

***RPT 20-267***

**TITLE:** Land Acquisition - City of Prince Albert Aquatic and Arenas Recreation Centre

**DATE:** June 22, 2020

**TO:** City Council

**PUBLIC:** X

**INCAMERA:**

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**RECOMMENDATIONS:**

1. That the purchase of approximately 18 acres of serviced land from Signature Development Corporation located in the southeast portion of the City between Highway No. 3 and Marquis Road, legally described as a portion of Parcel 45, Plan No. AK2420, Extension 1, as outlined in the attachment to RPT 20-267, be approved;
2. That the purchase of this property be utilized for the construction of the new Aquatic and Arenas Recreation Centre;
3. That the purchase of the property in the total amount of \$6,525,000, plus Goods and Services Taxes, be funded from the Civic Facilities Reserve;
4. That the Mayor and City Clerk be authorized to execute the Sale Agreement and any necessary documents regarding the land purchase from Signature Development Corporation, on behalf of The City, once prepared; and,
5. That Administration proceed with the borrowing of funds for the City's portion of the \$16,000,000 to construct the new Aquatic and Arenas Recreation Centre.

**TOPIC & PURPOSE:**

To obtain approval for the purchase of approximately 18 acres of land from Signature Development Corporation located in the southeast portion of the City between Highway No. 3 and Marquis Road, legally described as a portion of Parcel 45, Plan No. AK2420, Extension 1, for the construction of the new Aquatic and Arenas Recreation Centre.

To obtain approval to proceed with the borrowing of funds for the City's portion of the \$16,000,000 to construct the new Aquatic and Arenas Recreation Centre.

**BACKGROUND:**

On September 6, 2019, the Governments of Canada and Saskatchewan announced publically that they recognize that strategic investments in recreational infrastructure play a key role in supporting healthy, dynamic and inclusive communities where all residents have access to opportunities.

The Minister of Infrastructure and Communities, Crown Investments Corporation Minister and Prince Albert Carlton MLA Joe Hargrave, on behalf of Government Relations Minister and Minister Responsible for First Nations, Métis and Northern Affairs Lori Carr, announced more than \$50 million in joint funding for two new recreational facilities that will provide residents of all ages improved access to sporting and cultural activities year round.

The City of Prince Albert was pleased to learn that the revised application for a new Aquatic and Arenas Recreation Centre had been approved by the Federal Government through the Canada Infrastructure Program. Prince Albert is approved for \$44 million of the \$60 million project which includes \$24 million from the Federal Government, nearly \$20 million from the Provincial Government and the remainder \$16 million to be funded by the City of Prince Albert.

**PROPOSED APPROACH AND RATIONALE:**

The City of Prince Albert has been approved through the Canada Infrastructure Program to construct a new City of Prince Albert Aquatic and Arenas Recreation Centre. The facility will include two 68,000 ft<sup>2</sup> hockey rinks and a 47,000 ft<sup>2</sup> aquatic centre.

A new aquatic facility will provide recreational opportunities such as:

- Swimming lessons – basic and advanced for all ages
- Fitness activities – lane swimming, aquasize, etc.
- Competitive swimming – swim and triathlon clubs
- Aqua therapy and wellness
- Lifeguard training
- Public Swimming Sessions
- Special Event Rentals - children's parties, staff parties, etc.
- Event hosting

The two community arenas will house recreational opportunities such as:

- Prince Albert Minor Hockey Association (Initiation to Midget Hockey)
- Prince Albert Skating Club
- Prince Albert Speed Skating Club
- Prince Albert Adult Recreation Hockey Leagues
- Prince Albert Ringette Association
- Utilized by the Catholic and Public School Divisions
- Public Skating Sessions
- Host various hockey and ice event tournaments and shows
- Availability in the future for summer ice rentals and summer power skating camps

The City operates a variety of different opportunities and programs for residents and surrounding communities. These services are delivered to a City population in excess of 35,000 and a regional market of approximately 150,000. While the delivery of community services involves multiple partners and players in Prince Albert, it is the City that assumes the single largest role.

A recreational pool goes beyond the idea of having fitness and instruction. Swimming is a life skill activity offering recreation opportunities for all ages. The combination of an aging population, longer life expectancy, and increased interest in fitness is expected to result in a steady growth of swimming activity and the demand for water-based activities is expected to remain high or increase as the aging population seeks fitness and leisure opportunities, which are less stressful than activities such as jogging or aerobics.

Three (3) Phases of new development are under consideration which includes the following:

- Phase I      Construction of the new Aquatic and Arenas Recreation Centre**
- Phase II     Construction of an Entertainment Centre which will house a large Arena**
- Phase III    Other Development Opportunities (Convention Centre, Branch Library, etc.)**

The proposed new Entertainment Centre as part of phase two would be a modernized facility capable of hosting a wide variety of large events such as:

- World Class Events
- Pow Wows and Cultural Events
- Tradeshows
- Concerts
- Major sporting events
- Graduations
- Conventions and Conferences
- Weddings

### **Land Acquisition**

This report is recommending the purchase of 18 acres of land from Signature Development Corporation. The land will be used for the construction of the new City of Prince Albert Aquatic and Arenas Recreation Centre.

