

# **AN ARENA AND ENTERTAINMENT DISTRICT FOR DOWNTOWN EDMONTON COMMUNITY CONSULTATION REPORT**

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calder | bateman



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## INTRODUCTION

The concept of a new sports and entertainment facility for Edmonton has been discussed and examined over the past few years.

In 2007, Northlands commissioned a study that considered possible renovations to Rexall Place.

Following that study, Mayor Stephen Mandel appointed a Leadership Committee to study the potential of constructing a new sports and entertainment facility in Edmonton. In its March 2008 report, *City Shaping*, the Leadership Committee shared its view that a new facility would be feasible and desirable as a means of revitalizing Edmonton's downtown.

Since that time, the Katz Group – owner of the Edmonton Oilers Hockey Club and a major tenant of Rexall Place – has proposed the development of a new downtown arena and surrounding entertainment district.

In April 2010, the Katz Group submitted a number of zoning and other applications to the City administration to support the proposed development.

In July 2010, City Council directed the City's administration to work with the Katz Group and Northlands on questions that surround a potential arena and entertainment district in downtown Edmonton, including a framework for financing and operations. City Council also asked that public consultations be held on a potential downtown arena and entertainment district.

In November 2010, a series of public open houses and discussion sessions were held to gather views of the public. Input was also gathered through an online questionnaire and through written submissions. In addition, two discussion sessions were held for invited stakeholders. A telephone survey was conducted in December 2010.

This *Consultation Report* summarizes the diverse views gathered through the various components of the public consultation process.

The views and perspectives gathered through the consultation process indicate there is considerable interest in a new downtown arena and entertainment district.

People recognize the broad impacts this proposal could have for downtown, surrounding communities and the city as a whole. While there are strong opinions both for and against the proposal, most individuals and groups have a more measured stance. While they are interested in the proposal, people want more detailed information in order to fully assess the proposal on its true merits.

A clear message heard in the process is the need for the City to take the lead when it comes to a downtown arena. People wish City Council to study the issue carefully, and to proceed with the proposal in ways which can most assure benefits for Edmontonians, downtown revitalization, and progress on our city's broader goals.

Overall, stakeholders and the public believe a downtown arena and entertainment district could generate benefits for Edmonton, but only if it is approached in the right way. An essential element of that approach is integration – with nearby communities, with the existing downtown, and with other City plans and initiatives.

Another key element is engagement. Surrounding communities stand to be impacted by this proposal. It is important these communities are engaged in the planning and design process, and that any negative impacts are identified and addressed.

There is also a firm belief among people that any public funding put towards the project needs to come with an appropriate degree of public influence in how the project proceeds, and result in demonstrable public benefits.

Finally, Edmontonians clearly told City Council to take a long-term view. People want a downtown arena to be an enduring, flexible and innovative facility that meets our city's needs for many decades. They want the opportunity maximized in ways that are consistent with our city's broader goals and which will help create a more vibrant, liveable and energetic Edmonton.

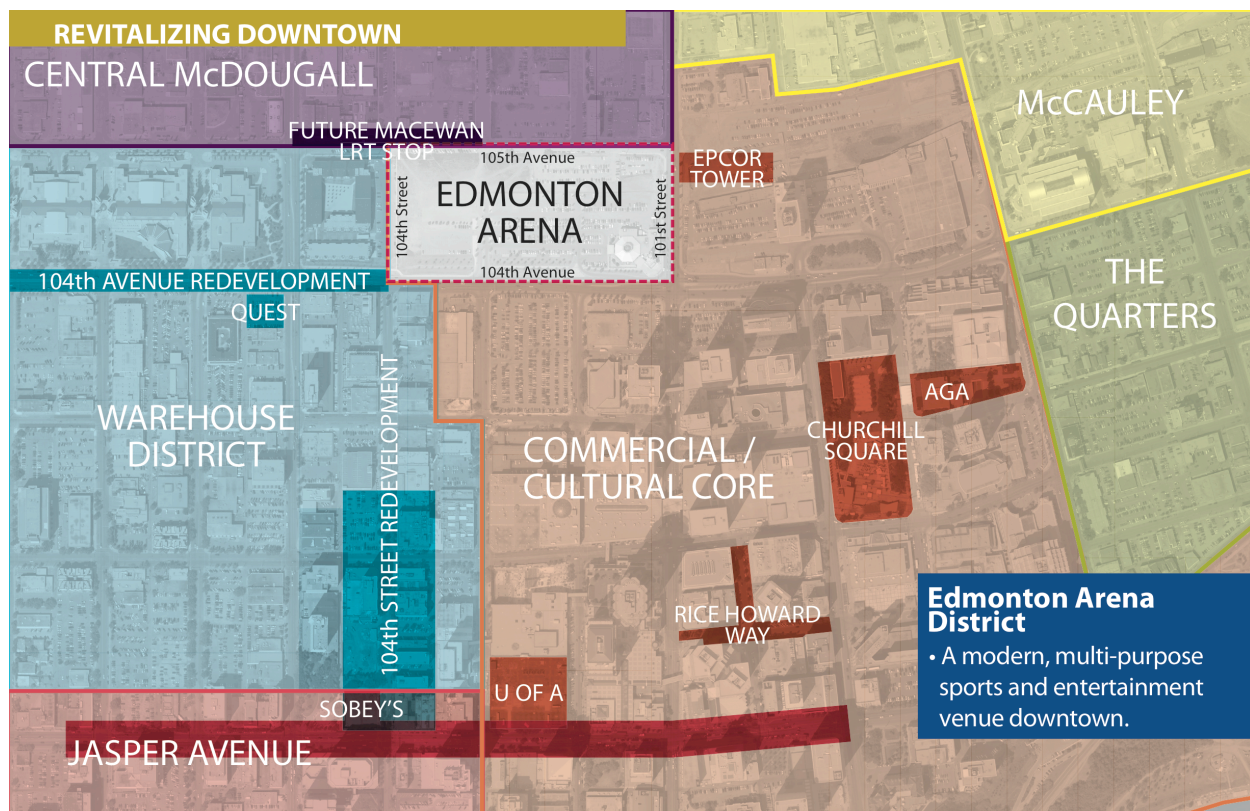
## CONTEXT OF THE CONSULTATION

### THE KATZ GROUP PROPOSAL

A central focus of the public consultation process was the Katz Group proposal to develop an arena and entertainment district in downtown Edmonton. Information about the proposal was provided to consultation participants and on the City website.

#### Proposed Location

At the time of public consultations, the Katz Group had applied to rezone an area of land in downtown Edmonton. The area is located between 101 Street and 104 Street, bounded by 104 Avenue and 105 Avenue.



Currently, the proposed arena site is mostly undeveloped. The site is immediately adjacent to major bus routes on 104 Avenue and 101 Street. Upon completion of the planned North LRT expansion (from Churchill Square to NAIT), there would be 6 LRT stations located within a 10 minute walking distance of the proposed site.

There are an estimated 46,000 parking spaces within a 10 block radius of the site, with 26,000 of these in structured parkades.

## **ADDITIONAL RELEVANT INFORMATION**

Additional information brings context to the Katz Group proposal. This includes previous studies regarding sports and entertainment facilities; questions of cost and funding; and the roles of Northlands and Rexall Place. This information was provided to consultation participants and is available on the City's website at [www.edmonton.ca/downtownarena](http://www.edmonton.ca/downtownarena).

### **Sports and Entertainment Facilities in Edmonton**

In early 2007, Northlands commissioned a study by HOK Sports to examine the future and capacity of Rexall Place. That study determined that modernizing Rexall Place would cost an estimated \$250 million. According to Northlands, a recent review has estimated renovation costs would be less than \$200 million.

A committee appointed by the Mayor in 2007-2008 explored the potential for a new sports and entertainment facility in Edmonton. This Leadership Committee was made up of community and business representatives, as well as representatives from the Edmonton Oilers Hockey Club, Northlands and the City of Edmonton.

