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Levelling the Urban Playing Field: How Municipalities can Increase Leverage from Sports Franchises during Sports Venue Public-Private-Partnerships Negotiations

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Abstract

The modern era of sports venue funding (post-1984) has shown a shift toward downtown revitalization arena projects as a remedy to the costly nature of sporting venue public-private-partnerships between municipalities and major league franchises. Sports franchises use their advantage to request attractive funding packages from desperate municipalities because of factors such as the supply and demand of franchises, municipal competition, and growth in consumption-based economic development. In response, the purpose of this report is to determine how municipalities can maximize leverage when trying to secure downtown sporting venues funded by public-private-partnerships. More specifically, which set of "leverage variables" under municipal influence allows favorable funding arrangements and a successful downtown revitalization? Calgary and future cities in public-private-partnership debates are offered recommendations following the study. Edmonton and Winnipeg are compared through a qualitative multi-causal, most-similar-systems case study, consisting of five "leverage variables": financial capacity, coherence of business interest, macro decisions, civic cultural identity, and civic leadership. Findings show the increased use of tax tools like community revitalization levy's, franchise dominated entertainment district development, a focus on increased urban density, mayoral influences, and a lack of public consultations are prominent trends in the case studies. For municipalities to maximize leverage in recent public-private-partnership funding negotiations, it is recommended they use development related tax-tools, avoid budget increases, plan and develop the arena district with the franchise group, contribute to public supporting infrastructure, continue extensive macro planning, diversify civic culture, and display transparency.

1. Introduction

> *In recent years sports franchises have used their monopoly power to extract rents from state and local governments. As the game goes, a franchise owner declares an existing facility unsuitable. Perhaps it is too old, or too small, or does not have enough luxury boxes or suites to raise the necessary revenue to field a championship-caliber team. The owner reminds the local government and business community that many other cities would like to have a team, and those other cities will build a new stadium. Cities all over the country, desperate for a professional sports team, gear up to convince the owner to move. Often the promise of a new stadium convinces the owner to stay* (Coates & Humphreys, The Growth Effects of Sports Franchises, Stadia, and Arenas, 1999).

In August 2015, the Calgary Sports and Entertainment group (CSEC) revealed an elaborate $890 million combined stadium and arena project called CalgaryNEXT, to replace the aging Scotiabank Saddledome and McMahon Stadium that included a request for financing help from the City of Calgary (Gilbertson, 2015). The proposal was rejected by Calgary Mayor Naheed Nenshi later that year, citing costly land development charges and a high burden on Calgary tax-payers (Howell, 2015). CSEC has threatened to relocate the Calgary Flames out of the City due to the rejection of the CalgaryNEXT project and another proposal for Victoria Park as replacements to the aging Saddledome (built in 1983). Since that time, residents of Calgary, like myself, have watched the CSEC and the City of Calgary struggle to secure a new arena in the downtown core due to difficulties determining funding arrangements between the two groups. These funding arrangements are known as Public-Private-Partnerships (PPPs), which involve a public-sector actor and a private sector actor funding a project in the interest of both actors. As shown in the historical background, the percentage of funding between municipal actors and franchise groups has changed throughout the history of publicly funded sporting venues. The current model features a majority share of PPPs coming from franchise funds stemming from the negotiating process getting tougher. The increased burden on franchise stems from municipalities being more reluctant to commit public funds towards sporting venue projects instead of municipal priorities and constraints from the Federal Government (Robertson, 1995, p. 433). Despite that, since 2000, the downtown-related PPP sporting venue is on the rise in Canada, as there have been seven new Canadian PPP sporting venues in mid-sized markets (Rassel, 2015). Mid-sized markets are an essential distinction when it comes to PPPs sporting venues, as they do not have the corporate power of large markets to fund teams privately. Additionally, downtown cores are the preferred locations for PPP sporting venues as major North American cities have shifted their focus toward increasing urban density through gentrification and urban revitalization.

Naturally, skeptics probe questions as to why public funds are given to sports league franchises for sporting venues that only service a selected portion of a city's population, due to ticket pricing exclusion for major league sports events (Trumpbour, 2007, p. 67). The answer stems from the fact that major league franchises have significant leverage over municipalities during negotiations due to a combination of several causes:

1. Supply and Demand
    a. The big four sporting leagues [Major League Baseball (MLB), National Basketball Association (NBA), National Football League (NFL), National Hockey League (NHL)] limit the supply of available franchises through their monopoly status (Euchner, 1993, p. 10).
    b. There is an abundant supply of cities capable of hosting a professional sports team.
2. A shift in urban North American economies from manufacturing industries to consumption-based entertainment industries, where sporting venues are the “crown jewel” of surrounding entertainment districts (Andranovich, Burbank, & Heying, 2001).
3. The cultural uniqueness of professional sports, from the realness of the competition to the talented and physically gifted athletes (Euchner, 1993, p. 169).
4. The need for municipalities to stand apart from each other due to competition for resources, people, and global markets. The limited supply of franchises gives cities the badge of a “first-class” city, a big deal for mid-sized markets (Mason D. S., 2010, p. 98).

As a result, teams can strong-arm municipalities into financially compromising funding arrangements, often at the expense of taxpayers.

The purpose of this report is to establish how municipalities can maximize leverage when trying to secure PPP sporting venues in downtown. More specifically, which set of leverage variables under the municipality’s influence allows favorable funding arrangements and a successful PPP sporting venue related to downtown revitalization. From there, the will report will recommendations for the City of Calgary and other cities seeking to gain a new downtown PPP sports venue. Countless studies done in North American cities with major-league professional sporting venues conclude that PPPs almost never make a return on investment. The initial investment ends up being a financial burden for most municipal and/or state/provincial governments and tax paying citizens alike (Noll & Zimbalist, 1997; Chapin, 2004; Rosentraub, Major League Losers (Revised and Updated): The Real Cost of Sports and Who's Paying for it, 1999). Even with that knowledge, municipalities fund costly sporting venues as an attempt to spur municipal social gratification and downtown revitalization through sports image-based development.

There has been a mixed bag of results regarding successful downtown PPP urban revitalization cases. The trend is recent, as the 1990 landmark revitalization of downtown Baltimore through the Camden Yards baseball stadium and the surrounding complex was the first to draw attention and subsequent studies (Chapin, 2004, p. 194). Other vibrant and booming successful arena districts include L.A. Live in Los Angeles, the Lower Broadway District in Nashville, and the Circle Center Downtown District in Indianapolis (Indianapolis: A World Class City, 2009). On the other hand, the Pacific Park district situated around the Barclays Center in Brooklyn and the development around AT&T center in San Antonio are both growing at an alarmingly slower pace than municipal officials and developers expected (Lucio, 2013).

The sections of the report commence in the following order: First, a historical background will provide the context of public sports venue funding history in North America, starting from the 1890s. Second, a literature review identifies three dominate literature themes, where literary works are analyzed and compared. Third, a multi-causal, qualitative, most-similar-systems design model will apply five “leverage variables” (inspired by the literature review) against the case studies of Edmonton and Winnipeg. Fourth, the study methodology will be applied, and the case findings will be collected and organized. Fifth, case findings will be synthesized and constructed into recommendations for cities currently undergoing PPP sporting venue negotiations battles like Calgary and Ottawa, as well as future North American cases.

2. Historical Background of Sporting Venue Funding

This section is inspired by Crompton and Howard's recognition and description of the "four eras of funding facilities" which include the Gestation Period 1961-1969, the Public-Subsidy-Era 1970-1984, the Transitional (Public-Private Partnership) Era 1985-1994, and the Fully-Loaded (Private-Public-Partnership*) Era post 1994 (Crompton, Howard, & Turgut, 2003, p. 156).

2.1. Early history: (the 1890s to 1950s)

Growth of organized sports in North America became prominent in the late 19th century, coinciding with "new systems of transportation, manufacturing, and commercial organization". Organized sports launched to new heights in the 20th century due to "the presence of communication media such as newspaper, radio, motion picture, and television" (Davies, 2012, p. ii). Out of the four major North American sports leagues, MLB was the first professional league to form a sports business model as early as 1869 when "teams began to enclose their ballparks and charge 10 to 25 cents admission to see their games" (Zimbalist, 1994, p. 1). Ticket revenue was the primary form of revenue for sports team during this era, as large broadcast deals and corporate sponsorship deals, box office suites, and sporting venue naming rights surfaced in the late 20th century (Long, 2013, p. 35). However, revenues were small-scale and unreliable, as a result, sporting venues were modest in size and often shared between franchises because of a limited number of venues of the era. Franchise relocation, renaming, merging, and dissolutions were frequent in this era as well. Professional sporting venues of the era were single-purpose ballparks and arenas built predominantly by team owners with little public-sector involvement, only in some cases of leasing public land (Long, 2013, pp. 17, 35). As a result, franchises inspired many iconic sports venues names, such as the Maple Leaf Gardens housing the Toronto Maple Leafs, or the original Yankee Stadium housing the New York Yankees.

Eventually, the North American professional sports leagues and their franchises began to stabilize in major sporting markets on the east coast and the mid-west (most still present today). The private funding model remained the standard going into the end of the 1950s until franchise owners maxed out the potential of their sporting venues. Private team owners could not afford to privately fund grand sporting venues in the suburbs, where most of the middle-class American population was situated following the Second World War (Long, 2013, pp. 32-35).

2.2. Suburbanization and the Second Golden Age of Sport (1960s-1980s)

The period of suburbanization in America and Canada marked a time of increased quality of life, consumerism, leisure, and entertainment for the middle class (Joo, 2009, p. 73). Increases in living wages and the growth of the automobile saw a mass movement of families (primarily white middle-class Americans) from the inner urban centers to the suburbs (Joo, 2009, pp. 73-76). Increases in living standards also meant additional time and income for leisure activities, especially the leisure sports industry. Scholars referenced the "Second Golden Age of Sport" as being defined by sports franchise owners following their prime audience into the suburbs and the growth of television sports consumption (Wong, 2009, p. 4). Little thought was given to the functionality and integration of sporting venue into urban design, as many venues were single-purpose buildings consisting of unaesthetic "concrete bowl" designs (Chapin, 2004, p. 196). Yet, the supply of franchises available for expansion were tightly controlled by the four major sports leagues due to high demand from municipalities as "local politicians, land developers, and business leaders promoted the idea that a major league franchise would boost the city's image and benefit the local economy" (Wong, 2009, p. 4). Additionally, municipal demand for franchises was heightened by cuts in federal funding to municipalities following the Second World War, resulting in competition between cities to stand out from others (especially those underserved by professional teams), along with an ambition to increase financial participation in real estate (Long, 2013, p. 4; Riess, 1998, p.7). Franchise owners were able to capitalize on the anxiousness of municipalities wanting to attract a franchise, culminating in the Gestation Era (1961-1969) where it was the norm for governments to fully fund and often construct sporting venues for franchises, requiring them to pay attractive lease rates at most (Crompton, Howard, & Turgut, 2003, p. 164).

