



PUBLIC BENEFIT OF A NEW ARENA IN CALGARY

**Victoria Park Location
June 1, 2017**



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A new arena will be a catalyst for a thriving and active community we can all enjoy. For more than a decade the Calgary Flames have had a vision for Calgary and our fans – a place where all Calgarians can unite in active living, sports and entertainment – a centre for the community and destination for world class events. Almost 2 million citizens per year would use the arena.

INTRODUCTION

The proposed Victoria Park Arena will be a place to professional ice and sporting events and also increase capacity for amateur athletes, premium events, concerts and conferences. The space will have seating for 18,000 fans for hockey games and 20,000+ for concerts and other events. The arena will be a community gathering place for sports and events, as well as unique public spaces and food and beverage options.

In the 90s, major arena design shifted away from simple structures with 20,000 seats into facilities that gave an entirely new experience including suites, restaurants, and large lower bowls with new technology. Calgary's Saddledome does not meet that standard.

The new Arena will be the centre for professional hockey and lacrosse in Calgary. Its innovative design will provide excellent sightlines and an extraordinary viewing experience for fans. From amenities to washrooms, the arena will be built to NHL standards for present day use and make it a premier arena within the NHL.

12th and 14th Avenue SE and between Olympic Way and 5th Street SE. The site is adjacent to the Calgary Stampede grounds, enjoys current C-Train service and is located near the proposed Green Line fourth street station.

PURPOSE

The purpose of this report is to showcase the public benefits of the proposed new arena located in Victoria Park. When evaluating a project of this magnitude, there are many factors to consider: economic impact, strategic development, social impact as well as the cultural impact.

Economic Development

Is Calgary ready for tomorrow's world? For much of its history, Calgary has been known as an innovative and forward thinking community. In order to foster this reputation, we need to continue to invest in projects that will put Calgary on the global stage; a project such as a Victoria Park Arena accomplishes this.

Business Attraction

With nearly one-third of all office space currently empty in the City of Calgary, it is important to attract new businesses to our City. When businesses are considering where to locate, they look for a city with talented workers and amenities to keep those workers happy.

The new arena in Edmonton has already generated increased development. An article in the Edmonton Journal points to the \$5-billion worth of office buildings, condos and other developments — proposed or under



construction — that the arena has spurred in a once-stagnant downtown core¹.

Attract Workplace Talent

Today's world is highly mobile and a city needs to be able to attract people at all stages of life. What attracts people to cities are its lifestyle, arts, architecture, culture, events and amenities. Amenities such as a new arena would attract people to want to live and work in our city.

Tourism Generation

An arena would bring tourists to our city, especially for high profile concert and sporting events. Live events create memories that last a life time and now, more than ever, people are focused on experiences. As a city, we need places to provide those experiences.

Entertainment and Retail/Merchandise Spending

Live events create a great atmosphere and draw crowds who spend money. The estimated spend from the activities hosted at the Saddledome are \$43.3M² annually, growing by another \$12.2M³ with a new arena. While hosting the 2017 Stanley Cup playoffs in Nashville, it was estimated around 50,000 people took to the streets to support their team and spent money doing so.

Transportation Spending

It is estimated that over 80 charter aircrafts are used each year at the Calgary International Airport resulting from the events hosted at the Saddledome. This results in \$11.4M⁵ in money contributed to the Calgary community annually. The new arena will facilitate the ability to host additional events, increasing this amount by \$750K⁶ annually.

Hospitality Spending

During any given year, there is a large number of visitors to Calgary as a result of the Saddledome; such as, visiting sports teams, concert acts, domestic and international media, and patrons of the building. These visitors spend \$30.74M⁷ on hospitality annually. The growth in new hospitality expenditures in Calgary as a result of the new arena is estimated at \$4.25M⁸.

