

Katz Group wants development near arena to start this spring

BY GORDON KENT, EDMONTON JOURNAL DECEMBER 13, 2012

EDMONTON - If a downtown arena gets city approval, the Katz Group hopes to push ahead this spring with \$2-billion worth of nearby development at the same time the new facility is being built.

Their plans include a 26-floor luxury hotel, two condos at least 35 storeys tall, two office towers reaching up to 32 storeys and six other buildings, along with an open-air plaza in the current parking lot on the south side of 104th Avenue.

Main anchor tenants are expected to include a VIP theatre complex, a grocery store and the headquarters of a major telecommunications company, according to a 60-page overview of the district by the Katz Group and partner WAM Development Group.

“We have planned what will stand as one of the world’s great sport and entertainment districts ... a rich and vibrant urban village,” Calgary architect Michael Shugarman told city council this week as it resumed arena talks.

“We want to celebrate Edmonton as a great winter city. Specifically, the plaza is the kind of place the likes of which very few cities, especially those in North America, are lucky enough to possess.”

The entire site stretches from 101st Street to 104th Street, between 103rd Avenue and 105th Avenue, taking in such properties as the Greyhound bus terminal and the Staples store.

The so-called Oilers Plaza, linked to the arena complex on the north side of 104th Avenue by the Winter Garden pedestrian bridge, will be surrounded by three to four floors of shops, restaurants and hotels, the overview indicates.

The site, over some of the district’s 4,500 underground parking stalls, could have a bigger skating rink than at City Hall in winter and water jets for a children’s splash pad in summer.

More than 900 families are expected to move into the pedestrian-friendly area, featuring a curving 103rd Street, and a residential 102nd Street that extends north of the 104th Avenue “grand boulevard.”

“This district celebrates our ability to get around without the car,” Shugarman said.

One option the city will explore in a Jan. 23 report is reducing or eliminating the Winter Garden and its projected \$60-million cost, more than the \$50-million budget but less than the \$80-million estimate earlier this year.

But Shugarman insisted what Mayor Stephen Mandel calls “the bridge to nowhere” that funnels pedestrians into the Katz development is also important for moving thousands of people safely over 104th Avenue.

“It’s indeed a bridge to somewhere, somewhere very special. This somewhere is a grand plaza, a place we can all be proud of.”

Katz Group officials hope they can start arena construction in April if a deal is reached with the city, and say they’re ready to start on the first of five stages of surrounding work at the same time.

While they wouldn’t comment Thursday, a report last summer estimated the total project would cost \$2 billion.

The city has conservatively estimated that such growth would add almost \$600 million more to downtown property taxes over 20 years than would come if nothing new happens.

That figure rises to about \$770 million if construction is accelerated.

The Katz Group is asking the city to funnel part of that tax growth into a fund for arena upkeep, arguing this will help make the economics of facility work for them and provide a development incentive.

Coun. Kim Krushell, one of several councillors shown the overview by WAM last week, said Thursday the ideas are exciting.

“It’s not about Katz, it’s not about WAM Developments, it’s about the city and how we can transform an area that’s not the most happening area right now,” she said, adding the city will only have money in the arena.

“I don’t think what they were showing was pie in the sky. WAM Developments has a number of agreements they have negotiated that if the arena gets built, things will happen. Will that influence my opinion on the arena? No.”

Coun. Amarjeet Sohi, who has also been briefed on the proposals, said he likes the mix of residential, retail, commercial, office and entertainment space.

He supported the arena because he expected this kind of development, he said.

“If the arena as a catalyst is unable to create that kind of excitement in the downtown core, then I think it will be a failure ... For me, arena development is a way to get some of the other development started.”

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