In its April 2009 report, *City Shaping*, the Leadership Committee concluded that the greatest opportunity for Edmonton was to develop a new facility in downtown Edmonton that would contribute to revitalization of the city's core.

### **Other City of Edmonton Reports**

Major City of Edmonton plans acknowledge the important and special role the downtown plays in building a vibrant city.

The City of Edmonton Strategic Plan, *The Way Ahead*, sets major goals for the city over the next ten years. These include improving Edmonton's liveability and transforming Edmonton's urban form. Several of these goals include a priority focus on the city's urban core, including the development of more residential, commercial and recreational opportunities.

The City of Edmonton's Municipal Development Plan, *The Way We Grow*, calls for the development of high-quality and sustainable urban spaces to make Edmonton a great place to live, work and visit.

The City of Edmonton's *Capital City Downtown Plan* is built upon the goals of the strategic plan. The *Downtown Plan* recognizes that a dynamic downtown is a key ingredient of a great city. The plan identifies a number of projects that would serve as catalysts to increase the number of people living downtown, enhance unique downtown neighbourhoods, and link downtown with the rest of the city. A potential new sports and entertainment district is among the projects identified.



The *Downtown Plan* provides guidelines on what would be required of a new sports and entertainment district to ensure it contributes to a vibrant, attractive, high-density, mixed-use and walkable downtown area.

### **Rexall Place and Northlands**

Rexall Place was constructed in 1974. It is one of the smallest and one of the oldest venues to host a National Hockey League team as a major tenant.

Rexall Place is owned and operated by Northlands. Founded in 1879, Northlands is a not-for-profit community-based organization with a mandate to manage the needs of multiple venue stakeholders while attracting entertainment and events. Northlands reinvests its earnings back into the community and generates significant economic activity to the city and the province.

The Edmonton Oilers Hockey Club currently has a 10-year lease at Rexall Place. This lease will expire in 2014. The Katz Group, owner of the Edmonton Oilers, has indicated that it will not maintain its tenancy beyond 2014.

It has not been determined what role Northlands might play with respect to a potential new sports and entertainment facility, nor has it been determined what might happen to Rexall Place if a new facility was developed.

### **Potential Funding for a New Facility**

At the time of public consultations, a funding model to support the Katz Group proposal had not been proposed to City Council. In its July 2010 direction to the City's administration, City Council expressly provided that a funding model must not increase current property taxes.

Based on arena projects in a number of different cities, the cost of constructing a new arena in downtown Edmonton is estimated to be in the range of \$400 million to \$450 million.

The Katz Group has publicly committed its intent to contribute \$100 million to the development of an arena. The remaining \$300 million to \$350 million could come from various funding sources. Numerous options exist. Among them are the following:

- *Ticket surcharge* – It is estimated that a ticket surcharge of \$5.00 per ticket on all events could generate \$8.8 million to \$10.5 million each year. This could support capital costs of between \$110 million and \$135 million. Once costs of building the facility were paid, any ongoing revenue from the ticket surcharge could be put towards ongoing maintenance and renewal of the facility.

- *Personal seat or luxury suite licences* – A licence gives the holder the right to buy season tickets for a particular seat or suite in an arena. Revenues from licences fees could support capital costs of the facility.
- *Funding from other levels of government* – Contributions from other orders of government have been provided for other projects in the Edmonton area.
- *Additional private funding* – Sources of additional private funding could also be used to support capital costs.
- *Community Revitalization Levy (CRL)* – The use of a CRL enables municipalities to dedicate some of the property taxes in a specific area to pay the costs for a new public facility or new infrastructure in that area. The new public facility or new infrastructure encourages private sector investment and redevelopment that otherwise would not occur.

The resulting redevelopment raises the value of property within the area. As assessed property values increase, tax revenues increase as well, including the Provincial portion of the property tax. This increased revenue can be dedicated to cover the costs of the new public facility or new infrastructure for up to 20 years.

These were the initial funding options presented to Council in July 2010. Discussions between the City and the Katz Group are ongoing, and the funding models under consideration will have evolved.

## THE CONSULTATION PROCESS

The public consultation process, conducted during November and December 2010, enabled people to share their views and perspectives through a number of mechanisms. These included public open houses and discussion sessions, stakeholder discussions, an online questionnaire and a statistically valid telephone survey.

Four public open houses were held on November 9<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup> and 17<sup>th</sup>. At each open house, a number of information stations provided background on the Katz Group proposal and other considerations regarding a downtown arena. Content experts from the City's administration were in attendance at the open houses, to discuss and answer questions about various issues such as: potential funding sources; land use and zoning, and relevant studies and City plans.

Those who attended an open house had the opportunity to provide written input through questionnaires and comment boards. They were also invited to participate in a public discussion session immediately following the open house.

The public discussion sessions enabled people to provide input in greater detail and at greater length. At each session, attendees were provided with a presentation on the Katz Group proposal and other background information. Following this presentation, attendees were invited to share their views in small discussion groups.

The use of small discussion groups allowed for free and frank conversations among participants about a number of issues concerning a downtown arena. In particular, attendees were asked to provide input on:

- Whether they support building an arena in Edmonton's downtown;
- What would be important to consider in terms of:
  - design;
  - downtown connection and impact;
  - impacts on surrounding communities;
  - community benefits and engagement;
  - impacts on the future of Rexall Place; or
  - any other issues;
- The use of a mix of private and public funding to fund a downtown arena; and

- Potential funding sources that might be considered, including:
  - a ticket surcharge, personal seat licenses or luxury suite licenses, or other forms of user pay;
  - the use of a CRL;
  - additional private funding;
  - funding for non-arena infrastructure from other levels of government; and
  - other revenue sources.

Two additional discussion sessions were held on November 2<sup>nd</sup> and November 4<sup>th</sup> with key stakeholders. Stakeholders included a range of representatives from social service organizations; the community leagues of downtown neighbourhoods; business associations; major downtown establishments and attractions; the private sector; and other nonprofit/voluntary organizations. Participants provided input on the same issues as attendees of the public sessions. They also shared their unique perspectives as individuals and organizations having special interests in downtown, and discussed the impacts a new downtown arena and entertainment district would have for them.

To provide people with an additional means of sharing their views, an online questionnaire was made available on the City of Edmonton website between October 28, 2010 and November 20, 2010 (people without Internet access could complete the questionnaire by calling 311). Respondents to the questionnaire were asked about their views on a new downtown arena, the potential impacts of a new arena, and the key elements of the Katz Group proposal at that time. The online questionnaire was not a statistically accurate survey method. Instead, the objective of the questionnaire was to encourage people to share their views even if they could not, or did not wish to, attend one of the public consultation sessions.\*

A statistically valid survey was also used to validate themes from responses to the online questionnaire and to explore issues emerging from the community discussions. The telephone survey of 800 randomly selected adult Edmontonians was conducted between December 20 and December 23, 2010. The data has been weighted to reflect accurate gender balance. The survey is considered accurate within +/- 3.5 percent, 19 times out of 20. While there are some differences in the responses received in the online questionnaire and the telephone survey, overall themes and opinions are consistent between the two methods.\*\*

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\* There was no mechanism used to prevent the same person from completing the questionnaire multiple times, although a written request at the start of the questionnaire asked that people only complete it once. Though there were likely some people who completed the questionnaire more than once, 71 percent of the completed questionnaires came from unique IP addresses.

\*\* Questions on the questionnaire and telephone survey covered similar topics but were asked differently (with one exception) and the scales to measure responses also differed.

Overall, the public consultation process engaged a broad range of individuals and organizations:

- 28,979 completed responses to the online questionnaire were received.
- The public open houses welcomed approximately 300 attendees.
- Written input was provided through 510 comment cards and 127 questionnaires.
- Approximately 270 people attended the public and stakeholder discussion sessions.

## INPUT FROM THE CONSULTATION PROCESS

### AN OVERVIEW

Participants in the consultation process shared a spectrum of views about developing a new downtown arena and entertainment district.

