
Recreation and Parks Master Plan - Facilities Game Plan – Proposed Funding Plan

Recommendations

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. That the funding plan for the Facilities Game Plan, already approved partner-led capital projects of \$11.0 million, as outlined in this report, be approved in principle, for inclusion in the 2019 and future Business Plan and Budget Reviews;
2. That the Recreation and Parks Master Plan Facilities Game Plan, proposed 2019 to 2023 City-led capital priorities and proposed funding plan, as outlined in this report, be approved in principle, subject to future budget approvals; and
3. That additional proposed incremental funding of \$250,000 per year be phased in over five years, starting in 2019, to establish a Partnership Reserve, be approved in principle, for inclusion in the 2019 Business Plan and Budget Review, subject to future budget approvals.

Topic and Purpose

The purpose of this report is to obtain City Council's approval for a funding plan that would facilitate implementation of the Recreation and Parks Master Plan - Facilities Game Plan capital priorities over the next five years, including City of Saskatoon and partnership-led recreation and parks priorities, and the establishment of the major and minor partnership reserve. This report also identifies the summary list of capital priorities for 2024 and beyond, that still require additional work on a potential funding plan. The term "recreation" is understood to include sport, recreation, fitness, arts, culture, and leisure amenities.

Report Highlights

1. The Administration has finalized the 2017 Recreation and Parks Master Plan - Facilities Game Plan (Game Plan), a long-range capital plan of prioritized recreation and parks amenities, and has identified capital priorities, including consideration of partnership project opportunities.
2. The proposed funding plan for the City Council approved projects (the University Arena contribution, Gordie Howe Sports Complex Master Plan, and Children's Discovery Museum) includes funding from the Neighbourhood Development Fund, Parks and Recreation Levy, and Dedicated Lands Reserve.
3. The proposed capital priorities for 2019 to 2023, totalling just over \$7.0 million, identifies the capital costs for the five-year capital plan as well as recommended sources of funding, including a reallocation of the New Building Canada funds, reserve contributions from Dedicated Lands and Parks Enhancement reserves and mill rate funding as part of the proposed mill rate phase-in plan.

4. The capital priorities identified for 2024 to 2028 do not have a formalized funding plan. More work is required, including investigating new partnerships, potential funds from the Investing in Canada – Social Infrastructure Program, potential increases to current Parks and Recreation Levy and Community Centre Levy rates, and potential additional mill rate support.

Strategic Goals

Under the City of Saskatoon’s (City) Strategic Goal of Quality of Life, this report relates to the long-term strategies of supporting community building through direct investment, as well as ensuring existing and future leisure centres and other recreational facilities are accessible, physically and financially, and meet community needs.

The Recreation and Parks Funding Plan (Funding Plan) supports the priority of developing funding strategies for expenses related to new capital expenditures under the Strategic Goal of Asset and Financial Sustainability.

Background

At the September 20, 2017 special meeting of the Governance and Priorities Committee, the Game Plan was put forward along with presentations from a number of community-based organizations requesting to partner with the City on the design and construction of indoor and outdoor recreation and parks amenities.

At its November 20, 2017 meeting, City Council considered the Recreation and Parks Master Plan – Facilities Game Plan Capital Priorities - Proposed Plan for Funding Strategy Including Partnership Reserve report, and resolved, in part:

- “1. That the two recreation and parks partnership capital priorities, identified in the October 30, 2017 report of the General Manager, Community Services Department for partial funding in 2018, be approved pending approval of the allocation of surplus from the Neighbourhood Land Development Fund to the proposed new Recreation and Parks Funding Plan; and
2. That the Administration report back in 2018 during the preparation of the 2019 Business Plan and Budget on a comprehensive Recreation and Parks Funding Plan.”

At the same November meeting, City Council considered a report from the Chief Financial Officer/General Manager, Asset and Financial Management Department, regarding allocation of the remaining unallocated surplus previously declared from the Neighbourhood Land Development Fund, and approved the recommendation to allocate \$5.034 million of this fund to the proposed new Funding Plan. With the approval of this recommendation, City Council subsequently approved the request for partial funding of \$1.0 million to the Gordie Howe Sports Complex Master Plan and \$500,000 to the Children’s Discovery Museum for 2018, in advance of the completion of the Funding Plan.

At its January 29, 2018 meeting, City Council considered two reports, the Gordie Howe Sports Complex Master Plan – Project Update and Funding Request, as well as the Children’s Discovery Museum Request for Additional Funding, and resolved, in part, respectively:

“That Administration report further on the implications to the Recreation and Parks Game Plan Funding Plan of incorporating \$6.0 million of funding towards the Gordie Howe Sports Complex upgrades, including the \$1.0 million already approved;” and

“That the Administration report further on the implications to the Recreation and Parks Game Plan Funding Plan of incorporating \$2.0 million of funding towards the Children’s Discovery Museum, including the \$500,000 already approved.”

This report provides an overview of the Funding Plan and includes information related to the City Council resolutions noted above.

Report

Game Plan Capital Priorities

The finalized Game Plan was presented to City Council in November 2017, and it identified the top recreation and parks facility priorities for a long-range capital plan, including approximate costs (see Attachment 1). The estimated capital cost of the City and partnership-led capital projects over the next ten years is \$86.8 million (in 2018 costs). This includes a wide range of facilities and amenities, such as sport fields, festival sites, indoor playgrounds, pickle ball courts, accessibility upgrades to existing facilities, an indoor pool, an indoor arena, Arts and Culture Program spaces, zoo amenities and exhibits, and a number of partnership projects addressing priorities within the Game Plan.

