond this date (both positive and negative) could have a material impact upon the projections provided within this report.



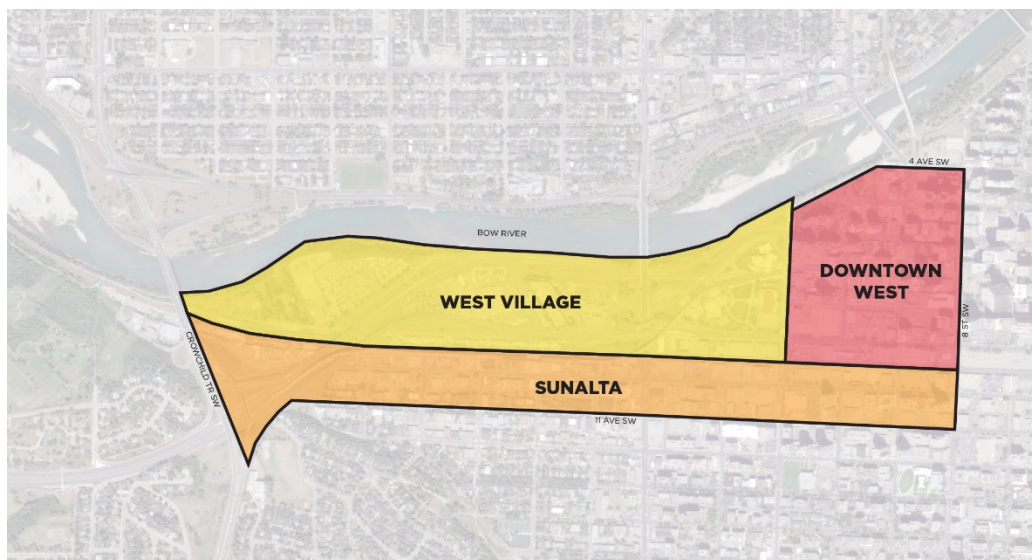
West Village-Community Revitalization Levy Background Report

1.2 Study Areas

The first step in the process to start calculating a potential future CRL is to identify the boundary that a CRL area would encompass. Many iterations are often necessary in the initial planning stages of a CRL to determine what the appropriate boundary will eventually be.

It is noted that according to the province it is up to the municipality to determine the proposed CRL boundary and a CRL boundary area is not required to align to any specific area redevelopment plan. The municipality determines that an area could benefit from a CRL and evaluates the financial viability of implementing a Community Revitalization Levy to ensure adequate resources can be obtained through the program and ultimately meet the objectives which have been proposed in order to revitalize the area. For reference, multiple configurations of the Rivers District were considered prior to the current Rivers District CRL area being put forward for approval.

Previous CRL studies for this area undertaken by The City in 2010 have focused only on the area aligned with the West Village Area Redevelopment Plan (ARP) boundary. As a result of CMLC's conceptual planning and consideration of redevelopment projects planned for these areas, CMLC has identified two additional adjacent areas that should be considered for inclusion in a future West Village CRL boundary area. The consideration of the following study areas is similar to the initial process followed for the Rivers District.



1.2.1 West Village

The West Village study area is consistent with the West Village Area Redevelopment Plan (ARP) boundary. It is bounded to the north by the Bow River, to the east by 11th Street, to the south by the CPR railway tracks and to the west by the intersection of the Bow River and Crowchild Trail.



West Village-Community Revitalization Levy Background Report

1.2.2 Downtown West

The Downtown West area is adjacent to West Village and is an area that is currently being reviewed for a Downtown West ARP. Given the potential synergies and connectivity between West Village and Downtown West, CMLC has considered Downtown West as an additional study area for potential inclusion in a larger West Village CRL boundary. A Downtown West study area (which is consistent with the area being studied for an ARP) is bounded to the north by the Bow River and 4th Avenue SW, to the east by 9th Street SW, to the south by the CPR railway tracks and to the west by 11th Street SW.

1.2.3 Sunalta

CMLC has studied the potential future linkages between West Village and Sunalta and determined that a number of potential improved pedestrian and vehicular connections could provide future opportunity to link these two areas together. The focus of the study area is limited to two blocks south of the railway tracks as many of the commercial properties in the area are listed for sale and therefore provide a strong opportunity for redevelopment. A Sunalta study area is bounded to the north by the CPR railways tracks, to the east by 9th Street SW, to the south by 11th Avenue SW and to the west by Crowchild Trail.



West Village-Community Revitalization Levy Background Report

1.3 Key Assumptions

In addition to identifying the study area that a CRL boundary could encompass, in order to prepare the CRL projections, a number of key assumptions had to be made. There are four key assumptions outlined in this section of the report that have a significant impact on the outcome of the CRL projections. The assumptions covered are as follows:

- Timelines for remediation;
- Start of construction timing in West Village;
- Tax rates; and
- Inflation.

1.3.1 Timelines for remediation

The estimate of the potential timelines for remediation are outlined in CMLC's "Environmental Background" report provided in conjunction with this Council report. The most efficient and effective means to remediate a contaminated site is to align the remediation effort with a specific detailed redevelopment plan. Prior to beginning any remediation and eventual redevelopment effort, there is a significant amount of time that needs to be spent with the regulator (i.e. Alberta Environment and Parks "AEP") to sufficiently assess the site, review and decide on appropriate remediation technologies and prepare a detailed plan and documentation for approval of a "Remedial Action Plan" for review and approval by AEP.

The estimate of time required to prepare the above information is estimated to be approximately 3 years as noted in the CMLC "Environmental Background" report attached to this Council report. If there is alignment between the Province and The City of political support and agreement between senior management of both entities to expedite this project, the above timeline may be able to be reduced.

1.3.2 Start of construction in West Village

The timing for the start of construction is a key assumption and takes into account many variables in determining this start date. The remediation requirements above must be considered along with the time it will take to plan and execute basic land assembly and configuration as well as infrastructure work. In a scenario where CalgaryNEXT becomes a part of West Village, a considerable amount of planning work must be undertaken to revise the area redevelopment plan to integrate a facility of this magnitude into the community. In a scenario where CalgaryNEXT does not become a part of West Village the ARP prepared in 2010 should still be reviewed for alignment with current redevelopment goals and further detailed planning still needs to take place.