In the Public Subsidy era (1970-1984) municipal bonds and subsidies (a majority being tax-exempt) covered most of the initial construction of sporting venues, operating costs, and required supporting infrastructure such as highway exit ramps (Riess, 1998, p. 8). The limited supply of franchises from the Gestation era disappeared as a flood of expansion franchises entered untapped markets in the Sunbelt and western regions in America and western Canada (Crompton, Howard, & Turgut, 2003, p. 164). Growth in attendance and television continued, and innovations and cost decrease in jet travel allowing for franchises beyond the east coast and mid-western American (Crompton, Howard, & Turgut, 2003, pp. 164-165). Franchise owners leverage was at its peak due to the abundance of cities desperate for a franchise in these new markets, marking the highest period of franchise movement in history and the period where cities paid the highest share for sporting venues (Crompton, Howard, & Turgut, 2003, p. 165).

2.3. Rise and Dominance of the PPP Sporting Venues (post-1985)

The Transitional Public Private Partnership Era (1985-1994) was ushered in as a response to the financial overabundance of municipal sports venue funding during the Second Golden Age of Sport. Three significant developments were responsible for this era: Federal government acts and regulations restricted the amount of public bonds shares for municipal major league sporting venues, a growth of citizen concern regarding equal opportunities to access sporting venues, and a general increase of private actors investing into public infrastructure overall (such as convention centers) (Robertson, 1995, p. 433). Although the majority share of PPP sporting venues was still from municipalities (64% down from 93% of the previous era), the Transitional Era was defined by a growing shift of private funding responsibilities in sharing the risk associated with PPPs and the rise of premium seating and luxury suites in sporting venues as additional sources of revenue (Long, 2013, p. 35).

The Fully-Loaded Public-Private Partnership Era (Post 1994) is the current era that is marked by private franchise owners being responsible for a majority share of the PPPs sporting venues as a result of “the growing unwillingness of taxpayers to wholly fund these projects with property taxes” (Crompton, Howard, & Turgut, 2003, p. 167). The result is an increase of “creative and innovative” sporting venue funding arrangements with extensive planning and construction timelines compared to previous eras due to sequential funding (Crompton, Howard, & Turgut, 2003, p. 167). With newfound leverage, municipalities can negotiate funding arrangements suitable to their financials, while encouraging sporting venue designs that embody useful and urban-friendly dynamics to the municipalities and constituents. Traits of these negotiated urban dynamics include multi-purpose venues, with innovative and opulent designs and features, that are a landmark and often crown jewel of a downtown revitalization project, which result in consistently increasing costs (Propheter, 2017, p. 4; Mason D. S., 2010, p. 99). The bargaining process is healthy in the present context with situations such as the City of Calgary and CSEC, along with the City of Ottawa and the Ottawa Sports and Entertainment Group (OSEG).

3. Literature Review

Academic literature of government-related funding of sporting venues emerged in response to the rise of sporting venues during the Public Subsidy Era (1970-1984) and evolved following sporting venue construction booms or developments. A landmark article of that time was by Benjamin Okner, “Subsidies of Stadiums and Arenas” (1974), which argued there was little evidence to suggest “positive economic impact of professional sports.” The article was cited among hundreds in the field as a backbone to many studies. As the literature progressed, each subsequent theme of PPP sporting venue literature funding evaluates a broader range of stakeholders and gradually shifts towards qualitative theories and explanations as shown in table 1 below. The academic literature is primarily from the American point of view as the country has an established history and houses a majority of the big four major league franchises. However, Canadian related academic literature has sprouted in the last decade. The literature review follows a thematic sequence as shown in table 1:

Table 1: Public-Private-Partnership Sporting Venue Academic Literature History

Academic Literature Themes	The result from the Literature Themes	Main Stakeholder perspective
• Economic outcome studies focused on determining if sporting venues are worth their initial investment.	• Publicly funded sports stadiums have a poor return on investment	• Strictly the impact of the municipality
• Political-Economic literature focused on why cities pursue such venues and why sports franchises have the edge in negotiation.	• The controlled supply of franchises creates demand among an abundance of city markets • The shift from manufacturing economies to consumption based economic development	• Municipalities and Sporting Industry
Improving the viability of publicly funded sports venue for Public Actors. Sub-themes: • Location Review and Downtown Revitalization • Multi-Actor involvement • Political Contestations • Agenda Framing	• Multi-purpose venues and sporting entertainment districts are favorable • Local growth coalition and urban regimes can significantly assist or hinder municipalities • Political contestations and pushback from citizens and local interest groups add in a new dynamic • Framing can be strategically used to increase leverage in negotiations	• Municipalities • Sporting Industry • Local Business Groups/Coalitions • Media

3.1. Early Economic Output Studies: Arenas are a Poor Return of Investment

The purpose of the early academic literature of publicly funded sporting venues was centered around economic studies gauging whether these funding models were an adequate return on their investment. The literature was broken down into two streams focused on economic outcomes (Delaney & Eckstein, Urban Power Structures and Publically Financed Stadiums, 2007, p. 332). The first stream, is related to an analysis of the associated economic development of sporting venue PPPs and the second stream is related to whether or not PPPs would be a justified financial investment of public funds for municipalities from an economic sense. Under the first stream, Coates and Humphreys in their 1999 journal article "The Growth Effects of Sports Franchise, Stadia, and Arenas" recognize two specific trends regarding sports venue-related economic development. First was the predictive economic impact analyses and case studies of new arenas. The second was an ex-post evaluation (time series or time series cross-section data) of the influence of existing sporting venues on local economies (p. 604-605). The overwhelming consensus echoed by academics like Coates, Noll, Okner, and Zimbalist concluded that municipalities would rarely dig themselves out of their initial investment from soft measures like ticket sales, job creations, or a spark in nightlife (Chapin, 2004, p. 194; Coates & Humphreys, The Growth Effects of Sports Franchises, Stadia, and Arenas, 1999, p. 618; Noll & Zimbalist, 1997). Contemporary economic studies by academics like Crompton (1995) and Santo (2005) attempted to address faults in the methodology of previous articles but ended up with inconclusive or insignificant results. For example, Charles Santo in his article "The Economic Impacts of Sports Stadiums: Recasting the Analysis in a Context" (2005) clashed with scholars that came before him like Baade, Noll, and Zimbalist. He stated that previous authors conducted economic studies on the old guard of single-use sporting venues and this created skewed statistics, and in his report, he went on to "recast" modern venues in similar scientific regressions (Santo, 2005, pp. 179-181).

3.2. Political-Economy Literature

The previous era determined publically funded sporting venues were a poor return on investment, so the following academic literature focused on urban affairs and political-economic theories/assumptions around *what* causes municipalities to finance PPP sporting venues. This era seeks to explain the public financing boom of sporting venue construction despite the contrary economic evidence of the previous academic era and "an increase in popular resistance to using tax dollars for new stadiums" and arenas (Mason D. S., 2010, p. 99; Delaney

& Eckstein, Urban Power Structures and Publically Financed Stadiums, 2007, p. 313). The political-economic literature examined elements like globalization, increasing municipal competition, supply and demand of franchises, increasing citizen income, and the decline of manufacturing industries in city cores.

Charles Euchner's book "Play the Field: Why Sports Teams Move and Cities Fight to Keep Them" (1993) is a heavily cited work in the field, evaluating the relationship between sports industry politics, local political economy, and urban development. He attributes the Rational Choice Theory as an explanation for the leverage franchises have over municipalities as a result of the limited but mobile supply of franchises. The monopoly status causes the limited supply due to legal privileges from the lack of anti-trust laws in America being able to choose from a greater number of immobile municipalities with demand for franchises due to rivalries and competition (p. 6, 10, 15, 56). This leverage, in turn, is used to convince municipalities to finance sporting venues. Euchner also recognizes the uniqueness of the sporting industry due to the civic symbolism and ritual of major league sports offering a sense of community, which can overshadow more important civic priorities like schools, parks, and housing (p. 12). He emphasizes the image and pride of the civic sport by citing a psychological study comparing "the loss of a sports franchise to the trauma experienced at the death of a loved one" (p. 6).

Robert Baade's Article "What Explains the Stadium Construction Boom" (1996) identifies several reasons for the stadium and arena construction boom starting in the mid-1980s (the heavy majority of which are PPPs) and why municipalities pursue sporting venues. In general terms, Baade like Euchner (1993) attributes the supply and demand model of sporting franchise as the primary explanation of current PPP funding arrangements due to a controlled franchise supply and demand from municipal competition (citing this as an example of Gresham's Law, where "good money", in this case "teams" are hoarded/coveted) (p. 9). However, The "building boom" of sporting venues stems from increased supply and increased demand. Increased supply resulted from the growing revenues of the big four major leagues "sports cartels" who passed that revenue on to individual franchises due to revenue sharing. Other reasons include the weight of sporting venue revenues being taxed less compared to other revenue sources, and the economic obsolescence of outdated venues lacking revenue from luxury seats and suites (p. 6-7). Increased demand is twofold, one being from fans and the rise in income levels, particularly in the highest income brackets (the luxury seating clientele). Second, being the demand of franchises growing from the entrepreneurial ambitions of local fiscal autonomy arising from Ronald Reagan's New Federalism (p. 9).

In 2001, Andranovic, Burbank, Heying combined for the article "Olympic Cities: Lessons Learned from Mega-Event Politics" which looks at mega-events in three American Olympic case studies and convention centers as catalysts for urban development and civic boosterism (promotion of the city and civic identity). Although mega-events are a different and riskier form of urban development compared to sporting venues, they are both rooted in "consumption-based economic-development" (which emphasizes leisure, entertainment, tourism, and sports). Consumption-based economic-development rises in response to the decline of production-based economies like manufacturing (p. 115). Furthermore, mega-event urban redevelopment and sporting venue urban redevelopment both have the presence of private actors and municipal government involvement, in the structure of its bidding and organization affairs (p. 119-121). Like Euchner (1993) and Baade (1996), there is a recognition that "the combination of declining federal aid and increasing worldwide competition for businesses meant that American cities not only had to employ more entrepreneurial techniques to promote development but had to do so on the world stage" (p. 114).

