



ARENA COMPLEX REPORT

Presented to
Spruce Grove City Council
April 26, 2021



Executive Summary

For several years, the City of Spruce Grove has been exploring opportunities to address an identified need for new ice surfaces in the region. This exploration has been the result of consistent feedback from all ice users and the community at large, as well as through regional studies such as the 2017 Tri-Region Indoor Facility Strategy. At the same time, feedback has also been received by the City that despite the importance of ice sports, it should not come at the detriment of other recreational and cultural priorities that have likewise been identified through numerous channels. The challenge has certainly been to balance a number of priorities in the community while at the same time minimize the financial burden on existing and future residents. In July, 2020 City Council provided direction to administration to narrow down the options that were previously considered to two. These included a spectator purpose built arena with a second community ice sheet and a basic twin pad arena. Administration has gone through a detailed analysis of those options and the result of that analysis is a proposed Civic Centre.

The Civic Centre being recommended includes amenities that addresses the identified needs of ice shortages while at the same time including a number of cultural amenities that enhance both the facility and the community with their inclusion. The proposed facility includes a spectator ice rink with seating capacity of 1700 seats plus, a second community ice rink (both NHL sized), a community walking track/concourse, multi-purpose rooms, an art gallery, a Black Box performing arts theatre/flex space, and a library branch. With several new and clarified assumptions, the Civic Centre appears to be able to be built for less than original ice only estimates with many more amenities.

Moving forward with the proposed Civic Centre answers the many questions and perspectives that have been provided to the City. The City will have the ability to host larger events and increase the exposure of the community while at the same time serving the community needs significantly in regards to recreation and cultural opportunities, both of which are key aspects to a city's vibrancy. There will be increased investment, social capital, community identity and regional focus, all within reasonable and affordable investments for existing and future citizens.

The City of Spruce Grove is no longer just becoming a mid-sized city – we are one. As one of the fastest growing communities in Canada a facility of this magnitude reflects this status and positions the City to capitalize on the many opportunities that come with a well-rounded and innovative community.

Background

The 2017 Tri-Region Indoor Recreation Facility Strategy, an update to the original plan developed in 2009, plans for recreation assets within the Tri-Region over a 10-year horizon. The common thread through all forms of analyses was the need for more ice surfaces in addition to other recreation amenities/facilities such as a leisure pool, fieldhouse, and dry floor spaces.

In terms of ice-specific needs, the Tri-Region Indoor Recreation Facility Strategy indicates that all current arenas are booked to capacity during prime times (97% on average) and additional capacity is required immediately and identifies the need for 1.5 additional ice pads by 2021 and 2.5 pads by 2026. The previous Plan, developed in 2009, also identified the potential need for a spectator ice arena (over 2,000 seats).

The City of Spruce Grove first began market feasibility studies for a Multi-Use Sport and Entertainment Centre (MUSEC) in 2014. Preliminary assessments and high level public information were released in 2016 and 2017. Options were narrowed down and presented to Council in a public session in January of 2019. At that time, Council indicated more analysis was required related to three options:

1. 3500 seat MUSEC (with second community ice pad)
2. 2500 seat Spectator Arena (with second community ice pad)
3. Basic Twin Pad Arena

In July of 2020, City administration presented further analysis of the three options to Council. At this time, Council chose not to pursue the MUSEC and to proceed with more detailed analysis of the other two options, as well as engaging the community on them. The Arena Complex Project Public Engagement Report was presented to Council in October of 2020.

City administration has been completing further detailed analysis of the remaining options and presented preliminary assessments, including the possibility of additional amenities detailed later in this report, to Council in a strategic planning session early in 2021.

While this report will reference previous information for the purposes of providing context and updates, it will not include such in great detail. This information is available publicly on the City's website and administration will outline how further analysis has either confirmed or altered previous assumptions or data. For example, an assumption is made that City Council, administration, and the public through previous discussions, public engagement, and reports believe that the region needs additional ice surfaces. As such, this report will not provide detailed analysis on this need but rather simply refer to the shared assumption of it.

Similarly, discussions with Council, public engagement feedback, and administrative review has consistently concluded that a basic twin pad arena, while achieving the desired community ice needs, does not provide other desired outcomes of community benefit, such as event hosting and arts and culture investment. This report will also then not provide significant detail on a basic community twin pad arena.

Key Learnings

As part of the analysis that has taken place on the two options as directed by City Council in July of 2020, City administration has identified several key learnings that serves as support for the information in this report and any recommendations provided therein. These learnings can be summarized in the following areas:

1. City administration's perspective and experience on existing and new information.
2. Analysis of capital cost assumptions.
3. Analysis of operating cost assumptions.
4. Analysis of land options.

City Administration Perspective and Experience

As mentioned, early iterations of the project focused largely on the MUSEC, with information related to a spectator facility and twin pad included much less as options but rather as support for the MUSEC in terms of identifying the benefits in comparison to other options. The emphasis focused not only on addressing ice shortages but perhaps even more importantly on the economic benefits, both direct and indirect, and region exposure of a large MUSEC. This was evident in the project lead being assumed by the City's Economic Development department. As the options were narrowed down, the project lead shifted to Community and Protective Services while at the same time continuing to involve a multi-departmental team.

While a number of departments certainly were engaged with external consultants for the City, up until January of 2019 the majority of work and analysis was provided by the City's consultants who had more experience and understanding of larger MUSEC's, which again was the main focus in earlier stages.

Once the options were narrowed down, the City had the knowledge and expertise available to do further analysis and research. This included, but was not limited to:

- Researching and engaging with industry contacts who have similar facilities.
- Engaging with construction and design professionals to gain further insight into "current state" and possible options.
- Analyzing previous work considering both old and new assumptions.
- Identifying more specific operating pro forma's in relation to other similar facilities, our own experience, and various assumptions.
- Engaging more directly with partners and stakeholders.
- More fulsome long term capital planning.

Capital Cost Assumptions

While the options around a spectator facility and twin pad had been estimated from both an operating and capital cost perspective, administration continued to refine said costs and identify several previous assumptions. These assumptions, as well as the creation of new ones, have helped support recommendations within this report.