Assuming we were given a green light in April to move forward with redevelopment in West Village as soon as possible the following steps would need to commence and they may take at least 6-7 years depending upon momentum and overall support for moving the project forward:

- Undertake conceptual/master planning for the area and a detailed transportation study that takes into account the significant environmentally impacted areas (8 months to complete).



West Village-Community Revitalization Levy Background Report

- Parallel to this process work with Alberta Environment and Parks to develop a strategy for a Remedial Action Plan (RAP) and draft Risk Management Plan (RMP) that reflects what will be outlined in the final master plan for the community (1-2 years)
- Once a final master plan is completed the ultimate RMP could take at least 1-2 years to get drafted and approved as this is site specific and is a very complex and detail oriented process that involves significant engagement with the regulator
- Based on the final masterplan vision, apply for an Outline Plan through the City of Calgary that will identify new road right of way, titled parcels, and municipal and environmental reserve, and land use districts. The associated ARP amendments will be made at this time as needed (8-16 months)
- Based on the final master plan the planning and design of the infrastructure upgrades required will commence (1 year minimum)
- Public engagement will also be undertaken in a parallel process
- We also would need to be developing a retail strategy and a branding and marketing strategy to sell this area as a master planned community. Some of this work could be done in parallel to the work above but the actual marketing and attraction of developer partners could take a year or more.
- Once parcels are available we can assume the infrastructure and remediation work would start and the first parcels could be sold on relatively “clean” land that has minimal issues and design and construction could start immediately on those parcels while other parcels .

1.3.3 Tax rates

As of March 11, 2016 the property tax rates (both municipal and provincial) have not yet been officially set for 2016. As there is a certain degree of uncertainty with respect to the rates given the new provincial government budget not yet being tabled, we have assumed the starting tax rates to be consistent with those in 2015 for both the municipal and provincial portions. The 2015 rates are held constant throughout the CRL projections and a separate annual inflation amount is factored in separately and is discussed below.

1.3.4 Inflation

We have assumed an annual inflation rate of 2% that covers increases in annual tax rates, the effect of revenue neutral on property taxes, and increases in assessment values over time. Given the current economic conditions, the potential for a decrease in assessment values is possible in the near term, however as we have seen over many years, the economy in Calgary is cyclical and strong recoveries generally follow periods of decline. Therefore although the 2% annual inflation rate may seem conservative, it is established in that manner to allow for potential negative assessment growth in the short term that will recover over the longer term.



West Village-Community Revitalization Levy Background Report

CHAPTER 2 – COMMUNITY REVITALIZATION LEVY CALCULATIONS

2.1 Demand Projections

Preparing the demand projections for a 20 year forecasted CRL in West Village has been a challenging process given the turbulent economic times facing Calgary. All demand projections are based on the best available market and economic conditions available as of March 11, 2016.

The demand projections are not considered in isolation of the overall demand for properties within The City of Calgary. The forecast of demand projections specific to West Village start with a review of the Economic Outlook prepared by Corporate Economics at the City of Calgary. The most recent available publication of this outlook was produced in the fall of 2015; the spring 2016 version is not yet available. An overview of the city wide demand forecasts starts with consideration of the total projected population grown for The City of Calgary and then distributes that growth along the historical patterns of new real estate offerings throughout the city for single family, townhouse and multi-family. As West Village is an urban setting the focus is therefore on multi-residential offerings and the share of the downtown apartment market that West Village is projected to attract.

Ultimately the demand forecasts, along with current economic and market conditions, drive the CRL model for West Village. Based on Calgary's historic market dynamics, absorption of product is limited within a 20 year cycle, thus, the CRL has limitations. A substantial amount of redevelopment potential will remain beyond the 20 year CRL timeline that is being considered.

It is therefore important to carefully consider what 20 year period will provide the best projections for a CRL as implementing it too early will undoubtedly lead to the exclusion of any potential for significant commercial development in West Village being captured in a CRL due to the current surplus of commercial space in downtown. As non-residential properties pay a much higher tax rate than residential properties, it is important to consider when potential commercial properties can be captured in the CRL area. However if a significant amount of commercial property is not anticipated to be captured in the area in any scenario, other considerations such as market demand and draws from other competing projects must be carefully anticipated. The Rivers District has just over 10 years left in the CRL and a significant amount of redevelopment is still planned for this area – as The City has a vested interest in both the current and potential future CRL area in West Village a delicate balance must be maintained in the advancement of West Village as a redevelopment area.

2.1.1 Multi-residential demand

Multi-residential demand is focused on the downtown condo market for new units. Historically this market has absorbed approximately 1,100 units on an annual basis and West Village will receive a share of that. In competition for these sales currently are the redevelopment occurring in East Village, Downtown West, East Victoria Park and the Beltline. Additionally, projects like Currie Barracks and Westbrook are expanding the definition of urban living and are thus, taking downtown buyers out of the downtown core. It is currently estimated that 20-25% of the demand for new units in downtown will be absorbed in West Village and the demand forecasts and resulting CRL projections are based on these estimates.



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2.1.2 Office Demand

As of December 2015 real estate market reports are showing a surplus of approximately 15 million square feet of office space in Calgary. Historical absorption figures have shown that approximately 1.1 million square feet of space is absorbed per year. These numbers would suggest that there is approximately 14 years of surplus space available in Calgary assuming that future absorption rates are consistent with historical ones. Given the large amount of surplus space anticipated to be available over the next 14 years, the CRL projections do not include any significant new office space in the West Village.

We have also analyzed a scenario where specific purpose built retail and/or commercial space would be developed however given the high risk profile of such space, we have not included it in our calculations.

2.1.3 Hotel Demand

As several new hotel projects are underway and the current economic conditions are putting pressure on room rates in existing hotels, we have also not included any new hotel development in our demand forecasts.

2.1.4 Retail Demand

Retail demand is also anticipated to be limited in West Village and will be focused on ground floor retail located in each multi-residential building.

A commercial anchor represents a purpose built commercial development of approximately 700,000 square feet with in the West Village.

