

Independent Analysis of Economic Impact and Public Benefit Study for Edmonton ICE District and Proposed Event Park Expansion

Two proposed catalyst projects in the amended Community Revitalization Levy (CRL) Plan are subject to a study provided by CBRE and Oilers Entertainment Group Sports and Entertainment (OEGSE), *Economic Impact and Public Benefit Study for Edmonton ICE District and Proposed Event Park Expansion* (the Study). The Study is included as Attachment 3 to this report.

At the March 19, 2025, Council continuation meeting, Council directed Administration to:

- Provide an independent (as determined by Administration) analysis of the existing OEG study for the Event Park and Site Servicing as part of the Public Hearing process and that the analysis include what current projects could be enhanced to provide the best overall revitalization of our downtown [...]

Event Park Analysis

The Study provided by OEGSE and CBRE uses the Sport Tourism Economic Assessment Model (STEAM) 2.0, an economic impact tool developed by Sport Tourism Canada to predict economic impacts. The Study uses anticipated visitor data and other assumptions to determine economic impact.

Administration worked with industry partners and compared the findings of the Study to an independent model, the Economic Impact Calculator (EIC) from Destination International, a hospitality investment company, which is used by the City's industry partners.

The Event Park will be a unique indoor/outdoor entertainment environment. It is difficult, if not impossible, to find comparables when looking at the number of visitors or events that are held. The number of visitors and/or events is largely driven by the facility operator, economic circumstances, local competition and/or cooperation with other venues. Because of this uniqueness, Administration's approach did not attempt to authenticate the assumptions used to determine the anticipated number of events, visitors, or visitor behaviour.

The extrapolation of the input data provided by OEGSE through two independent tools (STEAM 2.0 and EIC) suggests that the assumptions made around the economic impact based on those inputs are reasonable and fair. Within the constraints and limitations listed below, Administration is satisfied that the analyses represent both OEGSE's and the City's best estimate of the economic impact of Event Park.

Administration determined that since the inputs were based on data provided by OEGSE, a stress test would be the best approach to further analyze the figures provided. The mechanism for stress testing the analysis provided by the Study and the output from the EIC was to model changes in two different variables that are the key drivers of the expected economic impact. The number of annual visitors and the number of out-of-town visitors.

OEGSE expects that the Event Park will welcome 400,000 annual visitors by 2031. Of these, 255,000 would attend 165-180 commercial events (ticketed concerts), and 145,000 would attend 540-560 community events (festivals and Edmonton Oilers Community Foundation sport programming). In 2024, the Fan Park (located on the site of the planned Event Park) welcomed 65,000 attendees, of whom 51,000 attended commercial events and 14,000 attended community events. By comparison, Rogers Place has seen between 1.4 million and 2.1 million visitors per year (excluding years impacted by the COVID-19 pandemic).

The economic impact of Event Park in both models includes spending by event organizers (event planning and promotion, food and beverage, security, cleaning, etc.) and spending by out-of-town visitors in the local economy (accommodations, food and beverage, etc.).

In Administration's analysis, the majority of the projected economic impact comes from out-of-town visitor spending, making the number of visitors and the percentage of visitors from out of town the most critical variables to consider.

Table 1 shows the economic impact as supplied by the Study and compares it to the EIC model. The stress test for the Study was performed by taking CBRE's model and adding 20 per cent more events and visitors to create an "optimistic" scenario. Similarly, a 20 per cent reduction of events and visitors created the "pessimistic" scenario. The same 20 per cent increases and decreases were also applied to the EIC model. In this table, the percentage of out-of-town visitors was held constant at 50 per cent. The 50 per cent figure was supplied by OEGSE (Attachment 3, page 39) and is based on actual postal code data of visitors to Rogers Place.

Table 1: Original Scenario

	OEGSE Estimates	Optimistic Scenario	Pessimistic Scenario
Visitors	400,000*	480,000	320,000
Events	704	845	563
CBRE Analysis (Steam 2.0)			
Economic Impact	\$37.1 million**	\$44.5 million	\$29.7 million

Jobs	220	264	176
Independent Analysis (Economic Investment Calculator***)			
Economic Impact	\$41.1 million	\$49.3 million	\$32.9 million
Jobs	238	286	190

* Page 39 Economic Impact and Public Benefit Study for Edmonton Ice District and Proposed Event Park Expansion

** Pages 39 & 40 Economic Impact and Public Benefit Study for Edmonton Ice District and Proposed Event Park Expansion

*** The economic impact as calculated by the Economic Investment Calculator (EIC) is business sales and is not a Gross Domestic Product (GDP) measure that is used by the Steam 2.0 model. Both models include direct, indirect and induced impacts.

Table 2 shows the economic impact if the number of visitors is held constant and the percentage of out-of-town visitors changes. Because the nature of events at Event Park and Rogers Place are different, Administration tested the economic impact if the proportion of out-of-town visitors were reduced to 40 per cent or increased to 60 per cent. The results are as follows:

Table 2: Independent Analysis EIC Model - Out-of-Town Visitor Sensitivity Analysis

	Base Scenario	Higher Out-of-Town Visitors Scenario	Lower Out-of-town Visitors Scenario
Visitors*	400,000	400,000	400,000
Percentage of Visitors from out-of-town	50%	60%	40%
Economic Impact	\$41.1 million	\$49.3 million	\$32.9 million
Jobs	238	286	190

The stress testing indicates that the most impactful assumptions are related to total number of visitors and the percentage of out-of-town visitors. Overall, the EIC models show that the more conservative OEGSE STEAM 2.0 analysis estimates are reasonable. The results remain similar within the high/low and optimistic/pessimistic scenarios as shown.

