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Proposed District Could Mean "Billion Dollar Boost" to Saskatoon Economy

Economic benefits include job creation, local spending, talent retention and less sprawl

SASKATOON, SK – November 7, 2023 – Saskatoon's proposed entertainment district could deliver a billion dollar boost to the city's economy according to an independent study released today by the Greater Saskatoon Chamber of Commerce and Downtown Saskatoon. The comprehensive study, prepared by Saskatchewan-based PRAXIS Consulting, forecasts $1.37 billion in total economic impact over ten years driven by the development of the district, a new arena and substantially new convention centre.

"The potential economic spin-offs of this infrastructure project are becoming more and more clear," says Jason Aebig, Saskatoon Chamber CEO, pointing to the local spending, direct and indirect jobs, hotel overnight stays and tax savings that will come with attracting new residents, visitors, and downtown businesses. "The positive impact this project could be significant, long lasting, and widespread if we can lever the right financing tools and private investment to get it done."

The economic impact zone studied encompasses Saskatoon's Downtown, and the residential neighbourhoods of City Park, Nutana, Riversdale, and Caswell Hill. The study quantified "economic impact" in terms of the net-new or incremental effects on the city of Saskatoon and province of Saskatchewan over and above the current impacts created by the city's existing entertainment and conference facilities (i.e., SaskTel Centre and TCU Place).

Highlights of the study's findings include:

- During construction, the proposed project will add $1.1 billion to Saskatoon's gross economic activity, $509 million to Saskatoon's GDP, $245.1 million to employment income (supporting 1,580 local jobs).

- On a go-forward annual basis, once operational, the facilities will add $4.3 million to Saskatoon's gross economic activity, and $1.6 million to the City's GDP.

- The project could boost downtown's population by 10,000 new and existing Saskatoon residents living in the DEED within ten years of construction. This would generate $322 million in consumer spending annually (2023 dollars), adding $213.7 million in gross economic activity, $132 million in GDP, $49.8 million to employment income (supporting 1,172 local jobs).

“Not unlike other critical infrastructure projects, the cost-benefit of this investment is too significant to ignore,” says Brent Penner, Downtown Saskatoon’s Executive Director, pointing to the $552.6 million North Commuter Parkway, Traffic Bridge and Circle Drive South Bridges. “This particular infrastructure project has the potential to be a magnet for density, private investment, new jobs and young workers which is why cities across North America see the value and are taking action.”

The study also calculated the cost of missed opportunities to host touring events, large gatherings, and major conferences if Saskatoon fails to keep pace with industry needs and other western Canadian cities.

According to the management of the SaskTel Centre and TCU Place, Saskatoon is passed over by several large touring acts and major conferences/conventions each year because of the physical limitations of the existing facilities.

For music and entertainment events, each missed opportunity costs:
- Overnight hotel bookings from 8,448 out-of-town spectators;
- $5 million (2023 dollars) in consumer and event spending;
- $7.6 million in gross economic activity;
- $4.4 million in GDP; and,
- $2.4 million in employment income.

For major 2-day, 1,000 attendee conferences or conventions, each lost bid costs Saskatoon:
- 1,420 hotel room overnight bookings by out-of-town spectators;
- $0.84 million (2023 dollars) in consumer and event spending;
- $1.2 million in gross economic activity;
- $0.7 million in GDP; and,
- $0.4 million in employment income.

“Increases to property taxes is a concern we share,” observes Aebig. “If we put band aids on our aging buildings, 100% of the cost will hit our property tax bills as they continue to deliver less and less. The best way to optimize a return on investment for Saskatoon taxpayers are modern facilities, in a residential and entertainment district development, that can be financed through non-tax tools, various levels of government and private investment.”

The Chamber and Downtown Saskatoon await the business plan for the development of the district, and construction and redevelopment of its anchor facilities, to assess its overall feasibility and affordability.

“What we do know that Saskatoon taxpayers can’t afford the costs of residential sprawl, the inability to attract skilled young people, and maintaining aging facilities that can’t compete or serve the community,” says Aebig. “We need modern facilities, in a downtown district, that can be magnet for investment, people and jobs and keep Saskatoon on the map.”

The study notes the tremendous impact Saskatoon’s current facilities have had on the city’s economy and quality of life since SaskTel Centre’s opening nearly 40 years ago and the construction of TCU Place in 1967.

It also highlights Saskatoon's advantage as home to Saskatchewan Polytechnic and University Saskatchewan, and the opportunity to retain young workers and graduates through the development of a thriving downtown entertainment district.

"Thanks to the vision of our city's leaders decades ago, who had the courage to invest in this infrastructure and relocate the rail lines out of our downtown, Saskatoon has grown and prospered in countless ways," observes Penner. "It's our turn to make sure that Saskatoon is set up for success in the next 40 years."

The full results of the study, including the methodologies used to calculate the potential economic impact of the project, is available on the websites of Downtown Saskatoon and the Greater Saskatoon Chamber of Commerce.

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