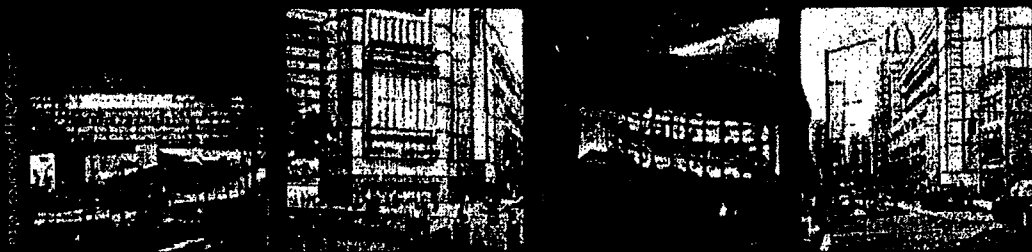


CITY SHAPING



The Summary Report of the Leadership Committee for a
New Sports/Entertainment Facility for Edmonton

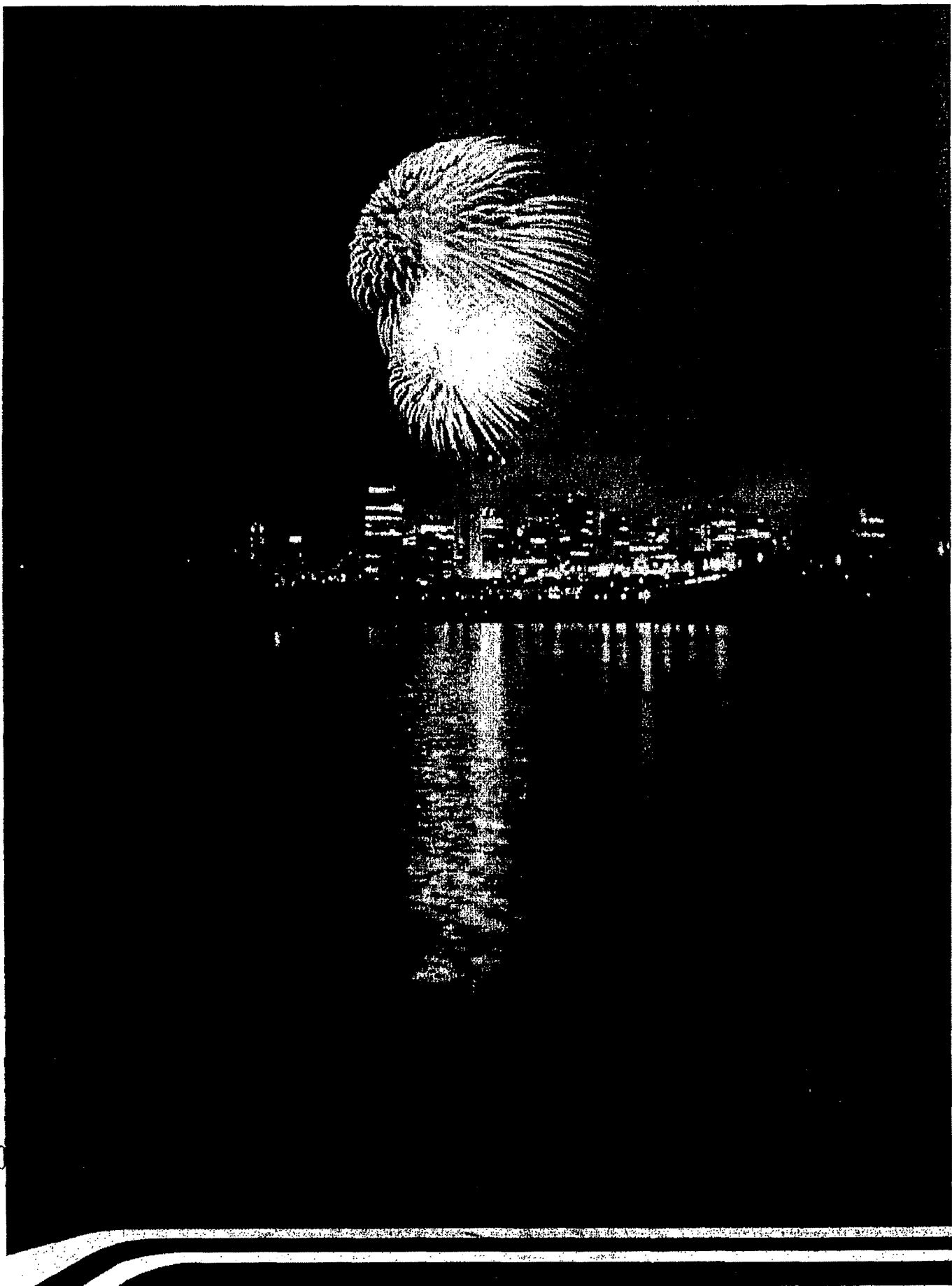
March 2008

*Approved
with changes*

Mike Best

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INTRODUCTION

Many cities have used major multipurpose facility developments as a springboard to spark rejuvenated downtowns and new entertainment districts, resulting in significant economic, social and cultural benefits. Facilities in many Canadian and U.S. cities provide examples of the ability of these types of developments to spur economic development and community renewal in urban centres.

Several factors have converged to make this an opportune time to consider the benefits of constructing a new sports/entertainment facility in Edmonton:

- Northlands, owners of Rexall Place, looked at the future life and capacity of Rexall Place and commissioned a study by *HOK Sports*, a leading international sports architecture firm, in February 2007. The study estimated the cost of modernizing Rexall Place at about \$250 million.
- Built in 1974, and home to the Edmonton Oilers as well as the venue for many high-profile sports/entertainment events, Rexall Place is now one of the smallest and oldest sports venues in the National Hockey League (NHL).
- The Oilers' 10-year lease at Rexall will expire in 2014.
- The timeframe required to construct a new facility spans several years.

- Edmonton has an opportunity to integrate a new sports/entertainment facility into renewal plans for its downtown.

On April 24, 2007, Mayor Stephen Mandel announced the formation of a *Leadership Committee* to study the potential of constructing a new sports/entertainment facility in the city of Edmonton. Led by community and business leader Lyle Best, the committee conducted a wide-ranging, in-depth investigation, consulting with sports, business and community representatives in Edmonton and throughout North America (see *Committee Membership — Appendix C*).

Leadership Committee membership included community and business representatives, as well as representatives of the Edmonton Oilers, Northlands and the City of Edmonton. The nine-member Leadership Committee was supported by working groups: the Finance Subcommittee, which developed financial models for new facility development, and the Community and Design Subcommittee, which examined design criteria and options for how a new facility might be integrated at a community level to revitalize a broader urban district.



The Leadership Committee's objectives were to identify the physical requirements for a new sports/entertainment facility that would:

- Have the potential to accelerate urban redevelopment, enhance our municipal image and further stimulate Edmonton and the region's economic growth and development.
- Meet current and future NHL standards and the needs of the Edmonton Oilers.
- Maximize multipurpose opportunities for non-hockey activities such as concerts and major events.
- Meet community expectations and inspire community support for the project.

The committee's financial objectives were to:

- Estimate the total project costs associated with a new facility.
- Identify a range of financing tools and options.
- From this information, judge whether such a project is feasible.

In addressing these questions, clear direction was provided to ensure financial models supporting development of a sports/entertainment facility would not require tax increases or the reallocation of funding for the city's infrastructure.

This report summarizes the committee's findings. It is designed to provide the framework for a more detailed review of a specific proposal by potential project proponents in the future. Decision-making and further courses of action would be influenced by the timing and content of any of these proposals.

CITY SHAPING — WHY A NEW SPORTS/ ENTERTAINMENT FACILITY?

It would be difficult to overstate how fortunate Edmontonians are. We are blessed with a strong economy, clean air and water, a wealth of space and activities and citizens committed to the entire region's vitality.

Our growth prospects are enormous. We have one of the best economic stories in North America. Our region of just over one million people is expected to reach two million in less than 40 years.

But good fortune, many have said, is really the intersection of opportunity and readiness. This is where Edmonton finds itself today in discussions about a new sports/entertainment facility.

As it grows to take its place as one of Canada's major cities, Edmonton must build on its strengths, including its proven record as a top-tier destination for entertainment and events. Rexall Place, one of Edmonton's best-known community assets and venue to a range of cultural and sporting events, requires modernization or replacement. This convergence of need and opportunity has the potential to translate into a unique development project.

The right development, in the right place, will not only draw millions of visits to the city annually from far and wide; it will revitalize our downtown.

A new sports/entertainment facility can capture and focus the city's projected growth, revitalize our downtown core and generate tax revenue through new housing, retail and office space, hotels, restaurants and additional facilities.

Why Downtown?

It has to be downtown. The greatest opportunity for Edmonton lies in developing a new facility that will revitalize our downtown and add to the excitement that is just starting to build in our core.

This urban renewal model has been employed in many cities in North America. In Columbus, Indianapolis and San Diego, new downtown sports and entertainment facilities have not only thrived, they have driven significant economic, social and cultural benefits.

*"What we have learned from the experiences of numerous U.S. cities over more than four decades, is that stand-alone arenas (in suburban areas) tend to become lost opportunities for high value development and the building of a city's image."**

The expected economic growth and population influx to the city provides an opportunity for Edmonton to create a place downtown for people to live, work, play and thrive. The development of a new sports/entertainment facility and associated multipurpose activity area can be the catalyst for ensuring Edmonton's downtown is successful and vibrant well into the future.

*"In the competition for human capital that is driving the 21st century economy, vibrant urban cores and downtown areas are vital assets. The companies that will define the future growth of every nation choose to locate where the best and brightest workers wanted to live. Increasingly this is in or near downtown areas of urban centers which have invested to make their core areas vital and unique."**

* See Rosentraub Report, Appendix B

The city's core has existing infrastructure, tremendous parking capacity, superior transportation and transit access, and a concentration of shops and restaurants that can provide a base for creating a walkable, thriving urban district that defines our city.

