

Downtown Event and Entertainment District – Navigating the Path Forward Beyond the Preliminary Funding Strategy

ISSUE

The City of Saskatoon (City) is planning for the development of a Downtown Event and Entertainment District. The proposed district includes the construction of several new and/or renovated public amenities and tourism infrastructure projects, such as an event centre/arena and convention centre, subject to an approved funding plan. Should City Council approve a preliminary funding strategy to pursue with federal, provincial and private partners for the Downtown Event and Entertainment District project, what are the key considerations and next steps before a funding plan is established and detailed design and construction could commence?

BACKGROUND

At its November 19, 2018 Regular Business Meeting, City Council received a report entitled "[TCU Place / SaskTel Centre Market Analysis](#)," and resolved:

- “1. That the Administration be directed to include a future Arena/convention centre when planning the future of Saskatoon’s Downtown;
2. That the focus of the planning work include consideration of an entertainment district, not just an arena and/or convention facility;
3. That the Administration report back on terms of reference for a process for identifying the best location for a future entertainment district and how it would fit into a wider vision for a strong downtown for the future;
4. That one of the overall principles be to seek approaches that minimize the reliance on Property taxes to pay for this arena; and
5. That the approach also recognize that while the City of Saskatoon has a leadership role, it will take collaboration with stakeholders and the community as a whole to come up with the best solution.”

A companion information report entitled "[Financing Options New or Renovated Arena and Convention Centre](#)" was provided to City Council at its November 19, 2018 Regular Business Meeting, which included information pertaining to other levels of government participating in the funding of these types of projects.

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](#)." This report provided an analysis of the potential combination of new revenue sources, transfers from other levels of

Downtown Event and Entertainment District – Navigating the Path Forward Beyond the Preliminary Funding Strategy

government, and existing revenue sources to fund the core projects without property tax contributions. City Council resolved:

- “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.
3. That a key objective of the entertainment district be to provide public benefit to all residents of Saskatoon;
4. That the Administration provide a report including a public process map outlining the anticipated reports and decision-making milestones related to a downtown entertainment district/BRT;
5. That as a component of ongoing engagement with stakeholders, the Administration lead an analysis of industry forecasts related to events and tourism that would be relevant to the planning of a downtown entertainment district/BRT;
6. That the Administration report on options for incorporating Indigenous placemaking and partnerships in the development of the downtown entertainment district; and
7. That as considerations are made for planning and design of the downtown entertainment district, the Administration report on opportunities to align these projects with the City’s High Performance Building Policy and provide leadership by pursuing carbon neutrality in the district.”

At its September 13, 2023 meeting, the Governance and Priorities Committee received an information report entitled “[Downtown Event and Entertainment District – Revenue Instruments](#),” which described the alternative revenue instruments the Administration will be exploring further.

At its December 12, 2023 meeting, the Governance and Priorities Committee received an information report entitled “[Downtown Event and Entertainment District - Phase 1 Engaging on Ideas Engagement Results](#),” which described the results of the first phase of engagement, including the feedback received from targeted stakeholders and the broader public.

Downtown Event and Entertainment District – Navigating the Path Forward Beyond the Preliminary Funding Strategy

At its December 16, 2019 Regular Business Meeting, City Council received a report entitled “[Post-Budget Deliberations Funding Plans Update](#).” This report provided the funding plans for several initiatives, including the Bus Rapid Transit (BRT) project. City Council resolved:

“That the updated Civic Facilities Funding Plan, Recreation Game Plan Funding Plan, Bus Rapid Transit Funding Plan and Federal Gas Tax Allocation Plan be approved.”

At its 2024/2025 Business Plan and Budget Review (Budget Deliberations) meeting on November 28, 2023 City Council received a report entitled “[Funding Plans Update – 2024/2025 Business Plan and Budget](#)”, which provided an update to the Bus Rapid Transit Funding Plan.