3.3. Modern Public Sports Venue Literature

After the political-economic literature determined what causes municipality ambitions to finance sports venues, the goal of the modern literature was to improve the viability of sporting venues for public actors by examining issues with urban form, the impact of other actors, and evaluating the negotiation process in itself. The modern literature section has identified four themes: First, the location review and downtown revitalization literature, developed in response to the real-world phenomenon. Second, local business actor literature, which assesses the impact of local businesses on negotiations. Third, framing literature examines how franchise owners, municipalities, and the media frame negotiations to their advantage. Last, the political contestations literature focuses on the political battles of PPP funding arrangements themselves, including political pushback from local community groups and local interest groups. The “leverage variables” of the study methodology will prominently originate from these four sub-sections.

1. *Location Review and Downtown Revitalization Literature*

Following the trend of sports venues construction shifting towards downtown cores in the mid-1980s, an analysis of sports venue design and flawed urban location studies of North American sporting venues comes to the forefront in the academic literature (Chapin, 2004, p. 194). The literature evolves into downtown revitalization literature following the success of Camden Yards and the Baltimore Renaissance of the early 1990s. PPPs sporting venues were a burden on the taxpayers, and it did not help that these sporting venues were unsightly concrete structures, located in remote suburbia, serving only a single function. Lisle and Chapin both note that PPP sporting venues in the newfound era of the 1990s and 2000s are created to be iconic, unique, and memorable landmarks, vital to the districts that surround them (Chapin 192-4; Lisle 263-270). Academics like Chapin (2004) and Yates (2009) see sporting venue related to downtown revitalization as a tool for municipalities pursuing economic development, but its effect of generating development is not guaranteed.

In 1995, Kent Robinson's "Downtown Redevelopment Strategies in the United States: An End-of-the-Century Assessment" is an article which examines seven different downtown policy measures (pedestrianization, indoor shopping centers, historic preservation, waterfront development, office development, special activity generators (SAG), and transportation enhancement) as a means to American downtown redevelopment from 1965 to 1995. Robinson then offers up his recommendations on optimal downtown urban forms (p. 429). The SAG classification is noteworthy because it includes "large facilities capable of drawing larger numbers of visitors" into the downtown core such as convention centers, arenas, and stadiums (p. 433). Robinson lists the success of SAG downtown redevelopment, conditional on the following variables: The generation of spillover effects (meaning event attendees "spilling over" into the surrounding district of bars, shops, and restaurants), stimulating new construction in the core, and being located in an area of revitalization (p. 433). Multi-use venues should be located in the downtown cores so that venue activity is consistently drawing in patrons to the downtown core (p. 434).

In 2004, Timothy Chapin's journal article "Sports Facilities as Urban Redevelopment Catalysts: Baltimore's Camden Yards and Cleveland's Gateway" conducts a case study on the physical impacts of two successful sports development projects and seeks to bridge the gap between sports facility literature and the language of professional planning (p. 193). After his study Chapin concludes the following:

> Evidence indicates that sports facilities offer opportunities to catalyze redevelopment, defined as the development of vacant land, the reuse of underutilized buildings, and the establishment of a new district image, but that district redevelopment is by no means guaranteed by these investments" (p. 193).

In 2009, Brian Yates review on “Whether Building a New Sports Arena Will Revitalize Downtown and Make the Team a Winner” recognizes the “Building Boom” of sporting venues during the 1990s (that is still ongoing) and compares private and public funding models and their successes. Yates offers a detailed section regarding why downtown cores are the preferred location of sporting venues as they serve to revitalize deteriorated inner urban cores and are in close proximity of the core constituents paying for luxury boxes (p. 280-281). His review offers suggestions that multi-purpose arenas have the best values compared to baseball and football stadiums because they can host events year-round. Furthermore, his review highlights how the dynamic interactions between the municipality, private sporting team actors, location, and a thorough revitalization plan, by offering up a similar conclusion to Chapin:

> While building a new arena, ballpark, or stadium will not by itself revitalize a city's downtown area, when the facility is built as a part of a coordinated redevelopment plan, it can surely drive economic development in an area. The success stories follow the same general pattern: an arena or stadium built with a mixture of public and private funding, followed by the city's investment into the surrounding neighborhoods (Yates, 2009, p. 290).

2. *Local Business Actor Literature*

In the 1994 article “Sports and Downtown Development Strategy: If you Build It, Will Jobs Come?” the authors (Mullins, Rosentraub, Swindell, and Przybylski) remark that sports as a “substantial part of a community’s economic development program has neither been studied nor evaluated”, leading them to conduct a case study on the successful economic development program in Indianapolis during the 1980s (p. 223). They conclude that sports-related investments were overstated, amounting to below 10% of the capital spending in downtown (225). Instead, the sports development strategy was a marketing vehicle from the local government, sports franchises [Indianapolis Colts (NFL) and Indiana Pacers (NBA)], private businesses, and even non-for-profit businesses (p. 225).

In 2007, Delany and Eckstein took on a more profound theoretical look at the combined features of the Urban Regime Theory and the Growth Coalition Theory to push the Local Growth Coalition theory in their article “Urban Power Structure and Publicly Financed Stadiums” (p. 334). They describe the hybrid theory as “institutional and ideological alliances between headquartered local corporations, local government, and the local mainstream media” (p. 334). Delaney and Eckstein believe including a “third dimension” in the form of business elites, helps to clarify the underlying influences of the PPP sporting venue dilemma. The authors conduct a comparative case between two “small to medium markets in danger of losing teams to relocation”, Cincinnati and the Minneapolis/St. Paul region and their respective growth coalitions (p. 338-339). The authors argue that local growth coalitions favor large, visible projects over smaller everyday concerns “like trash collection” because of the ability of these projects to attract new corporations, favorable corporate tax policies, and increases in downtown real estate value (p. 335).

Ten years later in the article “The Peculiar Economics of Sports Team Ownership: Pursuing Urban Development in North American Cities” the authors (Mason, Sant, and Soebbing) disagree with Delaney and Eckstein. The authors revert to the Urban Regime Theory to explain the multi-actor involvement during development and construction of Rogers Place, a new 2016 downtown arena in Edmonton for the NHL franchise the Edmonton Oilers (2017, p. 360). Urban Regime Theory is an urban networking of “disparate groups (such as local community organizations, political leaders, the business community, including team owners)” that “are able to develop the capacity to work together in a governing capacity (Tretter, 2008)” and require the following five elements (p. 360):

1. The Regime has an identifying agenda
2. The Regime has stability, meaning it is enduring and persistent in the name of the identifying agenda (this is not the case with local growth coalitions)
3. Regimes are cross-sectional, coming from differing groups within a community
4. No single actor with power in command, instead the function of the regime is based on cooperation
5. Arrangements between members have a productive nature

The authors argue that “new sports facility construction provides regimes members in cities with a ‘small opportunity’ that align with their interests and further the regime’s broader identifying goals” compared to the large-scale project focus of the local growth coalition theory mentioned by Delaney and Eckstein (p. 361). Within the Edmonton case, the desire of the political and business elites for downtown revitalization is logical, but it is the newfound “master developer” approach of Daryl Katz and the Edmonton Oilers group that draws the most attention in this article. The authors conclude that investment into an arena by the Oilers becomes overshadowed by surrounding district investment and development due to a significantly higher rate of return from real estate and leasing values (p. 369-370). Winnipeg, New Wark, and Sacramento exhibit this recent trend as well. An interesting development comes from Columbus where the Nationwide Reality PPP downtown redevelopment project (with the City of Columbus) was built before of the Nationwide Arena and the arrival of the NHL Columbus Blue Jackets (369).

3. Framing Literature

Framing literature followed the local business actor literature, as the media and its impacts are recognized as a significant actor in sporting venue funding debates and initiatives. The media is foundational to the framing literature as it is the most important medium used by actors to relay developments to other actors and most importantly the broader public [as the majority of sporting venue negotiation is behind closed doors (Trumpbour, 2007, p. 69)]. Although the role of the media is to stay impartial, the stretching of sporting venue funding debates and angles creates enticing storylines compared to the usual municipal issues. Framing is seen as a tool of enticement, especially since the use of public funds for PPP sporting venue is increasingly looked down upon in the Full PPP era.

Mason's 2010 chapter "The Stadium Game in an Uncertain Environment: A Preliminary Look at Arena Discourse in Edmonton" is a recent Canadian example that recognizes four frames the Edmonton newspaper press pushed during the development stages of Rogers Place and the surrounding Ice District. The four frames consisted of economic development, civic status, civic priorities, and financing (p. 97).

In the Chapter "Exploring Politics on the Sports Page" by Marichal and Turner, the term framing is not present, but the purpose of the report is to examine "publicly reported positions taken by policy actors on the issue of stadium development and to understand those positions within the context of local policy system" (2000, p. 183). Rather than present framing from the angle of the media like Mason (2010), the authors intend to "illustrate how different communities of policy actors treat different solution sets as these actors try to optimize sports as a policy response" towards economic development (p. 183). Marichal and Turner conclude that stadium development projects are not an autonomous effort between local governments and franchises alone and point out even those actors have subsets of differing frames (such as a council versus a mayor) (p. 198).

In the 2007 book chapter "The Media and Stadium Construction," author Robert Trumpbour evaluates the relationship between modern journalism, civic boosterism, business elites, franchise owners, and major leagues that results from the public funding major league sporting venues. From the perspective of the media, Trumpbour states that "stadium-related coverage bias" results from "booster mentality" in the American psyche regarding civic competition and sports-related coverage (61). The power of the professional sports league public relations departments and the business elite relationship with the media (which can include ownership of media sources) sway the media to frame the need for sporting venues through city boosterism as well (p. 63). Trumpbour closes out by stating that public financing of major league sporting venues diminishes the democratic representation of lower socio-economic citizens, as they cannot afford to attend costly sporting events. However, their tax dollars are diverted from public goods for all of society like libraries, parks, and public health facilities (p. 59, 69). He recognizes that “civic leaders are reluctant to resist team owner’s desires, in part due to an increased willingness of team to abandon a region for a better stadium arrangement elsewhere” and civic leaders value image-based sports construction for exposure (p. 60, 69).

