Living Sky Sports Entertainment Inc.

Prairieland Park

Canadian Premier League Soccer Stadium

Economic Impact Study

September 2021

SREDA

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Overview

The Canadian Premier League (CPL), Canada's domestic professional soccer league, has awarded exclusive expansion rights to Saskatchewan-based Living Sky Sports and Entertainment (LSSE) to launch Saskatchewan-based CPL expansion teams in Saskatoon and Regina. Adding a new Saskatoon expansion club would increase the number of CPL teams to nine and the team would be the first CPL club in the province. The launch of a club, however, is contingent upon Saskatoon having a soccer-specific stadium to CPL standards. Current CPL member clubs are located in Victoria, Calgary, Edmonton, Winnipeg, Hamilton, Toronto (York), Ottawa and Halifax.

Recently, LSSE and Prairieland Park entered into a Memorandum of Understanding for a new stadium to be constructed at Prairieland Park. The site is in the Exhibition neighbourhood in Saskatoon's southeast corner and offers a range of event facilities. Access to the proposed stadium from downtown is approximately 4-6 minutes' drive-time depending on time of day. Access via Circle Drive from all other areas of Saskatoon is considered to be superior.

The new stadium would feature approximately 5,500 seats, with the potential of expanding to 8,000 seats in the future by refurbishing some existing infrastructure. PCL Construction, in conjunction with TBD Architecture, prepared a Class "D" Budget estimate for the stadium based on conceptual designs, with a mid-range construction estimate of $25 million. Construction is projected to finish in 2023, with the inaugural season for the Saskatoon club kicking off in 2024.

At the time of this publication it is anticipated that funding for the stadium project would be as follows:

- Prairieland Park and LSSE $4.0M
- City of Saskatoon $7.0M
- Province of Saskatchewan $7.0M
- Federal Infrastructure $7.0M
- **Total** **$25.0M**

Using Statistics Canada Input-Output Economic Multipliers for Saskatchewan, SREDA has estimated the impact of the soccer stadium's construction, operations and associated tourism on Saskatoon's economy. Inflation projections are based on the Bank of Canada's analysis from August 2021, while projected costs are based on comparable Canadian Premier League costs of attendance and construction.

Executive Summary

The following is a summary of the Soccer Stadium Economic Impact Study annually and over a ten (10) year period. Soccer stadium construction is estimated to generate $35.80M in output, while the first year's operations and tourism will generate approximately $6.07M in output. Over 10 years, the ongoing operational and tourism impact is forecast to be $83.05M.

The stadium could reasonably be expected to have a minimum useful life of 25 years. That being the case, 25 years of operation would increase the operational and tourism impact to greater than $150M.

Construction Economic Impact (one-time)	Estimated Annual Operations and Tourism Economic Impact (ongoing)	Estimated 10-Year Operations and Tourism Economic Impact (ongoing)
• Generates $35.80M in output • Increases GDP by $17.68M • Creates 168 full-time equivalent jobs • Contributes $10.33M in labour income	• Generates $6.07M in output • Increases GDP by $3.31M • Creates 65 full-time equivalent jobs • Contributes $1.75M in labour income	• Generates $83.05M in output • Increases GDP by $45.18M • Supports the equivalent of 890 full-time equivalent jobs • Contributes $24.07M in labour income

$10.33M
Labour Income During Construction

$2.11M
Annual Operations GDP

Annual Tourism GDP
$1.20M

$3.31M
Annual GDP Impact

10-YEAR OPERATIONS AND TOURISM IMPACT

890
Full-Time Equivalent Jobs

About the Study

Objective

The CPL Soccer Stadium Economic Impact Study analyzes the economic impact from stadium construction spending, as well as the stadium's future operations and related tourism. Note that impact from the construction phase is a one-time benefit, while the impact from operations and tourism will continue each year as long as the facility is in operation, which under normal operating and maintenance conditions could reasonably be expected to have a minimum useful life of 25 years.

Economic Impact Modelling

Economic impact modelling simulates changes in the economy caused by a specific business activity. This is done using multipliers that show the relationship between an initial increase in investment (input) and the resulting increase in output, GDP, labour income, jobs and taxes.

Statistics Canada has developed Input-Output tables for each province. Although these tables are updated every year, there is a three-year lag in the data. Using the most recent multipliers (2017), SREDA estimated the direct, indirect and induced impacts of the CPL soccer stadium's construction, operations and associated tourism. These impacts can be defined as follows:

- **Direct impact:** production changes in an economy as a direct result of operational activities.
- **Indirect impact:** production changes in an economy as a result of the re-spending of the industries receiving revenue from operational activities.
- **Induced impact:** production changes in economic activity resulting from household spending of incomes earned from the directly and indirectly affected firms.

