

2017 SPORT FACILITY RENEWAL FUNDING PROGRAM RECOMMENDATIONS

EXECUTIVE SUMMARY

The Sport Facility Renewal (SFR) Funding Program represents Council's commitment to invest \$40 million in funding towards the renewal and upgrade of existing sport facilities in Calgary. The 2017 recommendations for funding mark the completion of Council's commitment and the conclusion of the SFR program. Projects eligible for funding were for City or Partner led non-routine, major maintenance or upgrades of existing sport amenities located on City-owned land. This report outlines Administration's recommendation for funding allocations in 2017 (Attachment 1).

The status of the SFR funds over the length of the program are outlined in Attachment 2. Attachment 3 provides a summary of the projects funded through this program between 2007 and 2016, and their status as of 31 December, 2016. This report represents the sixth and final phase of investments in existing sport infrastructure and recognizes the valuable role sport plays in the lives of Calgarians.

ADMINISTRATION RECOMMENDATION

That the SPC on Community and Protective Services recommends that Council:

1. Adopt Attachment 1, recommendations for funding allocations for the 2017 Sport Facility Renewal Program, pending approval of project eligibility from the Government of Alberta.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 July 25, Council adopted CPS2016-0515 *2016 Sport Facility Renewal Program Recommendations*, approving Attachment 1, outlining recommended funding allocation for the 2016 Sport Facility Renewal Program, pending confirmation of project eligibility from the Government of Alberta; and directed Administration to amend grant eligibility guidelines as they apply to new 2017 Sport Facility Renewal Funding Program applications to only accept applications from Community Associations and Social Recreation Groups, and to decrease minimum project cost to \$200 thousand, and to increase Sport Facility Renewal Program funding ratio from 50 per cent to 75 per cent of total project cost.

All other previous Council direction is outlined in Attachment 4.

BACKGROUND

In 2007 Council recognized that the development of quality recreation and sports facilities:

- is vital to the long-term competitiveness and quality of life of cities;
- reflected its commitment to investing in quality of life-enriching facilities;
- responded to the funding deficit reflected in the Culture, Parks and Recreation Infrastructure Investment Plan;
- aligned with Administration's work with Sport Calgary on sport opportunities and investments; and
- addressed numerous funding requests received by Council.

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Subsequently, the Sport Facility Renewal (SFR) Funding Program was established, representing Council's commitment to invest \$40 million in funding. This funding, established through the Government of Alberta's Municipal Sustainability Initiative (MSI) grant program, may only be invested into existing sport amenities for non-routine or major maintenance or upgrade projects.

The SFR program revitalized existing sport infrastructure in alignment with the strategic objectives of the 10 Year Strategic Plan for Sport Facility Development and Enhancement. To be considered eligible for funding, projects had to be:

- aligned with the strategic objectives of the 10 year Strategic Plan for Sport Facility Development and Enhancement;
- be located on City-owned land;
- be directed to non-routine or major maintenance and/or upgrades of existing sport amenities;
- through 2008 to 2015, be allocated equitably across the city maximizing contributions up to \$10 million per quadrant (in 2016, funds were to be prioritized on projects from the North East quadrant and then subsequently focused on projects from any quadrant based on highest need and best use);
- in 2008 through 2016 have a total project budget of no less than \$500 thousand to a maximum of \$10 million (applications for City-operated facilities must have a budget of no less than \$1 million);
- the 2017 grant round was restricted to Community applicants only and had to have a total project budget of no less than \$200 thousand and to a maximum of \$10 million; and
- meet the project eligibility conditions as outlined in the Municipal Sustainability Initiative (MSI) Capital Program Guidelines.

The SFR Program Evaluation Committee is responsible for making recommendations to the Director of Calgary Recreation on all new applications for funding and any requests to amend previously approved projects. The Evaluation Committee consists of representatives from Sport Calgary, Capital Development (Calgary Recreation), Sport & Partnership Development (Calgary Recreation), Community Partnerships (Calgary Neighbourhoods), and Finance.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The 2017 Sport Facility Renewal Program opened on 2016 November 09. Potential applicants worked with Administration to determine eligibility and viability of projects prior to submitting pre-screening applications by the 2016 December 23 deadline.

On 2017 January 27, the Evaluation Committee completed its review of the pre-screened eligible project applications and advanced five applications to the final stage of the program which were due on 2017 April 07. The SFR Committee met to complete its review of the final applications on 2017 April 13 and is proposing the recommendations outlined in Attachment 1. Projects approved by Council will require final approval from the Government of Alberta.

