

## ENMAX LEGACY PARKS PROGRAM – QUARTERLY UPDATE

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### EXECUTIVE SUMMARY

The ENMAX Legacy Parks Program funds are allocated towards upgrades in existing regional parks, development of new regional parks, and improving existing community parks in underserved areas. This report provides a project status and financial update on all Phase 1, 2 and 3 Legacy Parks projects (Attachment 1) and an overview of the ENMAX dividend funding shortfall (Attachment 2). At the 2016 July 25 meeting of Council, funding was approved to allow high priority (Tier 1) projects to proceed despite the ENMAX dividend shortfall. At the same meeting, Administration was directed to: *“explore additional funding options to address current and projected funding shortfalls for the medium and future priority projects and bring forward a proposal at the mid-cycle budget adjustments.”* In order to meet this Council direction, Calgary Parks has completed business cases for both the medium priority (Tier 2) and future priority (Tier 3) unfunded projects. These business cases will be used to inform the investment plan that Infrastructure Calgary brings forward to Council at Mid-Cycle Adjustments.

### ADMINISTRATION RECOMMENDATION(S)

That the Legacy Parks Fund Steering Committee recommend that Council:

1. Receive this report for information; and
2. That this report be forwarded to the 2016 November 07 Combined Meeting of Council as an item of Urgent Business.

### PREVIOUS COUNCIL DIRECTION / POLICY

On 2003 September 22, Council approved “The Legacy Parks Steering Committee mandate as recommended in Executive Report to Council, C2003-67 (ENMAX Legacy Parks –Update).”

At the 2012 November 20 meeting of the Legacy Parks Fund Steering Committee, the LPC2012-0808 Overview of Legacy Program – Legacy Parks Fund Steering Committee Terms of Reference was referred to Administration “to review the Legacy Parks Fund Steering Committee Terms of Reference, with a report back to Council no later than 2013 January.”

On 2013 May 27 Council approved the Terms of Reference in LPC2013-0428 Proposed New ENMAX Legacy Parks Program Updates as outlined in the Attachment 1 associated with that report.

At the 2014 March 10 meeting of Council, LPC2014-0172 was approved as follows: approve the proposed additional program criteria to include local community open spaces and approve proposed new projects as outlined in revised attachments.

At the 2014 November 03 meeting of Council, LPC2014-0823 Proposed Phase 3 ENMAX Legacy Parks Projects was approved.

On 2015 July 20, Council approved access to Legacy Phase 3 funds to bridge finance the Thomson Family Park in LPC2015-0574 ENMAX Legacy Parks Program – Quarterly Update as outlined in the Attachment 4 associated with that report.

## **ENMAX LEGACY PARKS PROGRAM – QUARTERLY UPDATE**

---

On 2015 October 19, Council approved the amendment to the Legacy Parks Fund Steering Committee Terms of Reference composition of the Steering Committee to include the General Manager of Community Services (CS).

On 2016 July 25, Council approved the short-term funding allocations for Tier 1A and Tier 1B and directed administration to explore additional funding options to address current and projected funding shortfalls for the medium and future priority projects and bring forward a proposal at the mid-cycle budget adjustments.

### **BACKGROUND**

Council created the ENMAX Legacy Parks Program in 2003, and since that time it has been instrumental in the acquisition and development of new regional parks and the redevelopment of existing regional parks across Calgary. Regional parks serve multiple communities, large catchment areas and tend to be multi-hour destinations for citizens. Unlike community parks, they are not acquired, funded or constructed through the development and subdivision process, subsequently requiring alternate funding sources.

In 2014 March through report LPC2014-0172, Council approved three additional criteria for the ENMAX Legacy Parks Program. The new criteria expanded the program's focus from not only regional parks to local community open space needs as well. The new criteria addresses the need for investment in local parks in communities in transition and in communities that are underserved in open space, and also supports community focused open space initiatives.