It's not just the visitors who contribute to hospitality spending linked to events held at the Saddledome. Many sports fans gather in local establishments to cheer on their team whether it be the Flames, Hitmen, or Roughnecks. This activity creates jobs within the city valued at \$21.8M⁹; with the new arena adding another

\$6.1M¹⁰. Indirectly, all of this activity, creates hospitality jobs worth \$25.4M¹¹ of labour income, which will grow by another \$7.2M¹² with the new arena.

Event Parking/Transportation

To get to the Saddledome, many methods of transportation are used, which includes driving and parking at the event, the c-train and cabs. It is estimated that annually over 772,000¹³ transit fares are paid from people attending events at the Saddledome (over \$2.4M annually) as well as 57,700 cab trips.

Employment – Operations

The Calgary Flames employ over 1,500 (766 full-time equivalents) people annually, who contribute \$157.1M¹⁴ directly to the community and another \$50.4M¹⁵ indirectly. Without the Flames, the jobs and economic impact benefits would not exist in Calgary today. As the new arena would create additional hosting opportunities, \$4.5M¹⁶ more in labour income will circulate within Calgary.

Flames Operational Spending

In addition to the jobs the Flames create, the Flames also make expenditures in the local economy on goods and services. This amounts to \$81.6M¹⁷ directly each year as well as \$70.9M¹⁸ indirectly. The additional hosting opportunities of a new arena will increase spending in the city's economy by \$4.4M¹⁹.

Employment – Construction

The construction of the new arena will create jobs in the City equating to a one-time influx of \$79M²⁰ directly as well as another \$93.3M²¹ indirectly.

Construction Spending

It has been estimated that 50% of the products and services required to build the new arena would come from the local economy, resulting in direct spending of \$107.1M²² and another \$159.4M²³ indirectly. Additionally, \$37.9M²⁴ in taxes would be paid as a result of the construction.

Other Tax Revenue (including provincial and federal income tax)

The employment tax paid each year by the Flames is in excess of \$50M. These taxes are paid to both the Provincial and Federal Governments, whom in turn, provide funding to the city.

Localized Property Value Increase

The revitalization of an area enhances the values of the surrounding properties. A new arena would arguably increase the value of the properties around it as well as spur new development (as noted above, the Edmonton arena has generated \$5 billion in new development in the surrounding area); all of this would have the impact of increasing property taxes going to the City.



Strategic Development

One of the City of Calgary's goals is to revitalize "The Rivers District", of which includes Victoria Park, the proposed location of the arena.

Integral Part of Entertainment District

As the vision for The Rivers District takes shape, a new arena would be a valued addition to the entertainment portion of the vision, attracting people to the area to live, work and play.

Enhance CRL Revenue

As the CRL period has been extended, the CRL funds could be used to assist in building the infrastructure required in The River District to make it attractive to developers; the new arena would help drive the CRL and the infrastructure development in the area.

Supports Victoria Park Vision

The revitalization of Victoria Park is an integral part of the vision for The Rivers District and a new arena would strengthen the area and help stimulate development in the area.

Supports Stampede Vision

The Stampede is a vital part of the Calgary community, attracting visitors to our city each year. A new arena would augment the Stampede's vision of continual growth.

Social Impact

How do we measure social impact? With over a million residents in Calgary, there is a variety of competing priorities and most people agree that having a facility capable of hosting diverse events is an integral part of building a global reputation for our city.

Hosting NHL Hockey, Other Professional Sports, Concerts, Family Shows

Culture and the arts are among the many factors that contribute to a vibrant, diverse community. The ability to host large scale and unique sporting events, concerts and family shows remains a fundamental component. A new arena would greatly enhance Calgary's ability to attract virtually any act; on average, there are eight to twelve events that by-pass Calgary each year due to the inadequate facilities.

Hosting National and International Sporting Events

Look back to the 1988 Olympics and it is easy to see that without the Saddledome, there would not have been a Winter Olympic games in our city. The Saddledome has also provided a benefit to Calgary in being able to host a multitude of events including the Olympics, NBA games, Stars on Ice, the World Junior Hockey Championships, to name a few.