Finally, one small but different development in the framing literature has been the notion of counter-framing used by actors for the vilification of opposition, frame debunking of the opposition frames, or frame repair of one's frames during heated debates (Curry, Schewirian, & Woldoff, 2004, p. 149).

4. Political Contestations Literature

Through a literature review of their own, Delany and Eckstein (2007) point out that only a small portion of the PPP sporting venue literature is related to “the political *processes* behind the frequently contentious battles to build new publicly financed stadiums” (p. 332). The studies that are present are usually single case studies which equals a void of comparative frameworks to identify social patterns between cities (2007, p. 332). An example of this can be seen in Chapter eleven “Who Lost the Boston Megaplex and Almost the New England Patriots” by Willbur Rich in *The Economics and Politics of Sports Facilities* (2000). The Chapter analyzes the battle between NFL New England Patriots Owner Robert Kraft and his associated Megaplex coalition made up of the governor of Massachusetts, the Boston Redevelopment Authority, the

Massachusetts Convention Centre Authority, and various construction companies against Mayor Thomas Menino, the City of Boston, and the South Boston Irish-American community (p. 205). Location politics and financing issues dominate the debate highlighted by a threat by the Patriots ownership group to move to Connecticut (p. 216). Each involved actor their interests, and in the end, the City of Boston missed out on the Megaplex, the residents of South Boston were able to avoid the stadium through political backing, and the Patriots settled for a stadium in Foxborough (remaining in Massachusetts, to the governor's delight), while the Boston news media capitalized on showcasing the conflict (p. 219).

Although not academic, another work examining case studies and theories is the 1998 book “Field of Schemes: How the Great Stadium Swindle Turns Public Money into Private Profit” by Joanna Cagan and Neil deMeause. The book is referenced in several academic texts by notable academics in the field, such as Andrew Zimbalist. The book outlines a six-step process team owners use to gain public funding for new arenas. The steps consist of declaring an existing facility obsolete, faking a move, correlating competitiveness with a new facility, forecasting projected numbers associated with a new sporting venue, declaring a crisis (a closer threat to relocation), and then renegotiating funding arrangements (cost overruns) (p. 104-120).

4. Study Methodology

4.1. Research Design

The study methodology will evaluate the cases along a multi-causal model inspired by Charney, Fillion, and Weber’s comparative case study in the article “Downtowns That Work: Lessons from Toronto and Chicago” (2015). The article evaluates the success of Toronto’s and Chicago’s urban downtown form across the selected criteria of “favorable conditions of market trends, urban dynamics, macro-decisions, and public-sector decision making (2015, 22-23). The following components make up the multi-causal model of this study:

Case Studies:

- Edmonton
- Winnipeg

Leverage Variables:

- Financial Capacity
- Coherence of Business Interest
- Macro Decisions
- Civic Culture Identity
- Civic Leadership

The most-similar-systems comparison case selection method is used to compare and contrast the case studies of Edmonton and Winnipeg's PPP sporting venues and associated downtown revitalization efforts along the five leverage variables. Data will be collected through research, applied to the model, analyzed, and then synthesized into recommendations for the City of Calgary. Data collection of quantitative information sources will be derived from municipal documentation, such as council minutes, construction bulletins, project timelines, financial models, and various other funding agreements. Qualitative information will also be collected from municipalities through the review of public consultation reports and programs, along with community advisory committee meeting minutes.

4.2. Leverage Variables

The development of the "five leverage" variables of this report borrows from the article "Evaluating Assessment Quality in Competence-based Education: A Qualitative Comparison of two Frameworks" which compares two Competence Assessment Programs (CAP) across "ten quality criteria" that have been "derived from both psychometrics and edumetrics" (2007, p.

120). The authors base their framework of “ten quality criteria” selection on the following (2007, p. 120):

- A thorough qualitative literature review and synthesis of works by several authors
- A focus and selection of prominent terminology and definitions used by other authors
- A comparison of similar terminology and definitions that are then molded into specific quality criteria (referred to as leverage variables in this report)

The five “leverage variables” have been developed with inspiration from the modern sporting venue literature, seeing as no studies in the literature explicitly develop a full set of rigid variables towards PPP sporting venue negotiations. As stated before, the multi-causal model by Filion, Charney, and Weber inspires the research design but also contributes significantly to the leverage variables through their “four favorable conditions” of evaluating “downtowns that work” (macro-decisions, urban dynamics, market trends, and public-sector decision-making) are present in one way or another (2015, p. 22-23). It is important to note that each leverage variable in this report is not necessarily equal, and each can evoke different intensities depending on the municipality, creating more or less leverage for municipalities. Furthermore, the criteria are constructed from the municipal perspective, meaning criteria that can be influenced by the municipal’s elected officials or the municipal’s administration.

1. ***Financial Capacity***

Financial Capacity refers to the amount of capital municipalities can contribute to sporting venue PPP based on variables under their influence such as budget health, availability of local tax tools, economic diversity, and availability of multi-level public funding. The more capital municipalities have without financially compromising themselves, the more leverage they will have in negotiating a favorable deal. Budget health in this report refers to the ability to draw from capital reserves, without sacrificing other budget priorities. Capital investments last for a limited period and are preferred over increases in the operating budget (Crompton, Howard, & Turgut, 2003, p. 172). Local tax-tools spawn from property tax related revenues such as Tax-Increment-Financing (TIFs), Community Revitalization Levy's (CRLs), or other consumption-based taxes. TIFs and CRLs allow municipalities to collect funding from new tax revenue that comes from designated revitalization zones, and other consumption-based taxes allow the collection of sequential capital in payments to combat high up-front costs (Yates, 2009, p. 276). Multi-level funding from Federal, Provincial, or Upper-tier governments can help alleviate the financial cost for the municipality, but is difficult to secure unless:

1. A municipality's affairs make up a significant portion of the higher-level government affairs, like the City of Boston and the State of Massachusetts during the New England Patriots Stadium situation (Turner & Marichal, 2000).
2. The venue is part of a plan to host a heralded national or international event like the Olympics (Andranovich, Burbank, & Heying, 2001, p. 114). For example, The Government of Alberta and The Government of Canada paid for two-thirds of Calgary's current arena the Scotiabank Saddledome (formerly called the Olympic Saddledome) in preparation for the 1988 Winter Olympics in Calgary (Chin, 2017).

2. Coherence of Business Interest

The local business community acts as a wildcard in PPP sporting venue negotiations as it can:

1. Work in the best interest of municipality's PPP sporting venue ambitions by forming an Urban Regime or Local Growth Coalition.
2. Remaining neutral.

3. Work against municipal leverage by joining the sports franchise group in an opposition tandem (Delaney & Eckstein, Urban Power Structures and Publicly Financed Stadiums, 2007; Mason, Sant, & Soebbing, 2017).

It is important to note that the more actors in favor of the municipality the more significant the leverage, as both the local business community and the franchise group may not be aligned, and both may even be against the municipality's interest. The strength of the Coherence of Business Interest criterion is explicitly dependent on:

1. The sophistication and cooperation of business arrangement between the partners, meaning the more detailed a downtown revitalization plan is, and the more defined the roles for each member of the local growth coalition is, the higher the leverage for municipalities. The following arrangements ranks from the least ideal to ideal: an informal plan, a legislated plan, a designated development zone, a fully structured PPP entertainment district (Rosentraub, Major League Losers (Revised and Updated): The Real Cost of Sports and Who's Paying for it, 1999, p. 33).
2. The total combined power of all members of the local growth coalition:
    a. The corporate power of the local business community based on the amount of number of major businesses and headquarters, who spur development in the region (Chapin, 2004, pp. 202-3).
    b. A committed ownership group with substantial wealth, community ties, and other business investments in the municipality will generally reduce the need of public funds and is less likely to relocate (Bachelor, 2000, p. 134; Rosentraub, Swindell, Przybylski, & Mullins, 1994, pp. 5, 305).

3. Macro Decisions

The Macro Decisions criterion focuses on the long-term economic development and urban planning decisions in the municipality's downtown core (Filion, Charney, & Weber, 2015, p. 22). Macro decisions are critical to review because their legacy has the potential to "open up and close down options for the future" and beyond the duration of a specific regime (Filion, Charney, & Weber, 2015, p. 22). The municipal administration plays a more significant role under this criterion as the quality of their expertise and planning practices may assist or constrain the integration of a PPP sporting venue into a downtown core.

Economic development macro decisions need to be considerate of the following:

1. Economic market trends and forecasting economic performance into policy decision-making, especially since better economic performance is tied to downtown growth potential in major urban markets (Filion, Charney, & Weber, 2015, p. 23).
2. Prioritizing the pressing social and economic needs in the municipality as "cities facing economic decline or stagnation are more likely to invest in new stadium than do prosperous localities" but this might not be the rational decision (Santo, 2005, p. 189; Crompton, Howard, & Turgut, 2003, p. 177).

Urban planning macro decisions need to be considerate of the urban dynamics that are in the present, but also those urban dynamics they hope to achieve. On the one hand, an already developed downtown core gives municipalities the advantage to turn down downtown revitalization related PPP sporting venues. On the other hand, urban planning favoring traits of optimal downtowns like pedestrian accessibility, urban building diversity, and entertainment districts work in favor of supporting a PPP sporting venue with downtown revitalization intentions (Mason D. S., 2010, p. 108).

4. Civic Cultural Identity

Civic culture identity has to do with a municipality's self-esteem and status relative to its peers based on arts, entertainment, and culture (Eckstein & Delaney, 2002, p. 243). Following the decline of the manufacturing industry in downtown cores, the consumption-based economic development industry became an alternative for municipalities to revitalize their downtown cores (Andranovich, Burbank, & Heying, 2001, p. 114). A larger selection of consumption-based entertainment mediums in downtowns diminishes the reliance of major league sport and in turn public funding for major league sporting venues. The same theory is present when there is another existing sports team of the same magnitude (or greater) in the municipality (Delaney & Eckstein, Urban Power Structures and Publically Financed Stadiums, 2007, p. 244). Those cities with a smaller presence of consumption-based leisure are more likely to take financial risks to avoid falling to the ranks of a "second-class city" and to increase their quality of life and entertainment (Eckstein & Delaney, 2002, pp. 243-244; Delaney & Eckstein, The Devil is in the Details: Neutralizing Critical Studies of Publically Subsidized Stadiums, 2003, p. 205). These risks include costly PPP sporting venues, or the financially riskier notion of mega-event hosting (Andranovich, Burbank, & Heying, 2001, p. 128).