Access into and out of downtown can readily accommodate crowds, and it regularly does. On New Year's Eve 2007, for example, more than 35,000 people gathered in Sir Winston Churchill Square without overcrowding, creating parking challenges, or causing any traffic problems as the crowds dispersed.

The architectural significance of a sports/entertainment facility, and the strong design of the surrounding community will influence downtown land use and community development patterns for many years to come. It can be a true urban gathering place and create a strong "brand" for Edmonton.

The challenge for Edmontonians, and for the city of Edmonton, is to grasp the scope of opportunity, and take full advantage of a rare time in our city's history.

The decision Edmonton needs to make is whether it has enough faith in its own potential that it, too, can gain the maximum benefit from this type of real estate development opportunity.

In the end, this is only partly a discussion about an arena. It is wholly a discussion about Edmonton.



METHODOLOGY

The Leadership Committee met regularly over the past eight months, identified areas of study, commissioned work by leading experts, reviewed that work, formulated recommendations and produced this public report to summarize key findings, conclusions and recommendations.

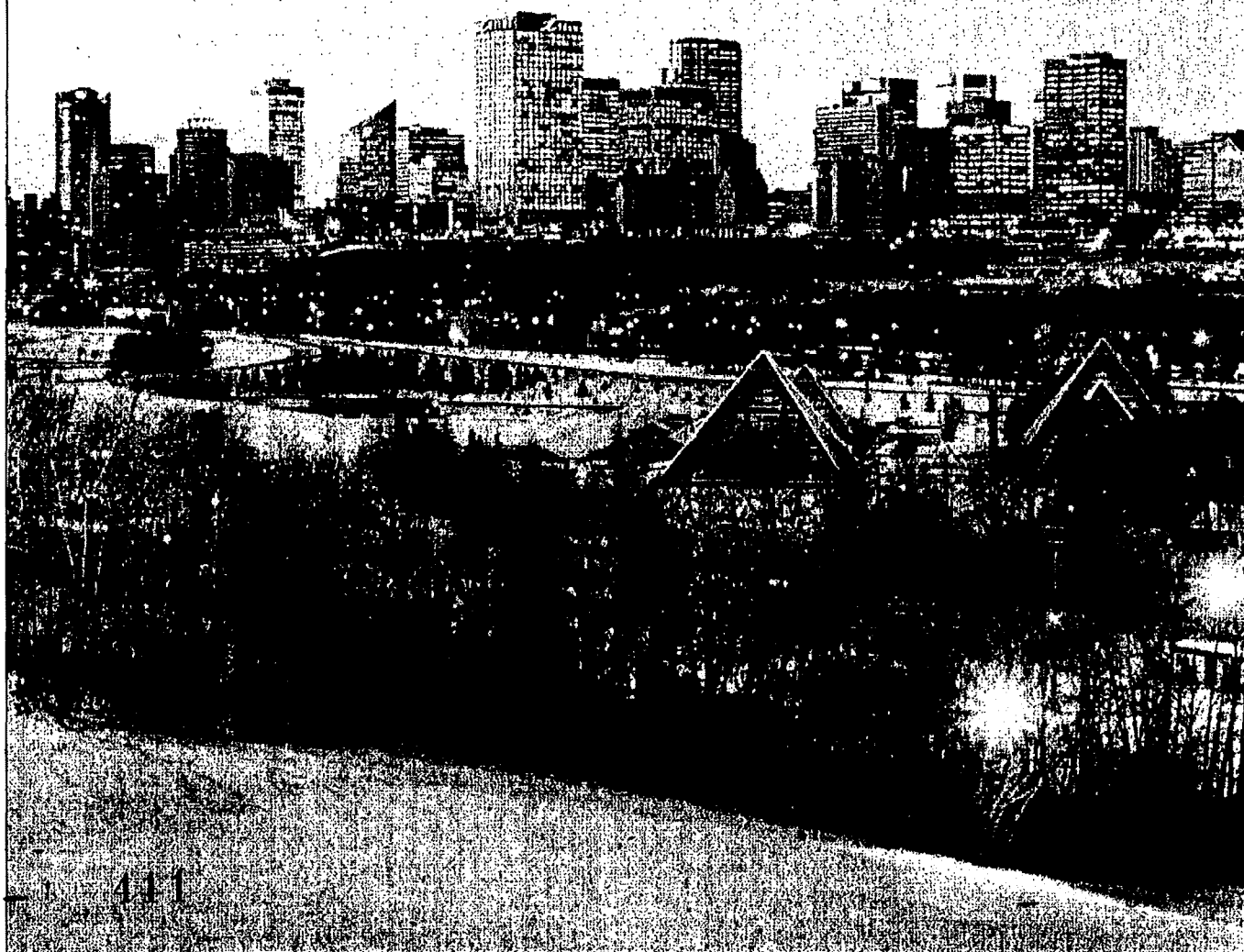
Key contributors to the process include:

- *HOK Sport*, which was engaged to identify the essential components required to attract top-flight entertainment and sporting events, and to identify location issues and the criteria necessary for a successful facility development. An internationally known sports architecture firm, HOK's client list includes Major League Baseball franchises, National Football League franchises, NHL arena clients and soccer and rugby teams worldwide.
- *Convention, Sports & Leisure International (CSL)*, another internationally recognized firm, was commissioned to evaluate the market potential for the proposed facility, assess comparable facilities, provide case studies and develop financial models to inform the evaluation of proposals put forward by project proponents.
- *Dr. Mark Rosentraub*, a professor at the Maxine Goodman Levin College on Urban Affairs at Cleveland State University, was commissioned to develop a paper on lessons from U.S. experiences. He is an acknowledged expert in the study of sports facilities and how they can be a catalyst to revitalize urban centres.

The full text of the Rosentraub paper is available at www.edmonton.ca/mayor. The *HOK Study* and the *CSL* report cannot be released due to the commercially competitive nature of their information on prospective facility sites and Oilers business information.

All recommendations of the Leadership Committee are summarized in "Summary of Findings/Recommendations for Edmonton," page 25.

March 2008



COMMUNITY AND DESIGN PERSPECTIVES

The Community and Design Subcommittee considered the implications of a downtown facility on urban development, together with community and design considerations critical to planning a new sports/entertainment facility of considerable scale. Membership consisted of a cross-section of community leaders representing the arts, business, educational institutions, police and social agencies with an interest in downtown revitalization (see Appendix C.)

As the subcommittee explored issues and design principles, it reached an over-arching conclusion that formed the basis of more detailed discussions of community and design issues:

If a new sports/entertainment facility is to be built, it must serve the broader needs of the community and stimulate further development and revitalization.

The subcommittee concluded that it is essential for such a facility to support downtown revitalization and development — and not be treated as an isolated project. This view was strongly endorsed by the Leadership Committee.

Design/Integration

A sports/entertainment facility should be designed as an anchor in a broad development project that stimulates revitalization within an urban district of downtown Edmonton.

The goal would be to demonstrate exemplary urban design that enhances the city, the district, the street and the building. This would require innovative design elements, integrated at an appropriate scale within the context of the neighbourhood, and a district designed to ensure economic, social and environmental sustainability.

Meeting the needs of tenants in the sports/entertainment facility would be a key consideration. At the same time, given the potential of the facility to be the catalyst for a new downtown multipurpose activity district, appropriate efforts would also be required to plan for and manage impacts (both positive and negative) on neighbouring communities.

The project should be designed to be a “*great neighbour, in a great neighbourhood, that helps to define a great city*”.

Recommended design and integration elements include:

The District

- Public spaces in the district that accommodate a range of activities — sports, entertainment, cultural and meeting rooms.
- Safe and inviting places that recognize and promote visual linkages to other defining elements and to adjacent properties and neighbourhoods.
- Crime prevention through environmental design techniques.

The Multipurpose Facility

- Adaptable to multiple and diverse uses — mixed retail, residential, commercial, active and passive recreation, cultural facilities.
- Durable, permanent and timeless construction materials, used to create attractive and distinguishing features.
- Clarity and consistency of form and detail.
- Sustainable energy and environmental design principles, such as green building techniques, natural light and native landscaping, as well as inclusion of “green” operational opportunities like recycling and air, water and energy conservation.

- Amenities that add to the area’s drawing power during non-event times, such as a hotel, spa, athletic club, public square, concert amphitheatre, a second rink for practice, as well as for general public use.

Transportation/Access

Proximity to public transit and parking for the sports/entertainment facility must be designed to encourage visitors to walk short distances, experience the area and engage in other activities. Increased pedestrian activity in the district would contribute to retail growth and greater tax revenue as businesses in the area capitalize on increased foot traffic.

Transportation access for a new sports/entertainment facility would be designed to:

- Give public transit, in particular LRT service, the highest priority and incorporate innovative opportunities for transit and shuttle services.
- Integrate pedestrian circulation systems with existing and planned systems in order to connect transit, cycling, public parking, public rights of way and spaces to other amenities/services in the area.
- Encourage visitors to the area to walk the district.
- Include multiple access and exit locations to minimize congestion.

- Incorporate functional requirements of vehicular activity required for the facility (such as large trucks) into the design of parking spaces and streets.
- Facilitate physical accessibility for strollers, seniors and wheelchairs.

Parking

There is ample existing parking infrastructure in the downtown area and in proximity to other areas reviewed. There are currently 36,000 parking stalls within Edmonton's downtown with the greatest commercial demands between 9:30 a.m. and 3:00 p.m. on weekdays.

If any additional parking is considered, it should be underground or at the perimeter of the district to enable walkable spaces and the creation of a stylized main street where store fronts and play areas are incorporated into the district's design.