Stampede/Agricultural Programming

With a new arena within close proximity to the Stampede grounds, the building could be incorporated into Stampede's growth plan of their annual celebration of our Western heritage.

Convention and Meeting Space

Another benefit of this project would be the ability to compliment existing meeting and convention space already located in the area.



- Over 2,000 novice jerseys are provided to kids;
- 1,300 kids visited Camp Kindle; and
- 150 hockey players from post-secondary to CWHL and AJHL are impacted by support.

Promoting Active Lives

The Flames promote active lifestyles through the free annual Flames Health Training Camp which offers health testing, nutritional information, cooking classes, and activities for the family. Additionally, the Calgary Flames Foundation pays for the memberships to the YMCA for over 2,800 grade 6 children in the City annually.

Public Gathering Place

A place for people to come together as a community is very important for a city; a goal of The Rivers District is for it to be a destination for the citizens of Calgary to meet. An arena would spur the development of restaurants, hotels, condominiums, office space and would, itself, be a gathering place. The picture above is from Pittsburgh during an NHL game showing that people will come if there is a desirable place for them to gather.

Flames Charitable Support

The charitable support from the Flames in the community is immeasurable! The Calgary Flames Foundation strives to improve the lives of Southern Albertans through the support of health and wellness, education, and amateur and grassroots sports. The impact goes far beyond the monetary support of over \$6.6M distributed annually throughout Southern Alberta.

When the athletes spend time within the community, it provides a unique experience, bringing joy to people's lives and creating lasting memories. From the children at the Rotary Flames House and the Children's Hospital, to hosting military members, support of minor hockey and the Make-a-Wish Foundation, the athletes support many important causes. The list below is just a small sample of the positive contributions to our community:

- 100,000 youth enrolled in Flames school programs;
- 130 children (over 1,950 nights of respite) and their families use Rotary Flames House;
- 40 sports teams receive donations through the Flames 50/50 program annually;
- Over 300 kids are provided financial aid through the Flames Even Strength Program to register for hockey;
- Students scholarships;

Cultural Impact

The City of Calgary is a melting pot of cultures, which creates a vibrant and lively city of diversity. The culture of Calgary is something that you take with you when you travel, it's something that is recognized the world over.

Civic Pride

Civic pride is important as it brings communities together. Professional sports teams help foster civic pride by uniting a community with a common interest.

Cohesive Community Force

The Flames, Hitmen, Roughnecks and Stampeders, bring people together, whether it's cheering from the couch, gathering at a local bar or neighbour's, or in person at the venue.

Global Community Status

Calgary has historically been a leader in attracting talented employees and head offices in the province and Calgarians certainly don't want to "be left behind" when it comes to advancing our city. Part of what makes a city great, is its the ability to attract international artists/events; clearly a new arena would help achieve this.

Diversity/Inclusion

Events unite people of diverse backgrounds; race, religion, financial status, or gender don't matter when you come together to cheer on your favourite team or take in a concert by your favourite artist. Live events are about experiences and living in the moment and bring joy to people's lives.

LETS ALL LEAVE A LEGACY!

¹ Edmonton Journal, September 11, 2015, "The Rogers Place Story: The dream, the debate and the deals that built the arena by David Staples, Gordon Kent, Sandra Sperounes, and Jim Matheson.

² RP Erickson & Associates, An Economic Impact Assessment of a new Victoria Park Events Centre in the City of Calgary, page 9.

³ Ibid, page 12.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid, page 9.

⁸ Ibid, page 12 (included in the \$8.659M).

⁹ Ibid, page 9.

¹⁰ Ibid, page 12

¹¹ Ibid, page 9.

¹² Ibid, page 12.

¹³ Ibid, page 8.

¹⁴ Ibid, page 14.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid, page 7.

¹⁸ Ibid.

¹⁹ Ibid, page 12 (included in the \$8.659M).

