



AGENDA ITEM

Town of Blackfalds Multi-Plex Expansion Funding Request

February 27, 2020

BACKGROUND

The Town of Blackfalds has formally requested funding from the County for its proposed Multi-Plex Expansion Project through a submission under the County's RC(1) Policy. The proposed project is consistent with the proposal provided by the Town to Lacombe County Council at its September 12, 2020 regular meeting.

The project involves two major facilities, a second indoor ice arena with seating for up to 1,300 and a 12,000 square foot library. The indoor arena would be the Town's second indoor arena, while the proposed library would replace the existing library currently located in the basement of Town office.

A copy of the Town's RC(1) application is attached.

As this project involves two unique facilities, Administration has evaluated each facility separately. Administration is supportive of providing funding for this project, though not at the level requested.

ANALYSIS

The proposed multi-plex expansion project involves the addition of a second indoor ice arena and library adjacent to the existing multi-plex arena. The three facilities would share an expanded parking lot and centre plaza, which are not part of this funding request.

The proposed arena will have seating for 1,300 and will eventually be home to the Town's Junior "A" hockey team. The proposed library would be double the size (12,000 square feet) of the Town's current library. This size is in line with other newer libraries in the County, such the Mary C. Moore Pubic Library in Lacombe.

The current budget for the project is \$20 million with \$15 million allocated for the arena and \$5 million for the library. The Town is seeking 15% or \$3 million from the County.

Administration has reviewed the request under the conditions and guidelines outlined in the County's RC(1) project.



Lacombe County Policy RC(1) – “County Capital Support of Approved Recreational/Cultural Facilities.” This policy provides for Lacombe County financial and in-kind support to organizations for the construction, renovation and repair of community, public-use recreation and cultural facilities.

Indoor Single and Multi-sheet arenas are eligible for County funding under the policy and are considered regional facilities. The County currently provides an operational grant towards the Town’s existing indoor arena under the County’s RC(2) Operating Support for Recreational Facilities Policy.

Libraries are also considered eligible under the Policy as a regional facility. The County currently provides operational support to the Town’s library under the County’s RC(6) Library Support policy.

The funding criteria associated with this type of project, as specified in Policy RC(1), are as follows:

- 1. The urban municipality in which the facility is to be located in must contribute to the project in an amount reflective of its residents’ use of the facility.**

The Town has budgeted for these facilities as one major capital project and is proposing to fund the project accordingly. Of the \$20 million budget, the Town is proposing to fund 72.5% (\$14.5 million) through Town borrowing with another 12.5% or \$2.5 million coming through fundraising and provincial grants.

- 2. County support may be provided up to a maximum of 50% of the total project cost.**

The Town has requested funding from the County equivalent to 15% of the total project cost or \$3 million. This request falls under the County’s maximum threshold of 50% of total project cost.

Past decisions of Council have tied the County’s financial commitment to a project to the County residents’ usage of that facility up to a maximum of the urban municipality’s commitment. Usage is a key determinant of the benefit to the County.

County approval is also subject to the following conditions:

3. Strong community support.

The need for a second indoor ice surface in Blackfalds was first identified during development of the Town's Recreation, Culture and Parks Needs Assessment and Master Plan in 2015. The arena was identified as a top 3 indoor priority with strong support from the residents in general¹. This study also identified that the utilization of the existing facility was high. The study also identified potential population thresholds for future assets including arenas and libraries. Finally, the plan identified a time horizon of 1 to 5 years (as of 2016) for possible construction.

This need is further identified in the Town's Civic Facilities Development Strategy and Master Plan which was approved by the Town in November of 2018. The multi-plex expansion was identified as a key civic project in the Town's 10-year facility plan and is part of an integrated plan involving other facilities including the Town's Town Hall.²

The library portion of the project was also identified in the Town's Needs Assessment and Master Plan in 2015. At the time, space was identified as a limitation, with the current space not meeting industry best practices.³ The library, however, was not identified as a top priority at the time. The project was a priority for groups and stakeholders in the community.

The Town's civic facilities study outlined an opportunity to relocate the library providing it the necessary space while also providing space for future growth the Town's Town Hall.⁴

The community has also come on board through the creation of the Dual Ice Development Society. The Society has been advocating for the second ice surface and has committed to raising \$1.0 million for the facility.

4. Must provide a benefit to all or part of the County.

The largest question to be answered with this project is the benefit to the County. The County has used County residents' usage as an indicator of benefit to the County for many capital funding requests.

¹ Town of Blackfalds. (2016). *Recreation, Culture, and Parks Needs Assessment and Master Plan*, Blackfalds, Alta.

² Town of Blackfalds. (2018). *Town of Blackfalds Civic Facilities Development Strategy and Master Plan*, Blackfalds, Alta.

³ Town of Blackfalds. (2016). *Recreation, Culture, and Parks Needs Assessment and Master Plan*, Blackfalds, Alta.

