

Topic: Spruce Grove Civic Centre Funding Request

Introduction:

Administration provides background information and recommendations for Council's consideration on the City of Spruce Grove Civic Centre Funding request.

Facts (Background Information):

The City of Spruce Grove has for several years been exploring opportunities to address community needs for more ice surfaces; Needs identified by ice users, community at large and through regional studies. Several options have been considered over that time including a large Multi Use Sport and Entertainment Centre, a spectator arena with community ice pad and a basic twin pad arena. Following an analysis of the options Spruce Grove Administration and proposed the development of a Civic Centre.

The Civic Centre concept has been fine-tuned over the last year and is designed to be approximately 125,000 square feet in size housing 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

The most recent capital cost projected for the facility is \$72,789,000. They have projected their annual operating deficit at \$586,000. This annual deficit is assuming a projected annual operational cost share of \$190,000.

Once a decision to proceed is made, construction and preparations for operation and opening will take approximately 2-2.5 years.

City of Spruce Grove Mayor and senior administration attended the May 3, 2022, Governance and Priorities Committee Meeting to share information about the Project, its benefits for Spruce Grove and the broader Tri Region along with a capital funding request of \$6,000,000. They also indicated that they would like to discuss ongoing operational cost share support as well, which is projected to be approximately \$190,000 annually.

Benefits referenced by Spruce Grove as part of their presentation include:

- *Meets criteria of a regional facility as identified in regional facility plan*
- *Addresses ice shortages as identified in regional studies, by ice user groups and broader community*
- *Makes tri region more attractive for investment*
- *Aligns with the principles of the Tri Municipal Regional Plan*
 - o *Implementation discussions are ongoing around principles for cost sharing and a proposed formulas for contributions*
 - o *If proposed framework were followed Parkland would be looking at an approximate contribution of \$9,000,000*

In terms of project engagement, May 3, 2022 was the first public presentation to Parkland County Council at a Governance and Priorities Committee meeting. April 2021, Spruce Grove hosted an evening meeting with Parkland County Council and the Town of Stony Plain to share information on the Civic Centre; no funding ask or feedback provided at that time, just information sharing. Prior to that there was a closed session presentation a few years earlier on a facility concept that revolved around a large Multi-Use Sport and Entertainment Centre, which as referenced earlier has seen a few refinements/changes to the proposal before Council today. Spruce Grove has carried out project specific engagement with user groups and surveyed Spruce Grove residents.

In terms of regional planning, Spruce Grove, Stony Plain and Parkland County have worked collaboratively together on several studies related to recreation facility planning. The focus of the planning was to identify future needs for facility development and how, as a region, we would manage those needs. Engagement occurred across all three municipalities to help develop these high-level plans.

Highlights from the 2009 Recreation and Culture Indoor Facility Strategy:

- *Top five priorities were: fitness/wellness space, gymnasium space, child play space, community meeting space and social banquet space*
- *Arena/Ice Surfaces was number 10 on priority list at that time*
- *Recommendations included exploring expansion of the TLC and Glenn Hall Arena to accommodate some of the priority needs identified; cultural venue to accommodate banquets and performances for at least 500 people and feasibility of a new aquatic's venue*
- *Identified planning framework process for planning regional facilities*
- *No formal regional discussion on implementation occurred*
- *Projects undertaken in region which somewhat address items identified in the plan include*
 - o *Spruce Grove – Border Paving Athletic Centre providing Gymnastics and community meeting space. Spruce Grove driven project, County not involved with development/planning, no operational or capital funding provided.*
 - o *Stony Plain – Heritage Pavilion providing banquets and performance space for 500 or more. Stony Plain driven project, County not involved with development/planning, no operational funding provided, \$1,500,000 in capital support provided.*

Highlights from the 2017 Tri Region Indoor Recreation Facility Strategy:

- Top five priorities: leisure pool, arena needs, indoor adventure, fitness/wellness, fieldhouse/dry floor areas
- Recommendations were focused on feasibility of a new multipurpose facility (lie the TLC) to address the priority areas identified, exploring feasibility of twinning Glenn Hall Arena
- Identified planning framework process for planning regional facilities
- No formal regional discussion on implementation has occurred
- Projects in planning stages which somewhat address items identified in the plan include:
 - o Spruce Grove – Civic Centre project providing additional ice surfaces. Spruce Grove driven project, County not involved with development/planning, funding request made to County for Capital and to discuss operational support as well.
 - o Stony Plain – Recreation facility to be developed over three phases, first phase to include gymnasium, multipurpose space, fitness area and running track. Future phases to include aquatic center and arena. Stony Plain driven project, County not involved with development/planning, no funding request made at this time.