CURRENT STATUS

The conceptual design for the proposed event centre/arena and convention centre, including public spaces around the facilities, is nearing completion. The conceptual design was developed in consideration of the initial phase of public engagement and consultation with the Downtown Event and Entertainment District Advisory Group, Indigenous community members, and other public stakeholder groups. The Administration intends to bring forward a report describing the conceptual design, in addition to an update on the District Plan, in February 2024. The procurement process for a potential private partner is underway and is the subject of the companion report entitled “Downtown Event and Entertainment District – Private Partner Procurement Approach,” which is also being considered at this meeting of the Governance and Priorities Committee.

On November 16, 2023, funding for the first of three BRT lines, network improvements, and new buses was formally announced by the federal and provincial governments through the Investing in Canada Infrastructure Program (ICIP). Procurement of new buses funded by this program is underway and detailed design is ongoing for the new green BRT line, with construction scheduled to commence in 2024. Funding for the blue and red BRT lines is pending Government of Canada review of final application materials, with grant funding approval anticipated in Q1 2024.

DISCUSSION/ANALYSIS

The Vision and Transformation Projects

In March 2023, the City of Saskatoon adopted a vision for downtown Saskatoon:

A safe and vibrant Downtown is a welcoming and inclusive place for all people to come together in cooperative spirit. The District supports a strong economy, strengthens our diverse community, and attracts people to live, work and play in the Downtown.

Over the past several years, work on achieving that vision was kickstarted by a suite of transformational public and private projects that have started to change the character and amenity value of Downtown. Public investments include: River Landing

redevelopment, Farmer's Market development, and the Remail Modern project. Together, they are examples of public investments that helped redefine Saskatoon's downtown and acted as catalysts for increased private sector investments.

Examples of private investments in Downtown include:

- Expansion and remodelling of the Midtown Mall (one of the highest valued properties in Saskatchewan);
- Condominium, hotel, and multiple office towers and developments at River Landing; and
- Baydo residential development on 25th Street, which is directly adjacent to Downtown, and will be the largest single, private residential development ever constructed in Saskatoon once complete.

In addition to those, there are other important projects in the queue aimed at achieving the Downtown vision: the construction of a new Central Library and the bus rapid transit (BRT) project, both of which have approved funding plans in place.

Project Funding and the Approval and Construction Process

For major projects, a comprehensive funding strategy, including any required intergovernmental financial support, is necessary for each project before it can proceed to detailed design and construction. This is the same approach that the City has used for all of its other major investments, including examples such as:

- Gordie Howe Bridge and series of interchanges;
- Chief Mistawasis bridge and connecting roadways;
- Remail Modern project; and
- BRT initiative.

The interchanges constructed at Boychuk Drive/Highway 16 and McOrmond Drive/Highway 5 were also approached this way.

The successful model to fund these types of major projects is that each project is developed incrementally. Initially, the conceptual design is developed so the ultimate vision is clearly understood. Then detailed cost estimates can be developed. Once the vision and detailed cost estimates are known, and City Council has formally approved the funding plan, the Administration then works to achieve the funding plan. An example of this would be applying for provincial and federal funding programs.

It is only when the City has secured all elements of the funding plan that City Council is asked to endorse the next step, which is to direct the Administration to proceed with detailed design and to procure construction.

Projects can be developed as a comprehensive vision, and then funded in separate components. For example, BRT and the Downtown Entertainment District have been considered a comprehensive vision, as exceptional transit will support the success of the Downtown destination, and conversely focusing Saskatoon's city-wide amenities in its Downtown will bolster the efficiency and success of Saskatoon Transit.

Even though they are strategically linked, the BRT and Downtown Entertainment District funding plans are proceeding independently. The funding plan for the BRT project was approved by City Council in December 2019, and the City submitted the project for funding under the ICIP public transit infrastructure stream. It received partial formal funding approval in late 2023. As the first of these catalyst projects to have its funding plan partially secured, portions of the BRT are now proceeding to detailed design and construction.