SUMMARY DEMAND PROJECTIONS - 2020 BASE YEAR				
AREA	Residential	Residential	Commercial no anchor	Commercial with anchor
	<u>Units</u>	<u>SQFT</u>	<u>SQFT</u>	<u>SQFT</u>
West Village	5,180	5,180,000	272,000	972,000
Downtown West	1,554	1,554,000	83,000	83,000
Sunalta	518	518,000	27,000	27,000
Cumulative	7,252	7,252,000	382,000	1,082,000



West Village-Community Revitalization Levy Background Report

2.2 CRL Revenue Projections

The CRL projections are calculated using 2020 as the base year which is aggressive but will align with the desired start of CalgaryNEXT. We have considered two scenarios in the projections, the first which assumes no commercial anchor to be built in order to jump start the CRL in West Village. The second scenario contemplates a commitment to build an additional 700 000 square feet of commercial space within the West Village. The graph below indicates these projections:

BASE YEAR 2020		
AREA	Without commercial anchor	With a commercial anchor
	<u>\$ Mil</u>	<u>\$ Mil</u>
West Village	250	340
Downtown West	73	73
Sunalta	22	22
Cumulative CRL	345	435



West Village-Community Revitalization Levy Background Report

2.3 Alternate Scenarios for CRL projections

The CRL projections noted above are consistent with the current economic environment in Calgary and the legislation associated with existing CRL's. Potentially higher CRL may be realized in the following alternate scenarios:

- The current economic situation improves dramatically and thereby increasing the need for additional commercial space within the next 10 years. Additional commercial space within the study area could increase the CRL projections.
- If purpose built commercial development were to be considered in the study area in excess of the demand projections noted above and any projected CRL were to be guaranteed by a proponent of the project, potential additional funding could be committed to the redevelopment efforts. The guarantee would ensure that if the CRL does not materialize, the funding is available for projects committed to. This is reflected in the upper range of the CRL forecast in this report.
- Current legislation limits the timeline of any CRL to a 20 year period. If a longer time period were to be considered the CRL potential would increase and given a longer timeline, the potential for a recovery in the commercial real estate market is also possible in an extended timeline.
- The larger the CRL study area is, the greater the potential exists for a higher CRL projection (assuming that the demand can support a larger area).



West Village-Community Revitalization Levy Background Report

CHAPTER 3 – COSTS, RISKS AND RECOMMENDATION

3.1 Costs of infrastructure intended to be covered by the CRL

Based on the conceptual analysis work completed in 2014 for West Village, the base infrastructure costs could be \$200 million at a minimum. These estimates would be at best a class 5 cost estimate and are intended to provide only a general indication of what potential infrastructure costs could be. However it should be noted that since these costs were estimated based on conceptual plans that did not take into account any potential specific needs of a CalgaryNEXT project being located in the West Village, the actual estimates could vary widely from these numbers.

In addition to the costs associated with infrastructure, the potential exists for a portion of the remediation and/or risk management costs associated with contamination throughout West Village (Canada Creosote Site and other locations) to be funded by the CRL. Based upon the cost estimates provided in the background report on Environmental Analysis, the total costs for remediation/risk management could be in the range of \$85 million to \$140 million.

Due to the lack of a commercial anchor building there will be need to borrow funds in order to start the environmental and infrastructure upgrade work. This will result in the increase on the cost of borrowing in order to finance the work.

3.2 Risks associated with CRL Revenue Projections

Prior to providing the recommendation related to the CRL it is important to note some of the significant risks associated with these CRL projections as they compare to those made for the Rivers District.

- These projections are not structured to commence immediately given the timelines to address the contamination issues in West Village, the preliminary stage that CalgaryNEXT is at in their planning and analysis, and the significant amount of basic redevelopment planning and approvals required to ready the area for redevelopment by private developers. The projections for CRL made for the Rivers District only envisioned a 1-2 year time lag prior to start – we have at a minimum 6-7 years which increases the risk associated with material changes to the assumptions during that time.
- The current economic conditions, while anticipated to turn around as they have in the past bring an added element of risk due to the uncertainty associated with factors contributing to this downturn.
- The Rivers District CRL calculations were completed when the configuration of the land parcels was determined and therefore a block by block analysis of the redevelopment potential was analyzed. As the ultimate land configuration for West Village is not yet known, a block by block analysis is not possible and only a global estimate for all of West Village is provided. The CRL projections for West Village can be further refined in the future once the land configuration and timing for availability of parcels based upon remediation needs is determined.



West Village-Community Revitalization Levy Background Report

- The CalgaryNEXT project is not anticipated to be a property tax paying project similar to the New Central Library and National Music Centre in the Rivers District. Therefore there will be property tax foregone from the land utilized for this project.

3.3 Recommendation

Based on the projections for CRL revenues in the range of \$345 million to \$435 million, and initial preliminary cost estimates of draws against the CRL for infrastructure and remediation/risk management, the CRL will not be sufficient to fully fund these requirements at this time. However if economic and market conditions improve considerably, or if the other alternative scenarios are considered from section 2.3 of this report, the CRL may be sufficient to fund the proposed required expenditures.



West Village-Community Revitalization Levy Background Report

CHAPTER 4 – OTHER POTENTIAL FUNDING SOURCES

In addition to explore the revenue potential for the CRL, we also examined other potential funding sources available in Canada for brownfield or otherwise contaminated development sites. The following are the potential funding sources that could be further explored in the future.

4.1 Federation of Canadian Municipalities (FCM)

The Green Municipal Fund offers funding under the following parameters:

- 50% (up to) \$175,000 for brownfield planning work or feasibility studies
- 50% (up to) \$350,000 for a Pilot Project
- Up to \$5 million low interest loan will be given to cover capital projects (up to 15% of the loan will be given in a grant).

A feasibility study assesses the technical and financial feasibility, as well as the environmental, social, and economic impacts of a potential municipal environmental project. A municipal environmental project responds to a municipal need and contributes to cleaner air, water, or soil, or reduces greenhouse gas emissions. Typically, a feasibility study examines the requirements and outcomes of a specific project using verifiable evaluation processes, leading to a recommended course of action. Feasibility studies are important prerequisites for all Green Municipal Fund pilot project and capital project applications.


