

CCPA-MB

FAST FACTS



Canadian Centre for Policy Alternatives-Mb • 309-323 Portage Ave. • Winnipeg, MB • Canada R3B 2C1
ph: (204) 927-3200 • fax: (204) 927-3201 • ccpcbamb@policyalternatives.ca • www.policyalternatives.ca/mb

May 29, 2002

Considerations on True North

We are highly skeptical of the True North arena project. We certainly do not accept the central argument of its proponents, that it will revitalize the downtown. Yet at the same time we do not fully agree with the thinking of many of the project's opponents, and in fact believe that some of their positions are potentially destructive and ought to be opposed.

Why an Arena?

First, why would the Mayor, who stood nearly alone on council as a voice of principle during the Jets/arena debate of the mid-1990s, and an NDP provincial government – at least some of whose members played similar roles – decide to pursue the project at all?

We believe that they were motivated largely by the prospect of an empty Eaton's building. Neither the city nor the province put anywhere near enough effort into investigating other uses for the site. They too quickly and without sufficient investigation of alternatives latched on to the True North proposal, hoping that the financial concessions they were prepared to make to True North would lever additional downtown investment. Convincing the private sector to invest in capital projects downtown is not easy. The arena deal, so it was claimed, could offer as much as four dollars in private money for every dollar contributed by the public, and might create a climate for additional private investment. For those in a hurry to get something, anything, done with the Eaton's site, it looked like a good deal.

We also believe there was another, narrowly tactical rationale. While the government would likely lose a province-wide referendum on the issue if one were held tomorrow, it is equally likely that the project finds its strongest support in the suburban swing seats that the NDP must rely upon for reelection. Thus the political math would make the new arena a winner for the NDP. And it would offer Gary Doer a chance to say, as he already

has in the legislature, that he could get the job done while the Tories – in particular John Loewen, a key player in the Manitoba Entertainment Complex and now one of the Conservatives' highest-profile MLAs – couldn't "put the puck in the net."

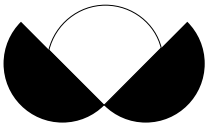
Problems With The True North Project

The NDP attempted to avoid opposition to a publicly funded new arena by finalizing the deal before making it public. From the beginning it treated the central questions about a new downtown arena as already asked and answered, unveiling the project as a *fait accompli*.

However, cracks soon appeared. Financing through the traditional financial institutions apparently fell through, and the NDP turned to non-traditional but more NDP-friendly institutions, including the credit unions, the labour-sponsored Crocus Investment Fund, and the Workers Compensation Board.

During the ensuing delay, a number of secondary debates took off, ranging from the ridiculous – should the new arena be "shiny" or "bricky"? – to the even more ridiculous – where will the statue of Timothy Eaton go? Some opponents of True North lost sight of the forest for the trees, worrying about whether the proposed arena design leaves enough room for trucks to unload equipment, contains too many elevators, or poses a danger in the event of a bomb threat. Others have tripped over the line that divides representing a broad range of concerns from taking contradictory positions. For example, it is difficult to argue that the public investment in the True North project is too large, or could be better spent elsewhere, while advocating an even larger arena two blocks over.

These are distractions. The real issue is that a new hockey rink in the middle of Portage Avenue almost certainly would not contribute to downtown revitalization. On the contrary, it is likely to have a deadening effect, considering the amount of time it would sit empty. Even on event days customers are likely to drive



Canadian Centre for Policy Alternatives-MB

in from the suburbs and drive home again with very few if any positive spin-offs for the downtown. The evidence shows that in the vast majority of cases in North America, sports complexes have failed to revitalize the areas in which they were located. In fact, if a contest had been held for the worst idea for downtown revitalization, True North would have been a frontrunner.

What are the chances that True North could be the North American exception – a downtown sports complex that successfully revitalizes the area in which it is built? Well, money talks, and we find it revealing that most of the banks apparently were unwilling to finance the True North project, while no financial statements have been made public.

A certain level of confidentiality is of course required of a business deal, and governments could not possibly clear with the public every deal they enter into before proceeding. Nonetheless, building a new arena is a huge, risky, and controversial project that has failed repeatedly in the past. (Indeed, the lack of credible financial information was a central theme during the Jets/arena debate of the mid-1990s.) Therefore the public has every right to an explanation of how the True North project is expected to succeed. The refusal to provide this information, together with the chartered banks' apparent refusal to finance the project, are red flags if ever we saw one.

The Save the Eaton Coalition has described the kind of alternative use for the building that should have been considered seriously by all levels of government from the start. Some form of mixed use for a retrofitted and redesigned Eaton building could offer a far more imaginative and dynamic boost to the downtown. We simply do not accept that the only options for the Eaton building are an arena or nothing. The Mountain Equipment Co-op store that opened today across the street from Eaton's demonstrates the interest in innovative retail development in the area.

Problems With the Opponents' Positions

Unfortunately, the Save the Eaton Coalition, unable to influence the real decision-makers behind the deal, has trained its sights on Assiniboine Credit Union – which agreed to provide financing to True North. It is our understanding that the Coalition is now prepared to go so far as to mount an attempt to overthrow the board of directors.

This is terribly misguided. One of our main reasons for opposing a new, publicly funded downtown arena is that the project in no way addresses the city's most pressing concern, namely the plight of inner-city communities. Yet attacking Assiniboine Credit Union in the name of inner-city renewal will contribute to the problems of the inner city. For a decade Assiniboine has been centrally involved in inner-city renewal. Given all of our concerns about the True North project, we would much prefer that Assiniboine not finance it. But to malign and seek to damage this leading public-minded institution is myopic and destructive. It is an abandonment of a social justice approach to the issue.

Another opposition group, ArenaQuest, has emerged. This group hopes True North will fall apart, but their objective is to make room for an even bigger, more expensive downtown arena. Secondly, it seems to have a narrowly partisan agenda: the hope that such a collapse would hurt the NDP.

True North has advanced like an anti-democratic steamroller. Responsibly raising questions about a project that has the full weight of the government and media elite behind it is useful and admirable. Still, as Arena Quest's objectives make clear, it is not the case that "an enemy of True North is a friend of ours." As the planned attack on Assiniboine Credit Union makes clear, it is not the case that "a friend of True North is an enemy of ours." The issue is more complex than that, especially if opposition to a new arena is to be built around a social justice perspective.

We challenge any claim that building a new arena will save downtown Winnipeg – the evidence against is simply too compelling. The True North project in particular assumes that no better options – for the Eaton building, economic development, job creation, or downtown and inner-city renewal – could be found. Yet no serious attempt ever made to develop such an alternative. Once again, Winnipeg is saddled with a lack of imagination, and of vision. Surely the city deserves better.

— Todd Scarth and Jim Silver

Todd Scarth is Director of the Canadian Centre for Policy Alternatives-Manitoba. Jim Silver is a professor of Political Science at the University of Winnipeg and author of Thin Ice.

CCPA-MB FAST FACTS

are produced and distributed electronically on a regular basis.

They can be reproduced as an OpEd or opinion piece without obtaining further permission, provided they are not edited, and credit is given.

If you would like to receive the *FAST FACTS*, please contact the CCPA-MB to begin your free subscription.

Canadian Centre for Policy Alternatives-Mb
309-323 Portage Ave.

Winnipeg, MB

Canada R3B 2C1

ph: (204) 927-3200

fax: (204) 927-3201

ccpamb@policyalternatives.ca

www.policyalternatives.ca/mb