

CIVIC CENTRE REPORT

Executive Summary

For several years, the City of Spruce Grove has been exploring opportunities to address an identified need for new ice surfaces in the region. This exploration has been the result of consistent feedback from all ice users and the community at large, as well as through regional studies such as the 2017 Tri-Region Indoor Facility Strategy. At the same time, feedback has also been received by the City that despite the importance of ice sports, it should not come at the detriment of other recreational and cultural priorities that have likewise been identified through numerous channels. The challenge has certainly been to balance a number of priorities in the community while at the same time minimize the financial burden on existing and future residents. In April 2021, Administration presented City Council with the concept of a Civic Centre that would include both recreational and cultural amenities. City Council directed administration to proceed with preliminary design of the proposed Civic Centre.

The Civic Centre being recommended includes amenities that addresses the identified needs of ice shortages while at the same time including a number of cultural amenities that enhance both the facility and the community with their inclusion. The proposed facility includes a spectator ice rink with approximately 1500 seats plus, second community ice rink (both NHL sized), community walking track/concourse, art gallery, Black Box performing arts theatre/flex space, courtyard, and a library branch.

Moving forward with the proposed Civic Centre answers the many questions and perspectives that have been provided to the City. The City will have the ability to host larger events and increase the exposure of the community while at the same time serving the community needs significantly in regards to recreation and cultural opportunities, both of which are key aspects to a city's vibrancy. There will be increased investment, social capital, community identity and regional focus. While the current volatile market conditions have resulted in increased estimated costs, the efficiencies gained from co-locating amenities still provide the most reasonable and affordable investments for existing and future citizens.

As has been mentioned several times, The City of Spruce Grove is no longer just becoming a mid-sized city – we are one. As one of the fastest growing communities in Canada a facility of this magnitude reflects this status and positions the City to capitalize on the many opportunities that come with a well-rounded and innovative community.

Background

The purpose of this report is to provide a high level synopsis of the project and what has changed since the original April 2021 business case.

The proposed Civic Centre has the opportunity to transform our community for many years to come. The visual of picturing families and the community being able to attend a sporting or other community event while also partaking in the benefits of the library and other cultural amenities under one roof is one that aligns with several components of the City's strategic plan and vision.

It should be emphasized again that the additional community amenities are meant to improve access to programs and services for the community vs. being included to improve the operating performance of a stand-alone spectator arena. Ultimately, the Civic Centre would address critical ice shortages in response to a rapidly growing community, while also making a significant improvement in addressing library space needs and other cultural spaces investments.



Figure 1: Proposed Civic Centre aerial rendering

Since the April 2021 business case presentation to Council, significant work has been completed on the Civic Centre Project. The work undertaken continued(s) to align with the principals that were expressed in the April business case presentation, in short these were;

- Minimize costs
- Address ice needs
- Do more than a basic arena, but not an event centre
- Address other community needs

In addition to these high level priorities, the Civic Centre is envisioned to have the same operating model as the Agrena and will be a community facility that creates a sense of belonging for all users and will create safe and inviting spaces that provides a variety of amenities and opportunities to residents.

Pre-Design

The majority of the effort in 2021 was focused on preliminary design and site master plan which included a schematic design for the co-located Park and Ride. At the end of this work the Civic Centre program was established as was the schematic site plan. This work was based on realizing the vision and goals conveyed in the business case presented to Council in April of 2021. The work of the design team was supported and enhanced through engagement with the identified stakeholders.

The facility program established through the pre-design work identified a 125,000 sq. foot facility that was made up of the following amenities;

- 1432 fixed seat spectator arena (1503 total for ice event and 2389 for floor event)
- 250 seat community arena
- A Satellite library location
- A black box theatre
- A gallery and studio space
- Outdoor courtyard

Schematic Design

In early January 2022, the project moved into the schematic design phase. In this phase the City was able to secure a Construction Manager (CM) to assist with pre-construction services as well as engage other essential professions including civil engineer and geo-technical consultants to assist in planning. The expertise of these professionals was essential to increase accuracy of construction cost and schedule.

A schematic design report has been completed by the design team. This report provides additional detail, and is a more accurate representation of the proposed facility based on the facility program and schematic site plan developed during preliminary design.

Significant analysis and review was completed on the facility floor plan. The primary objectives of this work did not change from the pre-design phase and was focused on designing the most cost effective facility to meet the needs of the community.