5. Civic Leadership

The Civic Leadership criterion refers to the municipal leadership's role in PPP sporting venue negotiations. The leadership group consists of the elected officials such as the mayor, the councilors, the city administration. In an ideal situation they are collectively on the same page. This criterion is highly variable, and the role of the leadership group can play out in several scenarios. From an optimal western democracy perspective, the leadership group is in favor of the citizens, who either want the best financial deal possible or oppose the sporting venue. "Imaginative and skilled politicians with public support are able to strike better deals than more ordinary politicians" (Euchner, 1993, p. 178). Civic leadership representing citizens and neighborhood groups favors the groups because they do not have the organization or resources to oppose wealthy franchise owners or an opposing local business coalition (Crompton, Howard, & Turgut, 2003, p. 176).

On the other hand, from a legacy building perspective, the municipal leadership (particularly the mayor) group may be inclined to chase highly visible capital projects that become associated with their name (Delaney & Eckstein, The Devil is in the Details: Neutralizing Critical Studies of Publicly Subsidized Stadiums, 2003, p. 202). The political payoff is appealing over mundane investments in vital but less flashy municipal services like water or asset maintenance, while the citizens are left with a significant financial obligation (Crompton, Howard, & Turgut, 2003, p. 172; Bachelor, 2000, p. 134). In either case, the civic leadership group should undertake evidence-based decision-making methods to conduct a thorough markets analysis and prevent cost overruns, as the cost of the sporting venue may be less than 50% of the total cost when supporting infrastructure (like parking lots, transit stations, and land development) is considered (Trumpbour, 2007, p. 60; Euchner, 1993, p. 67).

4.3. Case Selection

The case studies of Edmonton and Winnipeg were selected based on the following similarities with Calgary:

Table 2: Case Selection Method

Case Selection Criteria	Edmonton	Winnipeg
A mid-sized Canadian market, which a metropolitan population similar to Calgary's 1.4 million citizens	1.3 million	842,000
Having a multi-purpose arena situated within the downtown core	Rogers Place	Bell MTS Place
Having a franchise of one of the big four major sports league	Edmonton Oilers (NHL)	Winnipeg Jets (NHL)
Constructed in the Full PPP Era (post-1994)	Opened in 2016	Opened in 2004

Numerous other North American PPP sporting venues cases will be used as theoretical and background support. The use of American cases is critical due to the lack of established Canadian cases.

4.4. Limitations of Study

The multi-causal model's leverage variables are not standardized or quantified, leading to issues of accuracy across comparison due to the process being subjective. Due to time and resource constraints, more cases could not be analyzed, especially American case studies which have a greater selection of established cases.

5. Case Findings

5.1. Edmonton

Financial Capacity

Table 3: Edmonton's Roger's Place Funding Breakdown

Element	Estimated Cost	CRL	Other City Funding	EAC Lease Funding	EAC Cash*	Ticket Surcharge	Other
Rogers Place (the arena)	$483.5	$145	$81	$112.8	$19.7	$125	
Winter Garden	$56.8	$25	$0.1	$25	$6.7		
Pedestrian Corridor	$15	$15					
LRT Connection	$7	$7					
Community Downtown Arena	$24.9	$14	$0.1		$0.3		$10.5
Arena Land	$26.5	$25	$0.5		$1		
Totals	**$613.7**	**$231**	**$81.7**	**$137.8**	**$27.7**	**$125**	**$10.5**

(costs in millions)
*Cash funding is from the EAC and ICE District Joint Venture, both of which have an ownership interest by the Katz Group
(The City of Edmonton, 2013)

Table three from the City of Edmonton's website breaks down the funding arrangement that was struck between the City of Edmonton, the Edmonton Arena Corporation (EAC), and other minor partners. The table also includes the cost over-runs added to the project following the initial financial agreement. The comprehensive deal includes the required supporting infrastructure and other infrastructure elements of community and urban integration, which will be discussed in the coming sections. Edmonton avoided any additions to the municipal budget by financing their share of the downtown arena project through local tax tools. Edmonton's $231 million CRL share was developed as part of the 2010 *Capital City Downtown Plan*, the plan:

> Sets a course for City investment in catalyst projects designed to promote downtown development. Including new pipes, parks, and streets, these investments are transforming the heart of Edmonton into a vibrant, accessible and sustainable community. Council has approved a boundary for the Capital City Downtown CRL. The City estimates that the Capital City Downtown CRL will generate sufficient revenue over its 20-year life to fund approximately $500 million in new infrastructure downtown (The City of Edmonton (a), n.d.).

To simplify, the Edmonton CRL (community revitalization levy) consists of a boundary around a re-vitalization zone, where increased property values from revitalization projects result in increased property taxes, which are pooled into a "levy" to payback those projects. The City of Edmonton's "Other City Funding" share of $81.7 million comes from annual payments over 20 years, financed by incremental parking revenue, re-directing the Rexall Place (old arena) subsidy, and property taxes of the arena parkade (The City of Edmonton, 2013).

By 2011, the presence of multi-level government was denied from the Government of Alberta, as Albertan Conservative party regime made it clear that "there will be no direct funding to any private business" as provincial health care, teacher layoffs, and the Slave Lake wildfire needed to be prioritized (Riedlhuber, 2011). In 2013, The province denied Edmonton again when it had to make up for a $32 million funding shortage. As a result, Edmonton council had to vote to increase the CRL, while the EAC and McEwan University chipped in as well ($1.5 million towards a community rink) (Osman, 2016). Prime Minister Stephen Harper also shut the door on federal funding (from taxpayers) for new sporting venues in major Canadian markets like Calgary, Edmonton, Halifax, Quebec City, and Regina, which are trying to either keep a major league team or draw one in (Riedlhuber, 2011). However, the Federal Gas Tax Fund, a permanent semiannual payment to provinces for infrastructure related development, financed $7 million of the Community Rink (The City of Edmonton, 2013).

Coherence of Business Interest

The official business arrangement of the Edmonton's downtown arena project is listed as the following on The City of Edmonton's Website (The City of Edmonton (c), n.d.):

- City of Edmonton
- Edmonton Arena Corporation
- ICON Venue Group: The project manager
- PCL: The Construction manager
- HOK: The Architect
    - Subcontractors: Stantec, Hemisphere Engineering, DIALOG, Architecture Tkalcic Bengert (ATB), Bunt & Associates Engineering, Aquila, Burnstad Associates, Hidas Construction

The City of Edmonton and the EAC are the majority actors in this business arrangement. Their cooperation led to a sophisticated, detailed, downtown plan which includes the details of all required components. One article notes that the EAC "leveraged to gain 'master' developer status for the ownership group" as:

> Franchises are scarce, the leverage that the team owner possesses may allow him/her to become the primary developer in the area surrounding the arena. This will allow the owner to profit from more than the operations of the team itself (Mason, Sant, & Soebbing, 2017).

That is not to say there was no multi-actor involvement during the development and consultation phases of the Edmonton Arena Project, as the Downtown Vibrancy Task Force Committee's role "was to make Edmonton one of the world's top 5 mid-sized cities". It was made up of local business actors such as Avison Young, RBC, the Downtown Business Association, ATB financial, and the University of Alberta, among others (Mason, Sant, & Soebbing, 2017, p. 365).

Macro-Decisions

The City of Edmonton's political and administrative regimes were able to forecast the need for a downtown economic revitalization through a new sports arena due to progressive feasibility studies/planning related to economic development and urban dynamics. The three most significant reports aiding the downtown arena project and downtown revitalization are *The City of Edmonton Strategic Plan 2009-2018: The Way Ahead* (developed in 2008, updated 2014), *City Shaping* (2008) and The *Capital City Downtown Plan* (2010).

The Edmonton Strategic Plan, *The Way Ahead 2009-2018* is the City's vision for 2040. Three of the four pillars of the plans development implementation strategy (integration, sustainability, and livability) refer to the importance of urban planning (p. 8-9). The respective goals of the strategic plan create an even more inviting environment towards the need of a downtown arena project, by highlighting the need to "Transform Edmonton's Urban Form," "Improve Edmonton's Livability" and "Diversify Edmonton's Economy." Each goal is detailed in separate plans as seen in Table 4:

Table 4: Edmonton's Way Ahead Plan Strategic Goal Breakdown

Strategic Goal in *The Way Ahead* plan	**Plans for Developed for the Strategic Goals**	**Plan details that help foster a new downtown arena project**
"Transform Edmonton's Urban Form"	*The Way We Grow*	• Central core development through guiding urban design. • Developing city cultural and recreation facilities. • Develop retail and mixed-used centers demonstrating high-quality architecture and design.
"Improve Edmonton's Livability"	*The Way We Live*	• Use of Edmonton physical and social infrastructure to create connectedness. • Edmonton has a vibrant, diverse sports sector for all Edmontonians. • Increasing city attractiveness through greater density and mixed-use planning.
"Diversify Edmonton's Economy"	*The Way We Prosper*	• The creation of a distinctive global Image. • The goal of a vibrant, livable city by making downtown as "economic driver." • Recognizing the need to build a strong foundation through "Transformational Projects" and "An Excellent Quality-of-Place Experience."

The purpose of the *City Shaping* (2008) report was to “evaluate the feasibility and potential of a new sports and entertainment facility” after realizing the cost to renovate Rexall Place would be monumental (The City of Edmonton (b), n.d.). The contributors of the report were the Arena Leadership Committee, the Community and Design Subcommittee, the Finance Subcommittee, and Professor Mark Rosentraub, an established academic in sports economics (2008, p. 37-38). The Community and Design Subcommittee, a crucial contributor to the report, was made up “of a cross-section of community leaders representing the arts, business, educational institutions, police, and social agencies in downtown” recognized the value of urban planning and urban dynamics. “The subcommittee concluded it is essential for such a facility to support downtown revitalization and development — and not be treated as an isolated project” (The City of Edmonton, 2008, p. 7). Urban traits beyond the arena such as Urban Integration, an Entertainment District, a multi-purpose facility, transportation access, and parking were all considered (The City of Edmonton, 2008, pp. 7-9).

