

BC Place: Facelift or new stadium?

BY MIRO CERNETIG, VANCOUVER SUN COLUMNIST AUGUST 28, 2009 7:01 AM



B.C. wants developers to help pay for a new roof or build a new stadium at BC Place.

Photograph by: Peter Battistoni, Vancouver Sun files

VANCOUVER — Faced with having to spend \$360 million of taxpayers' money to put a retractable roof on BC Place Stadium, the Liberal government has begun exploring another option.

Why not throw the massive redevelopment project open to the private sector, using Premier Gordon Campbell's favourite development model — a private-public partnership deal?

And as the government ponders that so-called P3 possibility, it's now leading to even larger questions being asked behind closed doors.

Why put a \$360-million retractable roof on BC Place Stadium at all?

If the private sector is willing to share the risks in a public-private partnership, why not revisit the idea of building a waterfront soccer stadium, with hotel and convention space? That could revive the dream of billionaire Greg Kerfoot for a waterfront soccer stadium for the Vancouver Whitecaps.

That in turn opens the possibility of using BC Place Stadium, now three decades old, for other events, such as conventions. Or even tearing it down. And that provincial land around the old stadium could be used to build up office, retail and entertainment complexes that could create a brand-new entertainment district in downtown Vancouver.

Nothing is firmed up yet. But what's being blue-skied here at the top level of the Liberal government could be the largest urban land development project in Vancouver since the buildup of False Creek

after Expo 86. It's also reminiscent of how major stadiums are built and financed in the United States.

And why not?

It may not all pan out, but the thinking is bold. The 2010 Olympics offers another moment, like Expo 86, for Vancouver to transform itself.

After Expo 86, the False Creek lands were built into a residential development that energized the city and helped the city win international recognition. The redevelopment of the underutilized waterfront north of Gastown and land around BC Place would do the same thing.

Such big ideas aren't without risks, of course. In P3s, the government ultimately backstops the deal if it goes sour. There would have to be some serious modeling here.

But the Liberals believe in P3s, the models used to improve the Sea to Sky Highway to Whistler and the Canada Line connecting Vancouver to Richmond and the international airport.

Moreover, many members of the provincial government would love to keep massive redevelopments such as a retractable roof off the government's books and out of the hands of its Crown corporations. Many still remember the Vancouver convention centre expansion, which was built by a Crown Corporation and cost almost \$900 million, double the original budget. So far, the Campbell government's P3 projects have come in on budget and on time.

Oddly, the debate about offering the redevelopment of BC Place Stadium and other lands to the private sector has come out of the government's current budgetary crisis. How, the cabinet asked itself, can the government possibly justify a massive, \$360-million splurge on a roof when its revenues are tumbling by the billions, services are being cut and the HST is being leveled on consumers?

That led to the idea of considering BC Place's new retractable roof as a P3.

In turn, that has led to exploratory discussions whether Kerfoot, the owner of the Whitecaps, or other investors, may be interested in taking a major stake in a major development.

In return, investors would take a share of revenues from the stadium as well as surrounding real estate developments. It's unclear to what extent some property might be privatized or whether the government would retain shares in some or all of the property.

The provincial government is also hoping that a major corporation may buy the rights to put its name on a completed stadium, whether it be BC Place or a new soccer stadium. Such a branding opportunity could be worth \$25 million or more.

This is a huge, still fuzzy idea, of course. But the government believes that a private-sector proposal roughing out what is possible could be sketched out in a matter of weeks or months. Without private-sector proposals for a P3, some key cabinet ministers say the retractable roof for BC Place will have

to be delayed or cancelled.

Not everyone loves P3s, of course. But if this idea— or even a part of it — is realized it may be good politics for Premier Gordon Campbell, who is watching his popularity drop like a rock.

First, it would create thousands of jobs. It's estimated the construction of a retractable roof, for example, would create 1,500 person years of jobs on-site and another 1,500 in spinoffs. The construction of buildings of residential, real estate and office buildings surrounding BC Place is expected to generate 5,500 person years of jobs.

The construction would get underway shortly after the end of the Olympics next winter. That would give a much needed boost to the sagging B.C. economy that would stretch into 2013.

Guess what's scheduled for then? Yes, the provincial election, in which the premier said Thursday he will be seeking a fourth term.

Will there be private-sector buyers for this idea during the Great Recession? Hard to say.

Recessions do end, though. And with the 2010 Olympics only five months away, there's one thing for sure. The provincial government has a singular moment to blue-sky this deal for the world to buy.

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