One of the most significant learnings that was identified in administration's analysis was that all previous capital and operating cost estimates were based almost exclusively on the assumption that a purpose built spectator arena would still largely follow the general principles of a larger MUSEC. As has been identified in previous reports and presentations, a purpose built spectator arena, while having some ability to host larger scale events, does not have the design flexibility and structure to capitalize on higher end commercial bookings that offer a larger return on investment. This meant that similar capital and operating expenses were identified (i.e. third party management, staffing) without the corresponding positive revenue that comes with a MUSEC.

Administration took a different approach by analyzing capital and operating costs "from the ground up" so to speak. In other words, looking at what a basic twin pad would cost to build and then add additional components of a larger spectator arena, while being realistic with design restrictions. Similarly, previous assumptions included traditional construction. In speaking with industry professionals, as well as doing additional research, administration identified alternatives that could be utilized in the options being considered with the intent to minimize overall capital costs.

The following capital assumptions were used in the development of recommendations and cost estimates included later in this report:

- Design to use: The facility should be designed to specific uses such as elite hockey (i.e. Spruce Grove Saints) and community use. In other words, this would be a purpose built facility which, simply put, means that the facility would be designed for the needs of the users.
- Take a basic twin pad concept and design/build "up" from there by adding components/amenities specific to use.
- View the facility from a construction and design perspective that has community use as the main philosophy vs. including amenities as a way to offset operating subsidy. The best way to describe this element is to look at the existing Agrena, built over 40 years ago, and build something similar with additional capacity, benefits, and to modern standards.
- Design principles would be focused on cost, functionality, and aesthetics in that order vs. the opposite.
- Amenities with zero or limited community use would be paid for by benefiting stakeholders (i.e. suites, offices).

Operating Cost Assumptions

As above, previous operating pro formas were based on an event centre “down” concept vs. a twin pad “up” scenario. This has an even greater impact on operating cost estimates than it does on capital costs. Upon further understanding in this regard, administration developed the following operating principles that serve as background for the financial numbers and recommendations presented later in this report:

- Run facility similar to Agrena: The main component of this assumption is that there would be no third party management of the facility. The City would operate the facility with a very similar complement of staff as is currently utilized in the Agrena, with some minor exceptions. These exceptions would include things such as minor job classification changes required and staffing needed for more civic presence, similar to the Border Paving Athletic Centre (BPAC).
- Concession and other similar components would be contracted out to a third party.
- Events that require additional resources such as floor installation/removal, would be contracted out where necessary and included in rental rates. The intent behind this principle is that the facility design, while able to host some, limits the amount of non-ice events in the facility. Therefore, it would not be financially viable to have permanent staffing in place to address this limited use.
- Any additional programming would be concentrated to the non-ice season or scheduled with minimum disruption to ice users. This ensures that the ice capacity is maximized and the two sheets of ice being proposed are utilized as the full two sheets for community needs. More information on this is included later in the report.
- A ticket surcharge would be charged for non-community, commercial, or other events (parameters to be finalized) where such programming includes an entrance fee. This is used to offset the capital and operating costs of the facility.
- No significant revenue or expenses is included in operating pro forma's (detailed later) for non-ice uses/events beyond the ticket surcharge identified above. The rationale for this is that without a full programming plan in place it is difficult to determine what the net benefit would be. Some of these uses would create additional net revenue; however, there are others that break even or are a loss to the City financially. As an example, the City hosted the Alberta Curling Championships in 2018 at a net financial deficit of \$42,000. At the same time, the benefits for many of these community events cannot be measured in financial ways alone. It is for these reasons that administration has assumed that any of these events would ultimately be a net zero financial impact on the operating performance of the facility.
- Sponsorship opportunities would be similar to and likely increased over what is currently accounted for in the Agrena. This would include things like naming rights and sponsorship of programming such as public skating or walking track.

Analysis of Land Options

The various options under consideration vary in function and form and thus the land requirements is a product of these variations. Under the MUSEC concept, the location being considered was in the Westwind lands located in the east off Century Road and just south of the Yellowhead Hwy.

The City has 5 acres of serviced land that is required to be provided to the City at no cost under the terms of the Options to Purchase Agreement entered into several years ago. Once the MUSEC was removed for consideration, City administration began analysis of several options where, depending on facility type, the facility could be located.



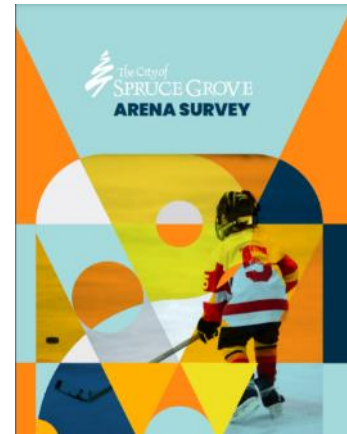
Due to proprietary considerations and possible negotiations, land options related to facility type will be provided to Council for consideration in a closed session. For the purposes of this report, administration analyzed the following in preparing possible land options:

- Opportunity to leverage GreenTrip funding by also co-locating a transit park-n-ride at the facility. This analysis included the best strategic locations for a park-n-ride in consideration of the City's current and long term transit plans.
- Servicing considerations both in regards to site development and timing of such.
- Opportunity to maximize additional ancillary development investments.
- Both cash and non-cash considerations in short and long term.
- A minimum requirement of 10 acres required for the Civic Centre and park-n-ride with ability to secure an additional 2 acres if required based on design or to be used for future needs.

