Stadium Financing and Good Governance

Dr. Ryan Gauthier

Assistant Professor

Thompson Rivers University, Faculty of Law

CalgaryNext to CalgaryNoMore?

CalgaryNext to CalgaryNoMore?

Calgary

City Proposal

City pays (direct):

$130 million	contribution (non-property tax)
$30 million	land
$25 million	Saddledome demolition
$185 million	(33.3%)

City pays (indirect):

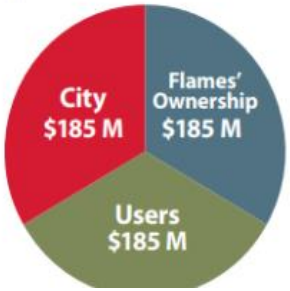
- All infrastructure $150 million (eg. 17th Ave. extension)
- Green Line station TBD
- Utility upgrades TBD

Flames' Ownership pays:
$185 million (33.3%)

Flames' Ownership gets:
100% of all revenues

Users pay:
(ticket surcharge)
$185 million (33.3%)

Calgarians get:
- Property tax from Flames' Ownership
- Flames hockey for at least 35 years
- Event Centre use during Stampede and for international events



Flames' Ownership Proposal

City pays (direct):

$225 million	contribution
$30 million	land
$25 million	Saddledome demolition
$280 million	(50%)

City pays (indirect):

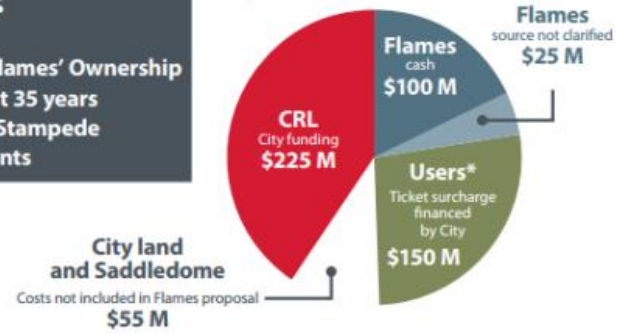
- All infrastructure $150 million (eg. 17th Ave. extension)
- Green Line station TBD
- Utility upgrades TBD

Flames' Ownership pays:
$100 million (18%)

Flames' Ownership gets:
100% of all revenues

Users pay:
(ticket surcharge)
$150 million (27%)

Calgarians get:
- Zero rent
- Zero property tax from Flames' Ownership
- Flames hockey for at least 35 years
- Event Centre use during Stampede and for international events



CalgaryNext to CalgaryNoMore?

Today…

- Problem of public financing of stadiums
- Good governance principles applied to stadium financing
- Case studies
  - Atlanta
  - Edmonton