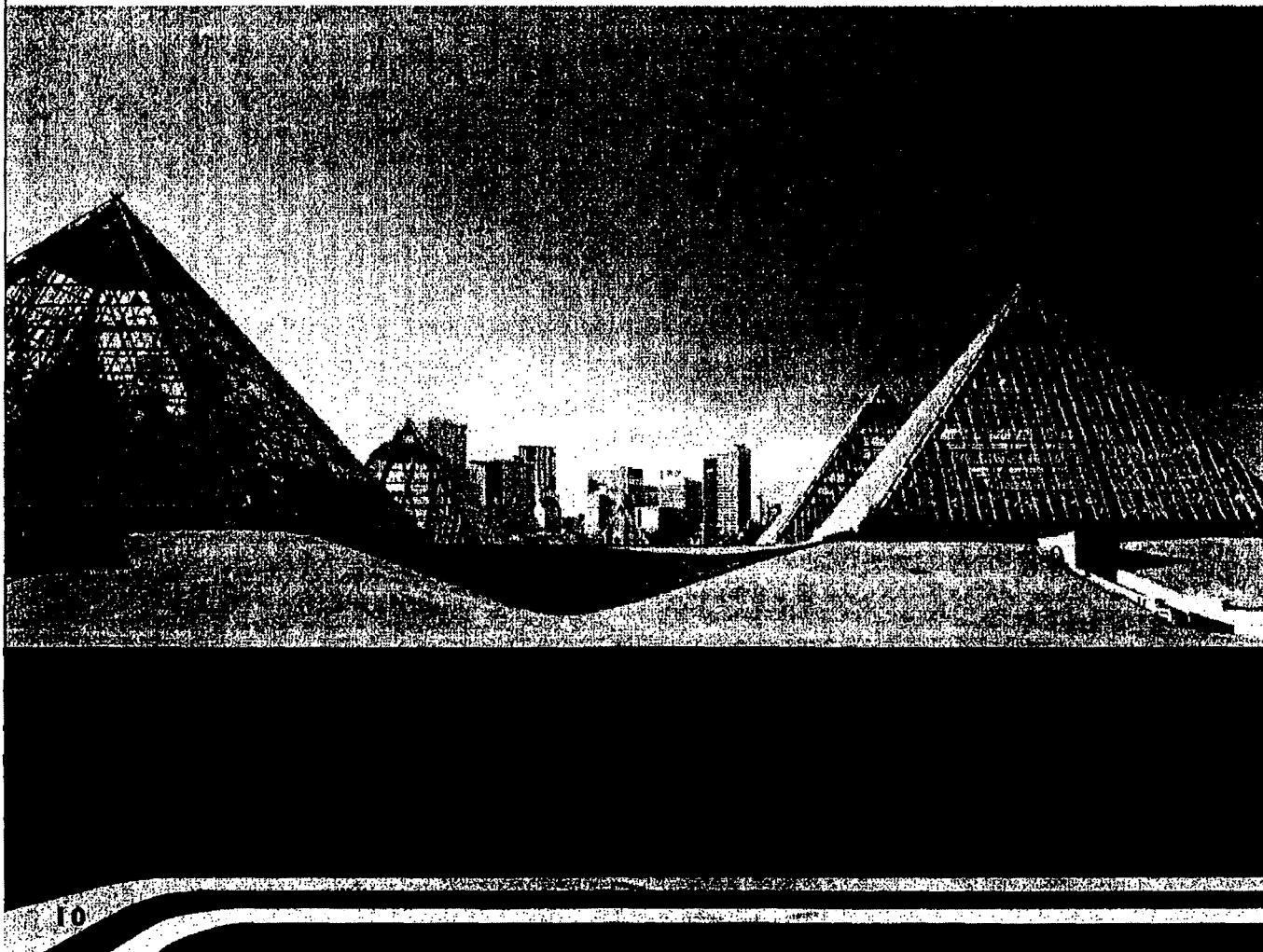
Recommendations for Edmonton

A sports/entertainment facility could be an integral part of an ongoing mixed-use development project. It could be an exciting destination that adopts creative means to address a number of needs, including office space and housing, into a broader development concept. This facility presents an opportunity to take Edmonton to a new level and it could not be more timely, exciting and

worthy of pursuit. The following recommendations are made by the Community and Design Subcommittee:

1. That a sports/entertainment facility be designed as part of a multipurpose activity district.
2. That the design and programming of the facility include ways in which it can revitalize and develop the surrounding urban district and spur redevelopment of Edmonton's downtown core.
3. That design principles be developed which ensure residential growth supports retail development and encourages businesses to relocate to or expand into the area. Parks, shops, artist spaces, public grass areas, pubs, cafes, meeting areas and water features should blend with the sports/entertainment facility.
4. That linkages to the unique cultural and business communities in the area be developed to foster meaningful contact and a sense of comfort within diverse populations of age and culture.
5. That the activity district be seen in context of all its users, residents, tourists and frequent users from across the capital region and from central and northern Alberta.
6. That design principles encourage transit use, maximize existing parking infrastructure and encourage walkability.

7. That the sports/entertainment facility be environmentally sustainable, using Leadership in Energy and Environmental Design (LEED) criteria.
8. That the following development features be included in planning in order to leverage this development to define and foster Edmonton's identity:
 - Design elements that acknowledge our four-season climate and celebrate Edmonton's status as a 'winter city'; in particular, features that address indoor and outdoor connectivity during extreme weather conditions.
 - Public art, visual and performing arts and other forms of cultural expression.
 - Architecture as art.
 - Characteristics that respect and celebrate Edmonton's heritage or renew the heritage of activities, buildings, districts and landscapes.
 - Cost accessibility for young and lower-income individuals and groups.



STUDY PERSPECTIVES — HOK SPORT

The Leadership Committee engaged *HOK Sport* to provide a detailed analysis of the physical and site requirements of a multipurpose facility in Edmonton, and an evaluation of potential locations, both in terms of urban districts and sites within those districts.

District and Site Evaluation Approach

HOK was tasked with examining potential downtown districts and sites for a sports/entertainment facility. HOK indicated that site evaluation normally considers elements related to urban design, transportation and the physical site. This framework is widely used to objectively analyze and rank potential sites for sports facilities, including arenas and baseball and football stadiums in both urban and suburban settings.

Based on dialogue with the Leadership Committee, evaluation categories were broadened to include those characteristics of a sports/entertainment facility that could impact overall design, costs and the potential for downtown redevelopment.

Six urban districts in the downtown area were identified, and specific sites within them were studied. Prerequisite criteria to identify potential individual sites included:

- Minimum size for acceptable building configurations.
- Capability to maximize adjacent parking and build or lease premium parking.
- Proximity to transit and additional parking.

- Compatibility with proposed downtown improvements.
- The ability to accommodate service functions and television truck parking.

All identified sites meet these criteria and provide sufficient development opportunities for proponents to examine in the next phase of work. Details on each of the areas will be shared with project proponents but are not disclosed in this report for commercially competitive reasons.

Evaluation Criteria for Potential Sports/Entertainment Facility Sites

Urban Design

Facilities that are successful in revitalizing downtown areas fit into existing cityscapes and enhance them. Three types of evaluations are considered under this element:

- Analysis of the site in relation to the framework of the city.
- Identification of civic design potential.
- Consideration of the overall "fan experience."

Evaluation Criteria — Facility/Design/Urban Fit

- Proximity to downtown Edmonton.

- Image/visibility.
- Adjacent land uses/compatibility.
- Proximity to existing convention facilities.
- Proximity to existing hotel facilities.
- New development opportunities adjacent to area (retail/entertainment).
- Potential to enhance nearby existing businesses.
- Potential to spur broader community renewal.

Transportation

This element focuses on the convenience a site offers for pedestrians, ease of vehicle access, and availability of parking and transit.

Evaluation Criteria — Transportation/Parking

- Vehicular access.
- Adequate entry and exit paths.
- On-site parking.
- Off-site parking.
- Proximity to public transit.
- Access for service.
- Pedestrian movement.

Site Factors

This element focuses on site characteristics that influence the design and overall cost such as site size, zoning, regulatory issues and infrastructure.

Evaluation Criteria — Site Factors

- Site size and configuration.
- Topography (potential benefits/advantages).
- Utilities (adequacy/relocation/improvement).
- Demolition issues.
- Environmental issues.
- Design restrictions/limitations.
- Zoning and regulatory factors.
- Displacement of existing users.
- Historic structures.

Project Costs

- Land acquisition and business/residential relocation.
- On-site/off-site infrastructure.

Sports/Entertainment Facility Program Essentials

According to the *HOK Study*, the essential first step in a successful site selection process is to determine the program requirements of the sports/entertainment facility. The program requirements identify the size

capacities and functions the building must fulfill. These, in turn, determine the square footage requirements of the building and begin to define the inter-relationships of the building's main components. Planners can then create building footprints to be tested on all potential sites.

Entertainment Facility Components

Rexall Place, under Northlands' management, is currently the third-busiest concert venue in Canada and 12th in the world. A new sports/entertainment facility will build on this success.

The major concert industry and the NHL and other major sports associations in North America require a seating capacity of approximately 18,000 for hockey with multiple suite and premium seating offerings sized to the local market. To deviate from this optimum capacity is not advisable. Smaller simply is not competitive, and a larger seat count drives up construction costs while providing little or no competitive advantage. A practice facility for an anchor sports tenant is desired by teams and creates an added attraction for game and non-game days, while providing community recreational opportunities.

Other important program elements for a sports/entertainment facility include:

- State-of-the-art acoustics with sound baffles and bass traps at the upper level.
- Rigging capacity in the range of 150,000 to 200,000 pounds.
- Direct loading to the event floor and convenient truck access to loading docks.
- Generous staging and marshalling areas behind the stage-end.
- Retractable seating to allow adjustments to the size of the event floor.
- The ability to create blackout conditions for concert lighting.
- Floor anchors on the event floor to accommodate overhead tie-downs for circus and other events.
- Spotlight platform at the catwalk, for end-stage and opposite end-stage configurations.
- A minimum of four small and one large dressing and flexible green room.