A number of key deliverables that were developed during the schematic design phase included updated floorplans, interior and exterior elevations, establishing capacities and refining the site plan. As the schematic design was completed, an updated cost estimate was completed which is detailed later in the report.

As the project moved from conceptual design into design development, work began immediately on a value engineering exercise with the design and construction manager teams to identify cost savings and cost reductions. The focus of the value engineering exercise was on items that would not have a direct impact on the program of the facility. Any further reductions would result in either significant change to the facility program or significant added cost to the city in the future.

Differences from Original Business Case

As more work is undertaken on the Civic Centre design, greater certainty is gained. As the project evolves and questions are answered, trade-offs are made all in the effort to keep the project aligned with the original project goals, including minimizing costs. A number of key changes or trade-offs to highlight include;

- Fixed seating in the spectator arena was reduced from 1,700 to 1,432
- Construction systems were expanded to include all systems, not just pre-engineered
- Community/Cultural Spaces were reduced from 25,000 sq ft to 21,000 sq ft
- Retractable seating for the Black Box was set at 150 and the area was increased from 4,500 sq ft to 7,100 sq ft to increase multi-use capabilities while removing separate stand-alone multi-purpose rooms.

Updated Learnings

When the original business case was presented to Council, administration shared significant learnings with council that were acquired up to that point in time. As the Civic Centre project moved forward through pre-design and conceptual design into the design development phase, administration has continued to gain additional knowledge that is important to share at this time.

- **Building Systems**

An analysis of five different structural building systems was undertaken by our construction manager. The most cost effective system for the Civic Centre project and the recommendation from our construction manager is to utilize a pre-engineered building for the two arenas and conventional construction for the balance of the building.

- **Cost uncertainty and escalation**

The design team, including consultants, continue to see escalation, uncertainty, long lead times for some items and volatility in the market. These factors are all leading to increased cost and risk to the project. In discussion with our CM, our best advice received is to lock sub-trades into contracts as soon as possible. Contracts for some of the major trades could be written in a manner that still allows the contracts to be cancelled if the project does not proceed without significant risk to the City.

- Sustainability

As project costs escalate, it is not possible to include significant sustainable features such as solar panels and heat recovery units into the project. The Civic Centre will still be designed and developed with a sustainability lens in place, but this will be limited in nature.

- Seating and Capacity

A seating bowl and event analysis has been undertaken to establish anticipated seating limits for the Civic Centre. A large number of variables are at play when determining capacities. As the Civic Centre is designed currently, a typical ice event, would have a total capacity of 1503. For a floor event, with no spectators in the seating bowl the capacity would be 1524. The total capacity using the floor and the seating bowl would be 2389. It should be noted, as the design continues to evolve and is further refined, these capacities may change. For example, additional standing room capacity will be explored with the design team and stakeholders should the project proceed to detailed design, with the principle of minimal to no impact on the City budget in mind.

Stakeholder Engagement

In addition to the work on the facility and site, significant work has also been completed with project stakeholders. This includes ongoing engagement with the Spruce Grove Saints, Spruce Grove Public Library, Allied Arts Council and external and internal culture and program specialists. Community ice and floor users including Minor Hockey and Ringette organizations as well as Minor Lacrosse have been updated throughout the process.

Functional Program

A summary of the program areas and space allocation from the full schematic design report is included here. As described by the architect, “the functional programming phase, a predesign task, is a discipline that involves meeting with owners’, users’, and stakeholders’ for more functionally responsive and accountable buildings.”

The general purpose of the functional program is as follows:

- To provide the approving and funding authorities with a detailed description of the proposed facilities needed prior to initiating architectural design.
- To provide the architectural design team with a clear understanding of the activities to be accommodated and functional criteria to be met during the design process.
- To provide the client/owner with a reference manual for evaluating design schemes as they are generated and for use when commissioning, operating, and evaluating the new facility.

Spectator and Community Arena

The predominant space in the Civic Centre will be the 1,400 seat spectator arena. This space is suitable for a junior level hockey team or other major tenant.

The community arena will also be programmed to offer recreation opportunities to members of the community who are not part of a sports organization. These recreation programs could take the form of public skating, senior skates, and drop-in shinny. A walking track will also be part of the facility, available for all members of the community to utilize when major events are not taking place in the facility.

Both the spectator and community arena would be equipped with the necessary support amenities such as dressing rooms, referee rooms, washrooms, concession, etc. and some amenities will service both arenas. While the on-ice activities could take place on either ice surface, it is the complementary amenities and supports that make the spectator arena suitable for larger sporting events and other community events. Such as seating capacity, audiovisual capabilities, and other aspects that enhance the user experience.

