

Optimist Hill Project Update

ISSUE

The purpose of this report is to provide updated information on the Optimist Hill Project at Diefenbaker Park.

BACKGROUND

In September 2014, City Council approved the submission of the Optimist Club's business plan for the Optimist Hill Project. Over the course of 2014 and 2015, the Administration and the Optimist Club worked together to formalize the scope of the project, develop a formal Memorandum of Understanding, and determine funding support from the City.

In March 2015, the City of Saskatoon (City) signed a Memorandum of Understanding with the Optimist Club. The Memorandum of Understanding was intended to set out basic business terms upon which the Optimist Club would proceed to refine the business plan, solicit funding for the Optimist Hill Project and lead to the negotiation of a lease and operating agreement for the facility.

In April 2018, City Council received a report from the General Manager, Community Services Department, with an update that the Optimist Hill Project was ready to begin the design work and undertake construction.

In December 2018, City Council received a report from the General Manager, Community Services Department, and approved that the Optimist Hill Project be designated as a municipal project and that the City be authorized and requested to accept donations for this project and issue appropriate tax receipts to donors who contribute funds to the project.

The Optimist Hill partially opened for business on February 10, 2019 for a shortened season of only 29 days.

At its November 25, 2019, 2020/2021 Multi-Year Preliminary Business Plan and Budget meeting, City Council had options to bring in new operating increases for specific programs. City Council approved additional funding in the amount of \$25,000 for 2020 and \$25,000 for 2021 for the Optimist Hill Project. Additional funding to the Recreation Game Plan Funding Plan, Partnership Reserves, was identified as the source for the Optimist Park Operating Contribution. The purpose of the Recreation Game Plan Funding Plan is to fund prioritized recreation and park amenities, including consideration of partnership project opportunities.

CURRENT STATUS

The Optimist Hill partially opened for business on February 10, 2019 for 29 days. Once the hill closed for the season, construction continued over the summer through projects

like planting trees, preparing the crushed rock pathway, final grading of the hill and complete grass hydro seeding.

Phase Two of the project will include construction of a permanent chalet facility. The ongoing fundraising campaign will support completion of Phase One, future development of Phase Two, and continued development of facility support amenities.

The OSP Community Development Corporation (OSP) and the City have entered into a long-term lease agreement for operations of the facility. The OSP will be responsible for the majority of programming, operations, and capital improvement costs.

DISCUSSION/ANALYSIS

The volunteer time from the approximately 20 Optimist Club members towards the project has been extraordinary. The Board and campaign chairs have been front and centre, with members also responding to various work bee calls and projects. It is estimated that the Optimist Club of Saskatoon members have donated over 1,900 hours of volunteer time to the Optimist Hill Project.

Optimist Hill has had a number of businesses and organizations support the project with in-kind donations, providing discounted materials and supplies, as well as other endeavours, including fencing, snow hauling, solar panels, ski rental equipment, janitorial supplies, signage, social media and IT support, grass seed, trees and loan of a snow cat. The long list includes over 30 companies and organizations with an in-kind value of over \$325,000.

OSP continues to utilize a borrowed snow cat as a key piece of equipment to perform daily grooming requirements at Optimist Hill. The snow cat is currently left outside on-site until the permanent chalet facility (Phase Two) can be constructed. A temporary support structure is required in the interim to keep the snow cat secure and out of the weather elements. Depending on the type of temporary structure constructed, the OSP has received cost estimates between \$40,000 and \$70,000. In addition, the OSP has already purchased a second lift and conveyor system for Optimist Hill. The cost estimate to install the second lift and conveyor system is approximately \$160,000. The temporary support structure for the snow cat and installation of the second lift are required in order to complete Phase One.

To date, the total capital cost of Phase One of the Optimist Hill Project is approximately \$3.3 million. The OSP has fundraised \$1.857 million, including the City's capital contribution (see Appendix 1). The City of Saskatoon (City) has already contributed \$635,000 to the project plus \$17,700 in additional in-kind support (see Appendix 2). A total of \$1.3 million has been financed through a local financial institution and the remaining capital cost, approximately \$200,000 to \$230,000, (for the installation of the second lift and a temporary structure) is still outstanding.

As per Council Policy No. C03-003 - Reserves for Future Expenditures, the purpose of the Recreation, Sport, Culture and Parks Partnership Reserve (Partnership Reserve) is

to provide a source of funds to finance both major and minor partnership project opportunities connected to the City of Saskatoon Recreation and Parks Master Plan or the Recreation and Parks Facilities Game Plan priorities. As per the Partnership Reserve, major capital projects must be new facilities, renovations or expansions of facilities, and the City's contribution will be to a maximum of 25% of the total project cost for City-owned facilities or facilities built on City-owned land.

City Council recently approved in the 2020/2021 Multi-Year Preliminary Business Plan and Budget an additional \$50,000 in capital funding for the Optimist Hill Project, \$25,000 for 2020 and \$25,000 for 2021 from the Partnership Reserve. The additional funding will support the OSP towards the completion of Phase One. With this additional funding, the City will have contributed \$702,700 (total capital funding of \$685,000 plus in-kind support of \$17,700) or 21.3% toward the \$3.3 million capital cost toward Phase One of the Optimist Hill Project.

FINANCIAL IMPLICATIONS

The financial implications have been outlined in this report.

OTHER IMPLICATIONS

There are no legal, social, or environmental implications identified.

NEXT STEPS

Administration will work directly with OSP to make arrangements for the disbursement of the approved funds, with \$25,000 in January 2020 and \$25,000 in January 2021.

APPENDICES

1. OSP Community Development Corp Major Sponsors
2. City of Saskatoon Capital Contribution and In-Kind Support

REPORT APPROVAL

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