The cost of the land to be purchased is \$6,525,000. This price includes the development of the entire land and installation of services by Signature Development Corporation. Please find attached maps illustrating the land to be purchased.

This 18 acre parcel abuts a major arterial corridor, entering the City (6<sup>th</sup> Avenue). The volumes of traffic that flow adjacent to this site makes it an ideal location for a development of this magnitude. While also taking into consideration the potential future development opportunities of the adjacent lands, this area of the City can accommodate sustainable growth for further commercial development for years to come.

At this stage the land is being acquired for the development of phase one but is large enough to accommodate future phases if approved.

#### **COMMUNICATION AND/OR ANNOUNCEMENT PLAN:**

Once approved by City Council, Administration will proceed with finalizing the purchase of land. Administration will work with the City Solicitor to finalize the Sale Agreement for the purchase of land.

Administration will be proceeding with the preparation of a Request for Proposal for the detailed design of the facilities to be reviewed by City Council.

Administration will be proceeding with the process for securing a Loan for the City's portion of \$16,000,000 for the new Recreation Centre.

#### **CONSULTATIONS:**

Various meetings were held with Signature Development Corporation regarding the purchase price for the 18 acres of land.

#### **FINANCIAL IMPLICATIONS:**

The Civic Facilities Reserve was established in 2014 when the internal borrowing on the construction of the Alfred Jenkins Fieldhouse was paid in full. The reserve is funded from a Capital Projects Taxation Levy. The intent of this reserve is to pay for the planning and construction of future City owned facilities. Revenue collected from the Capital Projects Levy is credited annually to the Civic Facilities Reserve.

At the end of Year 2019, the Civic Facilities Reserve had an ending balance of (\$5,189,255.65). For Year 2020, it is budgeted that the levy to be collected will total revenue in the approximate amount of (\$1,510,000).

The actual Capital Projects Levy collected in Year 2019 was (\$1,507,919.38)

The Civic Facilities Reserve has sufficient funding with the collection of the Capital Projects Levy in Year 2020 to fund the cost of the land acquisition in the amount of \$6,525,000 as follows:

Civic Facilities 2019 Reserve Balance	-\$5,189,256
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Projected 2020 Levy Revenue	-\$1,510,000
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<b>Projected Reserve - 2020</b>	<b>-\$6,699,256</b>
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Land Purchase	\$6,525,000
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<b>Remaining Balance in Reserve - 2020</b>	<b>-\$174,256</b>
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That will leave the remaining balance in the Civic Facilities Reserve at (\$174,256). Collection of the Capital Projects Levy in Year 2021 will provide additional revenue in the approximate amount of (\$1,510,000.)

The City will need to secure a Loan for the City's portion of \$16,000,000 for the design and construction of the new Recreation Centre.

With the annual collection of the Capital Projects Levy each year in the approximate amount of (\$1,510,000), that levy revenue will fund the annual interest and principle payments for the Loan to be borrowed for the City's share of the Recreation Centre.

As well, Administration will be proposing the introduction of a tax tool in which taxes obtained from development at this location would be used to pay the debt incurred specific to the development. There will be developers interested in the land and as development occurs, new taxation will help pay down the debt.

#### **OPTIONS TO RECOMMENDATION:**

1. Land next to Alfred Jenkins Field House that is City serviced land.

Although this land does provide a potential alternative development option, the City would need to negotiate a land swap with the Saskatchewan Health Authority for a portion of the land. The size of the site also does not provide the opportunity for additional commercial development as does the site being recommended.

2. Land East of Saskatchewan Polytechnic is 35.7 acres in size, fully serviced and owned by the City.

Although this land is 35 acres in size and does present limited opportunity for additional commercial development, it does not provide the opportunities for growth that the site being recommended provides. This site is also currently contaminated due to previous land uses, which is quite a lengthy and costly endeavour to remediate. As such, this site is not being recommended.

#### **OTHER CONSIDERATIONS/IMPLICATIONS:**

There are no policy, privacy, or official community plan implications at this time.

#### **STRATEGIC PLAN:**

Acting and Caring Community – Development of a new Aquatic Centre and a new Arena.

Fiscal Management & Accountability – Investigate innovative revenue sources to reduce reliance on residential property taxes.

#### **PUBLIC NOTICE**

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

**PRESENTATION: None**

#### **ATTACHMENTS:**

- Proposed City Owned Parcel to be Purchased – 18 acres.
- Map of land on 15<sup>th</sup> Street East and Map of Land at Alfred Jenkins Field House.

Written by: Jim Toye, City Manager

Approved by: City Manager