Edmontonians had a high degree of awareness of the concept. Ninety-six percent of telephone survey respondents indicated they had read, heard or seen things in the past year about a proposed new arena in downtown Edmonton.

Survey respondents ranked the subject of a new arena among other key issues the City should address.

In the discussion sessions, opinions were expressed both for and against the concept. Some people had very firm views one way or the other. Many other participants were uncertain, and said they needed more information before forming an opinion. Some said they could be supportive of the concept given the right circumstances and assurances. There was a general desire on the part of participants for more information about the proposal.

A number of recurring questions and themes were raised by participants regardless of whether they supported, opposed or were undecided about the concept of a new downtown arena.

Of particular interest to participants was how a downtown arena would benefit the city and their communities. People questioned whether, or how, the proposed development would contribute to revitalization of the city's core. Many said a new arena and entertainment district *could* help revitalize downtown, and *could* in fact be a signature marker for the city, but this would depend on some important factors. These include the project's design, its connections to downtown neighbourhoods, and its consistency with the objectives of existing City plans and initiatives.

**Have you read, heard or seen anything in the past year about a proposed plan for building a new hockey arena in downtown Edmonton?**

**YES** 96 percent  
**NO** 4 percent

*Source:*  
*Telephone Survey, December 20-23, 2010*

**Are there any issues of importance you think the City of Edmonton should address? (Total mentions)**

**Public transportation/LRT:** 24 percent  
**The arena project:** 17 percent  
**Infrastructure/road conditions:** 17 percent  
**Snow removal/street cleaning:** 14 percent  
**Don't know:** 14 percent  
**Taxes:** 14 percent  
**Homelessness/poverty/welfare:** 12 percent

*Source:*  
*Telephone Survey, December 20-23, 2010*

Diverse views were also expressed by participants about the role of public funding in a new downtown arena. Some were strongly supportive given the potential opportunity, while others were passionately opposed to the use of public funding for a “for profit” venture. Many expressed the view that a mix of private and public funding sources might be feasible. However, a strong message received was that any public funding contributed to the development must come with an appropriate degree of balance between public and private risk, reward, control and benefits.

People also stressed the need for downtown communities to be heard in the overall development and approval processes, since these communities stand to be impacted in numerous ways. Issues such as noise and crowd control, traffic management and ongoing community benefits need to be considered in the design and approach taken to the development. Community engagement will be essential for successfully addressing these and other issues.

Participants recognized the scale and ambition of the Katz Group proposal. They also recognized the significant impacts on Edmonton and its downtown. Given this, they emphasized the need for City leadership in ensuring the proposed development proceeds, only if it is right for Edmonton and in the best interests of Edmontonians.

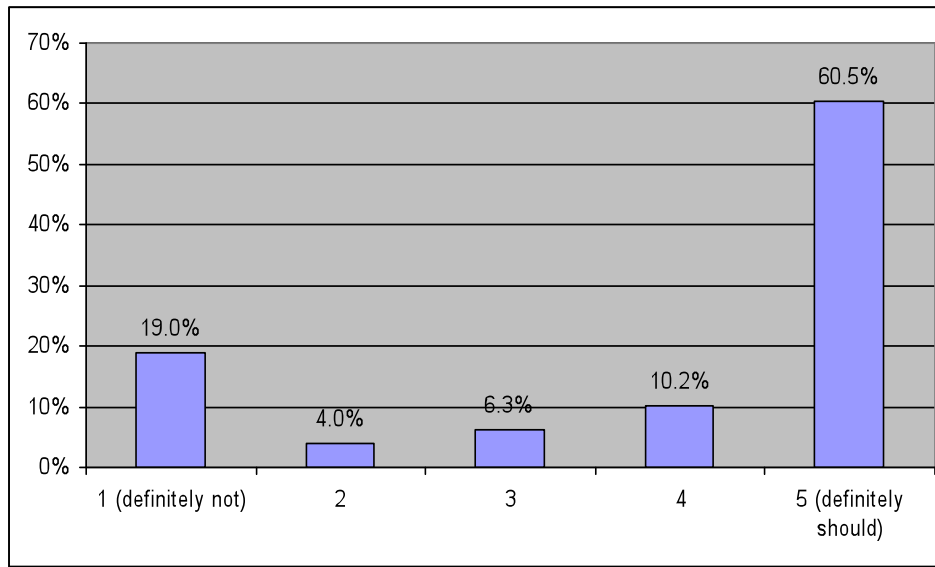
Overall, people expressed general support for the concept. 70.7 percent of respondents to the online questionnaire said a new downtown arena “definitely should” be built in Edmonton (indicating a rating of 4 and 5 on a sliding scale of 1 to 5). Similarly, almost six in ten (59 percent) survey respondents expressed overall support for building a downtown arena (see chart).

**Considering all of the factors we have discussed, such as the cost, the potential economic impact and the agreement that might be reached between private and public sector partners, overall do you support or oppose building a new downtown arena?**

<b>Strongly support:</b>	<b>34 percent</b>
<b>Somewhat support:</b>	<b>25 percent</b>
<b>Somewhat opposed:</b>	<b>10 percent</b>
<b>Strongly opposed:</b>	<b>26 percent</b>
<b>Unsure:</b>	<b>5 percent</b>

*Source:  
Telephone Survey, December 20-23, 2010*

Do you think a new downtown arena should be built in Edmonton?



Source: Online Questionnaire

## SUMMARY OF KEY THEMES

The following pages summarize major themes which emerged across various input mechanisms throughout the consultation process.

### **There are strong views in favour of the proposal**

Those expressing strong support for the Katz Group proposal generally cited the need for a new arena and the opportunities presented by such a facility.

Several supporters noted that Rexall Place is one of the smallest and oldest arenas to host an NHL franchise. They expressed the belief that Rexall Place is “showing its age” and is costly to maintain or upgrade. Others noted that Edmonton has grown considerably since Rexall Place was built and that a newer, larger facility is needed to accommodate more people and events, and effectively deliver a comparable experience with other NHL venues.

A number of participants tied their support for a new arena to their support for the Edmonton Oilers and the important role of hockey in Edmonton’s culture. They noted that the Oilers’ ownership has indicated the team will not play in Rexall Place after 2014. If Edmonton wishes to keep the Oilers, they reasoned, a new facility will need to be built.

A number of individuals based their support on the opportunities they saw for the City of Edmonton more broadly in the proposal. Many said that a new arena and entertainment district would act as a catalyst for broader downtown revitalization and would make the city core more vibrant and liveable. This would contribute, they said, to the city’s overall goals of increasing residential



density and diversifying its economy. Several participants said a new arena and entertainment district could become a marker that “puts Edmonton on the map”.

As one participant wrote, “Edmonton needs a project like this to attract more people to live and work in the downtown area. More people attract more private businesses that will make Edmonton downtown an exciting place to stay and visit.”

Participants also highlighted practical considerations in expressing their support for the proposal. Among these was the additional capacity a new arena might offer. This, they said, could enable Edmonton to host more and larger events, such as international sport competitions. Others expressed the view that downtown is a sensible location for a new arena since it is central, offers good transit access and parking capacity, and has existing amenities.

### **There are strong views against the proposal**

Participants who were strongly against the proposal tended to raise issues about its affordability and feasibility, and questioned the project’s benefits to Edmontonians.

Many rooted their opposition in financial concerns. A number of people said that Edmonton faces other issues which are higher priorities than a new arena, such as road improvements, affordable housing, law enforcement and social issues. They worried that pursuing a downtown arena would divert resources away from these other priorities. Some noted the proposal is a private, for-profit enterprise. They felt the City should therefore not be involved in the proposal, particularly at this time of some economic uncertainty. If the arena is for profit, these people said, it should *not* be publically funded.