Public Engagement Overview

As mentioned, once narrowed to two options the City undertook public engagement as directed by Council. The final report was presented on October 26, 2020. For the purposes of this report, administration has summarized the public engagement report as well as other feedback that has been received through previous engagement exercises and from Council during numerous discussions. The following themes have been identified:

1. **Financial Impact Concerns:** Regardless of whether one has been in favour of or against the project, a significant common concern has related to the financial impacts of the facility. This has been consistent from both the public as well as Council, and was a key factor in removing the MUSEC as an option.
2. **Address Ice Needs:** Regardless of facility type, there has been overwhelming feedback that it is time to address ice shortages in the region. The last ice surfaces built in the Tri-region was in 2002 with the completion of the TransAlta Tri-Leisure Centre. Despite national trends showing declining participation in ice sports, the City and region has been one of the fastest growing in Canada and demand for ice has definitely been identified in several analyses and in several forms of engagement. Council has strongly expressed a desire to address this issue.
3. **Benefit of Elite Hockey:** While varying in degree, a consistent theme has been the importance and benefit of elite level hockey to the economic and social well-being of our community. This is further rationale for the focus away from a basic twin pad.
4. **Opportunity to Host Larger Scale Events:** While still concerned about the overall cost implications, much of the feedback provided has included a desire for the City to be able to host some larger scale events. The focus here is more on the community component (i.e. Spruce Grove Saints, graduations, smaller commercial ventures, City events, etc.) vs. full scale high end commercial events.
5. **Address Other Community Needs:** There has been very little opposition to the fact that the City needs to address ice shortages; however, a common theme has been related to how those needs should be met but not at the expense or delay of other priorities both in recreation, arts/culture, social services, economic development, and infrastructure improvements.



New Concept – Civic Centre

As a result of extensive analysis, key learnings, and feedback, administration began seeing an opportunity to recommend to Council an extension or enhancement of the spectator arena option. In short, this concept includes adding other amenities outside of recreation. The rationale and support for this concept includes:

- Feedback from Council and the public that something more than a basic twin pad was desired.
- New assumptions and approach can lead to lower capital and operating costs than previously presented.
- Design considerations can produce lower capital costs while adding community amenities for similar, or even lower estimated costs than previously presented.
- Refinement of long term capital planning that can maximize efficiencies with grants and co-locating amenities while at the same time taking care of existing infrastructure.



Overview of Civic Centre

Administration is proposing a Civic Centre that includes the following design considerations:

1. Purpose built spectator arena with second community ice pad.
2. Pre-engineered construction (explained in detail later in report).
3. Minimum of 1700 seats with additional seats either as standing room or fixed seats (design dependent). Overall capacity including floor seating to be determined.
4. Increased concession, lobby, washrooms, etc. as part of current standards.
5. Mezzanine space/concourse with community walking track.
6. Commercial kitchen.
7. Enhanced back of house design over Agrena but not as extensive as original MUSEC.
8. Reduced technical capabilities (relevant to design) but more than Agrena.
9. Limited design flexibility compared to MUSEC but more than Agrena.
10. Non-community amenities (i.e. suites/offices) if paid for by partners.
11. Approximately 25,000 sq ft of additional community spaces (detailed later in report).

Pre-Engineered Construction (Costed)

The design of pre-engineered construction is quick and much more efficient than traditional construction. Each component is fabricated and pre-drilled in the manufacturing plant and delivered to the site for assembly. Pre-engineered steel buildings can be quickly erected onsite. The framing components are also pre-fabricated. The table below summarizes the differences between pre-engineered construction and traditional construction.

	Pre-Engineered Construction	Traditional Construction
Construction Time	Approximately 15-18 months	Approximately 24 months
Construction Waste	Lower	Higher
Operating Costs	Less	More
Design Flexibility	Less but amenity and use dependent	Higher
Aesthetics	Less pleasing but can enhance frontage	More architecturally pleasing
Life Expectancy	Estimates are lower but still unknown	Longer

Facility Characteristics

While a general overview of the facility design was outlined previously, it is important to convey to Council and the public both the opportunities and limitations of the proposed facility. As has been mentioned several times in this report, new assumptions have been developed that are a departure from the original MUSEC.

The design of a purpose built spectator arena has a lower floor to bottom of truss height without extra rigging grids which makes it difficult to host any major concerts or events that require overhead connectivity for speakers and lights. It will also not have lapidaries and baffles imbedded within the trusses and upper concourse walls thus making it acoustically challenging for major concert performances or any events where sound is a priority.

Retractable seating is usually limited which reduces the amount of floor space available for conferences, banquets, exhibitions, and tradeshow. While there is a proposed commercial kitchen, it is limited in scope which further makes catering larger scale events challenging. Finally, the facility would also be limited in “back of house” storage areas normally included in a larger event centre facility.

The proposed facility would certainly be designed with basic infrastructure to host events beyond the current capacity at the Agrena; however, it is important to be upfront on the limitations the proposed facility has. Including some or all of the missing features would increase both the operating and capital costs of the facility and would move back towards a MUSEC previously eliminated by Council as an option.

As mentioned previously, any non-ice uses would be focused on ice off-season or with minimal disruption to ice users. As such, administration can convey that the building of two ice surfaces

included in the Civic Centre would achieve the full benefit of both ice surfaces for community use. While the Spruce Grove Saints would utilize the spectator facility for their programming, capacity would be created with their move from the Grant Fuhr Arena and additional spaces at the Civic Centre would therefore equal 2 full sheets being added to the region's inventory of ice.

The proposed facility catchment area would mainly be considered sub-regional (Spruce Grove, Stony Plain, and Parkland County) with some limited metropolitan reach for rare events/programming and increased tournament hosting capacity. Examples of possible sub-regional events that could be realized in the facility include:

- Community events such as graduations, Remembrance Day services, etc.
- Local conferences, expos, and trade shows.
- Jr. Hockey & Lacrosse.
- Other flat floor events (i.e. cheer competitions, dog shows, virtual gaming).
- Minor sports tourism events (i.e. hockey tournaments, provincial competitions).

Administration has further reviewed and estimated a reasonable number of event days and would therefore reiterate or concur with what has been presented previously. This estimate includes:

- Community: 16-20 days
- Commercial: 6-10 days
- Jr. A Hockey: 40 days

The following outlines more specific design features of the proposed Civic Centre:

- Two NHL regulation size ice surfaces.
- One "competition" rink with a minimum of 1700 fixed seats.
- 2nd Level mezzanine or concourse with approximately 500 standing room seats with community walking track (*Note: Detailed design would confirm whether additional fixed seats vs. standing seats would be more beneficial from a use and cost perspective).
- One community ice sheet with approximately 250 bench seating capacity.
- Appropriate concession, dressing room, media, hospitality, etc.
- Approximately 25,000 sq ft community spaces (detailed further in report).
- 130,000 total square feet.
- Total estimated parking of approximately 820 stalls (400 arena, 220 park-n-ride, and 200 for community spaces). This will be refined during the design phase to ensure we are not over designing this element.
- Inclusion of a park-n-ride facility at the desired location.
- Suites and other amenities (i.e. dedicated fitness or office space for stakeholders) under the premise that these amenities would not be paid for by the City.