The Pilot Project grant (formerly called a field test) allows for an evaluation of a new technology or solution under its expected operating conditions. It assesses technical and financial feasibility using a verifiable monitoring and evaluation process, and it examines the environmental, social and economic performance of a potential full-scale implementation. Typically, a pilot project minimizes capital costs and is geared for permanent installation should the pilot succeed.

A capital project involves the retrofitting, construction, replacement, expansion, or purchase and installation of fixed assets or infrastructure that will improve environmental performance in municipal, energy, transportation, waste, or water, or some combination of these sectors. Brownfield sector capital projects involve soil remediation or removal.

Applications for funding under the above parameters could be considered for the West Village project.

4.2 Government of Canada and Province of Alberta

At the present time there are no applicable funding sources available at either level of government specifically targeted at the remediation of a contaminated site such as West Village. However program requirements for Build Canada and Municipal Sustainability Initiative include provisions where funding could be allocated towards some of the work to be undertaken in the West Village area.

An aerial photograph of Calgary, Alberta, showing the city skyline with various skyscrapers, the Bow River winding through the city, and a large green park area in the foreground.

The City of Calgary

West Village-CalgaryNEXT Phase One Analysis Impacted Organizations Report

April 2016



West Village-CalgaryNEXT Phase 1 Analysis Impacted Organizations Report

IMPACTED ORGANIZATIONS

Mayor's Office Report to Council (M2015-0856), page six, dated 2015 November 9 asked City Administration to look at Other Impacted Organizations in relation to CalgaryNEXT.

"Calgary Economic Development has already met with some of the stakeholders with respect to CalgaryNEXT and Calgary's economic strategy. Administration would work collaboratively with CED to understand the issues and concerns from impacted organizations such as the Calgary Stampede, the Calgary Convention Centre, the Saddledome Foundation, Tourism Calgary, and other relevant stakeholders."

Calgary Economic Development

Administration has worked with Calgary Economic Development's Mary Moran (President/CEO), Steve Allan (Chair of the Board) and Deana Haley (Vice President, Business Retention & Expansion) regarding the organization's perspective on CalgaryNEXT.

CED's leaders are in support of the City of Calgary's work on CalgaryNEXT and confirmed that the stakeholder list for Other Impacted Organizations should be kept to the five organizations listed in the Mayor's Report to Council for Phase 1.

CED is implementing Calgary's Economic Strategy, which is called *Building on our Energy*. CED stated the CSEC plan (CalgaryNEXT) could address many of the elements within the Strategy, including building the city's brand, making sports and recreation accessible to all Calgarians, attracting world-class sporting and cultural events, and building a downtown that is vibrant and well-connected from East Village to the core through to the West Village.

CED's Economic Strategy also wants to ensure that Stampede Park remains a vital part of Calgary and the West Village be a vibrant bookend to downtown. One of the challenges raised by CED is the evolution of West Village into a vibrant gathering place could detract from Stampede Park and the East Village.

In a letter to City Administration dated March 15, 2016, CED recommends that the new arena be built near Stampede/East Village to enhance the vitality of the area. In addition, CED recommends demolition of the Saddledome and Calgary's fieldhouse be developed near the University of Calgary. All details are clearly outlined in CED's letter, which is part of the appendices to this report.

CED also raised the question of convention centre space in Calgary. There is a need, according to CED, for the Calgary TELUS Convention Centre and Calgary Stampede to work together on a case for expansion. It has been noted by several stakeholders that Calgary is ranked fourth in Canada in terms of revenue generated by conventions, but just 10th in Canada when it comes to space. CED would like a stakeholder engagement plan put together to advance this discussion and ensure that all relevant stakeholders are included.

Calgary Stampede

Administration has worked with Calgary Stampede's Warren Connell (President and CEO) and Paul Rosenberg (COO) regarding the organization's perspective on CalgaryNEXT.



West Village-CalgaryNEXT Phase 1 Analysis Impacted Organizations Report

The Calgary Stampede is at the midway point of its 20-year Master Plan, which includes additional trade, consumer and convention centre space. The Stampede believes that Calgary does not have ample convention centre space to compete with Tier 1 markets (Toronto, Vancouver, Montreal and a number of U.S. cities). The Stampede's expansion will help fill the gap that currently exists when it comes to convention and trade show space.

Several factors help make a convention city, including airlift, desirability of the city, having appropriately-sized venues/infrastructure, and having hotel capacity. The Stampede says Calgary lacks in having appropriately-sized venues, while hotel capacity will increase in relation to added convention space.

Regarding the CalgaryNEXT concept, the Stampede stated that a lack of information has made it difficult to comment on the concept. While there is room at Stampede Park to accommodate a new hockey arena, the Stampede stated that the entire CalgaryNEXT project could not be accommodated at Stampede Park and understands that CSEC is focused on CalgaryNEXT being located in West Village.

Further, the Stampede says it would only be concerned about CalgaryNEXT if any elements of the plan directly competed with the Calgary Stampede's business (major trade, consumer and convention facilities).

Calgary TELUS Convention Centre

Administration has worked with Calgary TELUS Convention Centre's (CTCC) Marcia Lyons regarding the organization's perspective on CalgaryNEXT.

The CTCC stated that Calgary is in need of more convention centre space. The CTCC has been actively looking into convention space options for more than 10 years. An initial market study was completed in 2006 and has been refreshed periodically since then. The CTCC noted that the convention business has changed dramatically and this has impacted how much and what kind of space is needed to hold major conventions.

The CTCC stated the CalgaryNEXT proposal has revived discussion around facilities in Calgary and an extension of that is the conversation regarding convention space.

According to CTCC, organizations aren't choosing Calgary for their conventions because the city doesn't offer the space people are requesting (size and configuration). To be competitive, any additional convention centre space needs to be located near hotels and other urban amenities and the CTCC believes it's located in the heart of Calgary's core.

Tourism Calgary

Administration has worked with Tourism Calgary's Cindy Ady (CEO), Andrew Rodych (Manager, Executive Services) and Cassandra McAuley (Director, Corporate Communications & Strategy Development) regarding the organization's perspective on CalgaryNEXT.