The *Capital Downtown Plan* (2010) was a plan explicitly dedicated towards prioritizing Edmonton’s downtown development. The plan recognized the downtown importance to Edmonton’s wellbeing, due to its high concentration of jobs, high concentration of tax revenue sources, transportation hub status, provincial capital status, tourist significance, arts and cultural destination, and acting as a symbol for the city (p. viii). The pillar of a “Vibrant Downtown” outlines goals to “Create a Vibrant Arts and Entertainment Scene” and a “Well-Designed Downtown” (p. 67-68). The pillar of “Economic Development” outlines the goals of “Employment Growth Areas” in the commercial-cultural core, “Downtown as a High-Quality Tourist Destination,” and “Economic Development Partnerships” (p. 78). In terms of specific details, under the “Catalyst Project Implementation’ section of the implementation portion of the plan, the need to “undertake a coordinated, transparent planning process with extensive public engagement" was stressed to "ensure the best fit of a potential Sports and Entertainment District into the Downtown environment" (p. 48).

Civic Cultural Identity

The City of Edmonton's civic cultural identity outside of the Edmonton Oilers would be considered in favor of the City in negotiation, as Edmonton has a notable art and entertainment scene, often leading to the city being referred to as the "City of Festivals", and another sports team. However, the downfall for the civic cultural identity during negotiations between The City of Edmonton and the EAC comes from the deteriorating status of the downtown core, the aging of Rexall Place as an entertainment facility, and the overwhelming significance of Hockey and NHL franchises to major Canadian identity.

Oilers President Patrick LaForge recalls how bad the downtown had become in the following statement:

> They drove down 104th Ave and there's vacant gravel pits block after block after block and derelict buildings in the city centre, the blight that we were just accepting of. Edmonton was developing rapidly, but the city centre was a vacant place (Staples, Kent, Sperounes, & Matheson, 2016).

At the same time, Rexall Place infamously became known as one of the most dated arenas/multi-use facilities for the Edmonton Oilers and for Edmonton citizens. Many top entertainment acts were skipping out on Rexall Place because of its poor acoustics and arrangements for entertainment shows, while the Oilers lease for Rexall Place was set to expire in 2014.

The value of hockey and an NHL franchise in a Canadian market cannot be understated, especially if the team has success in its tenure. The loss of a team through relocation would be devastating, taking decades for another opportunity to host another franchise, due to the supply control from major league and the preference for first-time markets. Coupled with the fact that the City of Edmonton has a rich sports history, often referred to as the “City of Champions” paying homage to the city’s response following the 1987 Edmonton Tornado but also the success of the NHL Edmonton Oilers who have won five championships and the CFL (Canadian Football League) Edmonton Eskimos who have won 14 championships. Although the CFL is the second league in command in the Canadian context, the CFL does not match up against NHL in viewership, revenue, or popularity.

Civic Leadership

The mayor of Edmonton commissioned the *City Shaping* (2008) report in response to the *Edmonton Northlands Commissions* study by the HOK firm (an external evaluator), who determined it would cost “$250 million to modernize the Rexall Place” (The City of Edmonton (b), n.d.). The Edmonton mayor at the time, Stephen Mandel was seen as a bold visionary, stressing the potential of a new “downtown arena district as a generational opportunity” (Staples, Kent, Sperounes, & Matheson, 2016). His fellow councilors, on the other hand, were more hesitant due to their recent tenure in office, keeping debt off the books, and the fact that the City of Edmonton “hadn’t done any major projects in decades” (Staples, Kent, Sperounes, & Matheson, 2016). The push and pull of the councilors with the mayor were eventually resolved, but a new threat emerged as the Oilers ownership group appeared to threaten to move the team to Seattle (Staples, Kent, Sperounes, & Matheson, 2016). The City of Edmonton did not cave in to the threat and closed off negotiations until both sides reached a compromise, which consisted of a proposal avoiding any budget increases.

However, the civic leadership group and the EAC were criticized by community advisory groups for not doing enough to help low-income businesses and the homeless community, who were both being displaced by the gentrification of the arena project (Stotle, 2016). An *Arena District Local Advisory Committee* did not correctly represent those segments of the population, as the committee was concerned on “prepping for parking, noise, litter, and other immediate effects” (Stotle, 2016). Furthermore, a $32 million funding shortage-required council to commit additional revenue from the CRL. However, this is seen to be the fault of the architects, as the city and the EAC sued them in 2016 (Osman, 2016).

Edmonton Case Summary

The Edmonton case features the classic dilemma of a sports franchise group (the Oilers Entertainment Group) not being satisfied with an aging facility, a downtown in need of a revitalization, and the need of an icon for a new entertainment hub. Edmonton Mayor Stephen Mandel recognized the municipal need of a new downtown sporting venue in the 2008 *City Shaping* report, before the 2014 lease expiration of the old arena, Rexall Place. In the time leading up to the *Final Agreement Framework,* the City of Edmonton conducted numerous macro planning reports adjacent to the *City Shaping* (2008) report such as the *Edmonton Strategic Plan 2009-2018: The Way Ahead* (2008) and *The Capital Downtown Plan* (2010) to determine the feasibility and the urban form requirements of a new arena project. In January 2013, the *Final Agreement Framework* was signed between The City of Edmonton and EAC. The deal featured no budget increases from the city of Edmonton, but rather funding through taxation. The agreement also made sure to account for the whole arena project, including supporting infrastructure and community buildings. The community revitalization levy made up the largest portion of the funding from the City, which is generated through the increased property taxation of redevelopment projects. Criticisms stemmed on issues regarding consultation of low-income citizens and business, who were displaced by the new development project.

5.2. Winnipeg

Financial Capacity

On December 18, 2001, the City of Winnipeg, The Province of Manitoba, The Government of Canada, and True North Sports and Entertainment (TNSE) signed the *Master Funding Agreement* for True North Arena (now known as the Bell MTS Place). The funding arrangement made use of several components of multi-level funding and tax tools as shown in table 5 (Vrsnik, 2001):

Table 5: Winnipeg's Bell MTS Place Funding Breakdown

Funding Component	**Funding Contribution (millions)**	**25 Year Total (millions)**
Base Payment (one time)	• The City of Winnipeg: $10 million plus $3.5 for sewers and roads • The Province of Manitoba: $13 • The government of Canada: $12 • TNSE: $86	Forecasted cost: $124.5 Actual cost: $133.5
Municipal Tax Exceptions (annual)	• Property Tax: $5 • Business Tax: $0.4 • Entertainment Tax: $1.5	$172.5
VLT Revenue (annual)	• 75% Revenue from 50 VTLs: $1.8	$45
Total Subsidy Package (millions)		**$256**

From the base payment, the PPP between all three level of government and TNSE comes across as a favorable financial agreement for taxpayers as TNSE makes up 70% of the share. The base payment was increased along the same public-private ratio (30% public to 70% TSNE) to cover the final construction cost of a slightly higher $133.5 million (Kives, 2013). The presence of multi-level funding decreased the burden on The City of Winnipeg, leaving a palatable $13.5 million budget increase. The base payment was the dominant frame in the media, as rushed negotiations and lack of public consultation later revealed that the two sides left out critical details in tax exemptions from municipal taxes and VLT Revenue. For the $86 million in base payment TNSE put down, they saved $172.5 million in municipal taxes over 25 years and were allowed to keep 75% of VLT revenue versus the provincial standard of 20% (Santin, 2001). The savings for TNSE ultimately meant the loss of revenue for the Winnipeg and Manitoban governments. Regarding tax tools, Manitoba did not pass the *Community Revitalization and Tax Increment Financing Act* until 2009 (Copping & Hicks, 2014).

The surrounding mixed-use development and entertainment district of the Bell MTS Place was envisioned as an original part of a full downtown arena project with the city. However, it was delayed until February 2016, as the financial success and economic development of the district were dependent on the arrival on the Winnipeg Jets franchise (who came back in 2011). TSNE is mainly funding of the True North Square entertainment district, as they have planned to commit $400 million to the Sports Hospitality Entertainment District (SHED) project with the City, including buying the necessary land around the Bell MTS Place (CentreVenture Development Corporation, n.d.). Concerning public funds, TSNE requested $8.9 million for a “public plaza component” of True North Square, with $3.2 million coming from Winnipeg TIFs and $5.7 million from the province of Manitoba (CentreVenture Development Corporation, n.d.).

Coherence of Business Interest

The agreement between TNSE and the City of Winnipeg was similar to Edmonton’s case in that it was an exclusive business alliance between the two partners (if you lump the multi-level government funding in the name of the city). However, one crucial difference between TNSE and the EAC was that Mark Chipman, David Thompson, and other local business leaders set out to “revive the depressed commercial district and possibly attract an NHL team” to downtown Winnipeg, instead of already having the presence of an NHL team (CBC News, 2011). TNSE’s foundations stem from a formalized local growth coalition because the organization had ties in the business community and focused on the betterment of Winnipeg, compared to the portrayal of a franchise first mentality of the EAC. Mark Chipman, the founder of TNSE, was a dedicated Winnipeg businessman that had delivered a minor league hockey team to the city (The American Hockey League, Manitoba Moose) after the original edition of the Jets relocated in 1996, and David Thomson is a media conglomerate with an estimated net worth of $23 billion (CBC News, 2011). Both Chipman and Thomson's attributes played in favor of The City of Winnipeg, especially considering how little the City of Winnipeg contributed to the SHED district. The sophistication of the agreement between the City and TNSE was fragmented due to the second edition of the Jets arriving seven years after the opening of the Bell MTS Place but was assisted by TNSE covering the majority funds of the SHED district

Macro-Decisions

Four major long-term macro decisions helped lay down the economic development and urban planning foundation for the Bell MTS Place and SHED district: *the CentrePlan Development Framework* (1999), the *CentreVenture Development Corporation*, *Winnipeg Business Improvement Zones (BIZ),* and *Downtown Winnipeg Zoning By-law No. 100/2004*.