The local minor hockey and ringette associations would use the remaining available ice time in the spectator arena, along with the bulk of the ice time in the community arena. However, ice time would also be available to other community groups, such as the local figure skating club. An allocation plan will be developed to efficiently utilize the city-operated arenas. When ice is not installed in these arenas, they will be made available for dry floor programming, such as lacrosse and ball hockey.

Events

Although there is a desire to have a facility that may be able to host some events, it's very important to stress we are not building an event centre. Events will be a part of the Civic Centre operation, but will not be the driver. The facility would not have appropriate rigging, back of house, qualitative sound features to support significant event centre type programming. Doing so would add significant cost, program alterations, and design philosophy changes. Minor hockey and ringette are assumed to hold additional tournaments. These tournaments would typically be considered regional or provincial in nature. An opportunity exists for other non-ice users to host sporting events. These would include combative sports, gymnastics, cheer, and court sports. Operationally, we will not remove the ice during the ice season to host an event. If the possibility exists to host an event outside of the ice season, it may be considered.

Community events may take place in parts or all of the Civic Centre. Graduations, Remembrance Day, cultural events, art shows, etc. may also occur. Any community event taking place would have to fit within the parameters of the Civic Centre.

Cultural Spaces

The cultural spaces within the Civic Centre will form the heart of the facility. It's in these spaces where the Civic Centre will move from an ice arena to a community facility. The cultural spaces are not intended to replace any existing cultural infrastructure within Spruce Grove, but instead to support and complement the existing investments in cultural spaces.

The different cultural spaces are envisioned to work together, independent of each other, in the provision of exceptional services. For example, the library may run children’s programming during hockey tournaments to provide activities for nonparticipant siblings. Another example might be the black box used for a dance practice, a community theatre presentation, an art show, or even a VIP wine and cheese night before an event in the arena or library.

Spruce Grove Public Library

The library will be a satellite location of the Spruce Grove Public Library. The library is operated independently from the city, but is considered a major partner in the Civic Centre.

The library spaces will be a mix of uses, with a primary entrance from inside the Civic Centre with a secondary entrance directly outside. Ideally, the space will be open and bright with plenty of windows. Ideally, a shared outdoor space will be implemented.

Art Gallery and Program Room

The new art gallery within the Civic Centre will be the permanent home location for the Allied Arts Council, a non-for-profit organization. By re-locating to the Civic Centre from their current home within the main branch of the Spruce Grove Public Library, the library also gains additional capacity and space within the main branch. The vision space will include gallery space, program rooms, and spaces for a small reception and retail space. The art gallery can be entered from the Civic Centre but also through a secondary entrance directly from the outdoors. Consideration of glass walls to allow viewing of the art even when the gallery is closed. The ability to properly light art and control exterior light is essential.

Black Box Theatre

The Black Box Theatre will be a supporting performing arts space. This space will be designed with significant multi-use capabilities. It must be able to function as a performance space for spectators, as a practice space, as a space to host events, and a space to support other activities within the Civic Centre. The Black Box may be used by the community, the city, council, performing arts groups, and others. The Black Box is an essential central space that will make the other cultural and community spaces better.

Park and Ride

The Civic Centre also includes a co-located Park and Ride facility. While ultimately considered two separate projects, co-locating both amenities and working with the same overall design team achieves efficiencies in design, construction, cost, and use.

Functional Program Summary

The summary of the functional program has been organized into the following four (4) components:

- Spectator arena
- Community arena
- Cultural space (Black Box Theatre)
- Cultural space (library & art gallery)

The functional program inclusions and exclusions for the selected option are as follows:

Inclusions

- Four (4) dressing rooms for spectator arena
- Four (4) dressing rooms for community arena
- Centralized press box on opposite side of players boxes
- Two concessions in spectator arena only (one on main floor and another on concourse level)
- Library, Art Gallery and Program Room
- 150-person Black Box Theatre, including two (2) dressing rooms, sound room, and theatre office, staging area and storage
- Building support for cultural space included as part of cultural space.
- Ice plant, fluid cooler, generator and mechanical units located outdoors.

Exclusions

- No viewing suites are included in the spectator arena
- No multi-purpose room is included in the cultural space
- No flex rooms provided between dressing rooms

Accessibility and Universal Design

As detailed in the schematic design report, the Civic Centre will be designed as a universally accessible facility. Creating an environment of inclusivity and universal accessibility and eliminating barriers—both physical and perceived—allows for the free movement of people, reducing the potential to marginalize and segregate people based on demographic or physical ability.