Community Spaces

During the analysis of construction estimates received, and following the decision to propose a pre-engineered construction design, it became evident as was mentioned earlier in this report that additional community spaces could be included as part of the facility. High level construction estimates included approximately 25,000 square feet. Administration began an analysis and review of other City needs in order to recommend to Council how best to use the community space identified.

Library

The Spruce Grove Public Library (SGPL) has been identified at being close to or at capacity in terms of space. City Council has long viewed the SGPL as a significant contributor to the social, cultural, and even economic vibrancy of the City. Over the last several years the City has examined and pursued options to increase library space capacity; however, the options did not come to fruition and were also viewed as more short term in nature.

The SGPL previously undertook a needs assessment for future planning including a space analysis. While there are ranges and some level of subjectivity to the space requirements identified, the needs assessment concluded that approximately a total of 37,000 square feet would be required by 2032 based on population estimates. For context, the SPGL currently has approximately 16,000 sq ft of space which is equal to the new space that the Town of Stony Plain recently secured for their library.



Many would consider having the entire space located in one location the ideal scenario; however, preliminary investigation and comparison to similar facilities show that such a facility would cost a minimum of \$25-\$30 million in 2021 dollars. The City has identified \$15 million in its 10 year long term capital plan for all cultural spaces, including library, and therefore would not be able to support the level of investment for a stand-alone library facility, let alone for any other cultural spaces.

Investigation of other multi-purpose facilities currently under consideration or construction showed that significant efficiencies could be gained by co-locating different amenities in one larger facility. Recent examples is the inclusion of a roughly 16,000 sq ft library in the Town of Blackfalds multi-plex facility that is currently under construction, and a similar size branch of the Edmonton Public Library within the Clareview Recreation Centre.

As such, administration is proposing that approximately 15,000 sq ft of library space be included in the Civic Centre. By also relocating the art gallery currently located within the library (2000 sq ft) it would bring the total space of the SGPL to approximately 33,000 sq ft and be completed an estimated 8-9 years earlier than what had been identified. By making significant investments in space well in advance of need, it allows the SGPL and the City to evaluate further space requirements and the appropriate measurements and timing of such, all while doing so proactively vs. reactively to various pressures.

This recommendation would be a shift from a one location philosophy to a branch system similar to larger municipalities. To be fair, there aren't a lot of examples that administration has found for municipalities less than 50,000 in population in terms of branches vs. one location; however, administration believes this approach is not only reasonable from a cost perspective but also an operational one. By exploring options such as expanding services in the recreation hub of BPAC or TLC and having large branches in the centre and likely east portions of the City, residents would have access to library services in all quadrants, and in many cases access would be within reasonable walking distances which further promotes physical and mental well-being.

Art Gallery

The current art gallery, operated by the Allied Arts Council, continues to provide valuable programming and visual arts opportunities to the community. Located within the current SGPL there are certainly advantages that this has brought to patrons. The Allied Arts Council and administration has long viewed the importance of visual arts being accessible to as many people as possible and a stand-alone facility would not meet this important criteria.



As mentioned, the art gallery currently is housed within approximately 2,000 sq ft of combined dedicated and shared space. In order to maintain and significantly increase accessibility of visual arts, administration is proposing to include approximately 2,000 sq ft of gallery space (with ancillary multi-purpose program space) within the Civic Centre. This would also then allow the SGPL to have additional space within its "main branch" as identified above.

Black Box Theatre

Additional cultural amenities and access to culture is a core strategy of the City's Cultural Master Plan (CMP). The City currently spends a significant portion of their cultural investments in Horizon Stage, an asset that has and continues to provide great benefit to the community. At the same time, the long term future of Horizon Stage remains in question due to the possible capital plan of the Parkland School Division (PSD) which asked the Government of Alberta to consider a modernization or complete rebuild of the Spruce Grove Composite High School which Horizon Stage is attached to.

While it is still too early to draw any conclusions related to the future of Horizon Stage, the opportunity to invest and create additional cultural spaces within the City, and in this case the Civic Centre, gets the City closer to achieving the vision set out in the CMP. Council and administration have been identifying for some time the need to make cultural investments, understanding the significance that culture also plays in the vibrancy of any strong and well-rounded community.

A black box theatre is a simple performance space that can vary in size. The name "black box" comes from the fact that the room is typically, but not always, painted black with a flat floor

which gives the appearance of anyplace. This way it's easier to make the audience feel like they're actually in the location of the performance. The key for this space is simplicity and flexibility, which is why they're sometimes known as flexible theatres, so they can meet the requirements of many different types of events and performances and maximize audience interaction.

The black box is a relatively recent innovation in theatre but is gaining in popularity as organizations and municipalities look for innovative ways to increase culture opportunities while at the same time maximizing cost and operational efficiencies through multi-use spaces. Seating capacity of black box theatres usually range from 100 to 300 seats. For context, Horizon Stage has 324 fixed seats.

The versatility of a black box theatre allows for larger performance opportunities but also more intimate settings. Seating configurations can accommodate changes based on the type of performance but also allows the facility to be transformed into other uses such as lectures, business meetings, hospitality/VIP events, traveling art exhibits, and much more. Of course, larger scale productions would be limited due to the lack of ancillary space.

A great example of the type of facility and programming that would be able to be realized is with the BMO Theatre that is located within the Shane Homes YMCA in Calgary. The BMO Theatre is a 250 black box theatre and prior to COVID had seen intimate and larger music performances, touring theatre productions, community music/theatre rentals, and a variety of other uses.

