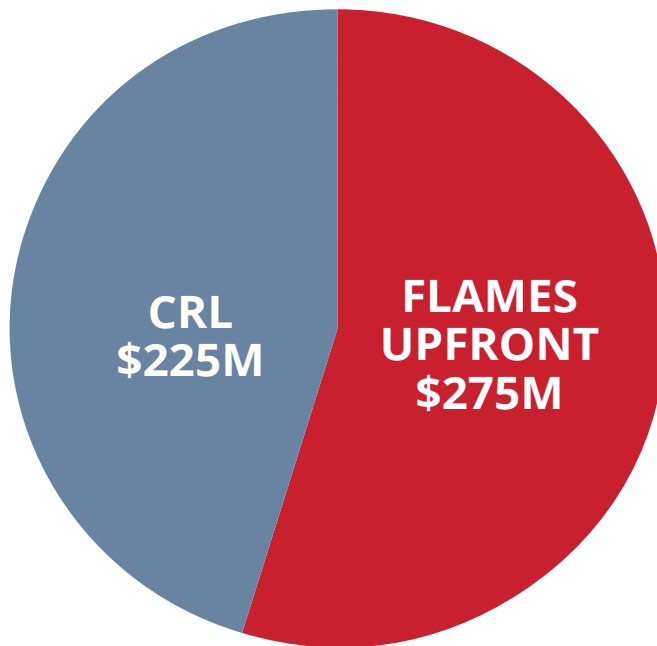


FLAMES WERE PREPARED TO CONTRIBUTE

 **\$275 MILLION**

**TO THE VICTORIA PARK VISION AND THE
PROPOSED PUBLIC ARENA**



Our Victoria Park Proposal

The Flames proposal included funding in the amount of \$225M derived from a Community Revitalization Levy ("CRL").

As well, the Flames would contribute \$275M towards the construction of the new City owned arena; similar to prepayment of rent for 35 years of tenancy.



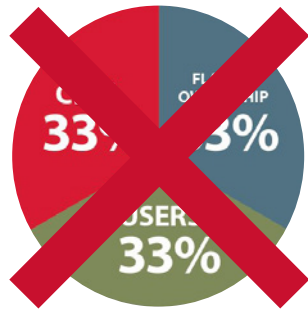
WHAT IS A CRL?



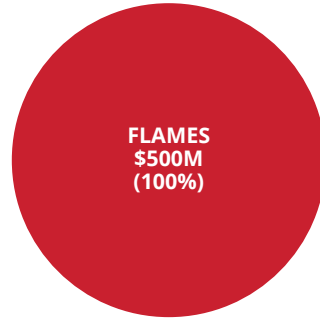
A "CRL" (Community Revitalization Levy) consists of brand new monies which would not exist in the absence of the creation of a new development project, such as a new arena. These funds are created to help pay for major urban projects and redevelopment of certain city lands. Incremental taxes are generated as a result of new development (hotels, condominiums, commercial) in the immediate area. The best example locally is the East Village development. Monies created from a CRL, to fund an arena, or other major projects, do not come from existing tax sources. These funds only come into existence because something new is built or developed that generates brand new revenue.

HOW DOES THIS COMPARE?

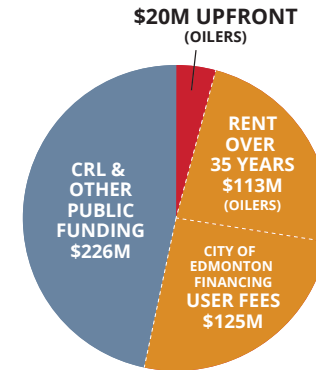
City Proposal



The Real City Proposal



Edmonton New Arena (Rogers Place)



The City's proposed funding model, as presented, did not accurately reflect the total Flames funding required. Total funding by the Flames would equate to \$613M, or 123% of the cost of the building.

	<u>Funding Source</u>		
	<i>City</i>	<i>Flames</i>	<i>Total</i>
Original City Proposal	(\$130M)	(\$370M)	(\$500M)
Impact of Incremental Property Tax	\$243M	(\$243M)	\$0
Total Benefit to City (Cost to Flames)	\$113M	(\$613M)	(\$500M)

The cost for Roger's Place was \$484M funded by the City of Edmonton's contribution of \$226M derived from Community Revitalization Levy, new parking revenues and other sources. The Oilers contributed upfront cash of \$20M; the remaining \$238M was financed by the City of Edmonton and will be paid back by the Oilers over a 35 year period in the form of rent of \$113M and user fee of \$125M.



