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FAST FACTS

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New Stadium as “urban renewal” is more fantasy than fact

David Asper and Sam Katz seem to have finally convinced Vic Toews, the senior Manitoba Tory MP, that a new football stadium is something that the federal government should be investing in. Toews was recently quoted in the Winnipeg Free Press as saying that the project “is something to be excited about”, citing the “urban renewal” aspects of the new proposal to justify his change of heart. Although nothing official has been announced, it appears that Premier Doer and the provincial government also onside with the project.

The latest proposal by Asper calls for a \$150m stadium and asks for \$25m from the provincial government and \$15m from the federal government. In exchange, Asper would gain ownership of the now community-owned team and the right to purchase the existing stadium site. A key selling point of the stadium proposal is Asper’s commitment to develop retail facilities and a “world-class” resort facility along with an indoor waterpark.

However, it is unclear to what extent the above estimates include the infrastructure costs required to make room for the facilities and divert existing traffic flows. Asper and Katz have suggested that major traffic infrastructure construction would be required to make the site workable, such as a new connection between the Louise Bridge and the

Disraeli Freeway and the elevation or relocation of Higgins Avenue.

Although detailed information on the project is scarce, given the costs estimates of similar projects being considered for Winnipeg, it is not unrealistic to expect such costs to be in the \$50m - \$80m range, just to relocate Higgins Avenue. Asper’s proposal also references a \$400m public-private partnership redevelopment of Waterfront Drive and proposes the city be responsible for assembling the land for the project – another potentially costly endeavor. All of this should be a serious concern for Winnipeggers who are currently facing a significant infrastructure deficit, a projected city operating deficit of \$93m over the next two years, and a mayor who has committed to repeal the business tax, one of the city’s main sources of revenue.

Federal and Provincial government support for the project appears to be based on the project’s claimed ability to generate “urban renewal”. Urban redevelopment is a worthy goal, particularly in Winnipeg, which suffers from low downtown residential rates and significant urban sprawl problems due to poorly planned development. However, it is questionable whether spending millions of public dollars on a new stadium will renew the area in which it is located.



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Building new professional sports facilities with public money to revitalize urban centres is not a new strategy. Those in favour of public funding for such projects argue that the positive economic spinoffs and new development that occur around the new facilities benefit all community members, therefore the government should financially contribute to the projects.

Unfortunately, research shows little evidence that new sports facilities generate any significant economic benefits beyond the initial construction project. Money that is spent at these new facilities generally comes at the expense of other entertainment options in a city, resulting in little or no net increase in jobs or economic activity after being built. Despite developers' claims, large arenas and stadia have consistently failed to generate any meaningful sort of urban revitalization. Studies of the two best-case scenarios that have used stadia for neighbourhood revitalization (Baltimore's Camden Yards and the Gateway in Cleveland) show that the cost per job created is very high and that these neighbourhoods did not grow any faster than surrounding areas. Overall, there is very little evidence to support the argument that a new stadium would result in any meaningful long-term economic benefits for Winnipeg or revitalization of the neighbourhood of South Point Douglas. Similar arguments could be made for Asper's private leisure facility and retail complex, which will likely do all they can to capture the dollars of its visitors, leaving little to no external benefits for existing downtown businesses.

This redevelopment project is being marketed as urban renewal and comes affixed with many bells and whistles to gain public support. Winnipeggers need to question the credibility of our various levels of government when it comes to these claims and following up on these popular additions that are often added on to these mega projects to make them more palatable to a skeptical public. Waverley West, for example, was sold to the

public by including many environmentally friendly features, many of which are now defunct, and the MTS centre has fell well short of the claims that it would revitalized Portage Avenue, which continues to be beset by business closures and vacancies.

The real key to generating urban revitalization is increasing urban density, which for Winnipeg means getting more people to live downtown and in the surrounding neighbourhoods. The original Point Douglas stadium proposal included reference to a residential component, but it is questionable whether this aspect of the proposal is feasible. There is no mention of residential facilities in the latest released proposal. Chances are a new stadium would actually deter rather than promote urban density and increased residential development: Heavy inflows of traffic, noise and rowdy football fans on evenings and weekends are unlikely to induce people to purchase a home in the surrounding neighbourhoods. A new stadium puts at risk the progress that has been made in South Point Douglas and on Waterfront Drive, and may end up hurting real urban revitalization in the long run.

The citizens of Manitoba need to ask whether spending millions of their tax dollars on a new stadium and private retail and leisure facilities will deliver the greatest good to the greatest number of people. The figure quoted by Asper is likely only the beginning, and seemingly ignores the infrastructure redevelopment costs that will be required in the vicinity, which will likely be many times more than the quoted \$40m. If our three levels of government are truly interested in urban revitalization, they would be better off investing these funds on projects that have been shown to generate urban revitalization, such as downtown residential redevelopment or a desperately needed rapid transit system.

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