²⁰ Ibid, page 13.

²¹ Ibid.

²² Ibid.

²³ Ibid.

²⁴ Ibid.

An Economic Impact Assessment of a new Victoria Park Events Centre on the City of Calgary

About this report

This report was undertaken by RP Erickson & Associates, Economic Consultants, for the Calgary Sports and Entertainment Corporation (CSEC). The report documents: 1) a forecast of the economic impact to be generated by a proposed Victoria Park Events Centre upon the City of Calgary; and, 2) a forecast of the economic impact benefits upon Calgary to be generated by the construction phase of the new Events Centre.

CSEC is the owner and operator of three Calgary sports franchises which would be housed within the planned facility – the Calgary Flames NHL hockey team; the Calgary Hitmen WHL hockey team; and, the Calgary Roughnecks NLL lacrosse team. This forecast is provided on the assumption that CSEC would continue to manage and operate the new Events Centre as it currently provides for the Saddledome, to include entertainment, concert and event usage.

Impact assessments are valuable in that they serve to heighten business, community and political awareness as to the economic importance of an entity within a local economy. Since 2000, RP Erickson & Associates have completed over 60 economic impact assessments; ranging from small, day-use recreational facilities whose impacts are measured in the tens of thousands of dollars, to major community assets like airports or the operations of large national corporations with tens of thousands of employees; where local or national impacts are multi-billion dollar enterprises.

As such, the consultants have developed considerable expertise in both the theory and practice of using this econometric technique. Further, we have purposefully evolved a conservative, factual methodology while using the most precise Conference Board of Canada and/or Statistics Canada assessment models. Readers of this report should review the Methodology section in this report which explains in detail our approach and the meticulous consideration given to each economic impact variable.

Any questions arising from this report should be directed to Mr. Ken King, President & CEO, Calgary Sports and Entertainment Corporation (403) 777-3669.

1. Background

CSEC is a professional sports and entertainment company based in Calgary which was created in 1980 commencing with the inaugural Calgary Flames hockey season. The Saddledome serves as the home venue for the Calgary Flames – NHL hockey team, the Calgary Hitmen – WHL hockey team and the Calgary Roughnecks – NLL lacrosse team. It is noted that a fourth CSEC sports team, the Calgary Stampeders - CFL football team is based at McMahon Stadium in northwest Calgary; however, none of the Stampeder football club nor any of the activities undertaken at McMahon Stadium have been considered in this assessment.

CSEC has had a long-standing imperative of providing financial support to its community. Since 1982, \$70.9 million has been distributed to amateur sport through the Saddledome Foundation and the Flames Foundation. The three primary recipients have been: WinSport – the successor organization to the Calgary Olympic Development Association; the City of Calgary Parks Foundation; and, Hockey Canada - each with a mandate to build, support and/or maintain programs and facilities for amateur sport in Calgary and southern Alberta.

As a 'small market' NHL entity, the operations of CSEC have a substantive local impact. Readers of this report will readily observe that CSEC is an economic engine pumping hundreds of millions of dollars of economic activity into Calgary's economy while providing jobs to 6,450 of its residents. Although this study is intentionally focussed and only reports the impact upon the City of Calgary, the CSEC economic benefit 'footprint' also extends into the Alberta and national economies.

2. Methodology

CSEC is a multi-faceted organization whose extensive economic impact was constructed from a range of discrete fields of operation. The consultants undertook a sweeping yet systematic approach in evaluating each of the diverse areas of economic activity and their contributions to the overall impact of the Corporation.

A critical component in the methodology used to produce this report is the fact that we have assembled Gross Domestic Product (GDP) data to highlight local employment and expenditures made into the Calgary economy – and to be clear, we have not included Sales Revenue data which would be considerably large since this variable displays major ‘leakages’ beyond our local economy. As such, revenue does not depict the true economic benefit to Calgary. This distinction is important and forms the basis for our entire approach. The intent of this report is to highlight the economic benefits to Calgary in terms of jobs – both full-time and part-time, and in terms of local expenditures – monies which are circulating within the Calgary economy and driving employment, expenditures and investment in other local suppliers.