The *CentrePlan Development Framework* (1999) was developed as a downtown-focused sub-plan of the Winnipeg Vision 2020 plan, which was a long-range policy plan for City council. The primary recommendations were to manage downtown "as a single entity with special status" and "not as disconnected parts" (p. 7). The plan commenced by "identifying principle neighborhoods, districts, and character areas" to work towards the strengths of downtown in the present and future (p.7). Downtown urban form improvements in pedestrian transportation networks, an improved technology corridor, and encourage use of PPPs were recommended during the lifespan of the plan until 2010 (p. 46). The *Complete Communities Plan* replaced this plan in 2010, which encouraged the similar aspirations of an “expanded presence of arts and culture, sports, entertainment, and leisure throughout the downtown” to create extend late-night entertainment activities and vibrancy in the core (The City of Winnipeg, 2011, p. 24).

The *CentrePlan Development Framework* was the initial project of the *CentreVenture Development Corporation,* which had been created by Winnipeg City Council on May 13, 1999 “to provide leadership in creating and sustaining business opportunities and economic growth in downtown Winnipeg” (CentreVenture Development Corporation, 1999, p. 48). The *CentreVenture Corporation* has been involved in the development of the SHED district, to “ensure planning and development will create connections between the SHED and surrounding districts within downtown” while contributing public funds for “public realm enhancements” such as street lights, sidewalks, and public art (CentreVenture Development Corporation, n.d.).

Winnipeg *Business Improvement Zones* (BIZ) were developed because of City of Winnipeg By-law 8111/2002, “which established policies and procedures of Business Improvement Zones in the City of Winnipeg” (City of Winnipeg, 2018). The City identified 16 zones through collaboration with 5000 businesses, who chip into a business tax called a BIZ levy, which is used for shared, visible projects for each zone (City of Winnipeg, 2018). Bell MTS Place falls under the Downtown Winnipeg BIZ and through this agreement is one of the most significant contributors to its district, helping revitalization in another front.

Downtown Winnipeg Zoning By-law No. 100/2004 was developed to “advance *Plan Winnipeg* and the vision articulated in the *CentrePlan*, in particular, to support and enhance the unique, distinctive, functional districts, character areas, and focal points that combine to form a diverse, vibrant downtown.” (The City of Winnipeg, 2004, p. 1). This by-law also focused on repealing *Downtown Winnipeg Zoning By-law No. 4800/88* and *Downtown By-law No. 6400/94* including all amendments thereto, as those by-laws were responsible for segregated development zones instead of the modern mixed-used urban development, limiting downtown Winnipeg's growth potential (The City of Winnipeg, 2004, p. 7).

Civic Cultural Identity

The 1990s were tough for the City of Winnipeg as the early 1990s recessions in Canada, and the growth of suburbs in the 1970s began to "tarnish the luster" of downtown, causing businesses and people to turn outward for goods and services (Distasio, 2016). The economic down turn led to the deterioration of the downtown core as heritage buildings remained un-occupied and urban culture after the working hours was bleak and empty (Agrell, 2011). The most significant example was through the closing of the Iconic Eaton Centre in the downtown core (which would be demolished for the future Bell MTS Place). The Winnipeg downtown cultural identity was also impacted by a 1919 municipal by-law (*Downtown By-law No. 6400/94* in its last edition), which fragmented land-use into specific sections instead of allowing mixed-used development until 2004, resulting in a low downtown residential population (Agrell, 2011).

The original version of the Winnipeg Jets felt the economic impact likewise, as a falling Canadian dollar relative to the American Dollar meant the team could no longer remain competitive with their American franchise counterparts, leading to the Jets relocating to Phoenix for the 1996-97 NHL regular season. The severely outdated Winnipeg Arena built in 1955 was another reason for the relocation of the franchise. The relocation of the Jets demoralized the downtown core and the civic identity. When the second version of the Jets came back in 2011, crime was reduced in the downtown core, as it meant 15,000 plus patrons walked the streets of downtown using bars and restaurants for 41 home games. Concerning civic identity, "it instilled pride and increased confidence among Winnipeggers" through the major league image that brings the community together (CBC News, 2011b).

Civic Leadership

The Mayor of Winnipeg, Glen Murray, and the City of Winnipeg worked tightly alongside TNSE to secure a funding arrangement for True North Arena. Glen Murray, similar to Edmonton Mayor Stephan Mandel, stressed the need of a new downtown arena to revitalize the urban core. Eventually, the two sides reached a funding agreement of constructing a new downtown PPP arena (CBC News, 2011). However, the decision became controversial, on two issues regarding public consultation. First, involved the demolition of the historic Winnipeg icon, the Eaton's department store, that was built in 1905 but laid dormant since 1999 following bankruptcy. It was to be the future site of Bell MTS Place. Led by Heritage Winnipeg, the opposition in favor of saving the Eaton's department store argued that the building could be re-purposed into a mix of office, retail, and even residential spaces to contribute to urban revitalization (CBC News, 2000). In the end, the PPP between the City of Winnipeg and TNSE was approved in 2001, and Eaton's was demolished in 2003. The main point of contention was that TNSE was considering other sites within downtown but ultimately cost the city of Winnipeg, and its residents a historic landmark "without any public consultations or call for open proposals" (Rochon, 2001). The second issue regarding public consultation resulted from transparency issues of the funding arrangement between TNSE and the City over generous tax-exemptions, which other businesses did not receive and decreased Winnipeg tax revenue (CBC News, 2000). The same lack of consultations from the Eaton's demolition was to blame.

Winnipeg Case Summary

The Winnipeg case features the common route of constructing a downtown revitalization driven sports venue to draw in a major sports league either through relocation of another franchise or through major league expansion of a brand new team. Similar to the Edmonton case, the TNSE group, Winnipeg Mayor Glen Murray, and the City of Winnipeg identified the need for a new downtown arena to replace the old Winnipeg Arena (1955) and to increase vibrancy in the urban core. Winnipeg conducted numerous macro decisions before arena development, but in slightly different mediums from Edmonton. These include the *CentreVenture Development Corporation* assisting TNSE in planning the SHED district and creating a long-range downtown plan [the *CentrePlan Development Framework* (1999)], along with BIZs and downtown zoning by-law changes. In 2001 the funding for True North Arena was approved through a PPP which saw a 30% split between the City of Winnipeg, the Province of Manitoba, and the Government of Canada, while the remaining 70% was covered by TNSE. The arena had been criticized for not spurring any new development in the area for almost a decade (including five years after the Winnipeg Jets returned in 2011) until the SHED. Luckily for the City, when the SHED was approved in 2016, TNSE covered the majority of the cost, while the City and Province chipped in for supporting public use infrastructure. One noticeable flaw was the lack of public consultation regarding significant tax exemptions over a 20-year period for TNSE's Bell MTS Place, and the demolition of the Historic Eaton's.

6. Analysis and Discussion

From the findings of the Edmonton and Winnipeg cases, eight themes have been identified across the five leverage variables of the study methodology:

6.1 Financial Capacity

1. Tax Tools over Budget Increases

The City of Edmonton avoided budget expense increases with the presence of a Community Revitalization Levy (a form of tax-increment financing). These recent tax tools in the Canadian context are dependent on the macro decision planning of a municipality as well. This is evident in Winnipeg's funding share of the Bell MTS Place, as it has to use minor capital budget expenses prior (2004) to the passing of The *Community Revitalization and Tax Increment Financing Act* in 2009. However, The City of Winnipeg did use the CRL contribution to fund the public square in the True North Square in 2016. CRLs and TIFs are the preferred methods as "increased tax revenue derived from a project is set aside into a special fund to pay for infrastructure, remediation, or other associated costs with that project" (Yates, 2009, p. 276).

Another consideration is that Edmonton's Arena is quite costly compared to Winnipeg's arena, due to the fact that actual arena costs have gone up and continue to do so (Crompton, Howard, & Turgut, 2003, p. 183). Part of the reasoning is the grandeur and spectacle of Rogers Place, a part of the modern growth in stadia and arena opulence as identified by Propheter (2017).

2. The Commodity of Multi-Level Funding

Multi-level funding was a hot commodity pursued by both case studies with mixed results. Winnipeg received about $25 million from the Province of Manitoba and the Government of Canada, while Edmonton received nothing from either actor. One consideration is that Winnipeg is the only major city in Manitoba, blurring the line between Provincial and Winnipeg affairs, allowing the province to commit greater contributions without worrying about a request from another major city. Alberta, on the other hand, has major provincial city rivals, Calgary and Edmonton competing for funding. Federal funding towards major Canadian cities was not on the Federal radar until Prime Minister Paul Martin established a *New Deal Program* to "ensure predictable long-term funding" towards "more effective program support" of "pressing infrastructure and social priorities" (Dewing, Young, & Trolley, 2006). However, most of these funds are dedicated towards broader public goods like transit projects or other required services.

The willingness of other government actors to commit funds is highly situational due to changes in economic markets trends, and actual arena costs soaring to new heights, during the construction period the Bell MTS Place compared to Rogers Place. The reason why multi-level funding is highly coveted is that its benefit is two-fold as the city's expense share is decreased and the franchise group share is decreased, increasing the advantage municipalities have in negotiations.

6.2. Coherence of Business Interest

3. Beyond the Arena Investment

a. Franchise "Sport and Entertainment Groups"

In both Edmonton and Winnipeg cases, the franchise owner and franchise team are no longer a monogamous relationship. Instead, sport and entertainment corporations now own franchises that also feature several shareholders, board members, and most importantly several assets. Additional assets beyond the NHL franchise can include other municipal teams, sporting venues, and other arena-related real estate financials. For example, Oilers Entertainment Group owns the Edmonton Oilers, The Edmonton Oil Kings (CHL junior hockey), Bakersfield Condors (AHL minor league affiliate), the annual Oil Country Championship (for golf), and the Rogers Place Arena. All Canadian teams except for the Montreal Canadiens follow "sports and entertainment group" trend. From the perspective of the municipality, these other holdings and assets keep ownership group deeply intertwined within a municipality's fabric and foster economic development, both in the favor of the municipalities favor.

b. Downtown Arena Projects vs. Downtown Arenas

Sports and entertainment groups realize the real-estate potential of a downtown arena projects when they combine several “special activity generators” like arenas, convention centers, and other entertainment venues, which generate activities in the downtown core in multiple facets (Robertson, 1995, p. 433). The leasing and developing revenues of downtown arena projects dwarfs traditional arena revenue alone. The exponentially high rate of return on investments is seen as a potential motivation for True North Sports and Entertainment and the Oilers Entertainment Group to take on a greater share of the surrounding district cost funding, along with the fact that they don’t have to split new revenues with another actor. Mason, Sant, and Soebbing refer to this as the “Master Developer Status” which arises from franchise groups demanding to be the ‘primary developer in the surrounding area” resulting from the leverage of franchise supply and demand. (Mason, Sant, & Soebbing, 2017, p. 369). “Cutting out the middleman” of the business community and keeping revenues divided among a smaller coalition suppresses popular modern multi-actor literature theories like the local growth coalition theory and the urban regime theory.