WHY THE FLAMES ARE NO LONGER PURSUING A NEW ARENA IN CALGARY

In a “small market” city, even one with an NHL team, a privately funded arena is not economically viable. The City’s proposal is just not workable (or even for that matter, “fair”, based on other arena deals in comparable cities). As a result, after over two years of discussions, we see absolutely no basis upon which a new arena agreement can be achieved with the City, and we have concluded that there is no point to continue the pursuit of a new arena in Calgary. Many, including us, believe Calgary is a terrific place for NHL hockey and we certainly have great fans. As such, we will strive to operate, as we have for the past 34 years, in the Saddledome for as long as we believe it is feasible.



PUBLIC BENEFIT: THE FACTS

For more than a decade, the Flames have had a vision for Calgary and our fans – a place where all Calgarians can unite in active living, sports and entertainment – a centre for the community and a destination for world class events. A new arena would be a catalyst for a thriving and active community we can all enjoy. When evaluating a project of this magnitude, there are many factors to consider including the economic, social and cultural impact as well as strategic development.

Summary data shown below. For full analysis of public benefit, visit:

calgaryflames.com/arena

\$481M
Flames Annual
Economic Impact
(Direct \$291M & Indirect \$190M)

WAGES • TRANSIT FARES • AIRFARES
BARS & RESTAURANTS • PARKING
OPERATIONAL EXPENDITURES
CABS • TRANSPORTATION
ACCOMMODATIONS • TOURISM

5,850
FT & PT Jobs
(Direct & Indirect)



PUBLIC BENEFIT: THE FACTS (CONT'D)

For more than a decade, the Flames have had a vision for Calgary and our fans – a place where all Calgarians can unite in active living, sports and entertainment – a centre for the community and a destination for world class events. A new arena would be a catalyst for a thriving and active community we can all enjoy. When evaluating a project of this magnitude, there are many factors to consider including the economic, social and cultural impact as well as strategic development.



Economic Impact

We need to continue to invest in projects that will help put Calgary on the global stage. A project such as a Victoria Park Arena accomplishes this.

- ✓ **Business Attraction**
- ✓ **Attract Workplace Talent**
- ✓ **Tourism Generation**
- ✓ **Entertainment and Retail/Merchandise Spending**
- ✓ **Transportation Spending**
- ✓ **Hospitality Spending**
- ✓ **Event Parking/Transportation**
- ✓ **Employment – Operations**
- ✓ **Flames Operational Spending**
- ✓ **Construction Spending**
- ✓ **Other Tax Revenue**
- ✓ **Localized Property Value Increase**



Strategic Impact

One of the City of Calgary's goals is to revitalize "The Rivers District", of which the proposed arena would be part.

- ✓ **Integral Part of Entertainment District**
- ✓ **Enhanced CRL Revenue**
- ✓ **Supports Victoria Park Vision**
- ✓ **Supports Stampede Vision**
- ✓ **A Place Where Calgarians & Visitors Can Live, Work & Play**



Cultural Impact

The culture of Calgary is something that you take with you when you travel. It's something that is recognized the world over.

- ✓ **Civic Pride**
- ✓ **Cohesive Community Force**
- ✓ **Global Community Status**
- ✓ **Diversity/Inclusion**



Social Impact

Most are in agreement that having a facility capable of hosting diverse events is an integral part of building a global reputation for the city.

- ✓ **Hosting NHL Hockey, Other Sports Events, Concerts, Family Shows**
- ✓ **Hosting National & International Sporting Events (Olympics, World Juniors, etc.)**
- ✓ **Public Gathering Place**
- ✓ **Stampede/Agricultural Programming**
- ✓ **Plenary Session Venue for Conventions**
- ✓ **Flames Charitable Support**
- ✓ **Promoting Active Lives**



TIMELINE OF EVENTS

2007

Initial planning of a new building begins.

2012

Share preliminary CalgaryNEXT concept with City.

2014

CalgaryNEXT concept finalized.

2015

April 7th
Initial presentation to the City.

August 18th
Public presentation of CalgaryNEXT vision.

2016

Public dialogue begins.

February/March
Multiple Data Room Presentations to the City.

April 10th
Flames owners meeting with Mayor.

April 25th
City releases evaluation of CalgaryNEXT.

June 27th
Flames respond to City evaluation in Council chambers.



TIMELINE OF EVENTS (CONT'D)

2017

Council requests comparative analysis of West Village & Victoria Park.

July-Sept.

Flames & City meet multiple times on Comparative Analysis.

West Village put on hold. Multiple meetings between Flames & City begin regarding Victoria Park.

February

The Flames provided initial term sheet to City

April

Council directs CMLC to continue discussions with Flames on Victoria Park.

June

Flames provide latest proposal to the City.

July 31st

Last meeting between Flames and City.

Flames advise City negotiations to cease.

September 12th

Flames publicly announce they are no longer pursuing new arena in Calgary as there is no economic model before us that works.



Calgarians,

We very much appreciate your patience and support through this process. The above information is provided as promised last week.

Going forward all of our efforts and energy will be focused on our primary passion of providing the best sports and entertainment for our fans and citizens in our existing facility.

The Calgary Flames