CSEC’s impact has been measured in terms of employment (ie. in terms of Jobs which includes part-time workers; and, in full-time equivalents based on a 37½ hour work week (FTEs)). Additionally, labour income and parameters for other expenditures and economic output have been established. These leading indicators are expressed in current dollar values. Direct, indirect and induced forms of activity have been considered for employment and economic output totals. Data was obtained for the 2016 calendar year.

The data compiled for this study was obtained via direct interviews and a questionnaire circulated amongst firms or agencies mainly in Calgary. In conducting the interview and questionnaire process, key principals at each firm or agency were visited by the consultants, where: the underlying rationale for the study was explained; the objectives of the study examined; the value of their participation fully explored; and, the confidentiality of their data assured. This approach resulted in an exceptional 95 percent response rate for the data sought. Particular effort was directed at larger employers (25+ employees), where a 100 percent response rate was achieved. In those cases where respondents chose not to provide labour income or cost figures, data was estimated comparing completed results of similar-sized firms involved in like commercial pursuits.

The aggregate CSEC 2016 economic impact has been derived from 6 sub-categories of activity:

- the impact generated by direct CSEC operations, including the management and operation of the sport teams and all Saddledome sports and entertainment events;
- the impact within Calgary attached to the hospitality spending (hotels, meals, local transport, etc) for all visiting NHL, WHL and NLL teams, including league officials and scouts alongside non-resident patrons to CSEC events;
- the impact associated with the local, national or international media presence reporting CSEC sports events;
- the impact created by public or private transportation agencies involved in the movement of fans/patrons to and from the Saddledome attending CSEC sport or entertainment events; and,
- the impact attached to hospitality spending in Calgary sports bars and/or food & beverage establishments resulting from CSEC team and/or visiting team fans.

The data herein represents the economic activity which is attributed to CSEC endeavours during the 2016 calendar year.

The economic impact assessment process

Economic impact analysis is based on the premise that operations within various industries in an industry will produce a positive 'domino' or rippling effect on other industries. Economists discuss the impact that one sector has on another in terms of indirect and induced effects. The total economic impact is the sum of the direct, indirect and induced effects.

The most common economic measures used in economic impact surveys are: employment and economic output – essentially, the contribution made to gross domestic product. For this study, the consultants have chosen to display labour income as a separate category of economic output.

In this report:

Direct economic effects are the benefits attached to CSEC labour and expenditure activities within Calgary;

Indirect economic effects are the result of the increase in goods and services produced within the Calgary economy in support of direct CSEC activities;

Induced economic effects arise from the spending power of direct and indirect employees supporting CSEC activities;

Employment is measured by Jobs which includes part-time workers, and in terms of full-time equivalents (FTEs). FTEs are expressed in person-years and labour income by dollar value. Employment multipliers have been used to generate the associated indirect and induced impacts;

Labour Income is the total payroll expense of the canvassed firms, including wages, salaries and employee benefits. Labour income multipliers have been used to generate the associated indirect and induced impacts;

Other Expenditures is defined as the amount of value to the local economy created through expenditure activity. A multiplier has been used to generate the indirect and induced impacts; and,

Economic Output is an aggregate of labour income and other expenditure totals, and can be considered as a contribution to gross domestic product (GDP). No multiplier effort has been applied to this category.

An important point related to the methodology is worth noting: a rigorously conservative approach has intentionally been undertaken in assessing each aspect of the CSEC's economic impact upon Calgary. In view of this strategic imperative, it can be stated that the analyses contained in this report should be viewed as the minimum economic impact related to the Corporation.

As an aside, the sports and entertainment industry is a good example of a highly integrated sectoral activity which has tangible linkages throughout a local economy and beyond. As such, the potential impact to an economy linked to an increase or expansion in sports-related and entertainment activities is sizable.