The 2017 SFR recommended funding allocations mark the completion of Council's commitment to invest these funds in renewals and upgrades of existing sport facilities in Calgary.

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As part of the *Action Plan Mid Cycle Adjustments* report to Council on 2016 November 20 (C2016-0863), Council approved the Capital Investment Plan and authorized the Deputy City Manager to continue to identify capital funding sources, including allocations and efficiencies from existing capital budgets and to transfer funds to the Budget Savings Account (BSA).

As part of identifying funds across Calgary Recreation to contribute to the BSA in Q1 of 2017, the Sport Facility Renewal program contributed \$278 thousand from unallocated program funds to be reallocated.

There is a continued need for financial support of existing community and City sport facility infrastructure. Potential future funding for renewal and upgrade of sport facilities will be explored for the upcoming 2019 - 2022 business planning and budget cycle.

Stakeholder Engagement, Research and Communication

The grant program guidelines were developed and maintained in alignment with impacting City policies and research that key stakeholders were consulted on throughout the years.

Information about the 2017 funding opportunity was posted online at calgary.ca. In addition, Sport Calgary, Federation of Calgary Communities, the offices of the Councillors, Neighbourhood Partnership Coordinators, and Sport Development Advisors circulated the opportunity to sport and Community Partners throughout the months of November and December of 2016. The Program Manager spoke with applicants to review questions and provide clarity to applicants as requested.

Strategic Alignment

The Sport Facility Renewal Program supports the 10 Year Sport Plan, Recreation Master Plan and directly aligned with Council's Priorities to build *a prosperous city, a city of inspiring neighbourhoods, a healthy and green city and a well run city*.

This program aligned with the following *Action Plan* outcomes identified in the 2015 - 2018 Community Services business plan and budget:

- **P5** Seek out partnerships with other governments and Community Partners to achieve community well-being.
- **N4** Revitalize the role and ability of Community Associations, and use of community facilities.
- **N9** Provide great public spaces and public realm improvements across the city to foster opportunity for well used public spaces and places for citizen connections and urban vitality.
- **H8** Continue to invest in indoor and outdoor recreation facilities that address the changing needs of Calgarians.
- **W6** Effectively manage The City's inventory of public assets, optimizing limited resources to balance growth and maintenance requirements.

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Social, Environmental, Economic (External)

Social

The enhancements and upgrades made to sport facilities in Calgary have increased the lifespan of facilities. This has resulted in more facilities being available to support the development of healthy, active individuals and vibrant communities.

Environmental

As facilities are upgraded, operators have had the opportunity to improve the environmental efficiencies of their systems, decrease operating expenses, and reduce the ecological footprint of facilities.

Economic

As facilities are enhanced, the overall sustainability of the facility has also improve through reducing operating costs, attracting new users, and being better positioned to attract tourism by hosting provincial and international events.

Financial Capacity

Current and Future Operating Budget

Overall, operating budgets have been positively impacted as facility capital maintenance and/or upgrades have reduced monthly utilities and lifecycle repairs and extend the expected useful life of the facility, systems and equipment.

Current and Future Capital Budget:

Pending approval from the Government of Alberta, \$490,797 will be allocated from Capital Budget Program 507 – Other Recreation Facilities to the 2017 recommended Community projects in Attachment 1.

The 2017 funding recommendations represent completion of Council's commitment to the Sport Facility Renewal Program. The program has no remaining funds to be made available for distribution in 2018. Approved, ongoing projects will continue to receive support from Administration in alignment with program guidelines. The program funds will be managed through Calgary Recreation and reported to the Government of Alberta as required by the program guidelines.

Risk Assessment

The SFR Program has provided a consistent funding source since 2007, contributing \$40 million to the renewal, lifecycle maintenance and upgrade of the aging sport infrastructure throughout Calgary and has allowed sport programmers and facility operators to continue to provide recreation services to Calgarians.

REASON FOR RECOMMENDATIONS:

In 2007, Council made a commitment to invest \$40 million for sport facility renewal. This report represents the sixth and final phase of investments in existing sport infrastructure and recognizes the valuable role sport plays in the lives of Calgarians.

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ATTACHMENTS

1. 2017 Sport Facility Renewal Program Recommendations
2. Overall status of Sport Facility Renewal Program Funds (2007-2017)
3. Status Update on Projects Approved by Council (2007-2016)
4. Previous Council Direction