Other people opposed to the proposal said they do not think it would benefit the downtown, nor the city overall. They dismissed the suggestion that a new arena would spur greater residential and commercial activity. “No one is going to want to live beside it,” said one participant. Some said the proposal was unrealistic for a city of Edmonton’s size.

Opponents cautioned against entertaining the proposal if the Oilers will be used as a “bargaining chip”. Some of these participants felt the City has been pressured into discussing the proposal out of fear the Oilers will leave Edmonton if a new arena is not built.

A number of participants expressed more foundational concerns about whether a new arena is needed at all. They struggled to understand the business case for a new arena, especially since the cost of renovating Rexall Place would be considerably less.

### **Common themes can be identified across most participants**

The open houses and discussion sessions revealed that regardless of specific views (whether for, against or undecided), there are key common questions on themes that arise consistently about a new downtown arena. Even strong supporters of the concept acknowledge they have questions or factors that can influence their support. Those expressing strong opposition to the current Katz Group proposal and those with their view's not yet firmed up and influenced by similar issues on themes.

Most shared the view that a new arena and entertainment district could generate significant benefits for Edmonton if the development was designed and undertaken in the right way. They pointed to several factors including:

- The architectural design of the project;
- How well the development is integrated with downtown;
- The impact of the project on adjacent communities;
- The benefits the project would bring to the public city broadly;
- The financial model that would be used.

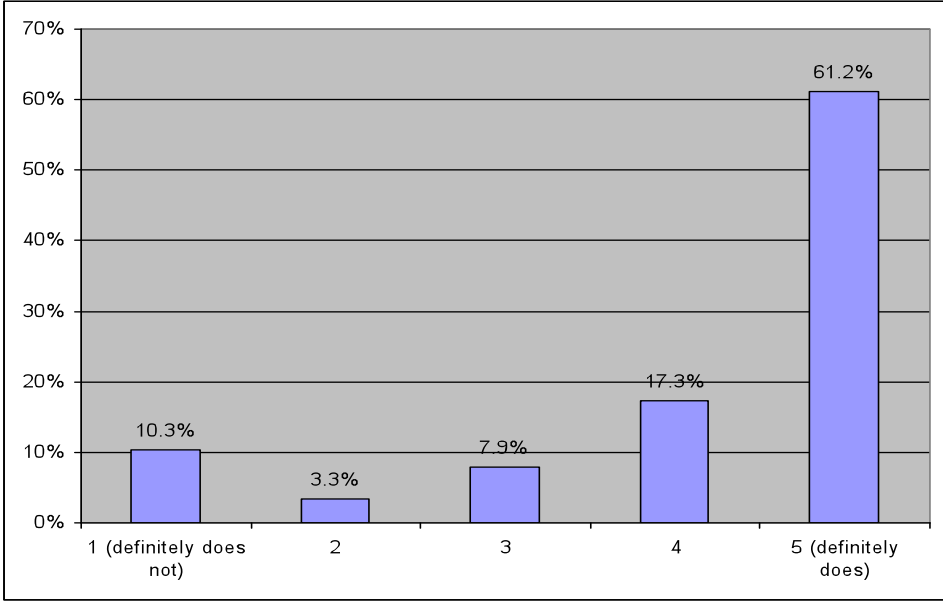
Many people said they could support the downtown arena proposal if sufficient measures were taken to mitigate risks. For example, some said the proposal would need to be pursued in ways that do not skew the City's other plans and initiatives, such as LRT expansion. Others said that taxpayers would have to be insulated from potential cost overruns or unexpected problems.

### **There are questions about whether a new arena will revitalize downtown**

Another foundational issue raised by participants was the degree to which a new arena would revitalize Edmonton's downtown.

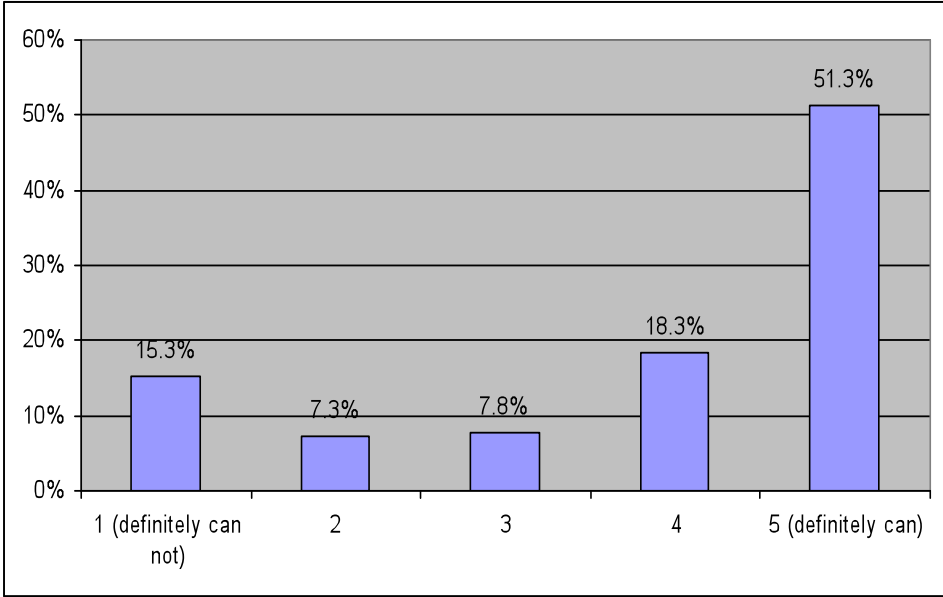
Respondents to the online questionnaire expressed strong support for revitalizing the city's downtown. Over three-quarters (78.5 percent) agreed that Edmonton's downtown requires revitalization, and nearly seven in ten (69.6 percent) felt an arena and entertainment district could spur this revitalization.

Do you believe Edmonton’s downtown needs revitalization?



Source: Online Questionnaire

Do you think a new downtown arena and entertainment district can spur revitalization of the downtown?



Source: Online Questionnaire

Similarly strong levels of agreement were expressed by telephone survey respondents, with seven in ten agreeing that a new arena and entertainment district will provide significant economic benefits to the city centre.

Attendees of the open houses and discussion sessions had more mixed views. A number of people said a new arena could play a part in revitalizing downtown, but this would depend on several factors such as the design of the development and its impact on existing downtown infrastructure and buildings.

**Do you strongly or somewhat agree or disagree...**

**Building a new arena downtown with an entertainment district will provide significant economic benefits to Edmonton's city centre.**

**STRONGLY/SOMEWHAT AGREE:**

**70 percent**

**STRONGLY/SOMEWHAT DISAGREE:**

**28 percent**

**Building a new arena downtown will help to revitalize the downtown area.**

**STRONGLY/SOMEWHAT AGREE:**

**68 percent**

**STRONGLY/SOMEWHAT DISAGREE:**

**30 percent**

*Source:*

*Telephone Survey, December 20-23, 2010*

Many people said it would take more than an arena to revitalize downtown. Lasting revitalization, they said, would require broader and more concerted efforts, including the development of local neighbourhood revitalization plans.

Some participants also wondered whether an arena and entertainment district would be the most efficient and effective way to revitalize downtown. For example, several people observed the Farmer's Market has spurred revitalization of 104 Street without the huge expense that an arena would entail. Some warned that a new arena could in fact hamper downtown revitalization if not undertaken in deliberate and careful ways.

Still others questioned the desirability of revitalization, warning that gentrification of neighbourhoods comes with change. They worried that downtown revitalization would raise property values and force some existing residents to move.

A number of participants stressed that the City should do more research on the linkages between sports facilities and revitalization. They urged a thorough examination of cities of comparable size and comparable climates. Given the scale and expense of the project, they said, the City should not make assumptions about this fundamental justification for pursuing the project.