The exact design and number of seats would be determined during pre-design work; however, initial thoughts would see the number of seats closer to the 250-300 seat range which would require approximately 4500 sq ft including dressing room and storage space.



Multi-Purpose/Studio Space

A Civic Centre would certainly not be complete without having additional multi-purpose spaces that can be used for a variety of needs in relation to the many stakeholders and programming that would take place in the facility. The general premise would be to have flexibility within the spaces that can accommodate arts programming (i.e. dance, music, visual arts) or things like business meetings, receptions, recreation, non-profit community group space, etc. Administration would see about two of these rooms being included for a total of approximately 2500 sq ft.

The following table summarizes the estimated community space allocation:

Amenity	Square Feet
Library	15000
Black Box Theatre/Flex Space	4500
Art Gallery	2000
Studio/Multi-purpose Rm (2)	2500
Ancillary spaces	1000
Total	25000

Examples

It is often said that a picture is worth a thousand words and the following information and pictures helps provide context to the information in this report related to both the concept of pre-engineered construction and the additional community amenities.

CIH Arena in Clarence-Rockford, ON

This is an example of a pre-engineered large scale facility. The 100,000 sq ft recreation facility holds two NHL sized rinks with one capable of accommodating up to 2,000 spectators. The facility also includes therapy rooms, video rooms, a fitness centre, a running track, office spaces, tuck shop, food concession, meeting rooms, coaches' offices and outdoor sporting amenities such as tennis courts, soccer fields and an outdoor rink. This facility was completed in 15 months back in 2011 for an \$18 million target budget.



Close-up of the exterior of the building where you can see the ability to enhance the frontage from an aesthetics perspective.



CIH Arena – further back view of the entire exterior of the facility.



CIH Arena – Interior ice surface



CIH Arena – Interior ice surface



CIH Arena – Interior lobby



CIH Arena – Interior banquet event

Okotoks Pason Arena



Okotoks Pason Arena - Interior with community walking track

Brooks Centennial Arena



Interior with community walking track

BMO Theatre Shane Homes YMCA



BMO Theatre Shane Homes YMCA – Interior Black Box Theatre



BMO Theatre Shane Homes YMCA – Interior Black Box Theatre

Black Box Theatre Alternative Use



Black Box Theatre and Multi-use space examples



Blackfalds Multi-plex



Blackfalds Multi-plex – Exterior artist rendering



Blackfalds Multit-plex – Artist rendering library space

Generic Art Gallery



Generic Multi-purpose space



BPAC Multi-purpose space – open configuration



Generic Multi-purpose space – seminar configuration



Economic Impact

Previous reports provided significant detail in regards to the economic benefits of all options. There were components of the analysis that were supported by both administration and Council but also questioned in regards to accuracy and scale. As mentioned, this report will not go into detail about the direct and indirect economic benefits associated with the recommended Civic Centre facility, especially in regards to a financial number. It is generally understood by Council, administration, and the public that a facility of this nature will provide additional economic benefits to the city. Some of these benefits include, but is not limited to:

- A level of assessment uplift in and around the facility and the speed in which that assessment is realized.
- Community exposure when hosting some larger scale sub-regional events.
- Financial spending in the community associated with events, tournaments, and other facility connections.
- Benefits of exposure and financial investment by continuing to host Jr. A Hockey in the community.
- Continued and increased investments in minor sports and arts/culture that contribute to increased social vibrancy and wellness.

Even without a full analysis, it is fair to say that the benefits above, and others, may not be as significant as a MUSEC but would be more than a basic twin pad arena. Administration believes that the work required to provide an accurate understanding of the exact economic impacts of the remaining or recommended option, although a factor, would not appear to be a significant driver in the decision. The demands on ice shortages and additional community benefits and opportunities, while at the same time limiting the financial impact on ratepayers, has been the main driver behind the information and analysis that has taken place and is highlighted in this report.

Civic Centre Summary

The proposed Civic Centre has the opportunity to transform our community for many years to come. The ability to address the concerns expressed by many throughout the process to date provides strong rationale for the recommendations by administration. The visual of picturing families and the community being able to attend a sporting or other community event while also partaking in the benefits of the library and other cultural amenities under one roof is one that aligns with several components of the City's strategic plan and vision.

There are great opportunities to leverage existing plans and investments such as the park-n-ride and co-located amenities to maximize overall community impact, while minimizing the financial investment and impacts to ratepayers. It should be highlighted again that the additional community amenities are meant to improve access to programs and services for the community vs. being included to improve the operating performance of a stand-alone spectator arena. Ultimately, the Civic Centre would address critical ice shortages while also making a significant improvement in addressing library space needs and other cultural spaces investments.

Capital Cost Estimates

The last estimates provided by administration during the July, 2020 presentation to Council and in the public engagement materials including the following:

July 2020 and Public Engagement:

- \$52 million construction
- \$3.5-\$4.75 million land
- \$55.5-\$56.75 million total (no community space)

Updated estimates based on construction experts and design assumptions are as follows:

- \$43 million construction (low range pre-engineered)
- \$45.75 million (mid range pre-eng/traditional construction blend)
- \$49.3 million (high range – traditional construction)
- Land – (included above)
- \$43-\$49.3 million total (low-high range)

(*NOTE: the above includes basic finished community space only)

The following table outlines the back-up for cost estimate totals included above:

Capital Budget - Arena Complex								
Description	Quantity	UoM	Low Range		Mid Range		High Range	
			Unit Rate	Budget	Unit Rate	Budget	Unit Rate	Budget
<u>Base Building</u>								
Comm Rink with 220 bench seats	30000	Sq ft	\$ 275	\$ 8,250,000	\$ 285	\$ 8,550,000	\$ 295	\$ 8,850,000
1 Competition rink with 1700 seats	53000	Sq ft	\$ 300	\$ 15,900,000	\$ 320	\$ 16,960,000	\$ 350	\$ 18,550,000
2nd level mezzanine circle space	22000	Sq ft	\$ 45	\$ 990,000	\$ 50	\$ 1,100,000	\$ 55	\$ 1,210,000
Change rooms			Incl above	\$ -	Incl above	\$ -	Incl above	\$ -
<u>Procurement Variables</u>								
Adder - Steel Escalation	105000	Sq ft	\$ 3.75	\$ 393,750	\$ 5	\$ 525,000	\$ 7.5	\$ 787,500
<u>Program Options</u>								
Community Space	25000	Sq ft	\$ 200	\$ 5,000,000	\$ 220	\$ 5,500,000	\$ 240	\$ 6,000,000
<u>Site Development</u>								
Land	1			\$ 2,700,000		\$ 2,700,000		\$ 2,700,000
Parking (400 stalls)	400	ea	\$ 6,500	\$ 2,600,000	\$ 6,500	\$ 2,600,000	\$ 6,500	\$ 2,600,000
Park n Ride construction (in LTCP)	1			\$ -		\$ -		\$ -
	130000	Sq ft		\$ 35,833,750		\$ 37,935,000		\$ 40,697,500
<u>Furniture, Fixture, & Equipment</u>								
FFE for Facility	1	ls		\$ 3,500,000		\$ 4,000,000		\$ 4,500,000
<u>Design & Construction Fees</u>								
Utility Connections & Permits	1	ls		\$ 500,000		\$ 500,000		\$ 500,000
Design Fees	1	ls	8%	\$ 3,146,700	8%	\$ 3,354,800	8%	\$ 3,615,800
Construction Fees			Incl above	\$ -	Incl above	\$ -	Incl above	\$ -
	130000	Sq ft		\$ 42,980,450		\$ 45,789,800		\$ 49,313,300

In addition to the previous page, administration has estimated additional capital costs for the specific community space options. These include:

Additional Capital Cost Estimates	Low	Mid	High
Parking	\$ -	\$ 600,000	\$ 1,300,000
Furniture, Fixtures, & Equipment	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000
Contingency	\$ 1,000,000	\$ 1,350,000	\$ 1,700,000
Total	\$ 2,000,000	\$ 3,450,000	\$ 5,000,000

This brings the total capital cost estimates to:

\$45,000,000 (low range)

\$49,250,000 (mid range)

\$54,300,000 (high range)

Long Term Capital Plan

Previous to the detailed analysis that has taken place since July, 2020 the City had included \$55.5 million in its long term capital plan for the arena project and an additional \$15 million in “cultural spaces”. The cultural spaces number did not have a specific facility or plan in mind, but rather was a placeholder knowing that the City needed to make future investments in cultural facilities such as for the library.

Assuming the Civic Centre would satisfy investments in cultural facilities over the 10 year capital plan window, and assuming the average between the low-mid range cost estimates, the updated capital implications/savings would be as follows:

Total City Capital Costs Arena/Culture	
Original Arena Capital Cost Estimates	\$ 55,500,000
Original "Cultural Spaces" Capital Cost Estimates	\$ 15,000,000
Total Arena/Cultural Spaces	\$ 70,500,000
Updated Total Arena/Cultural Spaces (average between low-mid point)	\$ 47,125,000
Total City Capital Costs Savings	\$ 23,375,000

As can be seen in the above information, new estimates demonstrate that the City can build the Civic Centre, with additional community and cultural amenities not contemplated previously, for less than the original single use spectator arena estimates, as well as saving significantly on the original proposed long term capital plan.

Capital Cost Notes

There are several additional considerations or notes that need to be highlighted in relation to the capital costs estimates:

1. Some of the land costs are able to be paid for as part of the GreenTrip funding for the park-n-ride assuming the location is suitable for such.
2. Actual construction costs for the park-n-ride are not included in the Civic Centre estimates as they are already included and funded in the long term capital plan.
3. Capital cost estimates do not include regional contributions at this time. This is discussed in more detail later in the report.
4. Capital cost estimates do not include potential “in kind” donations.
5. Capital (and operating) cost estimates do not include possible funding from a Community Revitalization Levy as contemplated in previous reports. While the current Government of Alberta has not fully closed the door on this program, the likelihood of success of any application for this particular project is extremely low.
6. Likewise, the capital cost estimates do not include possible funding in regards to a Recreation Offsite Levy as contemplated in previous reports. Work continues on an analysis of this possibility both for the City and as Capital Region municipalities to determine consistency and competitiveness.

Operating Cost Estimates

The last estimates provided by administration during the July, 2020 presentation to Council and in the public engagement materials including the following:

July 2020 and Public Engagement: \$900 k - \$1.1 million deficit or subsidy

In order to provide an appropriate comparison, the updated estimates are for the arena only and are based on detailed analysis and operating assumptions outlined previously. The new estimated operating subsidy for the arena is: (\$491,250).

The following table provides supporting detail for the proposed subsidy:

Revenue		
Revenue Stream		Total
Ice Rental		\$475,000
Floor Rental		\$26,500
Multi Purpose Room Rental		\$21,500
Special Events/Commercial		\$5,000
Total Rentals		\$528,000
Concession Lease		\$5,000
Skate Sharpening Lease		\$5,000
Total Lease		\$10,000
		*some additional revenue but other events would be "net" zero
		*Only Saints ice rental is accounted for. Any additional Saints specific items would be accounted for in capital payback.
Ticket surcharge		\$54,500
Sponsorship and Naming		\$90,000
Saints Non ice use		\$2,500
Cost Share		\$75,000
Total Other		\$222,000
Total Revenue		\$760,000
Arena Operations		
Full time Salaries		\$525,000
Full time Benefits		\$131,250
Casual Salaries		\$80,000
Casual Benefits		\$20,000
Shift Premiums		\$15,000
Training and Development		\$7,000
Uniforms and Protective Clothing		\$8,000
Overtime paid and banked		\$10,000
Total HR Related Costs		\$796,250
Utilities		\$275,000
Contracted Services		\$50,000
Repair and Maintenance		\$110,000
Custodial		\$15,000
Safety Equipment and Supplies		\$5,000
Total Facility Related Costs		\$455,000
		*includes "other" such as telus/internet for alarms, elevators, etc.
Total Operating Expense		\$1,251,250
Total Operating Revenue		\$760,000
Net Deficit		-\$491,250
		*Theatre and library net subsidy not included