To ensure the highest standards of universal design are being met, the design team created the design in regards to the *Alberta Building Code* and the *Canadian Accessible Built Environment Standard*. The team also reviewed the design beyond simple code compliance to prioritize convenience, safety, dignity, and inclusion for all users. Examples include:

- Provide inclusive designated seating in the spectator and community arena viewing areas.
- Include family/universal washrooms on the main and second floor of the building, including the art gallery and library.
- Include accessible dressing rooms, including accessible showers.
- Include an elevator to provide accessible means of access between floors.
- Eliminate interior stairs and ramps, apart from the stairs between floors, since these can pose a challenge to mobility impaired users.
- Design and grade the building site so that public entrances do not require exterior stairs or ramps.

Crime Prevention through Environmental Design

Similarly identified in the schematic report, Crime Prevention through Environmental Design (CPTED) is a multi-disciplinary approach of crime prevention that uses urban and architectural design and the management of built and natural environments. CPTED strategies aim to reduce victimization, deter offender decisions that precede criminal acts, and build a sense of community among inhabitants so they can gain territorial control of areas, reduce crime, and minimize fear of crime.

Some of the CPTED strategies implemented in the design to make the neighborhood, community and site safer will be as follows:

- Providing appropriate lighting for streets, paths, alleys and parks.
- Maximize sightlines in and out of public spaces.
- Encourage use of public spaces by ensuring they are programmed and well-designed.
- Through design encourage a strong sense of community in both interior and exterior spaces.

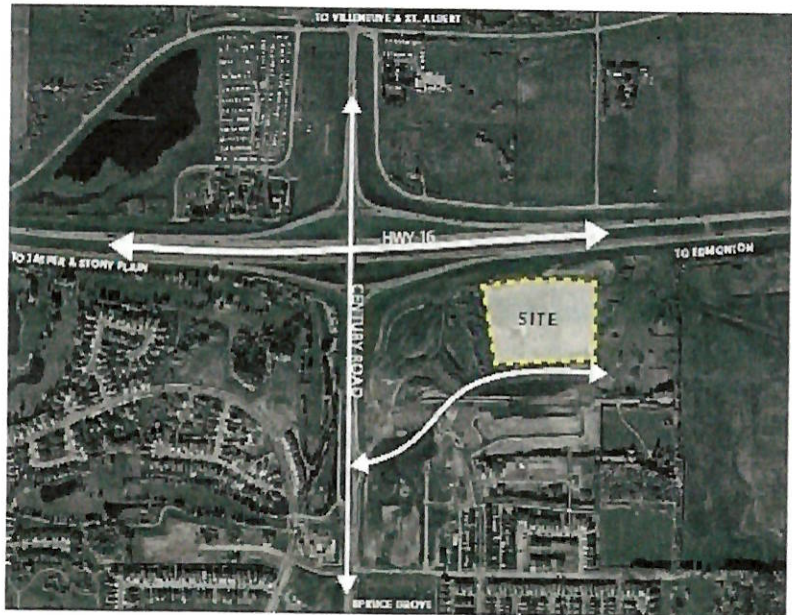
Some of the CPTED strategies implemented in the design to improve safety for the occupants and operators within the building will be as follows:

- Installing and providing CCTV cameras in select locations.
- Limiting the amount of corners and alcoves around the building.
- Provide unobstructed views throughout the facility where possible.
- Install access control and higher quality hardware on doors to all non-public spaces.
- Ensuring all public spaces are well lit.
- Providing common space within the building to promote community interaction.

Land Assembly

The land assembly exercise has been completed and all conditions have been met, including a development agreement that directs the site preparations and extension of Westwind Drive. The developer and the project team will continue to work together to advance both the site work and the project, if approved. This will include coordinated access to the site between the developer and the City's contractors.

The location for the proposed Civic Centre is just north of Westwind Drive within the Westwind Development. The site is a 13.5 acre lot and can accommodate the Civic Centre, a Park and Ride location and a 1.29 acre site that could be developed for other complementary uses. Parking on the site is being designed in an efficient manner to meet the requirement of a parking analysis while maximizing land use.