A word about the multipliers used in this report

Multipliers are used to infer indirect and induced economic activity from a measure of direct economic activity. Multipliers are not directly observed; they are inferred from an economic model. By far, the direct measure is the most accurate. Readers are advised that multiplier analysis remains an imprecise econometric technique and that caution be used in interpreting the indirect and induced impacts, and in particular - the impacts associated with resident and non-resident hospitality spending and the total impact construction benefits contained in this report. However, multipliers are virtually the only cost-effective tool available to identify the overall impact of a sectoral activity within an economy. As a result, their use has become an accepted practice amongst public and private sector economists seeking to quantify the discrete value of a given firm, industry or facility.

In capturing the indirect and induced economic impacts attributable to this sector, the consultants have chosen the Conference Board of Canada's Tourism Economic Assessment Model (TEAM). The Conference Board is the foremost independent, evidence-based, not-for-profit applied research organization in this country, often hired to provide econometric analyses to all levels of government in Canada.

The TEAM model is a sophisticated, econometric tool designed to assess the impact of expenditures upon a local, provincial or national economy. The TEAM model produces indirect and induced impacts for 60 measures, including those key factors identified in this report: employment, labour income and economic output. For this initiative, it is fortunate that a purposefully-constructed TEAM model has been created for the Calgary market by the Conference Board, to reflect the unique structure of the Calgary economy.

Not surprisingly, this adaptive analytic tool can be specifically tailored to accept exacting input criterion. Thus, the consultants have specified TEAM analyses for the direct data we compiled for each of the following pivotal parameters:

- a review of the detailed CSEC operations expenditure inputs;
- an assessment of the impact from hospitality spending in Calgary derived from current and future CSEC endeavours; and,
- an assessment of the economic impact to Calgary related to the construction of a new Victoria Park Events Centre.

3. The 2016 Economic Impact of CSEC Operations on Calgary

CSEC manages and operates three major sports franchises at the Saddledome encompassing a myriad of operational activities. In 2016, the Saddledome hosted 102 team sports events and 36 entertainment events. In doing so, the company employed 1,770 full and part-time workers over the year.

Table 1 depicts the economic impact upon Calgary resulting from CSEC operations – again, the direct impact figures have been assembled by the consultants and the total impact figures were generated by the TEAM model utilizing the Operational Expenditure component.

Table 1.

Economic Impact of 2016 CSEC Operations on Calgary

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
766 †	\$157.069	\$81.550	\$238.619
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
2,065	\$207.444	\$152.441	\$359.885
(in millions, except FTEs)			
† including part-time workers, CSEC activities creates 1,770 jobs			

4. The 2016 Economic Impact of CSEC-derived Hospitality Spending on Calgary

CSEC-derived hospitality spending within Calgary takes a number of forms. Uncovered and substantiated were the following major areas of non-resident spending in the City, each of which has been considered as hospitality spending:

- accommodation, meals and local transport for all visiting teams including accompanying training, medical and coaching staff, including team executives – this combination of activity occurred over 102 CSEC game dates in 2016. In practice, most of the NHL teams spent two nights in the City. Additionally, meaningful numbers of non-resident league officials and scouts are also purchasers of Calgary's hospitality sector offerings;
- accommodation, meals and local transport for non-resident media. Visiting media numbers can be substantial especially when Canadian or 'Original Six' NHL teams are involved;
- all NHL team travel alongside a number of concert performers performing at the Saddledome is undertaken by charter aircraft, incurring substantive airport and aircraft servicing expenditures at the Calgary International Airport (YYC). Including pre-season and play-off games, the consultants have identified 80 charter jet rotations undertaken at YYC in support of CSEC activities in 2016;
- all Calgary Roughneck, league officials, most non-Calgary media and professional scout travel is undertaken by commercial air services, as are numerous movements by league players and staff travelling between Calgary and other professional team bases. The consultants estimate that CSEC-involved air travel generated roughly 10,000 passengers at YYC in 2016;
- while not inclusive of all non-resident patrons to either CSEC sports or entertainment events, a total of 19,500 event tickets/packages were sold by CSEC or its ticketing affiliates to non-resident patrons. In reviewing the postal codes of this group, typical non-resident hospitality expenditures were assembled using Tourism Calgary per diem spending per person by location of origin;
- the Saddledome undertook 36 concert dates or entertainment offerings in 2016. Local accommodation, meals and transport are required by performers, technicians, stage crews and drivers where overnight stays can vary between 1 and 3 nights. Most of the show equipment travels between venues via truck; in conjunction, a number of buses also support the travel of the stage, sound and lighting crews. A large Saddledome show can require upwards of 20 trucks and 10 buses – in practice, all show vehicles are fuelled before departing Calgary;
- public and private transport also create significant spending totals in Calgary. The consultants estimate that 2016 CSEC sports and entertainment offerings at the Saddledome created 772,000 Calgary Transit fares on the C-Train. No effort was extended for CSEC-related travel on the Calgary Transit bus network. These same events generated 57,700 taxi trips within the City to and from CSEC venues; and,

- A final component of CSEC hospitality impact is game day spending undertaken at local sports bars and restaurants. The consultants collected CSEC-related expenditure and labour data from 385 establishments in the City where a strong, commercial sports-orientation was observed. Roughly half of all such establishments are smaller, owner-operated neighbourhood taverns/pubs/bars/clubs where the principals corroborated the importance of local professional sport events to the entity's financial well-being. Non-CSEC event parking is another contributing factor to this category.

Table 2 displays the economic importance of CSEC-derived hospitality spending within Calgary. The direct impact figures have been assembled by the consultants and as noted in our Methodology section, the total impact figures were generated by the TEAM model utilizing the Non-Resident Expenditure component.

Table 2.

The Economic Impact of CSEC-derived 2016 Hospitality Spending on Calgary

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
538 †	\$21.778	\$30.738	\$52.516
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
855	\$47.216	\$74.014	\$121.230
(in millions, except FTEs)			
† including part-time workers, CSEC activities creates 4,080 jobs			

5. The Aggregate Economic Impact of 2016 CSEC Activities on Calgary

Table 3 combines the data contained in Tables 1 and 2; this chart represents the aggregate impact of the Calgary Sports and Entertainment Corporation on the City for calendar year 2016.

Table 3.

Aggregate Economic Impact of 2016 CSEC Activities on Calgary

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
1,304	\$178.847	\$112.288	\$291.135
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
2,920 †	\$254.660	\$226.455	\$481.115
(in millions, except FTEs)			
† including part-time workers, CSEC activities creates 5,850 jobs			

In direct impact terms for 2016: a total of 1,304 full-time equivalent employees can be attributed to the presence of CSEC; the aggregate labour income of this workforce was identified at \$178.847 million. Other expenditures for this sector were \$112.288 million. The total direct economic output for the year was \$291.135 million.

When the indirect and induced multipliers are applied to the above direct economic activity, the consequential impact of the Corporation's presence in the City can be realized. Within Calgary 2,920 full-time positions are dependent upon CSEC's presence - when part-time workers are included, this total expands to 6,450 jobs, generating an annual labour income of \$254.660 million. Other expenditures for this sector over the year were \$226.455 million.

In 2016, the total economic output created by the Calgary Sports and Entertainment Corporation alongside their support activities in Calgary was \$481.115 million – nearly ½ a billion dollars!