Tourism Calgary stated that Calgary is in a facility-deficit position compared to the rest of Canada and that includes convention centre facilities and infrastructure. Tourism Calgary noted that there are six reasons why people choose to spend tourism dollars in Calgary. They include: regional travel (those coming in from surrounding communities); Calgary is the gateway to Banff; convention travel; sports travel; business travel; and friends/family.



West Village-CalgaryNEXT Phase 1 Analysis Impacted Organizations Report

Traditionally, 25 per cent of tourism revenue in Calgary is business travel. In comparison, other Canadian metropolitan cities are in the neighbourhood of 11-12 per cent. With the downturn in Calgary's economy, Tourism Calgary has taken steps to enhance the leisure travel segment. Among the work that is being done is the *Destination Strategy*, which strives to answer the question: How does Calgary develop as a destination in the next 10 years to better focus on the visitor and their experience?" This work is part of CED's Economic Strategy.

Tourism Calgary stated that sport tourism contributes over \$5.2 billion annually to the Canadian economy. In Calgary last year, sport tourism accounted for nearly 50,000 hotel room nights. With the right infrastructure, the economic benefit to our city in the form of attracting sport tourism events will increase significantly.

Tourism Calgary noted that there are several elements of the CalgaryNEXT proposal that are positive for the future of Calgary and invite organizations to look at this concept from multiple angles. Tourism Calgary said a complex like the one proposed will increase Calgary's place on the national and international stage as a capable and competitive host to major events. Further, the organization stated that a destination for sporting events would benefit the city in many ways, enhancing Calgary's ability to attract sport and culture events, leading to an increase in economic benefits through community investment and visitor spending, while offering Calgarians increased exposure to a multitude of sport and cultural events as participants and spectators.

Tourism Calgary noted it remains unbiased when it comes to the location or funding model for the project.

Saddledome Foundation

Administration has worked with Saddledome Foundation board members regarding the organization's perspective on CalgaryNEXT. Members of the Foundation board who have been engaged are Gregory Forrest, Owen Tobert, Gordon Olsen, Ken Faulkner, Barry Heck, Eric Sawyer, and Ray Jones.

On Nov. 26, 2015, the Saddledome Foundation provided the City of Calgary with terms of reference for the Saddledome Future Use Report. That report is scheduled to be completed by Sept. 1, 2016 and will look at four options for the Saddledome:

- To continue operating the Saddledome in its present form
- Repurposing of the Saddledome
- Decommissioning or "going black" in order to have the Saddledome available for major international or national events that require two multi-purpose facilities
- Demolition

Regarding the CalgaryNEXT proposal, the Saddledome Foundation clearly outlined its mandate, which is maintenance and operation of the Saddledome. The Calgary Flames are currently the manager and operator of the Saddledome and, if a new arena is built, some negotiations would be required to either terminate the current arrangement or enter into a new arrangement for the Saddledome with the Flames.

The Saddledome Foundation states it is not in a position to comment on a new facility.



West Village-CalgaryNEXT Phase 1 Analysis Impacted Organizations Report

Stakeholder Perspective Summary

Stakeholder	Session date/venue	Comments
Calgary Economic Development	<ul style="list-style-type: none"> Initial meeting held Dec. 21, 2015 at Andrew Davison Administration also held several follow-up calls/emails with Steve Allan of CED Calgary Economic Development sent letter regarding its position on March 15, 2016 	<ul style="list-style-type: none"> CalgaryNEXT could address many elements within Calgary's Economic Strategy (building city's brand, making sports and recreation accessible to all Calgarians, attracting world-class events, and building a vibrant and well-connected downtown) CED wants to ensure that Stampede Park remains a vital part of Calgary and that the West Village should also be a vibrant bookend to downtown CED would also like to see more work on adding convention centre space in Calgary CED recommends the new hockey arena be built near Stampede/East Village to enhance the vitality of the area CED recommends demolition of the Saddledome CED recommends that the Fieldhouse be developed in the area of the University of Calgary
Calgary Stampede	<ul style="list-style-type: none"> Initial meeting held Jan. 19, 2016 at Andrew Davison Administration also held several follow-up calls/emails with Warren Connell and Paul Rosenberg of Calgary Stampede Calgary Stampede sent letter regarding its position on March 10, 2016 	<ul style="list-style-type: none"> Calgary Stampede would like to see more detail on the CalgaryNEXT concept Calgary Stampede is at the midway point of its 20-year Master Plan The next major component of the Master Plan is the final phase of BMO Centre expansion The Master Plan (endorsed by City Council in 2005) was designed to accommodate a new hockey arena; discussions between CSEC and the Stampede have occurred over the years on possible locations for the new arena While a new arena could work on Stampede land, the complete CalgaryNEXT concept could not be accommodated on Stampede land The Stampede wants to ensure that no elements of the CalgaryNEXT concept compete with the Stampede's competitive trade, consumer or conference space



West Village-CalgaryNEXT Phase 1 Analysis Impacted Organizations Report

	Stakeholder	Session date/venue	Comments
	Calgary TELUS Convention Centre	<ul style="list-style-type: none"> Initial meeting held Jan. 18, 2016 at Andrew Davison Administration also held several follow-up calls/emails with Marcia Lyons of CTCC CTCC chose not to submit a letter with its perspective to the City of Calgary 	<ul style="list-style-type: none"> CTCC stated that Calgary is in need of additional convention centre space The CalgaryNEXT concept has helped revive discussions around infrastructure in Calgary
	Tourism Calgary	<ul style="list-style-type: none"> Initial meeting held Jan. 19, 2016 at Tourism Calgary Administration also held several follow-up calls/emails with Tourism Calgary staff Tourism Calgary sent letter regarding its position on April 13, 2016 	<ul style="list-style-type: none"> Calgary is in a facility-deficit position A comprehensive destination for sporting events would benefit the city in many ways (it would enhance Calgary's ability to attract major events, leading to increased economic benefits in the form of community investment and visitor spending, while offering Calgarians exposure to a multitude of sport and cultural events) Sport contributes over \$5.2 billion to the Canadian economy annually Tourism Calgary believes the CalgaryNEXT concept would increase quality of life for Calgarians Tourism Calgary evaluated CalgaryNEXT against four measures: support for the generation of tourism revenue; support for Calgary's brand; making Calgary a better destination; support for high-performance sport Tourism Calgary remains unbiased regarding the location or funding model of the project
	Saddledome Foundation	<ul style="list-style-type: none"> Initial meeting held Jan. 20, 2016 at the Saddledome Administration also held several follow-up calls/emails with Gregory Forrest of the Saddledome Foundation Saddledome Foundation sent letter regarding its position on Jan. 29, 2016 	<ul style="list-style-type: none"> Saddledome Future Use Report is scheduled to be completed by Sept. 1, 2016 Future Use Report will look at four options for Saddledome (to continue operating the Saddledome in its present form; repurposing of the Saddledome; decommissioning or "going black" in order to have the Saddledome available for major international or national events that require two multi-purpose facilities; demolition) Saddledome Foundation's mandate is maintenance and operating of the Saddledome