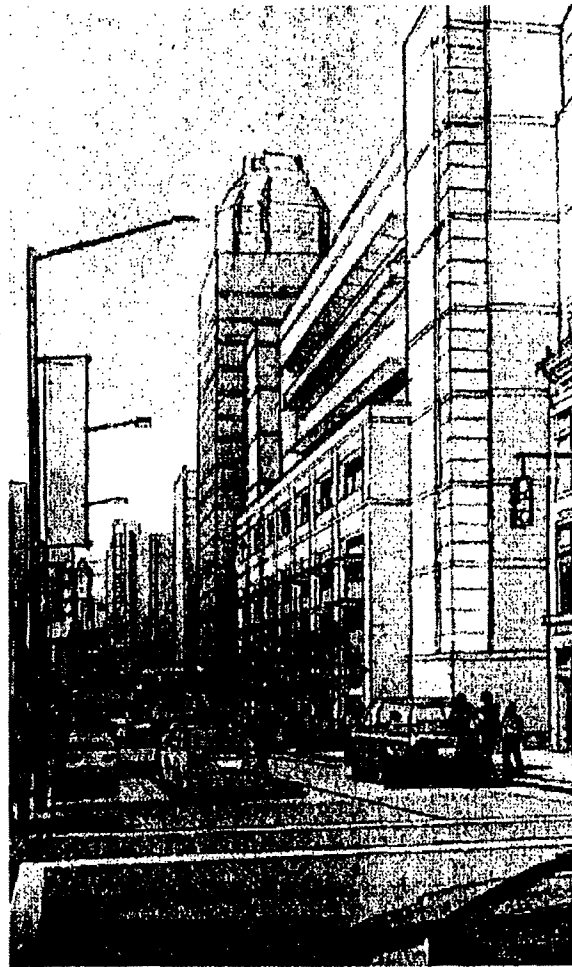
Given the number and scale of events already delivered within Edmonton's downtown, this scale of entertainment facility could be readily integrated into a suitable downtown district site.

Sports/Arena Components

In the case of Edmonton, NHL standard functional requirements were compared with existing conditions at Rexall Place. These findings were presented to numerous representatives of Northlands and the Oilers for the purpose of arriving at a program to meet the 21st century needs of Edmonton's NHL franchise and provide a highly flexible, efficient and competitive multipurpose community venue.

The HOK Study determined that a multipurpose sports/entertainment facility that would meet Edmonton's 21st century needs, including an NHL franchise, must provide the following:

- 750,000 sq. ft. total area
- 18,000 seats for hockey
- 35,000 sq. ft. practice ice sheet and facilities
- 64 luxury suites
- 12 bunker suites
- 2 party suites
- 21,500 sq. ft. club lounge
- 7,000 sq. ft. retail opportunities
- 16,000 sq. ft. members restaurant
- 7,500 sq. ft. commercial restaurant
- 10,000 sq. ft. administrative office



Comparisons with Other Arenas

For comparison purposes, the *HOK Study* developed the following chart to illustrate arena capacities and amenities in 13 cities in Canada and the United States.

Arena Comparisons

	Year opened	Total square feet	Number of seats	Number of suites	Number of club seats
Air Canada Centre, Toronto, Ontario	1999	665,000	19,800	153	1,020
Jobing.com Arena, Phoenix, Arizona	2003	600,000	17,500	89	800
Louisville Arena, Louisville, Kentucky	2010	700,000	16,000	72	3,200
Nationwide Arena, Columbus, Ohio	2000	900,000	18,500	52	1,400
Pepsi Center, Denver, Colorado	1999	675,000	18,007	95	1,900
Phillips Arena, Atlanta, Georgia	1999	680,000	18,750	92	1,866
Pittsburgh Arena, Pittsburgh, Pennsylvania	2010	TBA	18,500	81	1,200
Prudential Center, Newark, New Jersey	2007	850,000	17,625	76	3,000
Sommet Center, Nashville, Tennessee	1996	1,000,000	17,500	72	1,800
Sprint Center, Kansas City, Kansas	2007	602,000	18,500	72	1,500
Toyota Center, Houston, Texas	2003	775,000	17,800	103	3,200
Verizon Center, Washington, D.C.	1997	1,002,000	18,672	110	3,000
Xcel Energy Center, St. Paul, Minnesota	2000	650,000	18,064	74	3,300

To confirm its findings, *HOK Sport* benchmarked the Edmonton results against a number of recent NHL/National Basketball Association facilities. It found the Edmonton results to align closely with the Prudential Center, the new home of the New Jersey Devils that opened last fall in a redevelopment area of downtown Newark.

A detailed program comparison was also done with the New Jersey Devils arena. When comparing the *HOK Study* recommendations (i.e. to meet standard NHL functional requirements as well as the 21st century needs of the Oilers and other venue users) to current Rexall Place conditions, Rexall Place was behind in all criteria (including spectator facilities, food and retail, circulation, event/team/media facilities, operations support and administrative space).

Findings/Recommendations for Edmonton

The *HOK Study* identified well-defined program and site options. The Leadership Committee makes the following recommendations based on the *HOK Study* and other factors:

1. *HOK* identified several districts and sites in downtown Edmonton that would meet its criteria for the development of a new arena. Detailed consideration of these sites should be part of a next phase of the sports/entertainment facility development evaluation process, based on a specific proposal by project proponents.
2. Potential sites should be confidentially examined by architects, urban planners, engineers, traffic and parking consultants and a contractor to confirm compatibility with the facility's programming, test site and soil conditions, examine utility placements and estimate the cost and timing of land acquisition.

3. The following site conditions are essential to providing the range of services and amenities a full multipurpose arena facility would require. These site conditions should be used in facility planning:

- The size of the facility site area must be a minimum of 5.05 acres for the arena portion of the facility; 6 acres is desirable.
- Additional acreage would be required for a full sports/entertainment facility. All sites identified have this additional capacity.
- The site must allow acceptable building configuration and exterior spaces.
- The site must provide the ability to build or lease parking spaces for premium customers adjacent to the arena.
- The site must have proximity to transit and parking.
- The site must be compatible with downtown improvement.
- The site must have the ability to accommodate service functions and television truck parking.

The *HOK Study* commented on financial aspects of projects of this scale; this advice was forwarded to the Finance Subcommittee.

- Major civic facilities such as these do not generate sufficient returns on investment to attract 100 percent private development capital. Incentives and participation from the public sector should be considered a necessary component of a financing plan.
- A financial model should be developed that addresses issues of ownership, tenant leases, revenue sharing, infrastructure participation and funding options.

FINANCE SUBCOMMITTEE REPORT

Financing Objectives

The overall objective of the Finance Subcommittee's work was to provide a high-level assessment of the financial feasibility of building a sports/entertainment facility in downtown Edmonton.

A detailed financial analysis on a specific proposal has obviously not been undertaken at this stage. However, an assessment has been made of the range of financial tools, revenues and financing options that would be available to proponents of a sports/entertainment facility project.

Finance Subcommittee Assumptions

Factors influencing this assessment include:

1. The key potential player in this development project has already made public commitments of a direct equity contribution. Mr. Daryl Katz has publicly stated that, if successful in acquiring the Oilers, he would contribute \$100 million towards a downtown arena facility. The committee has assumed this commitment would be fully met. However, at the writing of this report, this remains a business arrangement pending purchase of the Oilers, and the committee has had no direct discussions with Mr. Katz.

2. Alternatives to a new facility are not zero cost.
The status quo has a cost, driven by ongoing and escalating costs of regular facility maintenance and upgrades to Rexall Place. These costs are expected to reach into the tens of millions of dollars over the next 15 years. The cost of the status quo would also be reflected in lost opportunity costs to the citizens of Edmonton.
3. In addition, there is the projected cost of undertaking a renovation of (or substantial refurbishment to) Rexall Place, estimated in the range of \$250 million by HOK in its February 2007 report to Northlands. To date, there are no identified funders of this option.
4. Given that no new facility can be entirely equity-funded, it is reasonable to assume access to a wide range of financing tools will be required.
5. Any financial package must be based on solid revenue projections that maximize:
 - The potential of the main arena facility to generate revenue through direct activities.
 - Related or ancillary land and commercial developments as part of a new facility.
6. The committee has maintained a focus on the original direction of the Mayor that:
 - No tax increase would result from the financing of a new facility.
 - There would be no reallocation of funding for the city's infrastructure.

7. Should a new sports/entertainment facility move forward, it assumed that the existing Rexall Place would not continue to operate. Under this circumstance, the City and Northlands will have to decide the best use of that land and facility, including its own potential neighbourhood redevelopment opportunity. This could, in turn, generate funding which could be used to support the new facility and/or support the rejuvenation of the 118 Avenue area.
8. The role of Northlands in any new sports/entertainment facility must be considered.

Financing Structure

The arena feasibility analysis prepared by CSL showed financing models ranging from full *private* sources (a model similar to the Air Canada Centre, Scotiabank Place and GM Place) to full *public* funding (such as the Pengrowth Saddledome and Mellon Center), with a range of financing options between these two polarities.

In considering *private financing structures*, the Finance Subcommittee looked at the Real Estate Investment Trust concept and the possibility of a single investor. For a total private financing structure to work, the sports/entertainment facility must provide the investor with a return commensurate with its investment and associated risk. The main revenue sources for an investor

in a project of this nature are operating surpluses generated by the facility and potential revenues from the development of ancillary lands.

However, given that the Leadership Committee views a new facility to be the centre piece of integrated downtown development plan, a total *private* funding option would limit the ability of the municipality to influence the nature and concept of the development and its impact on downtown.

Fully funding the project through *public sources* is also not seen as a viable option. Total public financing depends on the municipality's ability to take on a project of this nature. While the City of Edmonton currently has an excellent credit rating, it also has a substantial unfunded infrastructure gap.

Based on the above, the Finance Subcommittee believes a *balanced model with both private and public participation* would be most effective and realistic for this project.

Financial Models

In assessing the financial feasibility of a new downtown sports/entertainment facility, the Finance Subcommittee worked with the finance model provided by CSL, along with other best estimate assumptions.