Limitations

SREDA prepared this study at Prairieland Park's and Living Sky Sports & Entertainment (LSSE)'s request. Inflation projections are based on the Bank of Canada's analysis from August 2021, while projected costs are based on comparable Canadian Premier League costs of attendance and construction. Tourism spending was taken from Tourism Saskatchewan's database and adjusted for inflation with an estimated rate of 1.56%, which was calculated using a three-year average of 10 tourism-related product groups' consumer price index rates.

The study's classifications were made using NAICS (North American Industry Classification System) codes, and the results of this study are subject to limitations generally associated with estimating economic impacts.

(About the Study - Limitations continued)

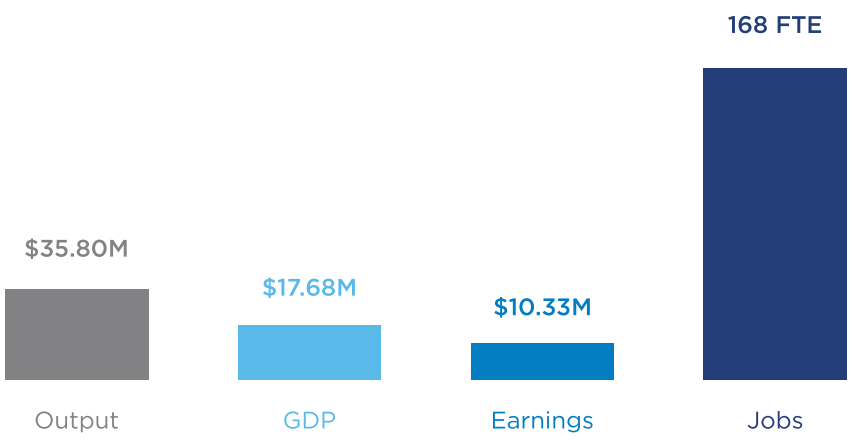
The most recently available Input-Output multipliers (2017) were used for all years of the 10-year economic impact study, so results do not take into account potential updates to the multipliers that would affect subsequent years' calculations.

The scope of SREDA's engagement did not include calculating benefits from ancillary uses of the stadium. Nonetheless, ancillary uses would increase the net present value of the project. For example, national mainstream media broadcasts of CPL games, together with international digital streaming by Media One of CPL games, would increase exposure and awareness of Saskatoon as a brand both nationally and internationally, and by association, support tourism in general, sport tourism specifically, as well as other economic activities.

Construction Economic Impact

The cost of constructing the CPL soccer stadium is estimated to be approximately $25.0 million. This would lead to an estimated total economic output of $35.80 million, an increase in GDP of $17.68 million, 168 full-time equivalent jobs and $10.33 million in labour income. The campaign's total economic output is a combination of direct, indirect and induced output:

- **Direct output of $25.0 million,** resulting from expenditure associated with the cost of expansion, redevelopment and renovation.
- **Indirect output of $6.33 million,** resulting from suppliers of the builders purchasing goods and services (to fulfill new incremental spending) and hiring workers (to meet that incremental increased demand).
- **Induced output of $4.48 million,** resulting from employees purchasing goods and services at a household level from income earned.



Impact	Output ($M)	GDP ($M)	Earnings ($M)	Jobs (FTE)
Direct	25.00	11.30	7.13	107
Indirect	6.33	3.48	2.10	36
Induced	4.48	2.90	1.10	25
Total	**35.80**	**17.68**	**10.33**	**168**

Annual Operations Economic Impact

Based on projected expenses of $2.43 million to operate the CPL soccer stadium in its first year, SREDA estimates annual total economic output of $3.76 million, an increase in GDP of $2.11 million, an increase of $1.01 million in labour income and 38 full-time equivalent jobs as a result of the stadium's operations. The stadium operations' total economic output is a combination of direct, indirect and induced output:

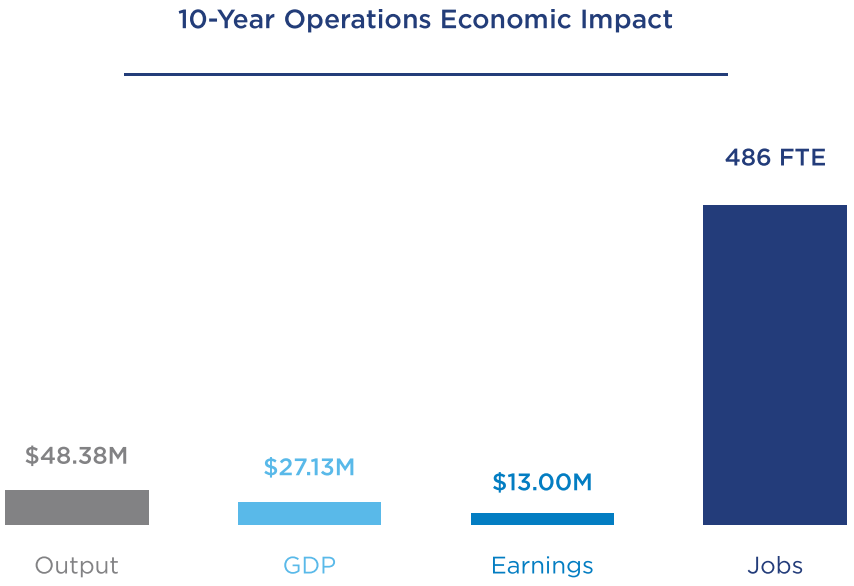
- **Direct output of $2.43 million,** resulting from expenditure associated with the cost of operations.
- **Indirect output of $0.95 million,** resulting from suppliers purchasing goods and services (to fulfill new incremental spending) and hiring workers (to meet that incremental demand).
- **Induced output of $0.38 million,** resulting from employees purchasing goods and services at a household level.