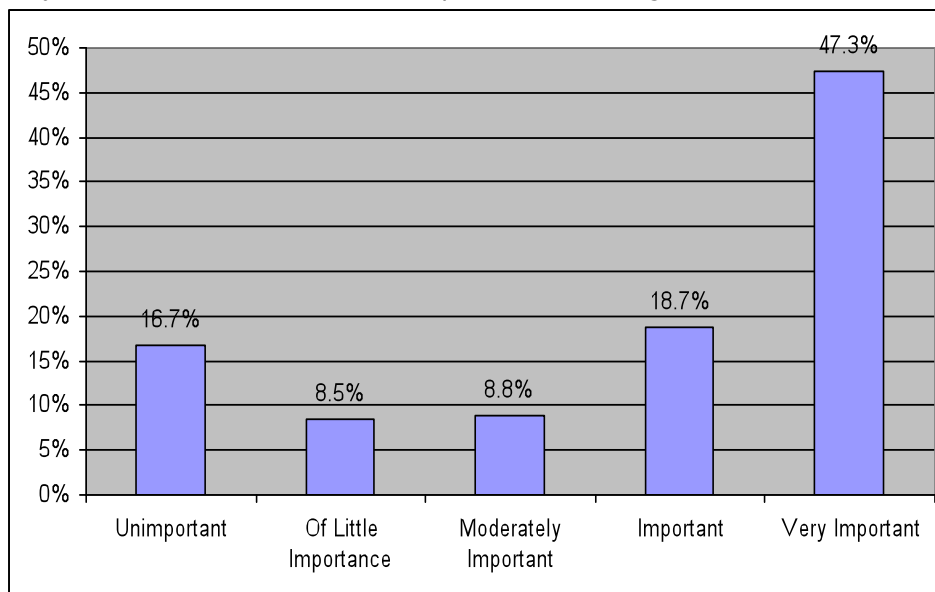
### There are mixed views about locating a new arena downtown

There was some debate about whether a new arena should be developed downtown, even among those strongly in favour of building a new arena.

Many participants agreed that downtown was a logical choice of location, since it offers existing infrastructure, transit and amenities. Some observed that other major cities have located their arenas in their city cores, presumably for similar reasons. Those in favour of downtown also tended to recognize the potential role an arena could play in revitalizing the area.

Almost two-thirds (66 percent) of respondents to the online questionnaire considered a downtown arena to be important or very important to the long-term success of the city.

Do you think a downtown arena is important to the long-term success of our city?



Source: Online Questionnaire

However, other participants said they would not support locating the arena downtown. Many expressed concerns about accessibility to and from the arena, the availability and cost of parking, and traffic congestion generally. Others wondered whether an arena was a “good use” for downtown, and worried the presence of an arena might deter people from living downtown.

A number of participants suggested alternative locations for a new arena. These included the land currently occupied by the City Centre Airport; the area immediately east of downtown; or Northlands Park. A few people said the arena should be built off of Anthony Henday Drive, as this would offer good accessibility from anywhere in the city and ample space for parking.

**THE ROLE OF PUBLIC FUNDING**

**Levels of support for public funding**

Participants shared a complex range of views about whether public funding should be used to develop a new downtown arena.

Telephone survey respondents were fairly divided over using a mix of public and private funds to build a new arena, with 56 percent expressing support and 42 percent opposing it.

**Do you personally support or oppose some of the following ideas about how to fund the building of a new downtown arena...**

**Having a mix of private and public funds to build the new arena?**

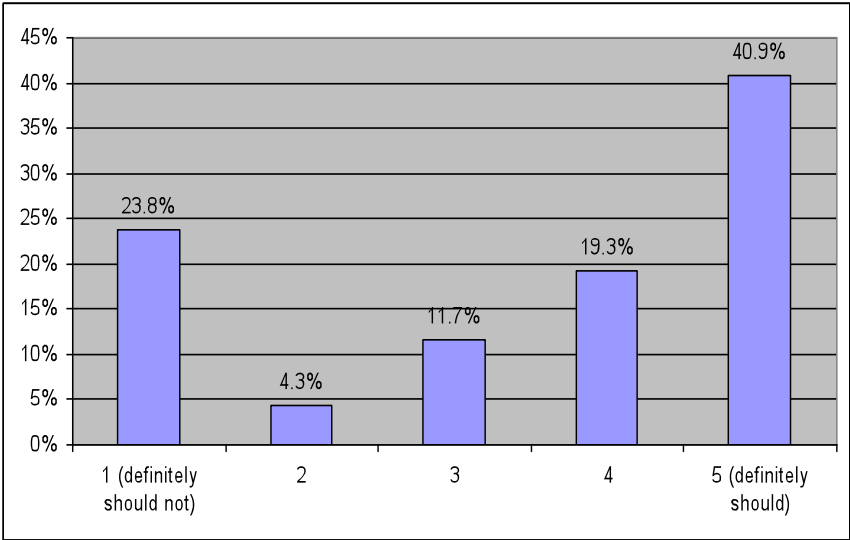
<b>STRONGLY/SOMEWHAT AGREE</b>	<b>56 percent</b>
<b>STRONGLY/SOMEWHAT DISAGREE</b>	<b>42 percent</b>

*Source: Telephone Survey, December 20-23, 2010*

However, support for the use of public funding increased when assurances were placed around that funding.

With assurances, sixty percent of respondents to the online questionnaire (ratings of 4 and 5 on a scale of 1 to 5) and 67 percent of respondents to the telephone survey (strongly and somewhat agree) said the City of Edmonton should contribute funding to an arena, provided this does not raise the property tax rate or impact infrastructure funding.

Do you think the City of Edmonton should contribute funds to a new downtown arena as long as it does not raise the property tax rate or reallocate infrastructure funds?



**If the project were to proceed, do you think the City of Edmonton should contribute funds to a new downtown arena as long as it does not raise the property tax rate or reallocate infrastructure funds?**

<b>STRONGLY AGREE:</b>	<b>41 percent</b>
<b>SOMEWHAT AGREE:</b>	<b>26 percent</b>
<b>SOMEWHAT DISAGREE:</b>	<b>7 percent</b>
<b>STRONGLY DISAGREE:</b>	<b>23 percent</b>

*Source: Telephone Survey, December 20-23, 2010*

Source: Online Questionnaire

### **Considerable discussion/debate on public funding in community discussions**

Participants in the discussion sessions cited a diversity of concerns and conditions around the use of public funding in the construction of a downtown arena. Many said they would need to see more detailed information before they could comment on the use of public funding.

Those in favour said the magnitude of the project would require public funding in order to be feasible, and would be a good investment that would enhance quality of life in Edmonton. Many said the use of public funding would make sense, since the City would realize broader benefits of a revitalized downtown with a greater number of tax-paying residents and businesses. Others observed that as public funding has been used in the development of other facilities they seldom use in the past; it would only be fair, they argued, for public funding to help build something they too would enjoy.

Those against the use of public funding cited reasons about the role of government in subsidizing business. Many people said that as a private, for-profit enterprise, the arena should be paid for entirely through private investment. As one participant said, "If it's such a good deal, then private investors should be lining up to be included."

Others, who were not supportive, said there are higher priorities for public funding, including roads and LRT, The Quarters project, neighbourhood renewal and social services. They worried an arena would divert dollars away from these needs. Some people said the arena would only benefit professional hockey players and the Oilers' ownership and, on this basis, the use of public funding could not be justified.

A number of participants did not believe it would be appropriate to contribute public funding to specific elements of the Katz Group proposal, such as the proposed casino and retail spaces. Almost eight in ten (79 percent) telephone survey respondents said it is "important" or "very important" to have "assurances that any public investment goes into the arena and not the retail components of the project."

Some suggested the most appropriate use of public funding would be to develop infrastructure surrounding the arena that everyone would use, such as road improvements and sidewalks.

Participants also had varied opinions about how much public funding should be used in an arena development. A number of people felt that, as a "for profit" entity, the Katz Group should contribute the most significant share of funding. People made it clear that if public funding is to be used, serious consideration

will need to be given as to the appropriate amount, weighed against broad public benefit.