The following table illustrates a comparison to other similar or familiar facilities:

Comparator Subsidies		
Facility	Design	Deficit
Agrena	Small spectator arena + 2nd comm rink	\$ 350,000
Glen Hall (Stony Plain)	1 community arena only	\$ 166,000
Pason Arena (Okotoks)	Spectator, community rink, leisure ice	\$ 575,000
Brooks Centennial Arena	Spectator Arena only	\$ 400,000
Q Centre (Victoria)	Spectator arena only	\$ 400,000
Encana (Camrose)	3 rinks including spectator + 9 sheets curling	\$ 900,000

Operating Cost Notes

In addition to the operating assumptions presented earlier, administration would make the following observations:

1. Annual lifecycle costs are not included. The City accounts for lifecycle costs overall in their long term capital plans. This will be updated to reflect the realities of this new amenity. Additionally, municipalities account for lifecycle costs in different ways and so were excluded in order to provide an “apples to apples” comparison.
2. Similarly, debt servicing is not included in the operating estimates above as each municipality has different philosophies and opportunities on grant and debt borrowing thus skewing the comparison if it were to be included. Debt servicing impacts are identified in the financing section of this report.
3. Operating impacts and subsidies for the Black Box Theatre are not included in this report. Further analysis is required in relation to the proposed theatre but also in comparison with overall City investments in culture, including Horizon Stage. While there would likely be deficits for the theatre programming within the Civic Centre, this may be offset by efficiencies gained elsewhere and within the facility itself. Additionally, administration will explore possible operating partners for all cultural facilities.
4. Similarly to #3, the operating estimates do not include additional operational subsidy for the SGPL. While virtually doubling their overall space, this does not mean a doubling of the existing subsidy. Efficiencies can certainly be achieved; however, it is realistic to forecast a significant increase in the annual grant to the SGPL. SGPL senior administration has done preliminary work on a budget forecast and the initial high level estimates indicate a grant increase by the City to the SGPL of approximately 48.5%. For context, the City currently provides an annual base grant of \$924,500 which would then increase to \$1,373,000 or \$448,500 more than current. Administration has reviewed the preliminary estimates and find them to be reasonable with sound rationale. Also of note, the increased subsidy estimates provided are not significantly higher or different than what would be required in a larger single facility of the same size.

5. The estimates include cost share from regional partners at approximately 50% of the amounts contributed to the Agrena. In other words, cost sharing between both facilities (Agrena/Civic Centre) is estimated to increase by 50%. This amount may be higher or lower dependent on regional cost share principles and agreements moving forward.
6. The estimates do not include additional City costs that are allocated to other parts of City operations but must be highlighted for Council as impacts on City finances. This is similar to the concept of building new roads which has an incremental impact on road maintenance budgets. For this facility it is estimated there will be an additional \$135,000 in annual expense for contracted and in-house services such as snow clearing, parking lot maintenance (line painting, sweeping), underground utility maintenance, light standards, etc.
7. Sponsorship/naming rights revenue is included in the operating estimates. Any possible partnerships or in kind donations that may be realized, with a consideration for naming rights, would be removed from annual operating revenue; however, would have a corresponding positive effect on the capital and debt servicing expenses. For now, the sponsorship revenue (\$90,000) breakdown is as follows:

Overall Building:	\$50,000
Spectator Arena:	\$12,500
Community Arena:	\$7,500
Multi-purpose Rm:	\$5,000
Multi-purpose Rm:	\$2,500
Art Gallery:	\$5,000
Black Box Theatre:	\$7,500

8. Ticket surcharge estimates assume an average ticket price of \$15 for the estimated Jr. A Hockey and commercial event days with a 7% surcharge fee and 50% and 75% capacity per event respectively.
9. Assuming a walking track is included in the design, the intent would not be to charge the community for use as this would be extremely difficult to administer. Instead, the City would seek sponsorship for this program similar to public skating. The revenue would be minimal in this regard and is already included in overall facility rental or commercial revenue.

Financing

The last estimates provided by administration during the July, 2020 presentation to Council and in the public engagement materials including the following:

July 2020 and Public Engagement:

MSI:	\$23,550,000
Debt:	\$31,950,000 - \$33,200,000
Tax Equivalent:	7.44% - 7.63% (operating and capital debt servicing)

Revised Estimates: \$47,125,000 total Civic Centre

MSI:	\$18,550,000
Debt:	\$28,575,000
Tax Equivalent:	5.73% (1.19% for operating and 4.54% capital debt servicing)

Financing Notes

1. Tax “equivalent” does not imply that the City would raise taxes for the amounts identified. The purpose is to highlight the costs as a representation of the equivalent in tax revenue. The City may choose to fund the capital and operating expenses through taxation, growth, or other budget/service priorities.
2. As mentioned, no regional contributions to capital have been considered. Any such investments would reduce the overall costs and debt servicing. At the same time, the City’s long term capital plan does not currently contemplate contributions for other recreational or regional infrastructure investments. This is highlighted further in the report.
3. The City has and will continue to investigate possible grant opportunities which will serve to reduce the debt servicing costs of the project.

Regional Considerations

The report highlights on several occasions that no regional contribution towards capital is included. While preliminary conversations and information has been provided to regional partners, no formal request or negotiations have taken place and thus the City could not pre-suppose any funding or partnerships out of respect for the autonomy of each municipality.

With the investigation and analysis the City has been undertaking for the last several years, especially following the completion of the 2017 Indoor Facility Strategy, the City has felt the need to lead the development of ice surfaces in the region. The amenities being contemplated within the Civic Centre will not just serve the citizens of Spruce Grove but rather the entire Tri-region and beyond, especially in regards to ice surfaces.