The subcommittee acknowledges there are uncertainties related to the project that could impact the financial model, but these uncertainties would also impact major renovation of the existing Rexall site. These uncertainties include such things as:

- Inflation effects.
- The structure of any long-term lease arrangements with major tenants.
- Ability to effectively time and stage the opening date of the new sports/entertainment facility.
- The need for adequate community consultation.

Key financial assumptions in the base model include:

■ **Capital Costs**

The Finance Subcommittee believes that the \$450 million capital cost estimate (not including land assembly) derived by CSL is a reasonable basis to move forward with future discussions.

■ **Operating Revenue Potential**

Our financial model assumes that the new sports/entertainment facility will generate annual surplus cash flow in the range of \$11 million. The model further assumes:

- That the full amount of this surplus could be available for debt-servicing.
- That existing operating grants paid by the City for Rexall Place would be transferred to the new facility and directed toward debt-servicing.

- That the existing ticket surcharge which has helped to finance facility improvements at Rexall Place would continue, possibly at an increased level, and be directed toward debt-servicing.
- That higher contributions would be required from the Oilers than currently provided for in the existing agreement. This would have to be negotiated, and consideration given for any capital (equity) contribution made toward the facility.

Other potential revenue sources for the facility should be available, including:

■ **User Pay**

The subcommittee believes that there is potential to identify additional sources of revenue associated with a revitalized downtown area such as a downtown parking levy and/or an increase in the existing ticket surcharge.

■ **Support from Other Orders of Government**

A number of recently developed facilities referenced in CSL's study required public sector support. Given the size of Edmonton's corporate community and the likelihood that only one major professional sports franchise will operate out of the new facility, it is highly probable that an Edmonton project will require contributions from all orders of government in order for it to be economically viable.

This approach is in line with what all orders of governments have typically provided for facilities of major public importance in the Edmonton area including:

- Art Gallery of Alberta.
- Citadel Theatre.
- Francis Winspear Centre for Music.
- Commonwealth Stadium.
- The existing Rexall Place.

The Finance Subcommittee assumes that the City and other orders of government would contribute through some of the following optional mechanisms:

- Infrastructure.
- Land.
- Grants.
- Equity contributions.
- Community revitalization levies.

The level and type of public support required for viability will depend on the structure of the financing package proposed.

■ Equity Contributions

In our financial model, an equity contribution from those entities that directly benefit from a new downtown sports/entertainment facility has been assumed at 30 percent of the capital costs of the facility (or \$135 million). This would appear to be a reasonable minimum target given that the new owner of the Oilers has committed to provide \$100 million in equity.

Again, it is assumed that any increase in the final costs of the facility would result in a proportional increase in the expected equity contribution. It is, for example, possible to achieve additional private equity contributions through naming rights or pre-selling of corporate suites.

■ Community Revitalization Levy (CRL)

There is precedent in Alberta for the use of a CRL for enabling projects such as this. A CRL allows a municipality to raise funds against future increases in the tax base. Under a CRL, a municipality could leverage all, or a portion of, the future tax increases generated by a new development to service debt costs on projects within a CRL zone. The applicability of a CRL to this specific project should be further analyzed and considered as part of a financial pro forma by proponents.

For example:

- It is expected that the development of a sports/entertainment facility in downtown Edmonton would stimulate development of ancillary lands. For purposes of this example, we have estimated the potential for \$2.5 billion in additional assessment growth representing \$20 million in incremental municipal and provincial property tax revenue annually. This estimate was reviewed for reasonableness by the City Assessor.
- This potential \$20 million in incremental revenue would be available for financing improvements within a CRL zone for the life of the rehabilitation project. The zone could be defined in such a way that it allows the City maximum flexibility to finance a wide range of area improvements in addition to the facility. Once the costs are repaid, all ongoing incremental revenues would be directed toward general revenues.

These calculations do not consider the additional revenue opportunity the City may have as a result of assessment and property tax revenue increases generated by the redevelopment of the existing Rexall site.

■ Other Sources of Revenue

Additional ways to generate revenue to finance and support this project should be further explored in the context of actual proposals by proponents. Given the development opportunities generated by comparable facilities in other cities, other equity contributors could also be available in hotel and condominium development, retail stores, nightclubs, restaurants, a casino, etc. All of these ancillary developments complement the project and add to the revenue stream to support the facility.

Summary

The Finance Subcommittee believes that the funding structure should include a minimum equity contribution of 30 percent or higher. The equity component could comprise equity contributions from the private sector plus one-time contributions from the different orders of government. The balance of the project would be debt-financed. The revenue sources available to service this debt include the existing Rexall subsidy, ticket surcharge revenues, CRL tax revenues, free cash flow from facility operations and yet-to-be-determined user fees and other private revenue streams. Estimates have been established for a number of these funding sources, while several are "to be determined" (TBD).

Capital Cost of Project:

\$450 million

One Time Equity Contributions:

\$100 million	Commitment from prime tenant
TBD	Additional private equity contributors
TBD	Public sector equity contributions (all orders of government)
TBD	Corporate sector contributions (e.g. naming opportunities, founder support etc.)
\$135 million	Estimated total (minimum required within a \$450 million financing package)

Debt Financing

\$315 million

Revenue Contributions to Finance Debt:

\$ 2.5 million	Redirection of the existing city subsidy to Rexall Place with direction of the subsidy dollars toward the capital fund
\$ 3.0 million	Increase to ticket surcharge
\$ 10 million	Potential community revitalization levy*
\$ 11 million	Cash flow from facility operations
TBD	Rental/equity contributions through associated developments (hotels, condominiums, casino)
TBD	Other user pay revenues (i.e. parking and other surcharges)

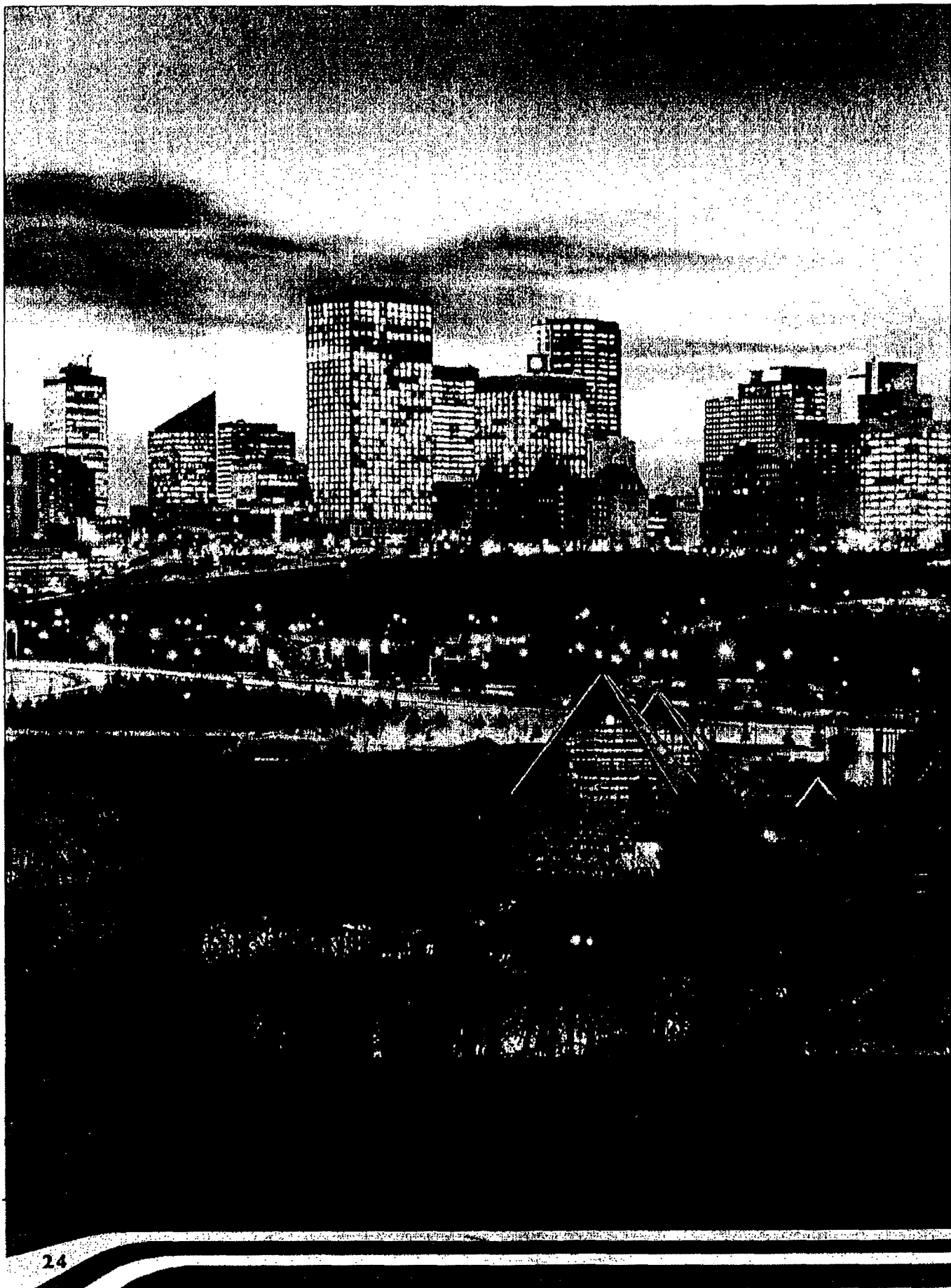
All estimates and allocations presented here are subject to change based on the scope and structure of final financial arrangements.

* Only \$10 million of the potential \$20 million available from a CRL (see page 20) is included in this calculation to give the City maximum flexibility to use funds elsewhere in the CRL zone.