Impact	Output ($M)	GDP ($M)	Earnings ($M)	Jobs (FTE)
Direct	2.43	1.31	0.62	29
Indirect	0.95	0.56	0.30	7
Induced	0.38	0.25	0.09	2
Total	**3.76**	**2.11**	**1.01**	**38**

10-Year Operations Economic Impact

Based on projected expenses of $31.25 million to operate the stadium in its first 10 years, SREDA estimates annual total economic output of $48.38 million, an increase in GDP of $27.13 million, an increase of $13.00 million in labour income and 486 full-time equivalent jobs as a result of the stadium's operations. The stadium operations' total economic output is a combination of direct, indirect and induced output:

- **Direct output of $31.25 million**, resulting from expenditure associated with the cost of operations.
- **Indirect output of $12.22 million**, resulting from suppliers purchasing goods and services (to fulfill new incremental spending) and hiring workers (to meet that incremental demand).
- **Induced output of $4.91 million**, resulting from employees purchasing goods and services at a household level.



Impact	Output ($M)	GDP ($M)	Earnings ($M)	Jobs (FTE)
Direct	31.25	16.78	7.91	367
Indirect	12.22	7.16	3.91	91
Induced	4.91	3.19	1.19	28
Total	**48.38**	**27.13**	**13.00**	**486**

Annual Tourism Economic Impact

In the first year, attendance from out-of-town guests is estimated to be around 9,000 people. Approximately 16% (or 2,340) of those out-of-town attendees will be staying in Saskatoon overnight, including the visiting team, friends and family. Taking into account average same-day spend and overnight spend, SREDA estimates annual expenditure of approximately $1.55 million from tourists attracted to Saskatoon by the soccer stadium.

Based on that estimated annual tourism expenditure, SREDA estimates an annual increase in total economic output of $2.30 million, an increase in GDP of $1.20 million, 27 full-time equivalent jobs and an increase in labour income of $0.73 million. This translates to the following direct, indirect and induced output:

- **Direct output of $1.55 million,** resulting from expenditure associated with tourism spending.
- **Indirect output of $0.42 million,** resulting from suppliers of tourism businesses purchasing goods and services (to fulfill new incremental spending) and hiring workers (to meet that incremental increased demand).
- **Induced output of $0.34 million,** resulting from employees purchasing and consuming goods and services at a household level.

Impact	Output ($M)	GDP ($M)	Earnings ($M)	Jobs (FTE)
Direct	1.55	0.76	0.54	22
Indirect	0.42	0.23	0.11	2
Induced	0.34	0.22	0.08	2
Total	**2.30**	**1.20**	**0.73**	**27**

10-Year Tourism Economic Impact

Applying 2.0% inflation to the first year's estimated out-of-town guest attendance of 9,000 (16% of which will be staying in Saskatoon overnight), SREDA estimates total expenditure across 10 years to be approximately $23.92 million from tourists attracted to Saskatoon by the soccer stadium.

Based on that estimated total tourism expenditure, SREDA estimates an increase in total economic output of $34.66 million, an increase in GDP of $18.05 million, 404 full-time equivalent jobs and an increase in labour income of $11.06 million. This translates to the following direct, indirect and induced output:

- **Direct output of $23.29 million,** resulting from expenditure associated with tourism spending.
- **Indirect output of $6.32 million,** resulting from suppliers of tourism businesses purchasing goods and services (to fulfill new incremental spending) and hiring workers (to meet that incremental increased demand).
- **Induced output of $5.05 million,** resulting from employees purchasing and consuming goods and services at a household level.

Impact	Output ($M)	GDP ($M)	Earnings ($M)	Jobs (FTE)
Direct	23.29	11.38	8.13	339
Indirect	6.32	3.39	1.71	36
Induced	5.05	3.28	1.23	29
Total	**34.66**	**18.05**	**11.06**	**404**

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Our Role

The Saskatoon Regional Economic Development Authority (SREDA) strengthens the local economy so that all people can thrive here. We assist entrepreneurs with starting and expanding their businesses, develop Indigenous economic reconciliation strategies, support the rebound and growth of local businesses and coordinate effective collaboration to encourage growth across the Saskatoon Region.

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