6. An Economic Impact Forecast for hosting large concert events at a new Victoria Park Events Centre

The Saddledome was built in 1983 and has long been Calgary's premier indoor concert venue. Over the intervening years, the capabilities of the platform have been superseded by the demands of concert performers for large sound and stage productions. In view of these limitations it is estimated that Calgary 'loses' 8 to 12 major concert events each year. Performers such as Paul McCartney, Justin Timberlake, Madonna and others typically choose venues in Vancouver or Edmonton on their western Canada tours. Not hosting these concerts means that local expenditures from staging the performance, as well as, hospitality spending by non-resident visitors attracted to Calgary by such events – is not occurring.

The consultants have carefully reviewed the expenditures and non-resident visitor spending not occurring in Calgary due to the limitations of the Saddledome. Reviewing the local expenditure patterns of current large show Saddledome performers, estimating the number of non-resident concert goers and reviewing this group's average per visit spending patterns with Tourism Calgary – we have arrived at a sum of \$19.430 million of hospitality spending for 8 large concerts (the lower of major concerts lost estimate) that is not occurring in Calgary.

We entered \$19.430 million into the TEAM model utilizing the Non-Resident Expenditure component which produced the forecast data shown in Table 4 of the local economic benefits that could be expected for hosting 8 large events at the new Events Centre. These results would be recurring on an annual basis, with a reasonable expectation for growth as more large concerts are hosted at the Events Centre.

Table 4.

**An Economic Impact Forecast for hosting
large concerts at a new Victoria Park Events Centre**

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
151	\$6.134	\$8.659	\$14.793
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
241	\$13.304	\$20.849	\$34.153
(in millions, except FTEs)			

7. The Economic Impact for the construction of a new Victoria Park Events Centre

A total project budget of \$500 million has been estimated for the Victoria Park Events Centre. The consultants entered this sum into the TEAM capital project assessment mode to produce the one-time results tabulated in Table 5.

Table 5.

An Assessment of the One-Time Economic Impact for the Construction Phase of a new Victoria Park Events Centre

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
913	\$78.977	\$107.116	\$186.093
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
2,009	\$172.256	\$266.520	\$438.776
(in millions, except FTEs)			

8. The Economic Impact of a new Victoria Park Events Centre

Table 6 combines the data contained in Tables 4 and Table 5 - this chart represents the consultant's forecast for the economic impact that a new Victoria Park events centre would have upon Calgary.

Table 6.

The Economic Impact of a new Victoria Park Events Centre

<i>Direct Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
1,455	\$184.981	\$120.947	\$305.928
<i>Total Impact</i>			
<u>FTEs</u>	<u>Labour Income</u>	<u>Other Expenditures</u>	<u>Economic Output</u>
3,161	\$267.964	\$247.304	\$515.268
(in millions, except FTEs)			

The direct forecast impact that a new Victoria Park events centre would have annual on Calgary would be: a total of 1,455 full-time equivalents; with a labour income of \$184.981 million; and, other expenditures of \$120.947 million. The total direct annual economic output upon the Calgary economy would be \$302.928 million.

When the indirect and induced multipliers are applied to the above direct economic activity, the consequential impact a new Events Centre can be seen. Within the Calgary area 3,161 full-time jobs would be created, generating a labour income of \$267.964 million. Other expenditures in Calgary would amount to \$247.304 million. The total economic output created by the Events Centre would amount to a \$515.268 million to the City's economy.

9. Conclusions

As this report depicts, the Calgary Sports and Entertainment Corporation supports a sizeable level of economic activity in the Calgary area.

In direct terms within Calgary, CSEC:

- contributed over 1,300 full-time jobs;
- generated nearly \$200 million in labour income; and,
- created nearly \$300 million in economic output.

The increased scope of activities that a new Victoria Park Events Centre would contribute to Calgary each year would be:

- 250 jobs;
- \$13 million in annual labour income; and,
- \$35 million dollars of economic output.

It is also worth repeating - since 1982, over \$70 million has been distributed to amateur sport in southern Alberta through CSEC's involvement with the Saddledome Foundation and the Flames Foundation.

Clearly, the Calgary Sports and Entertainment Corporation is a significant economic and social contributor to Calgary.