West Village-CalgaryNEXT Phase 1 Analysis
Impacted Organizations Report

APPENDIX A STAKEHOLDER LETTERS

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

March 15, 2016

Mr. Chris Jurewicz
Senior Strategist
Office of Land Servicing and Housing

Dear Sir:

RE: CalgaryNEXT

You have asked us to write you with respect to Calgary Economic Development's position on the CalgaryNEXT proposal and we are pleased to provide our comments herein.

Calgary Economic Development is the steward of Calgary's Economic Strategy, *Building on Our Energy* (the Strategy) and I am Chair of the Leadership Implementation Committee that has been charged by City Council with implementing the Strategy.

The CalgaryNEXT proposal is a bold and exciting vision, which has implications for many elements of the Strategy. Specific actions contained in the Strategy that are impacted by CalgaryNEXT are as follows:

Entrepreneurial Energy

Strategy One/Action Six – Grow tourism through enhanced local attractions and better collaboration with world class regional destinations.

Community Energy

Strategy Two/Action Two – Address greater connectivity between Calgary's primary cultural, recreation and commercial districts in the Centre City (Stampede Park to Calgary Zoo and Inglewood to Downtown West Village).

Strategy Four/Action Four – Build a city where all Calgarians can participate in sport and recreation to the extent they choose.

Collaborative Energy

Strategy One/Action One – Position Calgary as the location of choice to live, visit, meet, start a business and invest.

Strategy One/Action Two – Showcase Calgary's urban assets to the world and increase citizen participation in events and festivals.

Due to our role as a neutral facilitator and steward, in September 2015 we brought together key stakeholders likely to be impacted by the Strategy to discuss opportunities, implications, challenges and concerns. These stakeholders included senior representatives of City of Calgary Administration, the Mayor's Office, Calgary Exhibition and Stampede, Tourism Calgary, Calgary Convention Centre, University of Calgary, Calgary Municipal Land Corporation, Sport Calgary, and Calgary Multisport Fieldhouse Society, as well as the proponent of CalgaryNEXT, Calgary Sports and Entertainment Corp.

We have shared the points raised in the discussion with your West Village-CalgaryNEXT analysis project team. We have also maintained dialogue with many of the key stakeholders throughout the process, but have not convened any further meetings with the entire stakeholder group.

You have asked us to answer the following questions with respect to CalgaryNEXT:

- What do you like about the CalgaryNEXT project?
- What do you see as challenges with the project?
- What don't you like about CalgaryNEXT?
- What do you think of the West Village site that CalgaryNEXT has chosen for the project?
- Do you have anything to add about the project?

We will answer these questions in the context of the Strategy and given the discussions and dialogue we have had with various stakeholders.

What do you like about the CalgaryNEXT project?

The proposal presents a bold and exciting vision for Calgary, which in many ways responds to the actions contained in the Strategy noted above. Among the highest priorities for Calgary for several years now, is a fieldhouse facility. We are also well aware that our NHL arena and our CFL stadium are dated and inadequate. We lag behind other Canadian and North American cities with respect to these specific facilities. The CalgaryNEXT proposal addresses these inadequacies and deficiencies with a plan that is indeed bold, exciting and innovative.

The proposal has also highlighted for Calgarians, the fact that we have a contaminated site in the centre of our city, which is unacceptable and must be dealt with. It has also highlighted that once this site is reclaimed, it is prime for development.

What do you see as challenges with the project?

As stewards of the Strategy, we believe our role is to take a holistic, macro, high-level view of the proposal and its impact and implications for the stakeholders identified above, as well as for Calgarians and our visitors. In addressing the project from this perspective, we have identified the following challenges and concerns:

1. Access and egress: Although we understand there may be significant cost savings by having these two facilities adjacent to one another, we see serious logistical challenges for users of the fieldhouse to access the facility when there is an event occurring at the arena. We have heard from proponents of a fieldhouse facility as to serious concerns about the difficulties with users of the facility arriving by automobile, bus, or C-train,

when attendees of the arena are endeavouring to access that facility at the same time. We share those concerns.

2. City of Calgary/University of Calgary shared use: We have been advised that the City views the university as an essential partner of the fieldhouse facility, in order to make the project feasible from an operational perspective. This, of course, would be an advantage for the university as well and if significant facilities like this can be shared, rather than duplicated, it is a plus for the taxpayer. The total population of the university campus approximates 35,000 students and staff. As well, the university requires facilities for its athletic teams and kinesiology faculty for teaching and research. There are significant challenges to meeting the needs of the university with facilities located at West Village.
3. Timeliness: We endorse the need to address the environmental clean-up in West Village and suggest that should proceed regardless of CalgaryNEXT. However, the uncertainties surrounding the extent of the clean-up required, who will pay for the clean-up, and the time required to complete the clean-up, will add delays that will likely not be experienced if other sites are chosen for the projects.
4. Financing: It is proposed that a significant portion of the project would be financed by a Community Revitalization Levy (CRL). Our understanding is that this will require both Provincial and Municipal approvals, which given the current economic and political environment, will be challenging. Moreover, the funds that would be generated by a CRL in this economic environment are uncertain.
5. Competing Use: The Stampeder Football Club would be another user of the fieldhouse, in addition to the users contemplated in a partnership between the City and the University of Calgary. Our understanding is that they use the field at McMahon for approximately three hours a day between the start of training camp and the end of the season (approximately May-November). In addition, the Stampede has relatively new space for coaches' offices, administration, dressing rooms, training and therapy rooms etc. that they require for their exclusive use. These conflicts may be able to be resolved, but they will present challenges in a facility that is intended for public use.
6. Potential Challenges to the Viability of East Village and Stampede: From the perspective of the Strategy, it is essential that the vitality of the Stampede/East Village area continues to be enhanced. The Saddledome draws significant numbers to this area for hockey, concerts and other events throughout the year. There is a risk that the West Village proposal could detract from the Stampede/East Village area. The Stampede already has very successful trade show, meeting and event space. The location of the Saddledome adjacent to the Stampede's exhibition and meeting space provides Calgary with a competitive advantage when attracting events. The Saddledome has been an important component of this offering for local, national and international events. New facilities in West Village will not necessarily be perceived as complementary to the Stampede facilities in situations where the City is bidding for national and international events and there is a risk that these new facilities could compete with facilities in Stampede Park.