### **Affordability to taxpayers is a key concern**

Aside from the appropriateness of using public funding, participants questioned whether the use of public funds would be realistic or feasible. Several observed that recent economic concerns have resulted in tighter financial conditions, and that many governments are now facing deficit budgets. Many worried the expense of a downtown arena would result in higher taxes on Edmonton residents and businesses.

Another frequent concern was whether the project would expose taxpayers to financial risks. Some cautioned that a new downtown arena would ultimately cost more than is currently projected. Others, however, observed that construction costs are lower than just a few years ago, and that “now would be a good time to build”. Participants emphasized the need to take measures to protect taxpayers from potential cost overruns or financial risks.

### **Public funding should come with an appropriate balance of public influence, public risk and public benefit**

Participants delivered a very strong message that any public funding contributed to an arena must not simply be a “blank cheque” to the proponent. People stressed that, in return for public funding, the City needs to have a corresponding degree of influence over the assumption of risk, how the arena is designed and how the proposal proceeds.

Many people said the operating model of the arena needs to be determined along with the funding model for building the arena. They said that by contributing public funding, the City should be treated like an investor, and be entitled to a proportionate share of revenues from the facility. As one participant said, “You don’t get 100 percent of the revenues, and only pay a minority percentage of the costs.”

A large majority (88 percent) of telephone survey respondents said it is “important” or “very important” to have “an agreement between the private and public sector partners on how the financial risk of the project – and the project’s benefits – would be shared.”

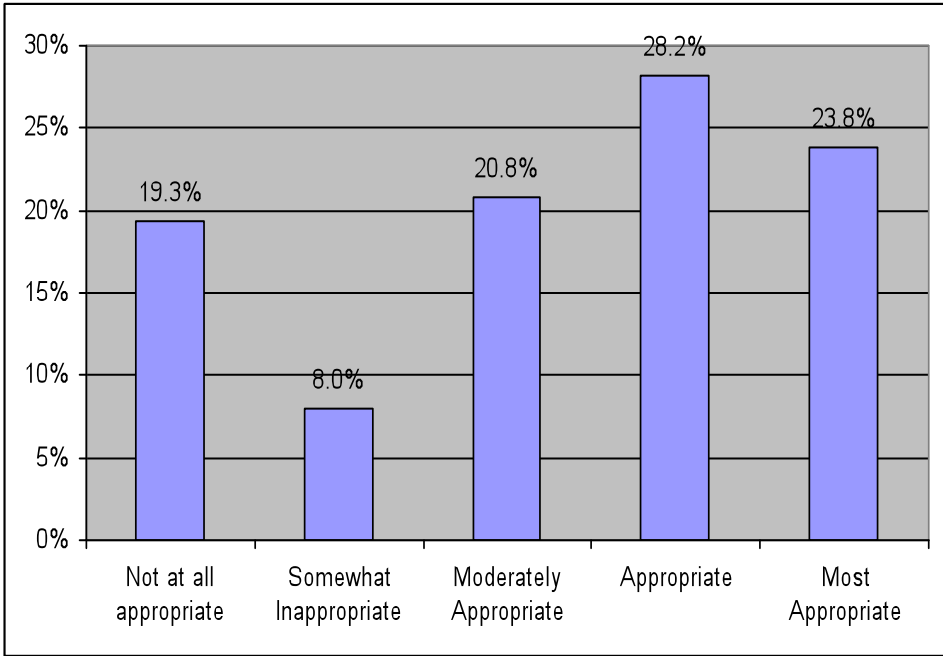
Participants (across all points of view) believe due diligence of the proponent’s and Oilers’ financial picture by a credible party is essential before proceeding with public funding.



**Forms of “user-pay” funding are generally supported**

Most people supported “user-pay” sources of funding. Participants generally liked these sources because, as many pointed out, the costs would be borne by the people who were enjoying the facility. Over seven in ten respondents (72.8 percent) to the online questionnaire said this type of funding mechanism would be appropriate. Respondents to the telephone survey signalled a similar level of support.

Do you think a ticket surcharge or some other form of “user pay” is an appropriate funding mechanism for a new arena?



Source: Online Questionnaire

In the community discussion sessions, two forms of user-pay were specifically examined: a ticket surcharge and seat licenses.

A number of people said that ticket surcharges are common and people are used to them. Some compared the idea of a ticket surcharge to the “airport improvement fee” assessed by the airports. They noted the improvement fee has successfully raised substantial revenue for airport expansion and could, similarly work for arena construction.

**Do you support/oppose some of the following ideas about how to fund the building of a new downtown arena...**

**Funding the arena partially through user fees like a ticket tax, or levies on concessions, merchandising and retail sales in the new complex?**

**STRONGLY/SOMEWHAT SUPPORT: 76 percent**  
**STRONGLY/SOMEWHAT OPPOSE: 21 percent**

*Source:*  
*Telephone Survey, December 20-23, 2010*

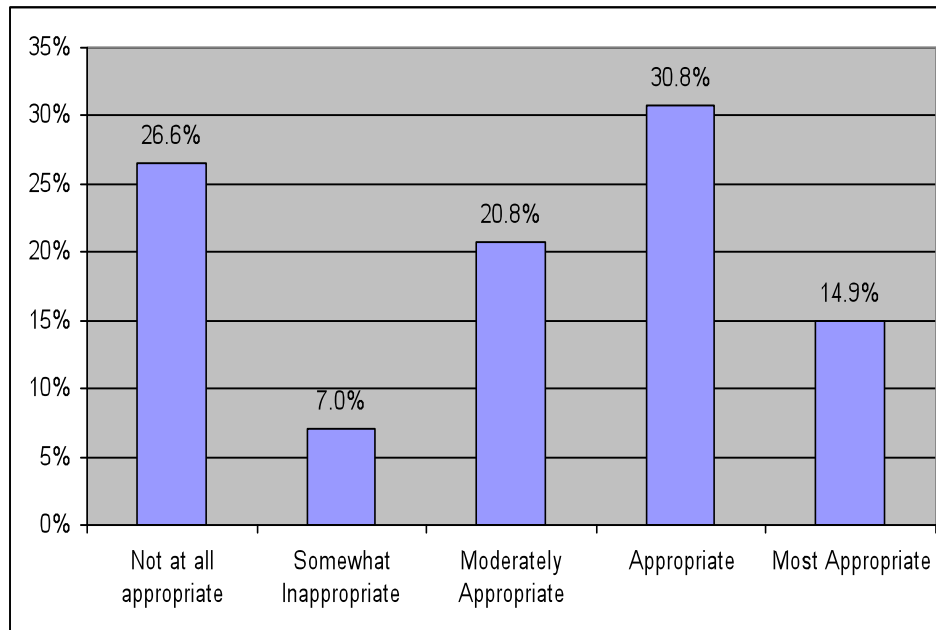
In regards to seat licences, many people had questions about how the system would work. Would licenses be sold for set prices, or be auctioned? What would it mean for current season ticket holders? People said this could be an option but they would need to see more information.

Some participants wondered about the feasibility and impact of user-pay funding sources. Some worried that ticket surcharges and seat licenses would make tickets unaffordable for many people and make the arena a “playground only for the rich”. Others questioned whether there would be sufficient demand for tickets and seat licenses and whether taxpayers would be “on the hook” if sales fell short. A few people suggested that while seat licenses are a good idea, they might be more appropriate for markets larger than Edmonton.

### **More study of the community revitalization levy would be required**

Views on the use of a Community Revitalization Levy (CRL) were much more diverse. Almost two-thirds (66.5 percent) of respondents to the online questionnaire said a CRL would be an appropriate funding mechanism.

Do you think a community revitalization levy (CRL) is an appropriate funding mechanism for a new arena?



Source: Online Questionnaire

However, a majority of respondents to the telephone survey (53 percent) were either strongly or somewhat opposed to the idea.

In the discussion sessions, people had many questions about how a CRL would work.