On 2014 November 03, Council approved the ENMAX Legacy Parks Phase 3 projects. Due to the current economic conditions in Calgary, a portion of the 2016 ENMAX dividend to be allocated toward the Phase 3 projects is no longer available. Calgary Parks developed mitigation strategies to address funding shortfalls of high priority projects and these were approved by Council on 2016 July 25. However, shortfalls still exist for medium and future priority projects.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

When the ENMAX dividend shortfall was identified, the remaining Legacy projects were re-prioritized, strategically phased and divided into three tiers. Council approved a funding mitigation strategy for the high priority projects (Tiers 1A and 1B) on 2016 July 25. These Tier 1 projects were critical to fund as they were either already in construction or had gone to tender. The medium priority (Tier 2) and future priority (Tier 3) projects remain unfunded. Tier 2 includes important projects that have gone through design and public engagement but could be paused before construction commenced. Tier 3 includes projects that have not yet started and are therefore easier to put on hold. The funding required for Tier 2 projects totals \$29.853 million and the funding required for Tier 3 projects totals \$15.176 million. Attachment 2 contains a list of the high (Tier 1), medium (Tier 2) and future (Tier 3) priority projects and provides an overview of the funding shortfalls by project.

In response to the 2016 July 25 Council direction to explore additional funding sources and bring forward a proposal to Mid-Cycle Adjustments, Calgary Parks has prepared business cases (Culture Parks & Recreation Infrastructure Investment Plan or CPRIIPs) for both the Tier 2 and

## ENMAX LEGACY PARKS PROGRAM – QUARTERLY UPDATE

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Tier 3 projects. These business cases will inform the investment plan that Infrastructure Calgary brings forward to Council at Mid-Cycle Adjustments.

### **Stakeholder Engagement, Research and Communication**

Research, communication and stakeholder engagement is undertaken on a project by project basis within the ENMAX Legacy Program.

### **Strategic Alignment**

This report aligns with the 2015-2018 Action Plan and supports Council Outcomes:

- H5 (*protect and enhance our urban forest and natural landscape throughout Calgary*).
- H6 (*continue to build public awareness and understanding of our shared responsibility to conserve and protect the environment*).
- H9 (*optimize the existing parks network to ensure Calgarians have access to nature and healthy and active lifestyles*).

### **Social, Environmental, Economic (External)**

#### **Social**

Park development and redevelopment and the analysis of changing open space needs in communities will lead to great park opportunities and experiences including both active and passive recreation for all Calgarians.

#### **Environmental**

Park space provides for more sustainable communities as densities increase, and assists in maintaining, or in some cases, enhancing biodiversity. Enhanced biodiversity contributes to a healthy urban environment, in addition to providing carbon offset and mitigation of pollution associated with the urban environment.

#### **Economic**

High quality park space favourably impacts the image and economy of Calgary and is associated with indirect benefits including but not limited to increased land values and community desirability.

### **Financial Capacity**

#### **Current and Future Operating Budget:**

No changes are being proposed for current and future operating budgets with this report. As proposed capital improvements are implemented, impacts to operations may result due to new park assets and increased usage. Once design is finalized, each project is assessed for changes to operational costs and requests are made through the budget process when modest uplifts are required.

#### **Current and Future Capital Budget:**

In 2017 and beyond, the ENMAX Legacy Parks Program and the ENMAX dividend could continue to represent a vital funding source to realize the full Legacy Parks Program. As uncertainty exists in the sustainment of the ENMAX dividend, Calgary Parks will continue to liaise with Infrastructure Calgary to explore funding options to deliver on citizens' expectations

## **ENMAX LEGACY PARKS PROGRAM – QUARTERLY UPDATE**

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and complete the Legacy program approved by Council in 2014. Tier 2 and Tier 3 projects have been added to the Culture Parks & Recreation Infrastructure Investment Plan (CPRiIP) and will come forward to Council at Mid-Cycle Adjustments through Infrastructure Calgary's process.

### **Risk Assessment**

The loss of future ENMAX dividend represents a significant risk for Tier 2 and Tier 3 capital projects in the ENMAX Legacy Parks Program.

### **REASON(S) FOR RECOMMENDATION(S):**

As per Council direction to bring forward a proposal to Mid-Cycle Adjustments, Calgary Parks has prepared business cases for the remaining unfunded Tier 2 and Tier 3 projects and these business cases will inform the investment plan that Infrastructure Calgary brings forward to Council at Mid-Cycle Adjustments.

### **ATTACHMENT(S)**

1. ENMAX Legacy Parks Program – Project Status and Financial Update
2. ENMAX Legacy Parks Program – Overview of Legacy Funding Shortfall