

# Downtown Event and Entertainment District – Project Governance

## ISSUE

The development of the Downtown Event and Entertainment District project, centred on a new Downtown arena and convention centre, as well as the Bus Rapid Transit (BRT) system project, is ongoing. While the Administration will be the primary lead on these projects, numerous key stakeholders, project partners, and sponsors will be integral in driving the successful development and delivery of the projects. How can the City of Saskatoon (City) effectively involve potential project partners and key community stakeholders in the projects in an advisory capacity?

## BACKGROUND

At its April 26, 2021 Regular Business Meeting, City Council received a report entitled [“A Vibrant Future for Saskatoon’s Downtown - An Exploration of Potential Funding Opportunities to Bring the Vision to Life.”](#) and resolved, in part:

- “1. That Council confirm pursuit of a downtown entertainment district/BRT, including the necessary transit and parking improvements, as a priority for the City of Saskatoon;
2. That the Administration be directed to work with stakeholders and other levels of government on achieving a detailed funding plan based on the Administration’s presentation of April 19, 2021, (investigating all funding opportunities that include information on potential bonds for the arena) with the goal of constructing the entertainment district with no contributions from property taxes;”

At its June 21, 2021 meeting, the Governance and Priorities Committee received an information report entitled [“Downtown Event and Entertainment District and Bus Rapid Transit – Sequencing of Upcoming Reports and Decision Milestones.”](#) which outlined the anticipated sequence of future reports and decision-making milestones for City Council in relation to these projects.

## CURRENT STATUS

The development of the Downtown Event and Entertainment District (centred on a new Downtown arena and convention centre) and BRT projects is ongoing. These will be among the most significant projects the City is likely to undertake in the next decade.

## DISCUSSION/ANALYSIS

While the City will retain overall ownership of the new arena and convention centre facilities and infrastructure once constructed, numerous key stakeholders, project partners, and sponsors will be integral in driving the successful development and delivery of the projects. Therefore, this requires a governance structure to provide these various parties a clear framework for how they will be involved in the projects in

an advisory capacity, and how their recommendations and feedback will be shared and used by the Administration's Steering Committee to inform future recommendations to City Council in relation to the projects.

It is important to highlight that the advisory role being described herein will not replace formal engagement efforts with specific special interest groups, community partners, and the public. Targeted engagement will be required with various groups throughout the development of the projects and will be subject to specific engagement plans.

Due to the high degree of interest in the initiative by various stakeholders, it is envisioned that a formal Advisory Group would be provided regular opportunities to be consulted on various design components and afforded an opportunity to provide feedback, insight, and recommendations for consideration by the Administration's Steering Committee and City Council. In turn, the representatives on the Advisory Group would be responsible to keep their own organizations and sectors informed of the projects.

In addition to an Advisory Group, the Administration is proposing that a larger group of community stakeholders and partners be afforded the opportunity to receive regular updates. This would provide an opportunity for these groups to ask questions and raise any concerns through the course of the development of these projects.

Appendix 1 illustrates the proposed organizational structure for this initiative.

### **City Council**

City Council will be engaged at several decision points and milestones over the coming years leading up to approval of the funding plan as outlined in the June 2021 report to the Governance and Priorities Committee. Additional reporting and decisions can be anticipated to be tabled with City Council during the design and construction period.

### **Steering Committee**

All major administrative projects are managed using a professional project management approach. The Steering Committee is the internal administrative project oversight committee. The City's Steering Committee would include the City Manager (as Executive Sponsor); General Manager, Transportation and Construction; General Manager, Community Services; Chief Financial Officer; Director of Technical Services; Director of Planning and Development; and Director of Finance.

The Steering Committee shall oversee and coordinate the activities of the various supporting groups (Land Unit, Funding Unit, Sub-Project Unit, and District Unit) and coordinate with the Advisory Group for milestone reviews during the project development phase of the projects.

### **Advisory Group**

The Advisory Group is proposed to be established consisting of representatives from key stakeholder groups and partners. While there are dozens of individuals and

organizations who would be considered valued contributors to an Advisory Group such as this, the size of the group would be limited to efficiently and effectively manage its mandate as advisor to the project.

The Advisory Group is proposed to consist of up to eight external representatives. The application and selection process would be appointed by City Council. If City Council supports this approach, the Administration will bring back a proposed application process.

The Advisory Group would be chaired by a City Councillor to be selected by City Council.

The Administration's Steering Committee will coordinate the project development and will regularly update the Advisory Group on the progress and solicit its feedback, insight, and recommendations at key design milestones.

Formal input from the Advisory Group shall be collated and appended, as applicable, to any decision reports to City Council from the Administration with respect to the Downtown Event and Entertainment District project. Where the Administration aligns with the input of the Advisory Group, the Administration's recommendations will be augmented as appropriate. Where the Administration's recommendations diverge from the recommendations of the Advisory Group, the Administration's report will detail the Advisory Group's position as well as the Administration's rationale for a different decision recommendation. The Advisory Group will likely make regular presentations to Committee and City Council as reports are considered.