Highlights from the 2021 Tri Municipal Regional Plan:

- Focus of this plan was to look at how we could strategically align services to achieve mutual benefit in the Tri region; Recreation was one of the focus areas
- Recommendations identified to focus on first include
 - o Developing a regional recreation vision, outcomes and principles
 - o Common categorization of facilities
 - o Standardize cost sharing for regional and district facilities
- Administrations are currently working together on a draft framework addressing recommendations
- Once Framework developed and approved by all three Municipalities it would provide guidance and direction on these types of facility developments
- No public engagement was included as majority of municipal plans that fed into this process involved engagement

Analysis:

Regional Facility Plans:

- Identified needs at a high level with recommendations requiring further, more detailed study as well as a recommended regional planning process
- Further studies and activities were carried out on the project by the City of Spruce Grove at a municipal level, not on a regional level involving Stony Pain and Parkland County
- Project elements (Ice surfaces) proposed do work towards addressing needs identified in the plans

Tri Municipal Plan

- Framework being developed and supported by the three municipalities will provide direction and guidance on how we, as a region, build, manage and pay for these types of facilities; however, it is in development is not applicable to this project as it has not been vetted or approved by the Tri Region Councils

Growth

- Spruce Grove has grown from 19,496 (2006) to 39,348 (2021) residents
- Stony Plain has grown from 12,363 (2006) to 17,253 (2021) residents
- Parkland County has grown from 29,265 (2006) to 32,205 (2021) residents
- New facility needs in region are driven primarily by Spruce Groves growth

County Funding Available

- Administration has determined \$6,000,000 in available funding for regional recreation projects through use of our Recreation Facilities Restricted Surplus which will not impact tax levy for Parkland County residents
- Currently there are two project we are aware of which include the Spruce Grove Civic Centre and Town of Stony Plain Recreation Centre – Phase 1
- Senior Administration of all three municipalities have met and discussed the available funding and determined proposed allocations
- Proposed allocations are \$4,378,000 for Spruce Grove, \$1,622,000 remaining for future capital requests

County Residents Involvement/Benefit

- Residents were formally involved with public engagement opportunities with the Regional Facility Plans which identified the high-level facility needs for region; however, they were not formally engaged on this specific project
- County residents who already, or plan to, utilize these types of amenities will make use of them
 - o Currently, approximately 24% of the current users of Spruce Grove Agrena are County residents, specifically Spruce Grove has identified on average 1181 individual users across the main ice user groups of which 287 are identified as being from Parkland County
 - o This does not include special events like Saints games, or other types of special events at the facility, its only their core ice user groups
- Facility will help address prime ice time shortages in the region
- Recreation facilities do assist in attracting investment and residents to communities

Alternatives:

1. Approve Capital contribution of \$4.378,000 from Recreation Facility Restricted Surplus for the Spruce Grove Civic Centre to be paid over three years.

- no tax impact for Parkland residents
- supports a facility that Parkland residents will see benefit from
- Funding left in Facilities Restricted Surplus to support future requests
- Recreation Facilities Restricted Surplus will be depleted with no funding available if other projects come forward until we build it back up again; taxy lev would be required if they do and if Council supports that use

2. Approve a Capital contribution of a different amount from Recreation Facility Restricted Surplus for the Spruce Grove Civic Centre to be paid over three years.

- No tax impacts for Parkland County residents
- supports a facility that Parkland residents will see benefit from
- Recreation Facility Restricted Surplus will be depleted with no funding available if other projects come forward until we build it back up again; tax levy would be required if they do and if Council supports that use

3. Do not approve any Capital Contribution for the Spruce Grove Civic Centre Project.

- Recreation Facilities Restricted Surplus remains funded for use with any future projects
- does not support a facility that Parkland County residents will see benefit from

Conclusion/Summary:

In conclusion, Administration supports Alternative #1. The facility will benefit Parkland County residents, there is no tax levy impact. Funding is still available to support any future funding requests.

In addition, Administration will explore Operational Cost Share options for Council's consideration, and welcomes any comment, feedback or direction Council may have.

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