6.3. Macro Planning

4. *Extensive Macro Planning Practices*

Since the start of the millennium, both Edmonton and Winnipeg have demonstrated excellent macro decision planning through strategic plans, economic development plans, downtown plans, the creation of new by-laws, and other economic and urban development drivers like business investment zones and tax-breaks. An explanation of macro decision success is through stringent legislated requirements to keep up to date with various strategic plans from the provincial government and municipal by-laws. The extensive planning works in favor of municipalities as Euchner points out that a “city’s economic and social stability can have a major impact on its relations with businesses and the public” as consistency garners fiscal trust from the business elites during periods of fiscal stress (1999, p. 173). Municipalities should not be discouraged by franchise groups who “ignore economic studies, commission contradicting studies, or shift the debate to non-measurable objectives to neutralize academic and municipal studies (Delaney & Eckstein, The Devil is in the Details: Neutralizing Critical Studies of Publicly Subsidized Stadiums, 2003, pp. 193-201). Instead, they should continue systematic efforts of market analysis and evidence-based decision making, especially when it comes to the financials of expensive projects (Euchner, 1993, p. 67).

5. The Drive to Increase Urban Density

Downtown gentrification and urban renewal that seeks to increase urban density, are focal points of many major cities across North America, including Edmonton and Winnipeg. Municipalities focus on driving citizens back in the downtown core as expanding sub-urban development is not seen as a sustainable development strategy for the long-term. Andranovich, Burbank, and Heying’s explain the drive to increase urban density on growth of consumption-based economic development and leisure within the downtown cores, stemming from municipal competition and civic boosterism (Andranovich, Burbank, & Heying, 2001, pp. 113-114). The symbolic health of a city is often judged the economic development and urban dynamics features of the downtown core, as well.

6.4. Civic Cultural Identity

6. The significance of NHL symbolism in Canadian Markets

As mentioned by Euchner in the literature review, “the cultural uniqueness” of sports gives the team leverage over the city, as other forms of entertainment can’t replicate its exclusivity and civic symbolism (1993, p.169). This leverage towards franchise owners is ramped up due to the significance that Hockey and the NHL hold to Canadian society. In the report “The New Economics of the NHL: Why Canada can Support 12 Teams” authors Keller and McGuire showcase that Canadian average no lower than 98.8% capacity for all 41 home games in Canadian Markets, while Canadian teams made up 6 out of the top 7 spots for annual ticket revenue generated (Keller & McGuire, 2011, pp. 7,9).

With such dedication to the sport of hockey, franchise relocation can be devastating, especially for smaller Canadian markets without an extensive consumption-based economy in the downtown core. Eckstein and Delaney point out that community self-esteem and community collective conscience issues are more present in smaller and midsized cities (2002, p. 243). In the 1990s the relocation threat was more than real, as the team in Quebec City relocated to Denver, Winnipeg relocated to Phoenix, and Edmonton and Calgary were constantly in relocation rumors. It took Winnipeg 15 years to get an NHL franchise back, while Quebec City has been waiting since 1995, even with the presence of a new arena in 2015. The economic impact has been neutralized with the presence of the NHL adopting a salary cap for all franchises and revenue sharing to foster competitive balance. However, cities like Quebec City, Houston, and Kansas City are always waiting for a chance at an NHL team.

6.5. Civic Leadership

7. The Mayor’s Ambition

The mayors of Edmonton and Winnipeg were the vital public-sector catalyst for securing a downtown PPP sporting venue. The impact of a charismatic mayor using downtown PPP sporting venues to kick-start a downtown revitalization is not a rare occurrence in North America. Phil Bredesen in the 1990s helped revitalize the lower Broadway District of Nashville through the construction of the Nashville Arena, eventually securing an NHL franchise. Another example comes from New Wark, New Jersey, where Mayor Corey Booker managed to repair a downtown PPP deal (that was threatened by the 2008 Global recession) with the New Jersey Devils leading to the Prudential Center and the surrounding Championship Plaza opening up in 2007 (Brennan, 2007).

The mayor is the primary figurehead of the municipalities during the development of these agreements, but the question that sparks interest is if the Mayor is doing this in the name of the citizens and the municipality, or rather for his image and legacy. The lack of consultation (as mentioned in the next section) suppressing the democratic voice of low-income citizens and businesses in Edmonton, and the rushing of the initial True North Arena deal draw reasonable suspicion. Trumpbour (2003) and Delaney and Eckstein (2003) point out that defining economic growth with “highly visible social activity” and “noteworthy projects” is preferred over “less visible projects and long-term projects” where the tangible benefits are not showcased in society through press and discussion (The Devil is in the Details: Neutralizing Critical Studies of Publicly Subsidized Stadiums, 2003, p. 202; Trumpbour, 2007, p. 60).

8. The Lack of Consultation

Both the civic leadership groups were accused of skipping out on meaningful public consultation during the planning and development of each respective downtown PPP. In Edmonton’s case, the input of lower-income businesses and citizens who were eventually displaced by gentrification was not considered until after construction had started due to complaints (Stotle, 2016). In the Winnipeg case, the funding arrangement between TNSE and the City of Winnipeg was criticized for not holding any periods of consultation for either the public or surrounding businesses (such as Eaton’s). The main issues that arise are that the taxpayer base wants justified spending of tax dollars for public goods available to all citizens. Trumpbour recognized that PPP sporting venues end up being exclusionary to a significant portion of the population due to high ticket prices, and arenas being elite-driven projects (2007, p. 59). In public administration literature, public accountability is the backbone for administrative legitimacy, and accountability requires the shared interpretations of fundamental values by active citizens (King, Felty, & Susel, 1998, p. 319). Authentic participation of citizens is collaborative, early in the planning process, and considerate of all stakeholders and citizens in a municipality (King, Felty, & Susel, 1998, p. 321).

7. Conclusion and Recommendations

There is no denying that professional sports leagues have the edge in PPP sporting venue deals in the modern era due to major leagues having a monopoly of sports, the uniqueness of professional sports, and desperate cities seeking to stand out from one another. Contrary to popular belief, the municipal funding share for PPP has been decreasing, but still makes up a significant portion of the final arena's cost, especially when factoring in supporting municipal infrastructures like roads, transit stations, and sidewalks. The reason for the decline in the municipal share of PPPs is caused by municipalities responding to citizen's concerns regarding the inclusive nature of attending professional sporting events, municipalities focusing more on municipal priorities that all citizen's use, and the private sector investing more into the public sector in the modern era in general (Crompton, Howard, & Turgut, 2003, p. 167).

As a result, my purpose in this report was to establish how municipalities can now continue to maximize leverage when trying to secure PPP downtown sporting venues. More specifically, which set of leverage variables under the municipality's influence allows for favorable funding arrangements and a successful PPP sporting venue related to downtown revitalization. Through a literature review, five "leverage variables" were developed based on their prominence in the academic literature and the ability of a municipality to directly influence these variables. The five variables consisted of: financial capacity, meaning municipal capital generation ability. The coherence of business interest, meaning the involvement of the local business community in planning, development, and construction. Macro decisions, meaning long-term economic development planning and long-term urban planning. Civic cultural identity, referring to municipalities consumption-based economic health and diversity of entertainment. Civic leadership, referring to the role of the municipal leadership in negotiations. The variables are part of the qualitative multi-causal, most-similar-systems case analysis of Edmonton and Winnipeg.

Findings from the cases suggest that under financial capacity variable, the two cases understand that requesting multi-level funding is a crucial requirement and that CRLs brought in through legislation save significant budget increases and offer alternative forms of development funding. Under the coherence of business interest variable, franchise groups vow to become entertainment district developers themselves, limiting the involvement of the business community due to the financial payoff. Under macro decisions, the findings showcase the two cases do an extensive job in forecasting the need for urban development and downtown sporting venues. Under civic cultural identity, the importance of the NHL to the Canadian civic identity is mentioned. Under civic leadership, the mayor’s ambition, yet lack of consultation demonstrates the highs and lows shared by the civic leadership in both cases.

Based on synthesizing the findings of this report, municipalities seeking to increase their advantage in downtown negotiations should implement the following recommendations across the five selected leverage variables of this report:

Table 6: Recommendations on How Municipalities Can Maximize Leverage in PPP Sporting Venue Negotiations

Leverage Variable	Recommendations
Financial Capacity	• Secure any multi-level funding, as it decreases funding requirements from the franchise group and from the municipality itself • Avoid funding arrangements that directly impact the budget as the budget should prioritize municipal priorities that all citizens require • Push TIFs and CRLs as they encourage increased revenue in Business Investment Zones, creating multiplier growth effects as property values will increase, bringing in more tax revenue
Coherence of Business Interest	• Support downtown arena projects by assisting in public infrastructure goods like widening sideways, transportation stations, public art, and public spaces to create a stronger entertainment district. • Encourage team owners to be socially and economically connected in the municipalities affairs, as deeper connections decrease the likelihood of relocations.
Macro Decisions	• Work tightly with sports and entertainment franchise groups to develop a multi-purpose entertainment district that is integrated into the downtown core (Yates, 2009, p. 290). • Create flexibility in strategic, downtown, urban, and economic development plans around forecasted or predicted PPP sporting venues to ease integration and logistics once plans come to fruition.
Civic Cultural Identity	• Increase urban density and entertainment diversity through a variety of development projects like transportation enhancement, event hosting, other entertainment project funding, and mixed-use development (Robertson, 1995)
Civic Leadership	• Ensure ample opportunities for discussion in various mediums to channel all segments of the population, as taxpayers outnumber sports fans. • Be transparent about the full details of the funding arrangement and do not offer exclusive arrangements, like tax exceptions in the Winnipeg case study.

Further research in the field should seek to standardize measurement of sports-related civic pride in municipalities, and feature detailed Canadian case studies like Mason, Sant, and Soebbing's 2017 multi-actor framing analysis of the Edmonton Arena Project.

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