

Funding Strategies for the A1 Indoor Athletic Facility - Additional Information

RECOMMENDATION

That the November 16, 2021, Citizen Services report CS00401rev, be received for information.

Report Purpose

Information only

Executive Committee is being provided with additional information on the development of the proposed A1 Athletic Facility to support its decision-making for funding this facility during the Fall 2021 budget deliberations.

Previous Council/Committee Action

At the June 14, 2021, Executive Committee meeting, the following motion was passed:

That the June 14, 2021, Urban Planning and Economy report UPE00401, be referred to Administration, to work with the proponent and further analyze the A 1 Indoor Athletic Facility Business Plan, and if appropriate a binding agreement regarding access, performance metrics, etc, and return to Committee with additional information, including identification of potential funding sources for the facility, prior to the 2021 Fall Supplemental Budget Adjustment.

Executive Summary

- The City of Edmonton is committed to achieving The City Plan's outcomes of healthy and active living for all Edmontonians by supporting and investing in community-focused recreational, leisure, social and cultural programs. Partnership opportunities are an important tool used by the City to deliver these goals, particularly where the service would exceed planned service levels offered by the City.
- A1 Athletic Facility Ltd. is a private entity proposing to construct and operate a multi-sport recreation facility for public use on private land in the Gorman neighbourhood.
- A1 Athletic Facility Ltd. is requesting a \$5 million funding contribution from the City for the construction of the facility in exchange for guaranteed public access to the facility.

Funding Strategies for the A1 Indoor Athletic Facility - Additional Information

- A1 Athletic Facility Ltd. and Administration have developed draft terms and conditions of a funding agreement that would be brought to City Council if funding is approved as part of the Fall 2021 budget adjustment process.

REPORT

At the February 8, 2021, City Council meeting, A1 Athletic Facility Ltd. approached City Council to present plans for a multi-sport recreation facility to be constructed on private land at 16420 26 Street NW in the Gorman neighbourhood. The project is estimated to cost \$32 million, including the purchase and servicing of land and the development of a recreation facility that will include:

- Two air-supported indoor artificial turf field facilities:
 - One with Canadian Football League size football markings and full-sized soccer pitch
 - One for soccer plus bleachers and two courts lined for basketball, volleyball, and pickleball
- One outdoor artificial turf
- Supporting amenities, commercial spaces, and offices

The proponent also identified that roadway upgrades would be required on 34 Street NW to provide access to the site and underground utilities to service the site. A1 Athletic Facility Ltd. initially requested that the City contribute \$5 to 7 million to fund the site servicing costs. The current model is that these costs are funded for by the developer.

At the June 14, 2021, Executive Committee meeting, Administration provided information outlining opportunities, challenges and risks associated with the City providing a contribution towards the facility (June 14, 2021, Urban Planning and Economy report, UPE00401 Funding Strategies for the A1 Indoor Soccer Facility). Administration considered servicing agreements or local improvement tax as possible financing mechanisms for off-site infrastructure; however, the report noted that roadway upgrades, utility extensions and other improvements are typically paid for and constructed by developers. Administration did not support the site servicing costs being funded by the City.

Administration continued to work with the proponent and has analyzed the land valuation and business case to determine the viability of the proposed project and to explore a financial contribution from the City for the construction of the recreation facility.

Zoning/Site Servicing

To allow work on the proposed project to proceed, the site was rezoned on September 8, 2021. Bylaw 19799 amended the Gorman Neighbourhood Structure plan to accommodate the proposed drainage scheme and Charter Bylaw 19800 rezoned the site to allow for the development of a private recreation facility, a stormwater management facility and industrial business uses.

Funding Strategies for the A1 Indoor Athletic Facility - Additional Information

Prior to construction, various approvals are still required and the proponent is in the process of submitting applications for subdivision and development permits.