7. Other Costs: We understand that there will be additional costs for upgrading roads, providing access for transit etc., in the West Village area, but have no information on the magnitude of these costs.

What do you think of the West Village site that CalgaryNEXT has chosen for the project?

This question is answered by the responses above.

Do you have anything to add about the project?

We applaud Calgary Sports and Entertainment Corp. for advancing the CalgaryNEXT proposal and initiating an essential conversation in our community at a time when we need to focus on significant projects like this that will help to shape our city for generations to come. Our summary comments are as follows:

1. We endorse the building of a new arena as a new home for the Flames, and a new venue for concerts and other major events, but suggest that it be located in or around the Stampede/East Village area. This will serve to enhance the vitality of this area. We are aware that the Stampede is proposing to expand the BMO Centre in such a way that it will help Calgary achieve tier one status as a convention, meeting and trade show venue in Canada. We endorse this concept and believe that a new arena located on or near Stampede Park will enhance the competitiveness of the contemplated new trade and convention facilities.
2. The CalgaryNEXT proposal contemplated that the existing Saddledome be converted to convention or meeting space. As highlighted above, we endorse the plans of the Stampede for new trade, convention and meeting space. We do not believe a retrofitted Saddledome in any way enhances the plans for these new facilities and unless the Saddledome might be required for a future international event, in the relatively near term, we believe it should be demolished.
3. We are pleased with the MOU that was recently agreed to between the Stampede and Calgary Municipal Land Corporation. The addition of a new arena and convention, trade and meeting space in the area presents a tremendous opportunity for Calgary. The area is within the existing CLR which can be used to help develop the area and enhance assets that will be added in the area. As well, the opportunity to attract additional development to the area, such as hotels, restaurants, retail will be enhanced by the addition of the major assets. This is indeed an exciting opportunity for Calgary.
4. There is existing transportation infrastructure in the area, and the proposed Green Line will also service this area, making access and egress to the facilities much more convenient.
5. We believe that the Fieldhouse should be developed in the area of the University of Calgary. The feasibility of developing a new stadium for the Stampeders within a fieldhouse as contemplated by CalgaryNEXT should be pursued. However, some of the points raised above with respect to competing uses need to be taken into account.

6. If it is not considered feasible or cost effective to build a new stadium within the fieldhouse complex, then renovating McMahon Stadium should be pursued. The McMahon Stadium Society has a master plan for the stadium that has four phases. The first phase would see a near doubling of the concourses and enhancements to washrooms (to current code) and to concession areas at a cost of approximately \$20 million. Additional phases could add corporate suites and create other enhancements to the building. The life of the building can easily be extended for 25-30 years or beyond.
7. The lands on which McMahon Stadium sits, which are owned by the University of Calgary and the lands to the North (the Foothills lands) which are owned by the City present an excellent development opportunity, which could incorporate not only a new fieldhouse and stadium (either a renovated McMahon or a new build) but also mixed uses for recreation, housing, retail and uses complementary to teaching, learning and research. We would urge the City and the University to jointly pursue a long range development plan for these combined lands.
8. We believe the environmental reclamation of the West Village lands should proceed as soon as practicable and the Area Redevelopment Plan should be pursued as soon as feasible, such that West Village will ultimately become a vibrant book-end to downtown Calgary.

We are grateful for the opportunity to comment on the CalgaryNEXT/West Village proposal. Again, Calgary Sports and Entertainment Corp. is to be applauded for their foresight and vision in tabling this proposal. Calgary Economic Development enthusiastically endorses the concept of a new arena, new fieldhouse, new convention, meeting and trade show facilities, the reclamation of the West Village lands, and the development of a master plan for the McMahon/Foothills lands, all of which have been spawned by their proposal.

As stated, we have taken a holistic view of the proposal within the context of Calgary's Economic Strategy, *Building on our Energy*, and feel that the eight points summarized in answer to the final question above, present an enormously exciting opportunity for our community at a time when we need to provide vision, hope and encouragement to our citizens, as well as tremendous new assets that will benefit our community for generations to come.

Yours truly,



Steve Allan
Chairman of the Board



March 10, 2016

Chris Jurewicz
Senior Strategist
Real Estate and Development Services
The City of Calgary

Dear Chris:

The Calgary Stampede sincerely appreciates being invited to participate in the stakeholder consultations regarding the CalgaryNEXT proposal. Clearly it is not in the best interests of the City for the Stampede to decide independently on the merits of the CalgaryNEXT proposal when we have not seen any detail. We understand the larger City wide objectives desirous by City Council and will continue to work with the community to undertake the decisions which would best see Calgary become an even greater City to live, work and play.

What we can say is that the Stampede Master Plan as put in place and approved approximately 10 years ago, was designed to accommodate a new arena since we have enjoyed the synergies of having CESC and the Saddledome on Stampede Park. We have had discussions over the years with CSEC on possible locations for an arena on Stampede Park and expressed our desire to accommodate the arena. However, CESC's plan for CalgaryNEXT is a multi-facility development where the land requirements, over and above the arena and fieldhouse, include the development of a mixed use neighbourhood consisting of commercial and residential uses which far exceed the available space at Stampede Park.