⁴ Town of Blackfalds. (2018). *Town of Blackfalds Civic Facilities Development Strategy and Master Plan*, Blackfalds, Alta.

In this regard, the library project has the most complete data. The County has been providing operational support to the Library since the funding policy was first adopted. County residents make up 13.32% of total memberships of the library's 1764 members. County memberships include both individual and family memberships. Translated into funding this would equate to \$666,000 in County funding.

The County also has other comparison projects in this regard. The County provided funding towards the construction of the new library in Lacombe through its funding of the Lacombe Memorial Centre project. The expansion of the library space in that community has allowed the library board there to expand its programming, particularly for children and young adults. The most recent library project was the Clive Multi-Use Resource Centre in 2014. The County approved \$95,238 in funding or 33.3% of the total cost of the project.

The benefit to the County for the second ice surface has been harder to quantify. The County has provided capital funding for other dual ice surface projects in or adjacent to the County, including funding in Lacombe and Sylvan Lake. In both cases, the municipalities had usership data to support their request. (The latter's data was not as strong as the former)

The Town has provided some usership information related to the Blackfalds Minor Hockey, Blackfalds Lacrosse, Lacombe Ringette and Lacombe Minor Hockey. Estimates ranged from 9 to 14% of total registrants, however in many cases the number attributed to the County could have also included participants from other urban communities in the County.

Previous operational funding support provides only limited direction as well as the Town has opted to receive the annual County grant rather than operational deficit support funding. In 2019, the grant was equivalent to 11.5% of the operational deficit. The current operational support and user data provided by the Town suggest a capital contribution at a rate below the 15% funding request from the Town.

This project is unique for Lacombe County as it will be the only dual full-sized ice arena in the County. Having a second surface will add more ice time to the area in general. Indirectly this may affect other ice surfaces the County supports. At the same time, a dual surface allows for greater flexibility as it relates to tournaments and it increases overall prime time ice hours, which is always in demand.



Based on the limited usership data and the current operational support, Administration supports funding for his portion of the project at the 11.5% amount or \$1,725,000 mark.

ALTERNATIVES

1. Approve the requested amount of \$3 million for the entire project.
2. Approve funding for only the library facility in an amount equivalent to the County's 2019 library membership of 13.32% or \$666,000.
3. Approve funding for only the arena facility at a maximum amount of \$1,725,000 or 11.5% of project cost.
4. Approve funding for both facilities based on usage identified in alternatives 2 and 3 with funding totalling \$2,391,000 (or 11.96% of total project cost)
5. Deny the request.
6. Council provide an alternative level of support.

BUDGET IMPLICATIONS

Funding for this project is not in the 2020 County operating budget. Should Council support this request funding would be provided through the County's Recreation Capital Assistance Reserve.

The projected 2020 year-end balance of the reserve, including projects approved to January 9, 2020, is \$4,913,833, (including the 2020 contribution to reserves of \$1.59 million).

The County also has \$563,000 in other requests that are before Council.

LEGISLATIVE RESPONSIBILITIES

1. Lacombe County Policy RC(1) - Capital Support of Recreation and Cultural Facilities.
2. Section 3 of the Municipal Government Act (MGA) states the purposes of a municipality are: 1) to provide good government, 2) to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or part of the municipality, and 3) to develop and maintain safe and viable communities.

3. Section 180(1) of the MGA states that Council may act only by resolution or bylaw.
4. Section 248(1)(a) of the MGA states that a municipality may only make an expenditure that is included in an operating budget, interim operating budget or capital budget unless otherwise authorized by Council.

PUBLIC PARTICIPATION

As the Community has already undertaken a consultation process, the County's public engagement will be limited to informing the public of Council's decision on this matter as well as communicating Council's decision to the Town of Blackfalds.

STRATEGIC PLAN

The following elements of the County's Strategic Plan are relevant to this issue:

Our Vision: "An attractive, balanced and progressive community".

Our Mission: "To build a safe and vibrant community through leadership, innovation and the development of healthy relationships".

Key Principles: 1) "Fair and Objective in our decisions and in how we treat individuals", and 2) "Accountability for our decisions and for our actions".

Recreation Strategy: A. Pursue more recreational opportunities

Key Success Measures:

- Sustainability: "Current services are maintainable and provide benefits for the future, while minimizing negative impacts on the community",
- Stakeholder Satisfaction: "Healthy relationships with neighbouring municipalities, communities and our citizens."

RECOMMENDATION

That Council approve the following resolutions:

That Council approve funding, of 11.96% up to a maximum of \$2,391,000, for the Town of Blackfalds Multi-Plex Expansion Project, with funding to come from the County's Recreation Capital Assistance Reserve.

PREPARED BY: Michael Minchin, Director of Corporate Services



REVIEWED BY: Tim Timmons, County Manager