Also in November 2017, City Council approved the establishment of the Recreation, Sport, Culture, and Parks Partnership Reserve (Partnership Reserve). The purpose of the Partnership Reserve is to provide a source of funding for both major and minor partnership project opportunities for recreation, sport, culture, and parks capital projects. Partnerships will form a critical aspect of future construction of recreation and culture amenities. It is important that the City begin planning for these future applications; therefore, it is recommended that the City begin to phase in \$250,000 per year, beginning in 2019, to establish a base of \$1.25 million over five years. Phasing in of the funding has been incorporated into the Funding Plan.

Proposed Two-Phased Strategy for the Funding Plan

The financial requirement for long-range capital planning based on City and community partnership projects is extensive and, as such, the Administration is bringing forward recommendations that involve a variety of funding sources for consideration in order to facilitate implementation of the first five years of the ten-year capital priorities.

There is a two-phased approach recommended to begin funding the Game Plan Projects. The first phase is consideration of the funding plan for the three partnership projects already approved by City Council including: the University Arena contribution, Gordie Howe Sports Complex Master Plan, and the Children’s Discovery Museum. Attachment 2 provides a summary of these three projects and the Funding Plan to support currently-approved partnership projects for a total of \$11.0 million.

It is recommended that these projects be funded primarily from two non-property tax sources, including Neighbourhood Land Development Dividends of \$10,034,000; a

contribution from Parks and Recreation Levy funds of \$800,000 and \$166,000 from the Dedicated Lands Account.

The second part of the funding plan is seeking approval of the City-led capital project priorities over the next five years as identified in the Game Plan. Attachment 3 provides a summary of the proposed City-led five-year capital project priorities for 2019 to 2023, with estimated timelines as well as the proposed sources of funding. Administration is recommending approval of this five-year capital plan based on the proposed funding sources identified as follows:

- a) reallocation of \$5.0 million of the New Building Canada Fund based on current allocations and anticipated expenditures;
- b) a Dedicated Lands Reserve funding allocation of \$734,000;
- c) a Park Enhancement Reserve funding allocation of \$500,000; and
- d) \$796,000 of mill rate funding as part of the \$250,000 annual funding to be phased in over five years for the Partnership Reserve.

It is important to note that these funding plans encompass capital costs only, as well as the currently proposed timelines for each of the capital projects. Prior to any major capital project being formalized, the Administration would conduct a full feasibility study and needs assessment for the capital project. These projects would be subject to capital budget approval and at that time provide further information on the operating impacts for each of the projects.

Game Plan Capital Projects, Not Yet Approved and Funding Identified

For the capital priorities identified within the Game Plan for 2024 to 2028, large-scale capital projects are included, such as a new leisure centre (likely to include an indoor pool, an indoor arena, an indoor playground, and Arts and Culture Program space), a sport field complex, an outdoor pool, and a major festival venue. The total estimated capital costs for these capital projects is \$66.5 million (see Attachment 4).

There are also two partnership projects that have been endorsed by City Council, for which a business plan has not yet been approved, which totals an estimated contribution of \$2.25 million.

The projects in Attachment 4 do not have a formalized funding plan. More work is required on these projects to find potential funding sources, including investigating new partnerships, potential funds from the Investing in Canada – Social Infrastructure Program, potential increases to current Parks and Recreation Levy and Community Centre Levy rates, and potential additional mill rate increases.

Options to the Recommendation

City Council could choose to remove or further defer projects from the 2019 to 2023 Funding Plan that have been identified as priorities within the Game Plan. City-led projects and/or amounts listed within the Game Plan beyond the year 2019 could be deferred, deleted, or altered, as could some of the future partnership projects. Other than the currently approved partnership projects for the Gordie Howe Sports Complex, the

University of Saskatchewan – Merlis Belsher Place Arena, and the Children’s Discovery Museum, the majority of the projects, while they are included in the Funding Plan, have not yet started or been committed; therefore, they can be changed.

Public and/or Stakeholder Implications

There was no public or stakeholder involvement in the drafting of this report. However, the development of the recreation and parks capital priorities within the Game Plan involved extensive public and stakeholder engagement.

Communication Plan

A communication plan is not required at this time, but will be formalized in advance of each of the applicable capital projects and will be project specific.

Financial Implications

The financial implications are outlined within the body of this report.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

The Administration will continue to investigate the potential for funding from the Investing in Canada – Social Infrastructure Program as part of the funding plan for the remaining unfunded capital priorities, and will report back as further information is available.

Public Notice

Public notice, pursuant to Section 3 of Policy No. C01-021, Public Notice, is not required.

Attachments

1. Recreation and Parks Facilities Game Plan – Summary of Proposed Ten-Year Capital Priorities
2. Recreation and Parks Funding Plan – Partner-Led Projects Already Approved
3. Recreation and Parks Funding Plan – Proposed City-Led Capital Priorities, 2019 to 2023, and Proposed Funding Sources
4. Recreation and Parks Funding Plan – Unfunded Capital Priorities

Report Approval

Written by: Lynne Lacroix, Director of Recreation and Community Development
Reviewed by: Randy Grauer, General Manager, Community Services Department
Kerry Tarasoff, CFO/General Manager, Asset and Financial Management Department
Approved by: Jeff Jorgenson, Acting City Manager