Economic Impact

As mentioned in previous reports, this report will not go into detail about the direct and indirect economic benefits associated with the recommended Civic Centre facility, especially in regards to a financial number. It is generally understood by Council, administration, and the public that a facility of this nature will provide additional economic benefits to the city. Some of these benefits include, but is not limited to:

- A level of assessment uplift in and around the facility and the speed in which that assessment is realized.
- Community exposure when hosting some larger scale sub-regional events.
- Financial spending in the community associated with events, tournaments, and other facility connections.
- Benefits of exposure and financial investment by continuing to host Jr. A Hockey in the community.
- Continued and increased investments in minor sports and arts/culture that contribute to increased social vibrancy and wellness.

Even without a full analysis, it is fair to say that the benefits above, and others, may not be as significant as an Event Centre. Additionally, it should be noted that any development in the area would see increased assessment so this should not be part of the narrative for the Civic Centre. What should be included is the speed and type of assessment that would be generated. Administration believes that the work required to provide an accurate understanding of the exact economic impacts of the Civic Centre would not appear to be a significant driver in the decision. The demands on ice shortages and additional community benefits and opportunities has been the main driver behind the information and analysis that has taken place and is highlighted in the Civic Centre considerations.

Capital Considerations and Cost Estimates

The City has work closely with the design team including architects, a cost consultant, and our construction management firm to establish the most up to date estimates. As mentioned, the project has seen increases due to extremely volatile market conditions. While currently still provided as a Class D estimate (conceptual design), the certainty has increased as the design has progressed.

Based on discussions with the design team, administration believes that the current estimates represent as close to a “worst case scenario” as can be determined at this stage considering appropriate contingency and effective procurement strategies should the project be approved to proceed.

Inclusions

- Land proportionate to the Civic Centre
- All site work
- All fees for design and construction
- Furniture, Fixtures, Equipment and technology
- Escalation (2.5%)
- Contingency (7.5)

Exclusions

- Park and Ride (budgeted and funded separately)
- Any costs directly for a specific user above “community base level”

Civic Centre Capital Costs	
Total Building Construction	\$ 55,984,000
Design & Engineering	\$ 3,247,000
FF&E/Technology/Cash Allowances	\$ 2,750,000
Escalation and Contingency	\$ 6,620,000
Land	\$ 4,188,000
Total Civic Centre	\$ 72,789,000

Operating Considerations and Cost Estimates

Administration continued to explore operating models to maximize efficiencies and synergies with all amenities in the Civic Centre. The recommended operating model continues to be City run and operated with partnerships where necessary and appropriate (i.e. Library, Allied Arts Council).

Operating Cost Notes

Administration would make the following observations:

1. Original operating estimates presented in April 2021 of an annual (-\$491,000) operating subsidy were for arena only. This was done in order to provide an apples to apples comparison against other municipalities and like facilities. This has increased to (-\$586,000). Significant changes are related to custodial (now includes library which is a municipal responsibility), utilities (large increases are being seen across the municipality with market conditions), insurance (not included in previous estimates). Some of these larger impacts have been offset by increased revenue, such as with proposed cost share formulas under consideration.

- For context, the following table reiterates information from other facilities that was included in the April 2021 report. It has not been updated to reflect current subsidy as this would likely be minor.

Comparator Subsidies		
Facility	Design	Deficit
Agrena	Small spectator arena + 2nd comm rink	\$ 350,000
Glen Hall (Stony Plain)	1 community arena only	\$ 166,000
Pason Arena (Okotoks)	Spectator, community rink, leisure ice	\$ 575,000
Brooks Centennial Arena	Spectator Arena only	\$ 400,000
Q Centre (Victoria)	Spectator arena only	\$ 400,000
Encana (Camrose)	3 rinks including spectator + 9 sheets curling	\$ 900,000

- The April 2021 report identified that operating subsidies for the Black Box Theatre were not included and would need to be explored. Administration is pleased to identify that any direct cultural programming would be cost neutral or have a small net profit and all associated staffing costs and delivery would be captured within existing capacities. The amalgamation of the Recreation and Culture departments enabled this with increased efficiencies on program and service delivery.
- Debt servicing is not included in the operating estimates as each municipality has different philosophies and opportunities on grant and debt borrowing thus skewing the comparison if it were to be included. Debt servicing is certainly a consideration in the Civic Centre and as such the impacts are identified in the funding section of this report.
- Annual lifecycle costs are not included. The City accounts for lifecycle costs overall in their long term capital plans. This will be updated to reflect the realities of this new amenity. Additionally, municipalities account for lifecycle costs in different ways and so were excluded in order to provide an “apples to apples” comparison. The City will have significant lifecycle costs for building, equipment, and technology. As the City matures in the development of asset and reserve allocation this can be more clearly defined. Lifecycle and maintenance costs will be lower in the early years due to the newness of the facility.
- The operating estimates do not include additional operational subsidy for the Spruce Grove Public Library (SGPL). As reported in April 2021, an estimated increase in annual subsidy of about 48% would seem reasonable. SGPL senior administration, in conjunction with City staff, have continued to run preliminary forecasts which have confirmed previous estimates. For context, based on the current operating subsidy provided to the SGPL the increase in annual subsidy is approximately \$450,000. Based on projected budget asks of the Library to the City for current base funding (not yet approved), the projected increase in annual subsidy would be approximately \$560,000 or 1.3% tax equivalent. Also of note, the increased subsidy estimates provided are not significantly higher or different than what would be required in a larger single facility of the same size.