With respect to the event centre/arena, convention centre, and public realm improvement projects, these projects remain core to the vision for Downtown Saskatoon and could proceed independently with individual funding plans for each element. Currently, there is no federal infrastructure funding program for which the event centre/arena and convention centre would be eligible for funding. The Government of Canada has a long-standing policy of not funding major event centres or arenas. Tourism infrastructure, including convention centres, were eligible under some previous federal grant programs and could be eligible for funding under a future federal infrastructure program.

Potential Funding Scenarios

The following two scenarios describe the Administration's perspective of the most likely future scenarios for funding the event centre/arena and convention centre.

- Scenario 1 – Full Funding for All Projects Before Proceeding to Detailed Design and Construction

The flowchart provided in Appendix 1 illustrates a scenario whereby the event centre/arena, convention centre, and public realm improvement projects are undertaken concurrently. It assumes that funding for the convention centre will largely be tied to a future federal grant program, matched by a provincial funding contribution.

Following City Council approval to continue exploring various funding options, other complementary steps need to occur before the project(s) can proceed to detailed design and construction:

- Creation of federal infrastructure programs that have project eligibility;
- Confirmation of federal and provincial funding support;
- Where necessary, passage and adoption of enabling legislation and regulations to permit the use of alternative revenue instruments; and
- Confirmation of a potential private partner financial contribution.

The timeline for implementation of this scenario is unknown since, as noted, there is no current federal grant program for which either anchor facilities are eligible.

- Scenario 2 – Event Centre/Arena and Convention Centre Proceeding Independently

Appendix 2 provides a flowchart which illustrates a scenario whereby the event centre/arena and convention centre projects are undertaken independently of one another. Like the first scenario, this scenario assumes that funding for the convention centre will largely be tied to a future federal grant program. The similar steps as explained in Scenario 1 are applicable to this scenario before the project(s) proceed to detailed design and construction.

However, this scenario departs from Scenario 1 in that the event centre/arena could proceed once private partner funding, provincial funding support, and enabling legislation was secured. The timeline for the construction/renovation of the convention centre would be contingent upon approval through a future eligible federal infrastructure program.

Of note, another feasible scenario would be to separate the public realm improvements that are not necessarily impacted by the event centre/arena or convention centre construction. These projects can proceed in advance of either the event centre/arena or convention centre because this infrastructure could potentially spur development.

More specifically, the report entitled "[Downtown Market Analysis of Housing and Retail Demand](#)" that was presented to the Governance and Priorities Committee at its December 12, 2023 meeting proposed that public realm improvements can attract residential infill development within the district and the broader Downtown. Some examples of public realm improvements include a potential community park, linear park, and other streetscaping improvements to improve the attractiveness of the area for residents.

IMPLICATIONS

There are no financial, 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 is anticipating the following reports to be brought forward in February 2024:

- Conceptual Design Information Report
- Convention Centre Options Decision Report
- District Plan Update

The budget estimate and preliminary funding strategy are anticipated to be brought forward in April 2024.

At that time, City Council will be asked to endorse that the Administration pursue achievement of the funding strategy, which is expected to take several years to fully achieve. City Council's approval at this stage signals to the public, the Administration,

Downtown Event and Entertainment District – Navigating the Path Forward Beyond the Preliminary Funding Strategy

and other orders of government that the project is a priority and City Council intends to approve commencement of the project should the other orders of government contribute the required funding and/or legislative amendments.

Only when the funding strategy is fully in place will City Council be asked to formally direct the Administration to proceed with detailed design and construction.

APPENDICES

1. Flowchart if Full Funding Before Proceeding
2. Flowchart if Funding Options Result in Anchor Facilities Proceeding Independently

Report Approval

Written by: Dan Willems, Director of Technical Services
Mike Jordan, Chief Public Policy and Government Relations Officer

Reviewed by: Terry Schmidt, General Manager, Transportation and Construction

Approved by: Jeff Jorgenson, City Manager

Admin Report - Downtown Event and Entertainment District – Navigating the Path Forward Beyond the Preliminary Funding Strategy.docx