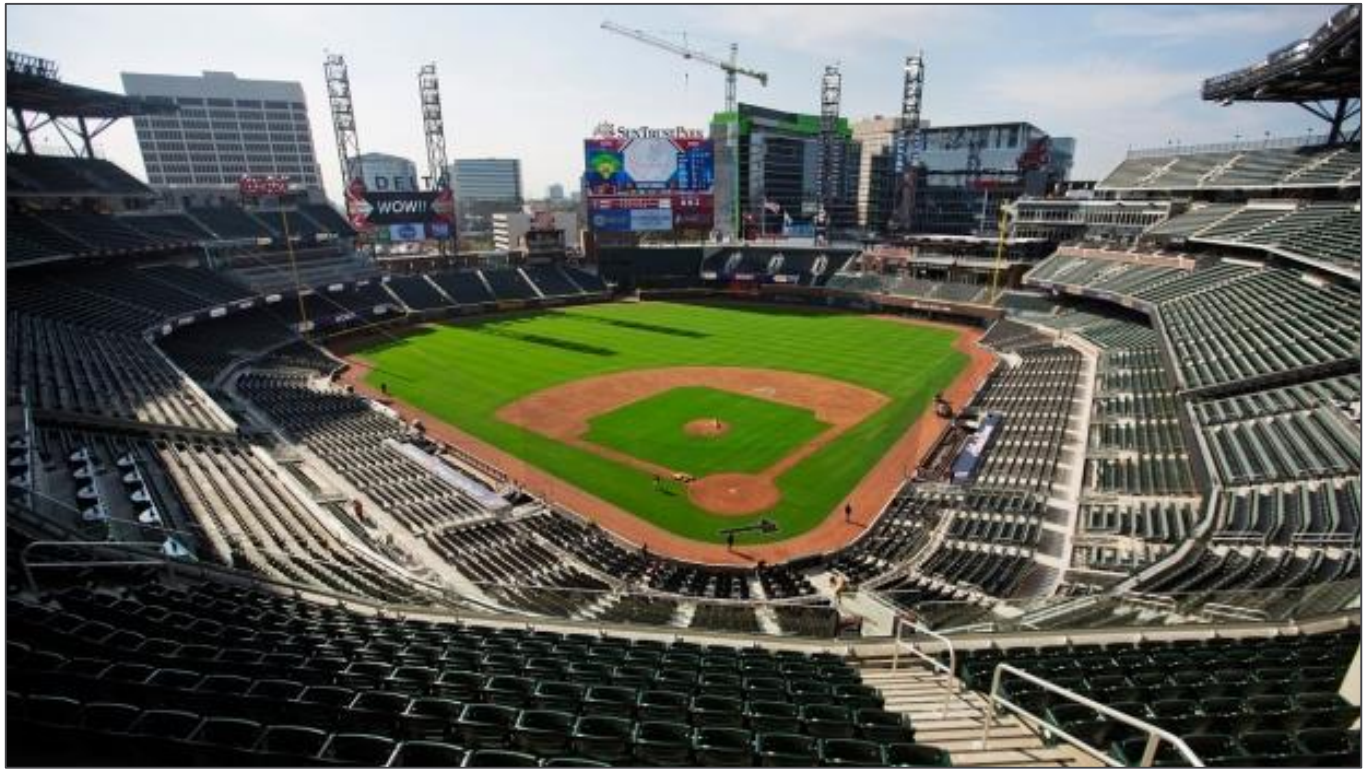
Public Financing of Stadiums

- Stadiums for professional teams are heavily subsidized by the public in North America
- Stadiums for professional teams do not provide the economic benefits promised
- Solutions on ending public financing of stadiums for professional teams have focused on legal solutions

Principles of Good Governance

- Transparency
- Public participation
- Solidarity
- Review

Case Study – Atlanta



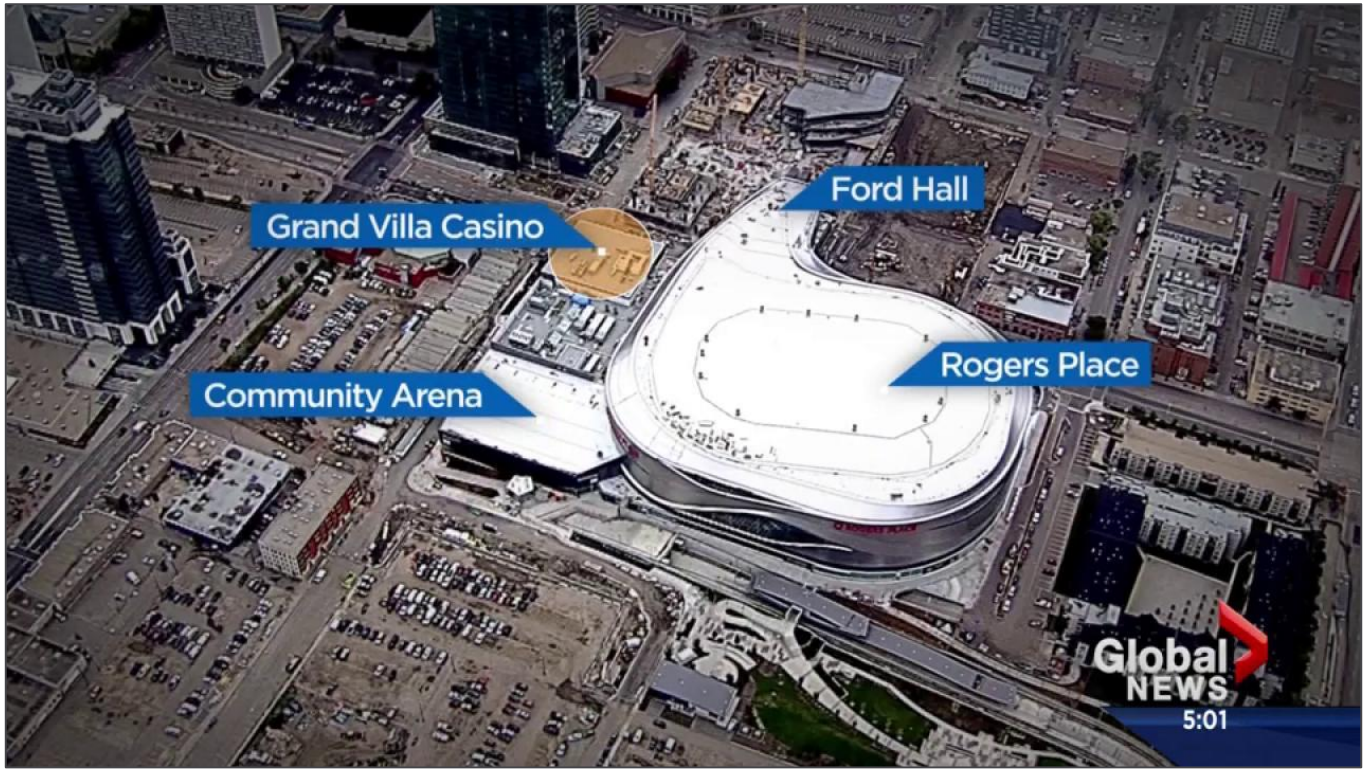
Case Study – Atlanta

Case Study – Atlanta

- Transparency
  - Deal reached in secret
- Public participation
  - Only 12 speaking slots at the public vote by the County Commissioners
- Solidarity
  - Seemingly none
- Review
  - Judicial review upheld the bond issue

Case Study – Edmonton

Case Study – Edmonton



Case Study – Edmonton

- Transparency
  - Idea publicly mooted throughout
- Public participation
  - Public consultations in 2010, 2012
  - Leadership Committee comprised of elites
- Solidarity
  - Community Benefits Agreement, but no specifics
- Review
  - None so far

So What?

- Different stadiums can have different processes
- Why are the processes different?
- Does better process equal better substantive outcomes?

Dr. Ryan Gauthier
rgauthier@tru.ca
@Sportslawnovice

THOMPSON RIVERS UNIVERSITY