

Innovative Funding Strategies to Build, Operate and Maintain Recreation Centres

Recommendation

That the February 3, 2021, Citizen Services report CR_8024, be received for information.

Previous Council/Committee Action

At the January 27, 2020, Executive Committee meeting the following motion was passed:

That Administration, in collaboration with stakeholders such as Friends of Scona Rec. and the development community in the area, use the Rollie Miles Recreation Centre as a pilot to look at innovative funding strategies to build, operate and maintain recreation centres, and provide a report to Committee.

Executive Summary

Significant capital and operating investment is required to build, operate, and maintain recreation facilities. In the context of the proposed Rollie Miles Recreation Centre, Administration has identified several financial tools that could provide alternatives to the traditional funding sources of tax-supported debt, grants, and property tax levy.

Report

Administration, the Friends of Scona Rec, and a small number of developers explored options to offset capital, operating and maintenance costs associated with the proposed Rollie Miles Recreation Centre.

The proposed Rollie Miles Recreation Centre is a multi-purpose recreation centre with amenities that include a swimming pool, fitness centre, gymnasium and program rooms. Currently, the estimated capital cost is \$76 million (+50%/-30%). In addition, the facility has an estimated net operating impact of \$1.65 million annually. This estimate also includes the cost of building and trades maintenance for the facility, but does not include future capital renewal funding requirements projected over its lifecycle.

Capital Funding Options

Administration identified several viable options to address or assist with the cost of capital construction for the facility (Attachment 1). These options could be used in conjunction with one another.

- Local Improvement Tax
- Community Amenity Contributions
- Fundraising
- User Fees Dedicated for Capital Construction Costs
- Capital Partnerships

Operating and Maintenance Funding Options

Administration also identified alternatives to address the annual operating and maintenance costs (Attachment 1). These options could be used in conjunction with one another.

- Naming Rights
- User Fees
- Operating Partnerships

Other Facility Support Alternatives

Administration also identified several other facility support alternatives to address both operating and capital costs (Attachment 1). These options could be used in conjunction with one another.

- Scope Reduction
- Capital Project Phasing
- Leasing of Parkland
- Partnerships with surrounding community amenities such as the University of Alberta to provide recreational opportunities

Next Steps

Administration will continue to evaluate recreation needs of the community surrounding the proposed Rollie Miles Recreation Centre, including the design for the approved Rollie Miles Athletic Park capital project, and engage citizens and stakeholders in its planning process.

Corporate Outcomes and Performance Management

Corporate Outcome: The City of Edmonton has a resilient financial position			
Outcome	Measure	Result	Target
The City of Edmonton has a resilient financial position to support capital projects and their corresponding operating costs	Branch revenue variance	2019: (\$8,119,832) 2018: (\$4,483,615)	Positive branch revenue variance
	Branch expenditure variance	2019: \$4,378,862 2018: (\$134,828)	Positive branch expenditure variance

Attachments

1. Alternate Funding Strategy Considerations

Others Reviewing this Report

- S. McCabe, Deputy City Manager, Urban Form and Corporate Strategic Development
- C. Owen, Deputy City Manager, Communications and Engagement
- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- B. Andriachuk, City Solicitor