Findings/Recommendations

1. Based on the level of analysis and the stated assumptions, a downtown sports/entertainment facility is financially feasible.
2. Given the scale of investment required, and the potential impact a new downtown sports/entertainment facility would have on the community, the most appropriate funding structure will require both private and public participation.
3. No existing financial structure would apply wholly to any proposed Edmonton facility. A "made-in-Edmonton" financing proposal should therefore be developed by project proponents and reviewed by the City.
4. Once a proposal is brought forward, City Council should move the project forward by undertaking an in-depth assessment of the financing/funding structures and potential funding partners, along with community consultation.





SUMMARY OF FINDINGS/RECOMMENDATIONS

On Feasibility and Opportunity

1. A downtown sports/entertainment facility in Edmonton is clearly feasible.
2. It is not just feasible, it is desirable. It provides a unique opportunity to develop an urban sports/entertainment district downtown to the benefit of the citizens in the city, region and primary catchment areas, such as northern and central Alberta.
3. Downtown Edmonton has a number of appropriate districts and sites that could accommodate a new sports/entertainment facility, supporting a larger community agenda. The downtown could be rejuvenated through such a project.
4. Edmonton has the advantage of having a primary sports tenant in the Oilers. An NHL franchise is a significant opportunity around which to develop a sports/entertainment facility.
5. At the same time, the facility should be programmed to maximize use through concerts, events, shows and community uses, given the limited numbers of Oilers games annually.

On Financing

1. Based on the level of analysis and the stated assumptions, a downtown sports/entertainment facility is financially feasible.
2. Given the scale of investment required, and the potential impact a new downtown sports/entertainment facility would have on the community, the most appropriate funding structure involves both private and public participation.
3. No existing financial structure applies wholly to the Edmonton facility. A "made-in Edmonton" financing proposal should therefore be developed by project proponents and reviewed by the City.
4. Once a proposal is brought forward, City Council should move the project forward by undertaking an in-depth assessment of the financing/funding structures and potential funding partners, along with community consultation.

On Community/Design Components

1. That a sports/entertainment facility within a multipurpose activity district be designed to link the neighbourhood, the City of Edmonton, the Edmonton capital region and central and northern Alberta.
2. That design principles be developed that ensure residential growth supports retail development and

encourage businesses to relocate to or expand into the area. Parks, shops, artist spaces, public grass areas, pubs, cafes, meeting areas and water features should blend with the sports/entertainment facility.

3. That linkages to the unique cultural and business communities in the district be developed to foster meaningful contact and a sense of access and comfort within diverse populations of age and culture.
4. That the activity district be seen in context of all its users, residents, tourists and frequent users from across the Edmonton capital region and from central and northern Alberta.
5. That existing parking in the multipurpose activity district be maximized. That any additional parking be considered underground or at the perimeter of the district to enable and encourage walkable spaces, and the creation of a stylized main street where store fronts and play areas are incorporated into the district's design.

On the Facility

1. That the design and programming of the facility include ways in which it can revitalize and develop the surrounding urban district and spur redevelopment of Edmonton's downtown core.
2. That the sports/entertainment facility be environmentally sustainable, using LEED (Leadership in Energy and Environmental Design) criteria.

3. That the following development features be included in planning in order to leverage this development to define and foster Edmonton's identity:

- Design elements that acknowledge our four-season climate and celebrate Edmonton's status as a 'winter city,' in particular, features that address indoor and outdoor connectivity during extreme weather conditions.
- Public art, visual and performing arts, and other forms of cultural expression.
- Architecture as art.
- Characteristics that respect and celebrate Edmonton's heritage or renew the heritage of activities, buildings, districts and landscapes.
- Cost accessibility for young and lower-income individuals and groups.

On Next Steps

1. That the Mayor hand off the project to key stakeholders (i.e. Northlands, Oilers, City) to study the options in detail and begin the process of developing a detailed proposal.
2. That the City Manager should be a part of this process.

APPENDIX A

CONVENTIONS, SPORTS & LEISURE INTERNATIONAL PERSPECTIVES ON THE ARENA COMPONENT

Although the facility will be a full sports/entertainment facility, the financial usability of the arena component will be critical to the project's success.

The Leadership Committee therefore commissioned Convention, Sports & Leisure International (CSL) to provide an analysis of the financial implications of building a new arena as impact to the work of the Finance Subcommittee. CSL, with offices in Minneapolis and Dallas, is a leading international consulting firm serving sports, entertainment and leisure industries. The company has more than 15 years experience in providing services to more than 100 major league professional sports franchises, including the NHL, the National Football League and the National Basketball Association.

The report from CSL contains a summary of local market characteristics, a review of comparable NHL arenas and an analysis of funding approaches used in 11 arena developments over the past 10 years. The CSL report also provides projections of revenues and expenses to operate and maintain a new arena.

Local Market Characteristics

The population within the Edmonton CMA at 1,034,945 is the second smallest among the 30 NHL teams. Five teams have populations under 1,200,000 including the Canadian teams in Calgary and Ottawa. The average population for the league is over four million. Edmonton also ranks second lowest on a population per major league franchise.

Edmonton households compare favorably in terms of their effective purchasing power, ranking 16th out of the 27 NHL markets and on par with the average and median for the markets. When adjusting for the number of teams in each market, Edmonton households are even more competitive, ranking eighth highest out of the 27 markets.

In terms of its corporate base and corporate base per franchise, Edmonton rated 24th and 23rd among the 27 market areas, and lower than average and median.

respectively

Comparable NHL Arena Analysis

The seating capacity of Rexall Place at 16,837 is second smallest in the NHL and under the median capacity of 18,730. Population per seat is 57, third-lowest in the league. The number of premium suites in Rexall Place (66) is about two thirds of the league average and the number of available club seats (3,300) is about 50% higher than the league average. Total potential revenues from premium seats in Rexall Place are close to the average for all facilities. In terms of the potential corporate base per premium seat, Rexall Place is below the median.

The majority of NHL and joint NHL/NBA facilities have a naming rights agreement. The average amount of all agreements is over \$3 million per year. All of the joint agreements and half of the NHL only agreements have a term of 20 years or longer.

Attendance at Oilers games is strong at 11th highest in the league on average over the past five years.

A variety of ownership arrangements exist for NHL arenas, such as individual owners, companies, authorities, legal partnerships, cities and counties. Cities and counties own a significant number of the current NHL arenas.

Financial Case Studies

The average cost of NHL-only arenas built since 1983 is \$232 million in today's dollars. Overall proportions of public and private contributions in these areas are 48% and 52%, respectively. Joint NHL/NBA facilities built since the mid-1990's have an average cost of \$333 million in today's dollars and are 14% funded publicly. The cost assumed in the CSL report for the Edmonton arena is \$450 million.

Financing models range from completely private financing to completely public. Half of the 26 arenas identified in the CSL report are more than 75% privately financed. Seven of the 26 arenas are 100% privately funded. Three are 100% publicly funded. The remaining 10 facilities have private/public financing ranging from 74% to 13%.

~~At least 10 of the arenas (1990s), Ottawa (1996), Vancouver (1995), and Toronto (1999) were all 100% privately financed.~~
The newest NHL arena is the Prudential Center in downtown Newark, New Jersey. It was completed in 2007 at a cost of \$309 million and was financed 67% publicly and 33% privately.

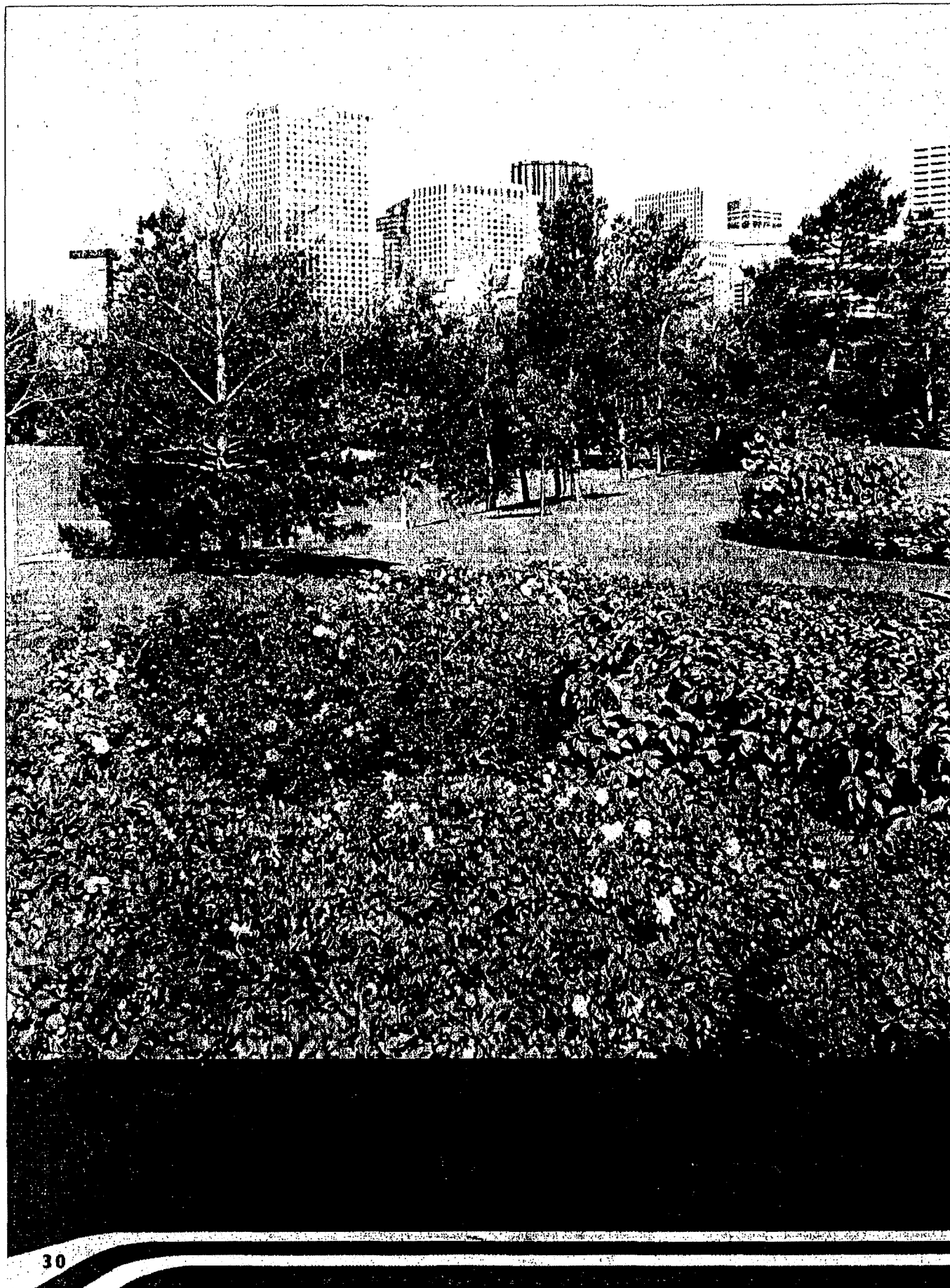
Funding models used in 11 arena facility developments are presented in the CSL report. Ten of the models involve U.S. arenas. The Canadian model cited is the Air Canada Centre in Toronto. All of the models involved some degree of public or private debt to finance construction. Common sources of funding were dedicated area revenues and equity contributions. U.S. models also use a variety of local, county or state taxes; however, these types of taxation are not available in the Edmonton situation.