7. The estimates do not include additional City costs that are allocated to other parts of City operations but must be highlighted for Council as impacts on City finances. This is similar to the concept of building new roads which has an incremental impact on road maintenance budgets. For this facility it is estimated there will be an additional \$137,000 in annual expense for contracted and in-house services such as snow clearing, parking lot maintenance (line painting, sweeping), underground utility maintenance, light standards, etc.

Civic Centre Operating Costs	
Revenue	
Rentals	\$ 541,000
Leases	\$ 10,000
Sponsorship and Naming	\$ 150,000
Cost Share	\$ 190,000
Total Revenue	\$ 891,000
Expenses	
Salaries/Benefits and other HR costs	\$ 794,000
Utilities	\$ 426,000
Contracted Services	\$ 45,000
Repairs and Maintenance	\$ 127,000
Custodial	\$ 45,000
Insurance	\$ 35,000
Safety Equipment and Supplies	\$ 5,000
Total Expenses	\$ 1,477,000
Total Operating Subsidy	-\$ 586,000

Funding

The following represents a picture of the proposed funding allocation and tax equivalent.

Total Project Cost	(000's) \$72,789
MSI Grants	18,967
Cost Share Revenue	4,378
Municipal Debt	25,704
Proposed Developer Funded	21,450
Reserves	2,290
Total	72,789
Capital Tax Equivalent	4.7%
Operating Tax Equivalent	1.4%
Total Civic Centre Tax Equivalent	6.1%
Library Operating Tax Equivalent	1.3%

Funding Notes:

1. Tax "equivalent" does not imply that the City would raise taxes for the amounts identified. The purpose is to highlight the costs as a representation of the equivalent in tax revenue. The City may choose to fund the capital and operating expenses through taxation, growth, or other budget/service priorities.

2. Further to above, the tax equivalent is a representation of the total project once complete. Based on the project schedule the City would borrow in stages which would amount to staged tax increases vs. one time. Additionally, through the Corporate Planning process, administration will continue to recommend building incremental tax increases for the Civic Centre to avoid a one-time increase on the tax rates.
3. The developer funded allocation is a proposed strategy requiring further steps and legislated processes. The City is currently in the process of updating their offsite levies including exploration of allowable Municipal Government Act (MGA) costs for amenities such as libraries, recreation facilities, fire hall's, and police stations. The process involves detailed stakeholder consultation as well as bylaw development and approvals.
4. In regards to the proposed regional cost share. The City has had discussions with tri-regional municipal partners and either has made or will make presentations to both municipalities. No formal commitments have been provided to date so estimates are included at this time.

Next Steps

Based on discussions with Council, administration, and the design team, the following next steps have been planned:

- Presentation to Council at a Special Council Meeting on May 30, 2022. This is an opportunity to present the updated project amenities and cost estimates to Council and the community.
- Public Information Session on June 2, 2022 starting at 7 p.m. at Horizon Stage. This will be a sit-down info session that will include a formal presentation and overview of the project, speakers, display boards, and an opportunity to connect with project team members and members of City Council.
- Public Information Session on June 4, 2022 from 2 to 5 p.m. at the Spruce Grove Public Library. This will be a drop-in style info session that will include display boards and an opportunity to connect with project team members and members of City Council.
- June 13, 2022 Regular Council Meeting. Administration will provide any further updates where applicable and present a budget request for consideration of approval of the project.
- If the project is approved to proceed on June 13, 2022, the project team will commence further detailed design, site coordination with the developers, procurement, and construction commencement. An updated construction schedule/timeline will also be completed and provided to Council and the community. Additionally, ongoing stakeholder consultations with user groups, regional partners, and the development community will take place.