### **SaskTel Centre and TCU Place Boards**

The role of the Board of Directors (Boards) for the SaskTel Centre and TCU Place controlled corporations is to provide overall direction of the operations of each facility, including strategic planning and policy decisions in collaboration with the facility management teams. Current and past Boards and Board Members of these facilities, and their respective Administrations, have been absolutely instrumental in leading and advancing the Downtown Event and Entertainment District initiative.

The entertainment business is in turmoil right now due to the global pandemic and significant operational challenges will be endured during the recovery period for entertainment facilities. Because the next five years will look nothing like the last five years and, in the long term, a completely different operating model may be selected for the future facilities, the City needs to ensure the next five years are as successful as possible for SaskTel Centre and TCU Place. Therefore, it is of critical importance that significant focus is given to operating the current facilities at the same time as embarking on the new Downtown Event and Entertainment District initiative.

As such, the Administration is proposing that starting in 2022, the roles be split such that the Boards are solely focused on operating the existing facilities, and the new Advisory Group becomes the advisor to the Administration and City Council for the

Downtown Event and Entertainment District initiative, which is broader in scope than the event centres themselves. Starting in 2022 will allow current board members who are primarily interested in the future state to apply for membership on the Advisory Group, and those who are primarily interested in operating the existing facilities would apply to be on the Boards for SaskTel Centre and TCU Place. The Administration believes this approach will maximize the success of the existing facilities as well as the new Downtown Event and Entertainment District initiative.

The Boards would be invited to participate in the Community Stakeholders meetings as outlined later in this report.

### **Community Stakeholders**

Community Stakeholders will receive regular updates on the project through email updates and in-person or virtual meetings. Participation in the group would be open for sign-up to all business, community, and special interest groups who might be interested in any aspect of the project. Engagement with this group will be on the “inform” side of the engagement spectrum, and participants will be provided the opportunity to ask questions and raise concerns through the course of project development.

### **Land Unit**

The Land Unit is comprised of representatives from the Saskatoon Land and Technical Services Departments under the direction of the General Manager, Transportation and Construction; General Manager, Community Services; and Chief Financial Officer. The unit is responsible for securing the land required for the future Downtown arena and convention centre.

### **Funding Unit**

The Funding Unit is comprised of representatives from the Finance and Technical Services Departments under the direction of the Chief Financial Officer; General Manager, Transportation and Construction; Chief Public Policy and Government Relations Officer; and City Solicitor. This unit is responsible for conducting financial analyses, developing funding strategies, assessing potential legislative reform requirements, and engagement with industry partners in relation to development of an approved funding plan for the Downtown arena and convention centre.

### **Sub-Project Unit**

The Sub-Project Unit includes the teams tasked to develop the BRT and arena/convention centre projects. The unit will be overseen by the General Manager, Transportation and Construction, and include numerous representatives from the Technical Services Department. The Transit Department will also provide representation as appropriate on the BRT project team.

The Chief Executive Officers of SaskTel Centre and TCU Place, or delegates as applicable, will be engaged as active members of the arena/convention centre project team at milestone review stages. Although external consultants will be engaged to assist this team through project development, the SaskTel Centre and TCU Place

Administration representatives' expertise in technical design and operation of these facilities will make their participation on this project team of critical importance.

**District Unit**

The District Unit is comprised of representatives from the Planning and Development Department under the direction of the General Manager, Community Services. This unit is responsible for development of the Downtown Event and Entertainment District Master Plan. The unit will also lead development of a Parking Authority if determined to be required to support the development of the arena and convention centre.

**Potential Primary Project Partner**

City Council will be selecting the model for the operation of the future arena and convention centre, which could include an operating partner and financial investor. Should City Council resolve that a primary project funding and operating partner be engaged on the project, they would actively participate in the design of the project and operate the facilities over a defined term (e.g., 25 years), subject to the project obtaining an approved capital funding plan.

Since a primary project partner would have a direct financial interest in the project, they would have an active role in the project development, particularly with respect to design decisions that would significantly influence business operations within the facilities. The exact scope of responsibility and decision-making authority of the primary project partner would be defined within their contract agreement with the City.

**Project Partners, Sponsors, and Other Stakeholders**

Additional project partners and sponsors (e.g., corporate sponsors, future tenants, vendors, etc.) will have varying levels of involvement throughout the course of the project. Each stakeholder will be engaged as required at the appropriate time as the project advances and in accordance with individual engagement plans for various work components.

**FINANCIAL IMPLICATIONS**

At this time, there are no financial implications. These will be considered during future project stages as required.

**OTHER IMPLICATIONS**

There are no communications, Triple Bottom Line, policy, privacy, or CPTED implications or considerations at this time. These will be considered in other future reports as required.

**NEXT STEPS**

The Administration will solicit the feedback of the TCU Place Board, SaskTel Centre Board, and other key stakeholders, and report back with an approval report to confirm the project governance approach, including the application and selection process for the Advisory Group membership.

**APPENDICES**

1. Proposed Organizational Structure

Report Approval

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