The City has purposefully not investigated additional recreation priorities identified in the 2017 strategy as that report clearly highlighted that the majority of these amenities would be best suited west of Spruce Grove and likely within the Town of Stony Plain. Generally, the catchment area for arenas are a bit wider in terms of distances and thus the ice surfaces contemplated are truly regional in nature vs. district or neighbourhood classifications. The City has also been aware and supportive of the desire and investigation by the Town of Stony Plain in looking at additional recreation needs for their community and the region. At the time of completing this report, City administration has been told that on April 26, 2021 the Town of Stony Plain administration is seeking direction and confirmation from Council to design and undertake work for a recreation facility that includes dry floor space, multi-purpose spaces, fitness, track, “turf feasibility”, as well as investigation of the possible covering of the Town’s outdoor pool.

Depending on the location, design, and scope, the City is prepared and willing to formally discuss partnerships and possible contributions to the Town of Stony Plain as they pursue a possible facility/facilities. Similarly, it is the hope of the City that once a decision is made by City Council on a facility type and design, that discussions can take place between administrations and elected officials from both Stony Plain and Parkland County on possible partnerships. This would be related to the City’s chosen facility and further recognizing the importance of regional collaboration on improving the quality of life and access to amenities for regional citizens. Should the Town’s and City’s projects receive approval, as well as possible private development projects, the top needs identified in the 2017 Indoor Facility Strategy would be addressed.

Risk Analysis



A range of risks exists for any major development project. Where possible, risks can be mitigated through effective project delivery and business plans. Capital costs for facilities of this magnitude are not pre-determined and decision makers have significant control in achieving a balance between budget and what goes “into” a building for the desired budget. These decision makers can further mitigate risks by controlling the scale, quality, and business conditions surrounding the project.

Capital Cost Risks

The capital cost estimates contained in this report are estimated based on the potential scale of development recommended in this report. Size, quality and types of use are all yet to be determined in detail through subsequent business planning, such that capital cost estimates at this time are reasonable estimates of possible cost, excluding any extra-ordinary development costs.

All construction projects involve risk in their design, development and construction. These risks relate to a range of factors including the following principle elements:

- Insufficient detail in design
- Design errors, omissions, conflicts
- Procurement risks
- Construction delays
- Cost overruns

Operating Risks

Facilities, and in particular public sector municipal capital facilities, have a number of operating risks related to revenue generation, operating costs reduction and expense management, effective programming and facility utilization, and attention to opportunities for marketing additional services and identification of revenue sources.

As in any exercise, the budgeting and estimating process with regard to operating performance should be developed as the design of the facility is further specified, as partners are made known, and as more certainty exists regarding the range of operating costs closer to the time of the commissioning of the building.

There is a risk that the operating costs will be higher than projected due to a range of factors, some of which can be estimated and some of which are difficult to estimate in advance. Items such as increased utility costs, unforeseen repairs and maintenance costs, higher management costs and a range of other factors can affect the financial performance of largescale facilities. However, as a new facility, these costs would not be expected to materialize early in the life of the building, while the estimate of normal operating costs for facilities of this type can be

estimated to a high degree of accuracy. Once a preferred option is chosen and more detailed designs are developed, the estimate of expected operating costs can be provided with greater certainty.

With a multitude of stakeholders associated with the proposed Civic Centre, additional risks include navigating the challenges associated with needs vs. wants and external approval and feedback timelines that may not align with those of the City.

Risk mitigation strategies will be identified and implemented to reduce the range and scale of risks. These will include high quality management of the facility, pre and post opening business planning, detailed lifecycle cost planning, compatibility of uses within the facility, and sound partnership agreements.

Project Delivery Plan

The City is currently finalizing a project delivery plan that would be best suited for the complexity of this project. In the past, the City has utilized a variety of delivery models dependent on the nature of the project ranging from traditional design/build to construction management. Based on a variety of factors, the preferred direction for delivery is construction management similar to that which was utilized for both the BPAC and the Protective Services Building.

Similarly, the City has tackled project management ranging from in-house existing facilities staff (i.e. Protective Services building), secondment of existing staff (i.e. BPAC), and third party project management (i.e. RCMP building). Due to the significant amount of stakeholder engagement and programming elements, third party project management will not be implemented as it would still require significant time and investment of resources for staff to ensure appropriate attention is paid to the programming elements of the facility.

As with any project of this magnitude and community importance, the City Manager will provide executive oversight to the project. The main role of the City Manager will be to effectively manage risk, financial implications and key stakeholder engagement. The City will utilize a combination of “in-house” personnel through a secondment of key staff from Recreation Services with expertise in project management serving as project sponsor and facilities staff with expertise in construction/project management delivery.

The primary project team members would be as follows:

- Owner’s Representative – General Manager of Community and Protective Services
- Project Sponsor – Manager, Recreation Operations
- Project Administration – Recreation Senior Admin.
- Project Manager – Capital Projects Specialist, Facilities
- Arena Operations Advisor – Manager, Recreation Facilities
- Cultural Spaces Advisor – Cultural Officer/Coordinator
- Communications Advisor
- Finance Advisor

Each of the above positions would also have back-ups identified to cover for any absences or required changes. In addition to a variety of external team members (i.e. architect, cost consultant, etc.) internal support and ad hoc members would also be utilized and come from the following:

- Engineering Advisor
- Planning and Building Codes Advisor
- Information Technology Advisor
- Legal/Risk Advisor
- Economic Development Advisor/consultant
- Inclusion Advisor
- Crime Prevention/Public Safety Advisor

Next Steps - Implementation

This report is being presented to Council on April 26, 2021 with administration seeking direction and decision on the following:

1. Facility Type (“type” vs. exact amenities)
2. Land Assembly
3. Proceed with Design

Following the April 26, 2021 Council meeting, and assuming a favourable decision to proceed, the following additional steps and tentative timeline has been identified:

- Tender for design consultant shortly after April 26 meeting.
- Proceed with finalizing land assembly (May 2021).
- Engage with stakeholders on design elements (May-Nov 2021) and negotiate agreements.
- Preliminary design (May-Nov 2021).
- Update to Council related to design elements/amenities, concept renderings, and financial analysis (Nov 2021).
- Detailed design (Dec 2021-April 2022).
- Tender for construction (Mar 2022).
- Construction commencement (May 2022).
- Build (May 2022-Sep/Oct 2023).

Previously identified risks may impact the above timelines; however, these will be confirmed as external design and construction contractors are secured.