Note: The construction of Event Park will have a significant impact on the local economy. However, the construction of Event Park would not have a

meaningfully different economic impact than other types of construction, so it has been excluded from this analysis.

Constraints & Limitations of Analysis

- Both the STEAM 2.0 model (used by the Study) and the EIC model used by Administration make assumptions based on historical typical levels of spending and economic impact.
- The STEAM 2.0 model also measures the impact provincially and nationally, but only the local impact was used in Table 1 above, as the EIC model only provides local impacts.
- Events were categorised as commercial (ticketed concerts) and community (festival-type) events. More specific information about the anticipated types of events may result in more accurate results.
- Edmonton event capacity. The Study relies on an event-specific model that presumes new events will generate new spending. However, it does not factor in the potential saturation point for events. At what point do Edmonton residents run out of capacity to attend more events?
- Visitor assumptions. The visitor spending projections rely on historical data from Rogers Place. However, the financial impact of new events is uncertain without details about the proposed events and their anticipated attendance, particularly regarding out-of-town visitors, as their spending habits may differ.
- Base level. The proposed event park leverages the established success of the existing Fan Park. Consequently, it is reasonable to anticipate that around 20 per cent of attendees (based on actual 2024 attendance and projected 2025-2026 attendance) would attend with or without the proposed infrastructure investment, representing a baseline level of activity.
- Market cannibalization. The analysis does not include the extent or impact of the relocation of existing events from other locations in Edmonton to Event Park, nor the increase in downtown vibrancy from frequent events.

Village at Ice District Infrastructure Analysis

Administration has compared the costs and benefits of the Village at Ice District Infrastructure project to several other recent initiatives to incentivize new development.

The Village at Ice District Infrastructure compares favourably to other programs in terms of cost per residential unit, cost per square foot of new development, and in the creation of public amenities. However, there is a risk that if the development does not proceed in its entirety, the cost per unit and cost per square foot will be less favourable.

The projects compared are:

- 1) Village at Ice District Infrastructure
 - \$42.3 million (CRL funding) towards underground utilities, streetscaping, public park development and remediation.
 - Event Park is excluded from the analysis.
- 2) Muttart Lands/Stadium Yards Infrastructure.
 - \$14 million contribution towards new roads, LRT crossing, park development, shared use path and underground utilities.
- 3) Housing Incentive Program proposed in 2024 Council Report UPE02198
 - Grant paid annually, equivalent to the property tax uplift up to a maximum of \$40 per square foot.
- 4) Attainable Housing Program proposed in the CRL Plan
 - 10-year grant equivalent to property tax uplift for units that are rented for a maximum of 30 per cent of the median renter income.
- 5) Station Lands
 - \$50.8 million commitment to fund the construction of 103A Avenue Pedway, publicly accessible open spaces and streetscaping.
- 6) 2021 Economic Recovery Construction Grant
 - \$22.9 million grant program for high-impact residential projects that started construction by March 31, 2022.
- 7) 104 Street Drainage (Falcon Towers)
 - \$3.4 million toward drainage infrastructure to facilitate the development of a tower project.

Each of these programs had different goals, so comparisons in terms of their effectiveness at stimulating residential development must also consider the context of what other public benefits were provided. For instance, funding public realm improvements associated with a new development provides an enhanced public space for all Edmontonians to enjoy, while also advancing residential development.

This analysis assumes that the budgeted amount is fully spent and that the potential development is eventually fully built.

Table 3 compares recent proposed and approved investment programs intended to facilitate residential development in core areas of the city, sorted by inflation-adjusted cost per square foot of new development.

Table 3: Comparison of recent investments to facilitate residential development

Project	Inflation-adjusted* cost per unit	Inflation-adjusted* cost per square foot	Metres of upgraded streetscape	Square meters of public open space	Other benefits
Village at Ice District Infrastructure	~\$17,100	~\$18	~900	~2100	Remediation, partial sewer separation

Attachment 2

Stadium Yards/ Muttart Lands**	~\$37,500	~\$44	~230	~2800	New roads, 600m of bike paths
2024 Proposed Housing Incentive	~\$34,600	~\$41	N/A	N/A	N/A
CRL Attainable Housing Program	~\$28,000-\$38,000	~\$39-44	N/A	N/A	Maximum rent = 30% of median renter income
Station Lands	~\$34,300	~\$36	~370	~14,400	Pedway link to LRT
2021 Construction Grant	~\$11,500	~\$16	N/A	N/A	N/A
104 Street Drainage	~\$6,900	~\$8	N/A	N/A	May service other lots. Partial sewer separation

**Using the Alberta Implicit Price Index for Non-Residential Structures from the year the expenditure was approved or considered. Sources: Statistics Canada Implicit Price Index and City of Edmonton Spring 2025 Outlook.*

***A specific plan for the buildout of the area was not presented at the time of approval. These calculations are based on the number of units and square footage that have been developed. Additional development in the area would reduce the cost per unit and the cost per square foot.*