Arena Estimated Revenues and Expenses

The CSL report includes five-year projections of revenue and expenses for the Edmonton arena.

Some key assumptions used by CSL include:

- 173 events days per year including NHL, WHL, NLL, concerts and other events
- Total annual attendance of 1,550,660
- 80 suites, with 16 seats each
- 4,500 club seats
- ~~2,000 on-site parking stalls~~ • some degree of outside parking.
- 3% inflation on revenues and expenses



APPENDIX B

THE ROSENTRAUB PAPER: URBAN DEVELOPMENT PERSPECTIVES — LESSONS FROM OTHER CITIES

The following summary is from a report written by Dr. Mark Rosentraub, entitled *Sports Facilities, A New Arena in Edmonton, The Opportunities for Development and A City's Image: Lessons from Successful Experiences*. This summary has several goals:

- First, it is designed to help Edmonton's community leaders, the Oilers and all potential project proponents to understand how unique public/private partnerships in other cities led to the rebuilding of downtown areas and the creation of new neighborhoods.
- Second, these public/private partnerships also led to unique concepts that avoided public subsidies. These development and funding strategies could produce new ideas for Edmontonians to consider.
- Third, it is important for Edmontonians to learn how these new redevelopment efforts and partnerships helped forge new civic images that advanced economic development.
- Lastly, each of these partnerships protected the financial interests of a team franchise while eliminating the need for subsidies

Summary of Lessons From Other Cities

Background

- The building of a new sports facility is a 30-year planning decision. What a community decides relative to an arena's fit into an overall development plan and strategy, and where the facility will be located, has very long-term effects on development and land use patterns.
- In the 1960s and 1970s, with the explosive growth of suburban areas across North America and the decentralization of economic activity away from the center of most regions, maintaining a vibrant downtown became a greater challenge. Suburban lifestyles, office parks and shopping malls provided a level of convenience, and in many instances reduced land development, housing, and office costs. But the ensuing sprawl left many areas without a critical mass of activity that could establish a region's image through central meeting areas, unique architecture, and unique social and cultural experiences at theatres, museums, and at facilities that hosted sporting events.
- Toronto, Montreal, Vancouver, New York, Chicago, Seattle, and San Francisco each have suburban areas, but they have insured that downtown areas remained vital by providing of unique experiences, not replicated in suburban malls.

- In the competition for human capital that is driving the 21st century economy, vibrant urban cores and downtown areas are vital assets. The companies that will define the future growth of every nation choose to locate where the best and brightest workers wanted to live. Increasingly this is in or near downtown areas of urban centers which have invested to make their core areas vital and unique.
 - The real opportunity for a city's leadership is to understand how some communities are able to use sports facilities to advance the quality of life, community development, and city image without minimizing their responsibilities for other public services. As Eisinger observed, *"Few people would argue with the proposition that facilities that bring high or even mass culture, sports, and recreational opportunities to a city may enhance the quality of life. Stadiums and performing arts centers and festival malls help to transform places that would otherwise simply be markets or dormitories"*.
- Learning from U.S. Models
- It is appropriate and instructive to look to U.S.-based cities as examples because of what they tell us about recent developments in financing models that reduce public risk. Instead of simply providing a public subsidy for facilities, certain U.S. cities have become more strategic in ensuring that they receive a return on their investment.
 - What has been learned from the experiences of numerous U.S. cities across more than four decades of building new sports facilities, is that stand-alone arenas surrounded by acres of open parking lots tend to become lost opportunities for development and the building of a city's image.
 - If a sports facility is not part of an integrated and comprehensive plan to redevelop an area and enhance a city's image, its construction becomes a largely missed planning opportunity. The consequences of that missed opportunity last for several decades.
 - There are examples, however, where cities made a facility an anchor part of an integrated plan, and their success in terms of development impacts and changes in their image highlight opportunities for Edmonton. The examples of success from Columbus, Indianapolis, Los Angeles, and San Diego identify many of the factors that any community should consider as a major arena facility is being considered and designed.
 - Edmonton's community leaders and its National Hockey League (NHL) franchise, the Oilers, are presented with an opportunity similar to ones that existed for Indianapolis, San Diego, Columbus, Ohio and San Diego, California. Those communities hosted franchises that needed or wanted new facilities, and each capitalized on the opportunity to create strategic plans that satisfied the team's financial requirements while also enhancing a city's image and critical economic and community goals.

- There are opportunities within public/private partnerships to minimize any risks and ensure return on public investment. More recent developments in cities like Glendale and San Diego, where public funds have been used, have included guarantees by developers/team owners that minimum levels of development will occur. In these cases, subsequent increased tax revenues are used to service the debt incurred by each city.

Indianapolis: Sports Facilities and Sports for Image and Development

Beginning in 1974 and continuing through 2009 (spanning the administrations of four different mayors), Indianapolis formed a series of public/private partnerships to use sports to turn a deteriorating downtown area into a commercial, residential, and hospitality centre which transformed Indianapolis's identity. In 1974, Indianapolis's leaders paid for a study that disclosed the city had no real identity with Americans — it was relatively unknown and considered a nondescript part of America's Midwest. Dramatic changes would be required to remake the city's image and improve its identity and chances for economic development. Indianapolis's sports and downtown development strategy was comprised of three components:

- **New facilities:** From 1974 to 1999, more than \$3 billion was spent on new construction projects as a result of the city's sports strategy. Not every project was sports-related. Slightly more than one-quarter of the buildings, \$1.1 billion in total, were related

to construction dollar terms), was specifically related to making downtown Indianapolis a "fun place". The city of Indianapolis's expenditures have accounted for just 13.2 percent of the \$4.4 billion expended to rebuild the downtown area. Indianapolis was able to leverage more than \$7.58 for every \$1 its taxpayers committed.

- The plan included job creation and business attraction strategies designed to bring new employment opportunities to downtown Indianapolis and a recreational and cultural life component which moved intra-regional recreational spending to the downtown area.
- The redevelopment plan also included a retail and residential component in an effort to make downtown a home for many people, as well as a tourist destination.
- All of the development (with the exception of the Children's Museum) took place within a two-mile radius of the centre of downtown Indianapolis. The proximity of the venues also means that tourists and area residents mingle together in enjoying the activities hosted at the sites and in visiting the retail operations.
- The focus on sports, tourism, and the hospitality industry led to a rebuilding of downtown Indianapolis and the investment of a substantial amount of private money in commercial and residential facilities.



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Columbus, Ohio: How An Arena Made Downtown Development A Reality

Columbus had several very attractive suburban areas, a very large university, but no identity for its downtown area. In addition, while the Ohio State University (OSU) campus is quite vibrant, the area around the university had not developed in a way that maximized the benefits presented by 50,000 students and a huge medical facility. A new downtown mall was developed using subsidies and, with a location adjacent to the capital and its large base of public employees, it was hoped retail success and new residential development would follow. However, at the same time that the new downtown mall was built, two new large suburban malls opened to serve customers located 10 miles or more from the downtown area. In the meantime, the city was unable to build a large base of employers, and the number of residents in downtown decreased significantly between 1960 and the 1990s (Sheban, 2004, p. 1E).

Columbus-based Nationwide Insurance agreed to pay 90 percent of the cost of building the new arena with the ownership of local newspaper agreeing to finance the balance. Columbus would pay for all of the needed infrastructure improvements and fund the environmental remediation (with help from the state of Ohio). However, Nationwide wanted one other incentive before agreeing to pay for the arena. It wanted to be designated as the master developer of an area adjacent to the arena and to have the convention center — a public

agency — use its power of eminent domain to acquire additional parcels of land. Columbus's arena district became its new downtown redevelopment plan:

1. A new, 95-acre downtown entertainment district was created through the investment of more than \$350 million, including the arena, a new multiplex theatre, and scores of new restaurants and retail shops that located in an area extending from the arena
2. The area immediately north of the arena district known as "Short North" was targeted for development.
3. OSU decided to become an anchor and built its own Gateway Center, creating a new downtown area running from the arena district through Short North to Gateway.

San Diego: A Revolution In Public/Private Partnerships for Identity, Development and the Fiscal Health of A Sports Franchise

San Diego and its Ballpark District not only changed the image and development outcomes of a part of the city, but also revolutionized the relationship between cities and teams for economic and community development.

The Padres' ownership realized it would be very difficult to convince voters to support a new ballpark. While the baseball team had made few demands, the political environment was quite hostile and without an innovative and different approach to a public-private

partnership a new ballpark would never be built. What was presented to San Diego's voters, as Proposition C in 1998, was something never before contemplated. The proposal called for a public investment in a new ballpark, but the team's owner guaranteed \$450 million in new real estate development. The taxes from this new development would be sufficient to cover the cost of the public sector's investment in the ballpark and the new infrastructure required. The owner's guarantee (involving a letter of credit from a bank) meant that, if the real estate was not built, he would in effect be liable for the tax payments.