Recreation Partnerships

The Approach to Community Recreation Facility Planning and City Policy C187A - Enhancing Community Facility Services Through Partnerships support working with partners, including for-profit partners, to provide recreation opportunities in the city. The benefits of working in partnership with groups include enhanced programs and services, shared risk/mutual benefit, and leveraging operational and capital investments. Administration has been encouraged by City Council to find innovative ways to fund and deliver recreation infrastructure; this project provides a non-traditional partnership opportunity to enhance services to the community.

Recreation Needs

According to the Approach to Community Recreation Facility Planning, the current service provision of indoor turf in the city is inadequate. The addition of the Edmonton Soccer Dome and the seasonal covering of Foote Field at the University of Alberta are two examples of projects that have enhanced the service levels of indoor turf resulting in high usage of these facilities.

In response to the demand, several proponents have expressed interest in developing an indoor turf facility in partnership with the City and are in various stages of exploring such a partnership. The proposed A1 Athletic Facility would provide indoor artificial turf in an area of the city that does not currently have such amenities. Neighbouring municipalities of Strathcona County and St. Albert are also exploring facilities with indoor turf components given the high demand.

Agreement Considerations

Administration and A1 Athletic Facility Ltd. have agreed to draft terms and conditions including but not limited to funding, access, and payback conditions. If this item is brought forward for consideration as a part of the Fall 2021 supplemental operating budget adjustment discussion and approved for funding by City Council, Administration would bring forward a report for approval of the terms of the funding agreement. Some important considerations for this agreement include:

- Access to the facility is available to all Edmonton clubs/community groups, user groups and all members of the general public, without having to be a member of an organized group.
- Access to the facility is provided at reasonable times and rates.
- Contribution payback provisions are in place to ensure the facility functions primarily as a recreation facility and as per the terms of the agreement for the duration of the agreement, which will be no shorter than 10 years.
- Annual reporting requirements are established on organization/community use, attendance, rates, hours of use, etc.

Funding Strategies for the A1 Indoor Athletic Facility - Additional Information

- A1 Athletic Facility Ltd. would be responsible for all costs to acquire, service and prepare the site for construction.
- A1 Athletic Facility Ltd. would be solely responsible for the design, construction, operation and maintenance of the facility, including all lifecycle repair/replacement costs.

Budget/Financial Implications

Funding for this item does not currently exist within the City's operating budget. A motion would be required to bring forward an unfunded service package for funding consideration as a part of the Fall 2021 Supplemental Operating Budget Adjustment process.

COMMUNITY INSIGHT

A1 Athletic Facility Ltd. is leading this project and has indicated strong community support for its proposed facility. The proponent has shared letters of support from northeast zone community leagues, soccer associations, secondary and post-secondary educational institutions as well as professional sports leagues, indicating a need for the planned training and competition space.

GBA+

A1 Athletic Facility is being proposed in a neighbourhood where this type of amenity does not currently exist. Administration reviewed the preliminary GBA+ analysis provided by A1 Athletic Facility Ltd. and supports the outcomes and approach laid out by the organization.

As an organization, A1 Athletic Facility Ltd. has shared a commitment to not discriminate on the basis of race, colour, religion, gender, gender expression, age, national origin, disability, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to, recruitment and management of staff, selection of volunteers and vendors, and provision of services. A1 Athletic Facility Ltd. is committed to providing an inclusive and welcoming environment for everyone.

Some highlights of A1 Athletic Facility Ltd.'s GBA+ analysis include:

- A1 Athletic Facility Ltd. has partnered with a foundation to employ five individuals with disabilities under the care of the foundation.
- The facility will incorporate universal design features and will include unisex and gender-neutral individual washroom and change rooms, including barrier-free washrooms and showers.
- To address barriers to access due to cost, A1 Athletic Facility Ltd. aims to provide affordable pricing for low-income families.
- To assist with transportation, A1 Athletic Facility Ltd. will provide a shuttle service to the facility from the nearby Clareview Transit Station.