

**Report - Recreation and Parks Master Plan -
Facilities Game Plan - Proposed Funding Plan**

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

S/Reports/2018/RCD/PDCS – Recreation and Parks Master Plan - Facilities Game Plan – Proposed Funding Plan/lc/gc/lc
FINAL/APPROVED – J. Jorgenson – February 27, 2018

Recreation and Parks Facilities Game Plan Summary of Proposed Ten-Year Capital Priorities

Capital Priorities	Capital Cost (City Costs Only)	
University Arena - Merlis Belsher Place	\$ 3,000,000	
Gordie Howe Sports Complex Master Plan - Friends of the Bowl Foundation	\$ 6,000,000	
Shakespeare on the Saskatchewan	\$ 750,000	
Water Park in the River - riverside amenities and development	\$ 1,500,000	
Children's Discovery Museum	\$ 2,000,000	
Indoor Children's Playground	\$ 120,000	
Outdoor Accessible Playground	\$ 750,000	
Indoor Pools - accessibility upgrades	\$ 1,000,000	
Festival Sites and Venues	\$ 3,180,000	
Zoo Amenities and Exhibits	\$ 1,850,000	
Bike Skills Park	\$ 750,000	
Boat Launch / River Access	\$ 500,000	
Sport Fields	\$ 5,040,000	
Pickle ball	\$ 100,000	
Softball Diamonds	\$ 6,110,000	
Skateboard Site	\$ 1,500,000	
Outdoor Pools and Paddling Pools - accessibility and amenities	\$ 9,400,000	
District Leisure Centre		Funding for this leisure centre will require a combination of funding from other levels of government, partnership funding, and City funding. This is a very preliminary estimate of costs and the funding sources need to be further explored
- Indoor Ice	\$15,000,000	
- Indoor Pool	\$25,000,000	
- Indoor Children's Playground	\$ 250,000	
- Arts and Culture Program spaces	\$ 3,000,000	
Total	\$86,800,000	

**Recreation and Parks Funding Plan
Partner-Led Projects Already Approved
(Based on Recreation and Parks Facilities Game Plan)**

Partner-Led Projects Already Approved by City Council and Recommended Funding Source

	2018	2019	2020	2021	2022	2023	2024	Total
Capital Cost (CITY COSTS ONLY)								
PARTNERSHIP PROJECTS APPROVED								
University Rink		500,000	500,000	500,000	500,000	500,000	500,000	3,000,000
Friends of the Bowl	1,000,000	1,250,000	1,250,000	1,250,000	1,250,000			6,000,000
Children's Discovery Museum	500,000	500,000	500,000	500,000				2,000,000
	<u>1,500,000</u>	<u>2,250,000</u>	<u>2,250,000</u>	<u>2,250,000</u>	<u>1,750,000</u>	<u>500,000</u>	<u>500,000</u>	<u>11,000,000</u>

Proposed Source of Funding

Dedicated Lands	166,000
Neighbourhood Land Development Fund Dividend	10,034,000
Parks and Rec Levy - For University Rink	800,000
TOTAL	<u><u>11,000,000</u></u>

**Recreation and Parks Funding Plan
Proposed City-Led Capital Priorities, 2019 to 2023, and Proposed Funding Sources
(Based on Recreation and Parks Facilities Game Plan)**

Proposed City-Led Five-Year Capital Project Plan - Priorities and the Proposed Funding Source

Capital Cost (CITY COSTS ONLY)	2018	2019	2020	2021	2022	2023	2024	Total
CITY PRIORITY PROJECTS 2019 TO 2022								
Indoor Children's Playground		120,000						120,000
Pickleball		100,000						100,000
Zoo Amenities and Exhibits- Based on updated 2018 Master Plan		500,000	750,000	600,000				1,850,000
Boat Launch / River Access			500,000					500,000
Festival Sites and Venues			450,000	400,000	330,000			1,180,000
Softball Diamond Complex #1				1,880,000				1,880,000
Indoor Pools - Accessibility upgrades					1,000,000			1,000,000
Outdoor Pools and Paddling Pools - Accessibility and Amenities							400,000	400,000
TOTAL		720,000	1,700,000	2,880,000	1,730,000			7,030,000

Proposed Sources of Funding

Mill Rate contribution - a portion of the phased in Partnership Reserve fund	796,000
Reallocation - New Building Canada Fund	5,000,000
Dedicated Lands	734,000
Parks Enhancement Reserve	500,000
TOTAL	7,030,000

**Recreation and Parks Funding Plan
Unfunded Capital Priorities**

(Based on Recreation and Parks Facilities Game Plan) - Estimated Timelines

Capital Project Priorities Yet to be Approved and Additional Funding Sources or Partners Yet to be Identified

	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Capital Cost (CITY COSTS ONLY)										
PARTNERSHIP PROJECTS - YET TO BE FORMALLY APPROVED										
Shakespeare on the Sask.- washroom facility & new pathway	750,000									750,000
Water Park in the River - river side amenities washroom, & trails				750,000	750,000					1,500,000
Subtotal										2,250,000
CITY PRIORITY PROJECTS 2024 TO 2028 - FUNDING PLAN YET TO BE IDENTIFIED										
Sports Fields					3,540,000	1,500,000				5,040,000
Softball Diamond Complex #2					4,230,000					4,230,000
Outdoor Accessible Playground						750,000				750,000
Bike Skills Park						750,000				750,000
Outdoor Pool & Paddling Pool facilities							2,000,000	7,000,000		9,000,000
Major Festival Venue								2,000,000		2,000,000
Skateboard Site								1,500,000		1,500,000
										SUBTOTAL 23,270,000
District Leisure Centre - Business Case review likely to be triggered by timing of indoor arena and include the following										
- Indoor Ice					15,000,000					15,000,000
- Indoor Pool								25,000,000		25,000,000
- Indoor Children's Playground								250,000		250,000
- Arts and Culture Program spaces								3,000,000		3,000,000
										SUBTOTAL 43,250,000
TOTALS	750,000	0	0	750,000	23,520,000	3,000,000	2,000,000	10,500,000	28,250,000	68,770,000

Proposed Source of Funding for potential Partnership Projects

Mill Rate contribution - phased in over 5 years for Partnership Reserve fund	2,250,000
TOTAL	2,250,000