PETCO Park was built for \$411 million with San Diego responsible for \$169 million and the Center City Redevelopment Corporation — a public corporation — responsible for an additional \$132 million. The real estate development guaranteed by Padres' owner, John Moore, would generate sufficient new tax money to retire the bonds supporting the public sector's investment. The resulting development has exceeded all expectations. The Padres, through their real estate development subsidiary have invested \$2.02 billion by 2006, and other investors have spent \$1.46 billion. A public investment of approximately \$300 million had produced almost \$3.5 billion in private sector spending for real estate development.

Implications for Edmonton — Consideration for Leadership Committee

The building of a stand-alone sports/entertainment facility that is not integrated into a plan to redevelop an area and enhance a city's image is a large missed opportunity.

Examples such as Kansas City and Winnipeg demonstrate how arenas — even without a major tenant like an NHL team — can spur exciting downtown developments. The successes experienced in Columbus, Indianapolis, and San Diego identify some of the factors that any community should consider before an arena is built:

1. A new sports/entertainment facility that can host hundreds of events each year has the potential to be an anchor for commercial and residential development of an entire downtown area or a district of a city.
2. No facility should be built without a carefully designed plan that includes neighborhood retail facilities, related commercial developments, and residential facilities that can turn the area into a 24 hour, 365 day-a-year community filled with people and events.
3. Special attention must be directed towards the architectural plans. Indianapolis, Los Angeles, and San Diego achieved new images through unique designs.

4. The creation of a new community can create an entirely different image for Edmonton and change the downtown area into a neighborhood that is also a destination for recreation, tourism, and retail activity.
5. A new sport facility should also be an anchor for recreation for the entire region. Edmonton should consider building park areas with hockey, skating and other sports areas that host youth and community events. Those facilities should be directly incorporated into the residential and retail plans to form a "central park area" for the development related to the arena.
6. To create a pedestrian-friendly community, the plans for access to the arena, the park area, and the retail centers should maximize reliance on mass transportation. While care must be taken to deal with extreme weather conditions, the plans should focus on building a facility into a community where people can mix with others.
7. The building of any new arena has to be part of a redevelopment plan wedded to large-scale private sector investments. In the absence of commitments, it is possible that the desired retail and commercial developments will not take place. The plans implemented in Columbus and San Diego guaranteed there would be new residential, retail, and commercial development financed with private dollars. Edmonton's plan must be similarly structured to insure that a new downtown area capable of creating a new image for the city becomes a reality.
8. The financing plan for any arena and a new community should insure that the revenue streams received by the public sector are sufficient to repay any public investment. Los Angeles and San Diego were both able to make the needed public investments and receive revenue streams that created positive cash flows for local governments.
9. The future of Edmonton's economy — like those of other cities in North America — lies in capitalizing on short-term benefits to create an environment that attracts the best-trained human capital. The "idea generators" and leaders of corporations are attracted to cities with vibrant areas filled with lively neighborhoods, parks, and facilities. Toronto, Vancouver, and Montreal have created such assets for their regions. Those assets in turn generate reputations and images for their region that make the cities "world leaders." Edmonton has an opportunity to use a major new sports/entertainment facility to rebuild its downtown area into one that redefines the city and region for the 21st century.

APPENDIX C

ARENA LEADERSHIP COMMITTEE MEMBERSHIP

Lyle Best, Chair, President and CEO, Quikcard Solutions Inc.; former member, Oilers' Community Foundation Board, Director on leave of absence from the Northlands Board; and Executive Director, Edmonton Oilers Alumni Association. He is also affiliated with numerous committee and charity efforts.

Jerry Bouma, Chair, Northlands Board of Directors

Greg Christenson, Past Chair, Edmonton Chamber of Commerce, and owner, Christenson Developments Ltd.

Andrew Huntley, First Vice Chair, Northlands Board of Directors and Chair, Northlands Facilities Master Planning Committee

Patrick LaForge, President and CEO, Edmonton Oilers Hockey Club and Chair, Edmonton Chamber of Commerce

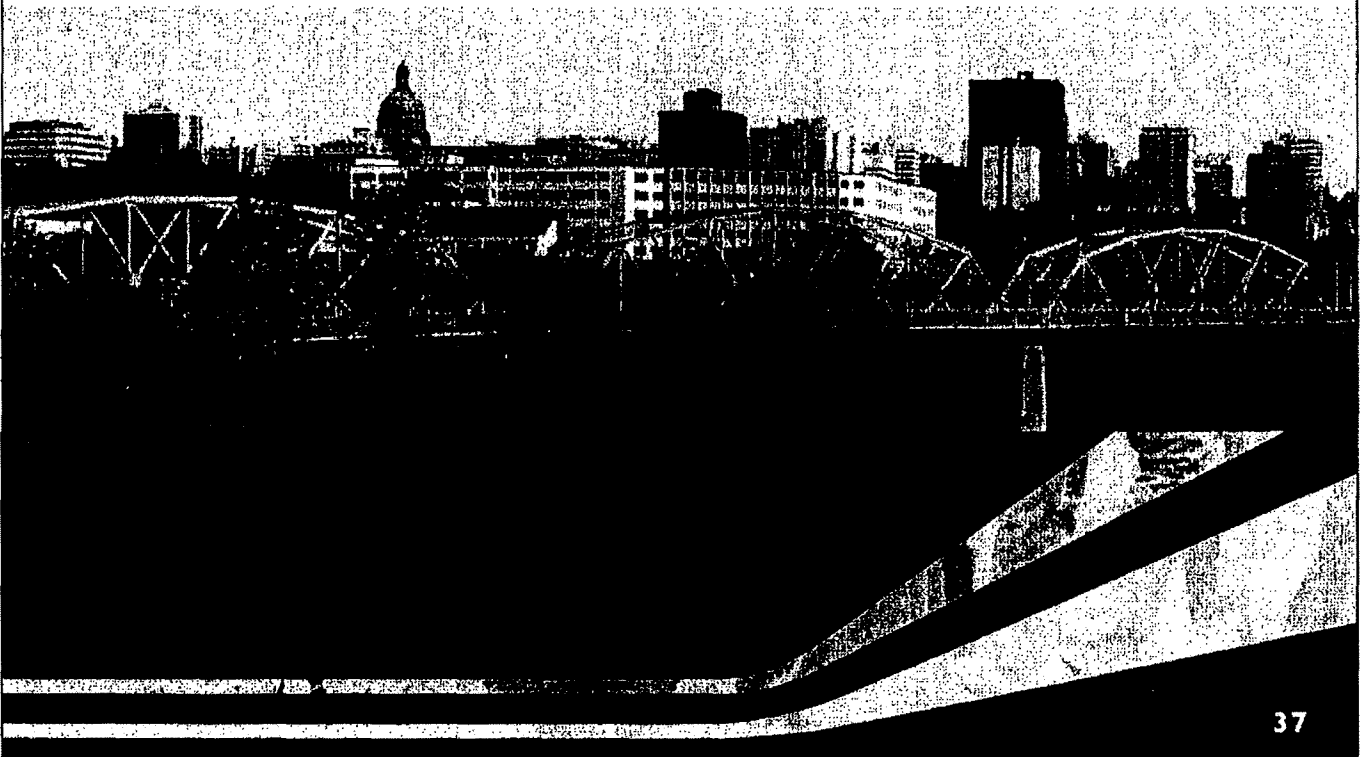
Patricia Mackenzie, Former City of Edmonton Council Member; former President, Alberta Urban Municipalities Association; board member, Law Enforcement Review Board

Al Maurer, City Manager, City of Edmonton

Cal Nichols, Former Chair, Edmonton Oilers Hockey Club

Bob Normand, Former President and CEO, ATB Financial and board member, Capital Health Authority

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WORKING GROUPS

Community and Design Subcommittee

Responsible for developing partnerships and conceptual models on how a new arena would integrate within the community and exploring such issues as building design, sitting possibilities for an area, and planning, zoning and permits.

Patricia Mackenzie	Chair, Member at Large
Kathy Barnhart	Neighbourhood and Community Development Branch Manager, City of Edmonton
Herbert Chui	Chair, 97 Street Business Association
Darryl da Costa	Deputy Chief, Edmonton Police Service
Hope Hunter	Executive Director, Boyle Street Co-op
Dr. Dan Mason	Professor, University of Alberta
Jim Taylor	Executive Director, Downtown Business Association
Linda Wedman	Executive Director, The Works
Bob Caldwell	Project Manager, City of Edmonton
Bard Golightly	Project Manager, Christenson Developments Ltd.
Don Hickey	Vice President, University of Alberta
Len Rodrigues	Architect, University of Alberta

Finance Subcommittee

Responsible for developing financial models for funding new arena development.

Bob Normand	Chair, Former President and CEO, ATB Financial and board member, Capital Health Authority
Randy Garvey	Senior Vice President, Canadian Western Bank
Greg Kliparchuk	Financial Policy and Planning Director, City of Edmonton
Phil Lachambre	Member at Large
Charlotte Robb	President and CEO, Dynacare Kasper
Richard Wong	Chair, Downtown Business Association

Additional Contributors

Dr. Mark Rosentraub, a professor at the Maxine Goodman Levin College of Urban Affairs at Cleveland State University, has been studying and writing about the economics of professional sports for more than 30 years. He has a special interest in the link between sports and urban development, and has co-authored or authored three books and numerous articles on this topic. Dr. Rosentraub worked with the San Diego Padres and the City of San Diego to design the Ballpark District Plan, which has brought more than \$2 billion in real estate development to downtown San Diego. His many other successes include advising the mayors of Indianapolis for more than a decade on sports strategies that have led to redevelopment of that city's downtown area.