When the CalgaryNEXT plan was presented to us by CESC, we advised them and have expressed to the City that we will continue to leave the door open for future discussions with the City and CESC should there become a common desire to see the arena return to Stampede Park. We have room for a new arena on our park and it will work on site inclusive of the other development that the Stampede has planned. Our only other discussion relevant to CalgaryNEXT was our request that CESC not supplement the proposed CalgaryNEXT development with any competitive Trade, Consumer or Conference space. CESC agreed with this request.

The Stampede Master Plan was endorsed by City Council in 2005 and supported with a new approved DC land use, a new 100 year lease for the City of Calgary owned portions of the site and ultimately the expropriation of the small number of owners who could not come to terms with the Stampede. We are at the mid-point of the 20 year plan with two successful expansions to the BMO Centre, a new Agrium Western Event Centre, a soon to be opened new ENMAX Park providing 18 acres of green public space for use by the community and just breaking ground on a new inclusive Youth Campus that has already changed the youth development model in the province. Five new facilities will open over the next few years all funded with donors who believe in the vision of a greater community for the development of tomorrows spirited leaders.

Our next major component of the Master Plan to move forward is the final phase of the BMO Centre expansion. At completion, the BMO Centre would be the second largest tier one facility in Canada. A Convention and Trade facility that would allow Calgary to attract tier one conventions and elevate Calgary as an international convention destination. We have spent the past three years working with the industry to build a model consistent with the current operation of the BMO Centre which on an operating basis is self-supporting.

Please contact me if you require any further information.

Yours truly,



Warren Connell
Chief Executive Officer

April 13, 2016

Chris Jurewicz
Senior Strategist, Office of Land Servicing & Housing
City of Calgary
6th Floor
133 – 6 Avenue SE
Calgary, Alberta T2G 4Z1

Dear Chris,

Members of Tourism Calgary's executive staff and I met with the research team from the Office of Land Servicing & Housing in February 2016 to discuss the CalgaryNEXT project proposal, for which no alternatives are currently available for consideration. Tourism Calgary regularly reviews projects and initiatives which have the potential to advance Calgary as a visitor destination and for residents.

Calgary is in a facility-deficit position, and we are pleased to see that this proposal would make available critical sport infrastructure. A comprehensive destination for sporting events would benefit the city in many ways; it would enhance Calgary's ability to attract sport and culture events leading to increased economic benefits in the form of community investment and visitor spending, while offering Calgarians increased exposure to a multitude of sport and cultural events as both participants and spectators.

Sport tourism contributes over \$5.2 billion annually to the Canadian economy. In Calgary last year, sport tourism accounted for nearly 50,000 hotel room nights. With proper infrastructure, Calgary's economy will see significant increases from our ability to attract sport and event-related tourism.

Tourism Calgary supports the development of sport and event hosting infrastructure throughout the city. Not only do we believe that such infrastructure will have a positive impact to our visitation numbers from all key markets, it will also add to the vibrancy and culture of our city and brand.

Tourism Calgary evaluates proposed projects and initiatives through the following measurement areas looking at current and future needs. As such, we have evaluated the CalgaryNEXT proposal against the following measures:

1. Support for the generation of tourism revenue and visitation to Calgary

The project should generate attendance and economic increases through:

- Providing greater capacity and ability to host more visitors at events;
- Offering the ability to host new types of events in Calgary, while ensuring that major events do not forego Calgary due lack of a suitable venue?

2. Supports and enhances Calgary's brand

The project must showcase and tell Calgary's story while showcasing our spirit and culture. It should:

- Help Calgary be recognized as a world-class city that hosts major international events and performances;
- Feature the best of Calgary in sport and major events, arts and culture, and the shopping, attractions and nightlife which flow from the venue;
- Celebrate and promote Calgary through partnerships, local organization support, art, food, beverage and services;
- Make Calgary a memorable destination for visitors.

3. Makes Calgary a better destination

The facility must be easy to access and navigate while being enjoyable for all guests;

- The design must consider how the facility brings together communities and makes them better;
- CalgaryNEXT needs to understand its role in major event evolution and development as well as product development and enhancement.

4. Supports high-performance sport in Calgary

CalgaryNEXT will become a premier centre for Calgary's high performance system through its facilities, partnerships, programs and visitor experience. CalgaryNEXT should be dedicated to:

- Having the ability to host a wider variety of sporting events;
- Providing a venue for high-performance sport while fostering the growth of amateur sport;
- Encouraging health and wellness for Calgarians.

Tourism Calgary believes this proposed project will increase quality of life for Calgarians. It will benefit our community and residents through job creation, accessible recreation facilities, infrastructure development, and increased capacity to host major events as well as enhancing our national and international profile.

The CalgaryNEXT proposal would help alleviate the facility-deficit Calgary has been experiencing. Tourism Calgary remains unbiased as to location or funding model for the project. Further discussions regarding location will be required between all involved parties.

Sincerely,



Cindy Ady
CEO, Tourism Calgary



January 29, 2016

Brad Stevens
Deputy City Manager
City of Calgary

VIA EMAIL
Brad.Stevens@calgary.ca

Dear Mr. Stevens:

Re: Calgary NEXT Proposal – Stakeholder Position

Further to our meeting on January 20, 2016 with Chris Jurewicz and the Administration Team, this letter is sent to confirm the position of the Saddledome Foundation as a stakeholder.

The mandate of the Saddledome Foundation is to undertake responsibility for the operation and management of the Saddledome and to collect and distribute the revenues for the benefit of amateur sport, hockey development and research.

At the request of Calgary City Council, the Foundation was pleased to provide to City Administration a document dated November 26, 2015 outlining terms of reference for a Saddledome Future Use Report.

In light of our mandate we are not in a position to speculate on the Calgary NEXT proposal although we will as requested review and report on available options for the Saddledome in the event the Calgary NEXT or any similar proposal proceeds.

Thank you and the administration for requesting the input of the Saddledome Foundation as a stakeholder.

Yours very truly,

THE SADDLEDOME FOUNDATION



GREGORY J. FORREST
Board Chair