Some liked the concept of a CRL since it would leverage and raise revenue from the development directly resulting from a new arena. Other participants were against the use of a CRL, because they believe it would result in higher taxes for residential and business property owners. They worried this would result in higher rental rates and displace residents of nearby neighbourhoods, especially those who have lower incomes.

The fact that, under current legislation, if a CRL were used, the city would cover the facility was well accepted by many people.

Many participants wondered what the size and boundaries of the CRL area would be. Some said the CRL area should be as broad as possible so that it would be shared among a greater number of property owners. Others said the CRL should only apply to those whose property values have clearly benefited from the new arena.

A number of people said it would be challenging to determine which properties and areas have benefited from a new arena. Some suggested a CRL should not be implemented until a few years after the arena is built, to allow for a proper assessment of the arena's impact on property values in neighbouring areas.

A number of participants questioned the risks associated with using a CRL. They noted that, if the new arena failed to spur additional private investment and the required revenue was not raised, this would expose taxpayers to unfunded costs. On the other hand, people said, the use of a CRL would provide the City with an incentive to encourage and enable private investment in the CRL area.

Many said the City should secure guarantees that the broader arena district will be developed within a defined period of time.

Overall, people stressed the need for greater study of the CRL in order to provide citizens greater assurance of its feasibility. Many said they would need to see details about the operation of the CRL before determining their support of this mechanism.

**Do you support/oppose some of the following ideas about how to fund the building of a new downtown arena...**

**Designating a special area around the arena and dedicating the tax revenue from property value increases in the area to pay for the arena?**

**STRONGLY/SOMEWHAT SUPPORT: 41 percent**  
**STRONGLY/SOMEWHAT OPPOSE: 53 percent**

*Source:*

*Telephone Survey, December 20-23, 2010*

### **A variety of other funding sources should be explored**

Participants urged the City to explore a variety of different funding sources. This would avoid relying too heavily on any single source and would help minimize costs and risks to taxpayers.

Other orders of government (i.e. the federal and Alberta governments) were seen as potential funding sources. People suggested these governments might be willing to invest in public infrastructure around the arena, such as roads and sidewalks that everyone would use. Some questioned the feasibility of these sources, given the current fiscal positions of the two governments. Others noted that, at the end of the day, there is only one taxpayer regardless of which governments contribute.

People suggested other funding sources that should be explored. These included:

- Sales of bonds or equity shares to the public;
- Facility naming rights;
- The sale of naming rights for rooms, corridors, etc. in the arena;
- Use of a lottery;
- Revenues from concessions;
- Destination marketing fees; and
- Additional private investment.

### **THE IMPACT ON COMMUNITY**

Participants had a great deal to say about the potential impact of the arena proposal on downtown, nearby communities, Rexall Place, and Edmonton as a whole. They identified a number of factors that should be addressed and considered as City Council examines the proposal.

#### **Potential impacts on surrounding communities are seen as significant**

Potential impacts of the project on surrounding communities were major concerns for many participants. People said a downtown arena would put increased pressures on nearby neighbourhoods in terms of crime, noise, loitering, non-resident parking and other nuisances. Some had concerns about the safety of children and pedestrians, noting an arena would generate increased traffic flow through their neighbourhoods.

People suggested a downtown arena would lead to gentrification and speculative real estate activity in nearby communities. Some welcomed this prospect, saying it would benefit residents through higher property values and “more dynamic” neighbourhoods. Others were concerned, saying that

gentrification would raise rental rates and costs of living, leading to displacement of some existing residents. Some worried about the impact on social service agencies currently located in nearby neighbourhoods, noting the continued presence of these agencies is very important for local communities and their residents.

A number of participants wondered if and how a downtown arena would be consistent with existing community revitalization plans. Many said the City and the proponent would have a duty to engage communities to address any inconsistencies and to put comprehensive plans in place to address potential impacts. Some people urged the City to work with communities to develop substantive revitalization plans. They stressed it will “take more than an arena” to revitalize these urban neighbourhoods.

### **The proposal needs to identify and provide community benefits**

A clear message delivered by participants was that the proposal needs to provide community benefits, especially if public funding is used to help finance the project. Many agreed that public accessibility and public uses should be among the benefits.

Almost seven in ten respondents to the online questionnaire (69.2 percent) said that providing for community uses is “important” or “very important” in the overall vision for an arena. A similar number of telephone survey respondents also placed importance on community uses.

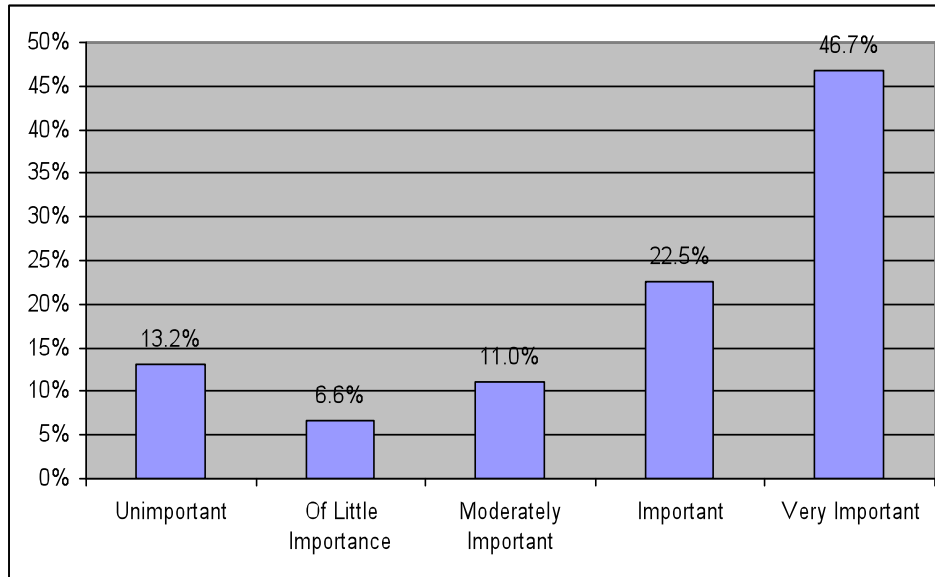
**Do you strongly or somewhat agree or disagree...**

**It is important that a new downtown arena facility includes amenities that the community can access, such as a separate ice surface?**

**STRONGLY/SOMEWHAT AGREE: 69 percent**  
**STRONGLY/SOMEWHAT DISAGREE: 26 percent**

*Source: Telephone Survey, December 20-23, 2010*

The Katz Group envisions an arena development that provides opportunities for public use of the space, including a second ice surface available for community use. Do you support a vision for the arena that provides opportunities for community use of the facilities? Community use is...



Source: Online Questionnaire

Several people liked the “community rink” element of the Katz Group proposal, and suggested free public skate periods should be available. Some said the community rink should be added to the pool of City ice rinks that are made available for recreational games. Other people questioned how much benefit the community rink would provide, noting that the community should be engaged in identifying the best community/public uses.

Many people advocated for broader community benefits. They provided several ideas, including:

- Allowing space for community uses such as festivals and meetings;
- Providing support to local social services and other non-profit organizations;
- Incorporating other community-use recreational facilities (swimming pool, fitness centre, etc.);
- Supporting local social housing; and
- Supporting local small businesses during arena construction and operation.

One idea that emerged in the consultation process was the development of community benefits agreements. These types of agreements, people said, have

been used to establish trust and shared expectations. Many people encouraged the City to examine the full potential for “social return on investment”.

### **Communities should be engaged in influencing the arena design**

There were many opinions shared about the design of a downtown arena. Some said they liked the design currently proposed by the Katz Group. Others had significant issues with the proposed design, and still others had questions. Many participants said that members of the public generally, and residents of nearby communities in particular, need to be engaged and have a hand in shaping the design principles for a downtown arena.

Most participants called for a downtown arena to feature a bold design that “makes a statement” and is “something Edmonton is recognized for”. Many advocated for an arena to feature environmentally-friendly building practices, elements of universal design and “barrier-free” access. People also suggested an arena should have plenty of bright airy spaces and have a “human scale”

The “Winter Garden” concept of the Katz Group proposal elicited diverse comments. Several people worried that this concept would create a significant and expensive disconnect from street level orientation. They said it would make the area less pedestrian-friendly and would not contribute to building a more “walkable” community. Others, however, liked the Winter Garden, comparing it to other downtown pedways. Many observed that Edmonton has cold weather during much of the year. Open-air spaces, they said, might be nice in theory but would be impractical for the climate.

The structure of an arena was of prime interest to participants. People said it should incorporate a variety of businesses and facilities that are not “arena-centric” and which would see the arena used during the day as well as the evening. This holistic approach, they explained, would do a better job of spurring broader downtown revitalization.

Above all, people said, an arena must not act as a physical or psychological barrier between the downtown and neighbouring communities. Solid, window-less exterior walls like Rexall, they explained, would create such a barrier. People said an arena should feature activated street frontage that is pedestrian-friendly. They encouraged the use of glass and other materials that would avoid a “blank, concrete wall look”.

Expectations of further community engagement are very high. Over nine in ten (92 percent) telephone survey respondents said it is “important” or “very important” for there to be “assurances that the public and people living in the area where a new arena would be built would be consulted about the integration of the project in the community and potential benefits to the community.”

Engaging nearby communities, they said, would result in a stronger proposal that would benefit the Oilers' ownership, the downtown and the city overall.

### **An arena project should be integrated with the surrounding downtown**

There was widespread agreement among participants that a new arena and entertainment district should be effectively integrated with the downtown. People encouraged the use of pedways and covered corridors to connect with LRT stations, other buildings and the existing pedway network. They said an arena should "blend in" and assist in encouraging more downtown residents, not act as a barrier to residential infill development and other human scale densification in the downtown.

Participants also cautioned that an arena must not limit accessibility to surrounding facilities and attractions, such as the Law Courts, MacEwan University, and City Hall. They also urged the City to ensure an arena is consistent with the *Downtown Plan* and any other existing plans – such as LRT expansion plans. Many said an arena must be integrated in a way that does not impede transportation to, from and around downtown.

### **The future of Rexall Place should be part of the conversation**

People in discussion groups had diverse views about the impact a downtown arena might have on Northlands and Rexall Place.

Some participants said Northlands should return to its agricultural roots, and get out of the "arena business" altogether. Several disagreed, saying Northlands' extensive experience in operating Rexall Place would be helpful for a new downtown arena. Others said that Northlands should be involved if public funding is contributed to the arena, as it would represent the "public interest".

With respect to the Rexall Place facility, participants had diverse opinions. Some theorized that with the Oilers in a new arena, Rexall Place would have greater flexibility to host events. However, many others questioned the viability of having two arenas in Edmonton, suggesting the continued operation of Rexall Place as an arena would not be possible. A number of people said we will need to "get creative with Rexall Place", perhaps re-purposing the facility into a movie theatre, housing or some other use.

Some people advocated the demolition of Rexall Place, saying it would be too old and too costly to maintain. Many people strongly disagreed with this assessment, arguing that Rexall Place is part of Edmonton's history and has many years of useful life remaining.



Regardless of their views on the viability of Rexall Place, participants agreed that the future of Rexall Place need to be part of the conversation as City Council determines how to proceed with an alternate arena project.

Eighty-four percent of telephone survey respondents said it is “important” or “very important” that there is “a plan for what happens with Rexall Place if a new arena is built,” while when asked in the web questionnaire if Northlands should be included in a new arena, 66 percent indicated “no”.

### **The development should strengthen downtown and Edmonton overall**

A consistent message heard throughout the consultation was that a downtown arena proposal should only be pursued if it is good for Edmontonians and the city as a whole. Many people said a new arena and entertainment district could, if done right, lift up the whole city and strengthen its economy and identity. They pointed to a number of issues that City Council and the City administration will need to address if this is to happen.

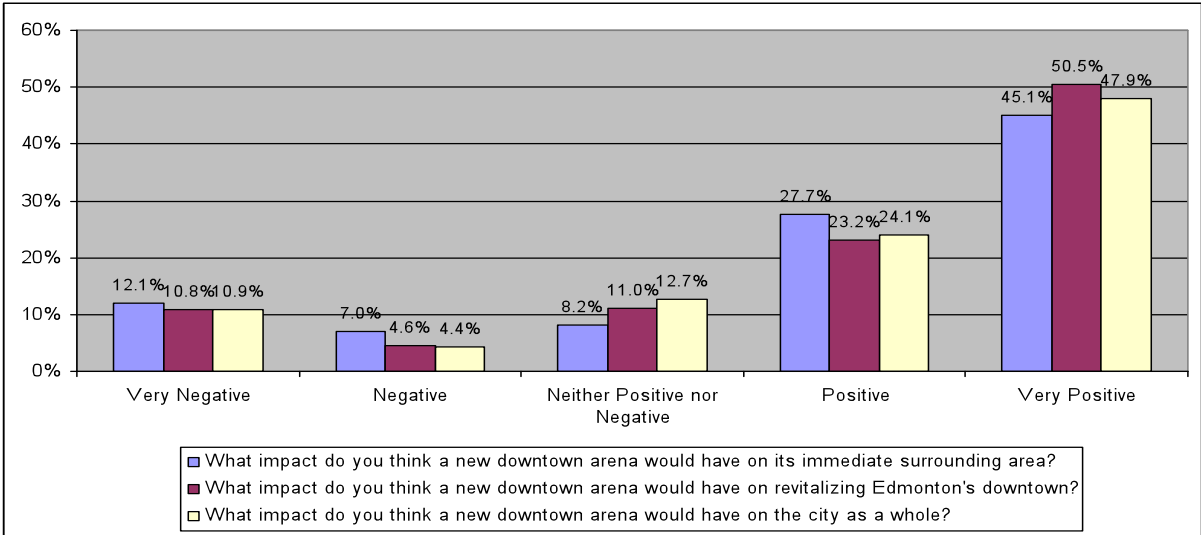
For instance, people said there is a risk the benefits of an arena might be confined to the northern edge of downtown. Some worried that Jasper Avenue or other parts of the city core might suffer and fall into disrepair. Participants said an arena would need to be developed in a way that avoids this outcome.

Similarly, people expressed concern the broader arena district proposed might pull economic activity away from other parts of the city and impact existing businesses. For example, participants had questions about the need for more hotel capacity in Edmonton. They also observed that Edmonton currently has excess office tower capacity, and wondered how two new office towers would impact existing office buildings. Many noted that Edmonton businesses have been leaving the core in favour of the outskirts of the city.

Participants said that if the arena district were to proceed, City Council and the City administration would need to actively work to attract new business and industry to Edmonton. They said Edmonton needs to attract more “white collar” industries that typically occupy downtown offices if the city wishes downtown revitalization to occur.

Respondents to the online questionnaire were upbeat about the impacts of an arena. Most respondents said a downtown arena would have a “positive” or “very positive” impact on the immediate surrounding area (72.8 percent); on downtown revitalization (73.7 percent); and on the city as a whole (72.0 percent).

Please read the following statements and indicate your choice on the scale.



Source: Online Questionnaire

Above all, people said, a downtown arena should be “more than a big concrete box that people flood into and out of only when there is a game”. The development should attract people to downtown at all times, and to “make an evening out of downtown” on nights when there are games or other events.

## **IN CLOSING**

This report is intended to lay out a high level summary of the range of views provided throughout the city's extensive consultation to date.

There is a wealth of data which provides feedstock for this summary which has been kept and archived.

We would like to thank the many thousands of people who participated in a variety of ways. The issues were complex, the discussions animated, and the views passionately held. People were generous and open in their views and shared a common commitment to whichever positions or opinions they believe are in the best interests of our city.