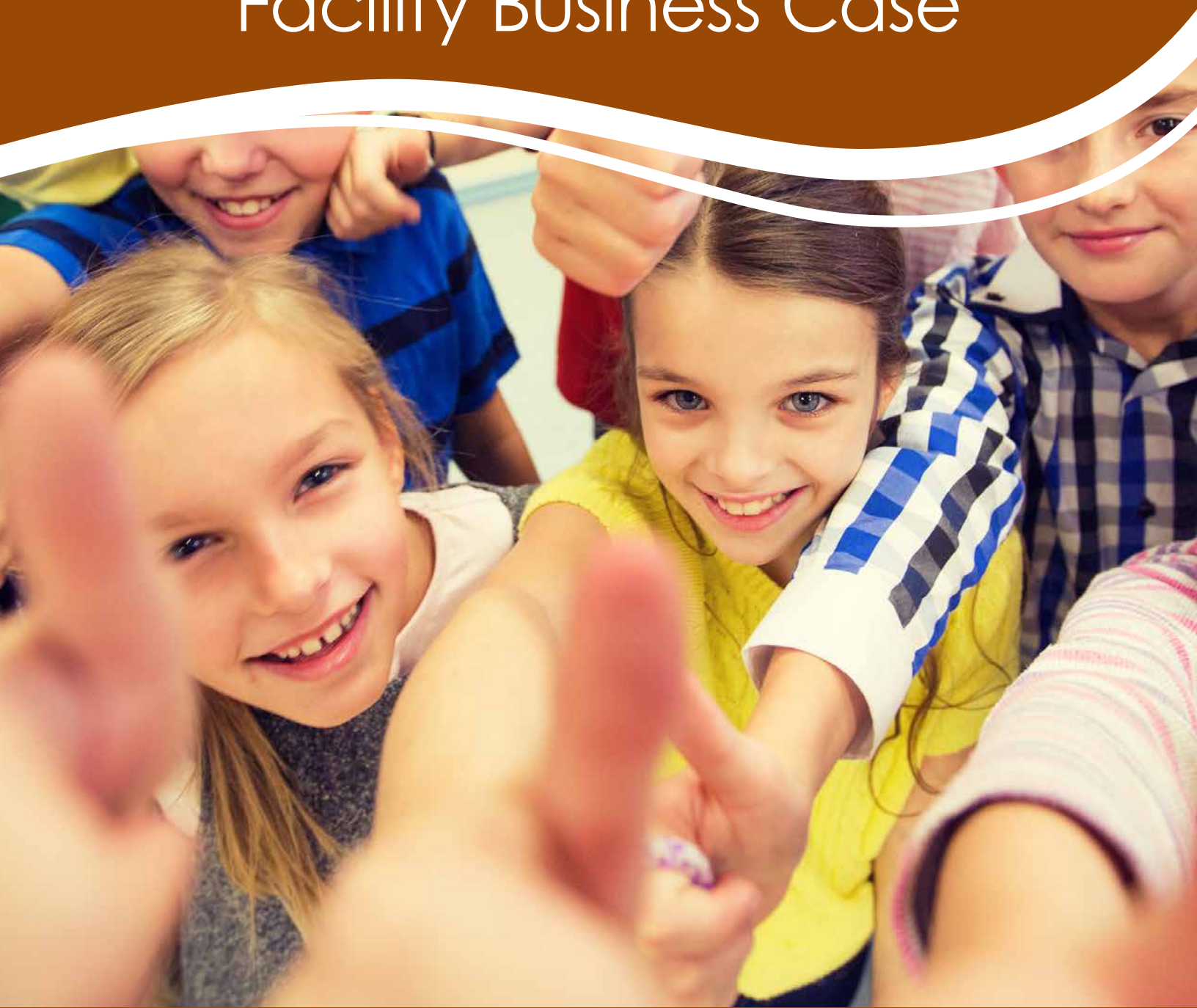


Community Recreation Facility Business Case



August 2017





Community Recreation Facility Business Case



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1

Executive Summary

The Town of Morinville is pursuing the development of a Community Recreation Facility, to be located on a 77 acre land parcel immediately east of Morinville on Highway 642 (adjacent to future Sturgeon County Campus). Phase 1 of the project involves the development of a new indoor performance ice arena (up to 1,000 seats) and a 30,452 ft² multi-purpose field house with a walking/running track. Phase 2 of the project will see the facility expanded to include an indoor aquatics facility, second indoor community ice sheet, and an outdoor ice sheet (with the potential to retrofit into an indoor curling facility in the future if required).

The project is strategically aligned with planning undertaken by both the Town and County and will address a number of identified short and long-term needs. The 2013 Regional Recreation Facility Master Plan confirmed that the current ice arena facility in Morinville is nearing the end of its lifespan. The recently completed 2016 Morinville Regional Recreation Needs Assessment also re-affirmed that strong demand exists in Morinville and surrounding areas for expanded recreational opportunities. The project provides the opportunity to sustain indoor ice provision in Morinville while meeting regional needs for a multi-purpose recreational “hub” facility.

The capital cost of the project is estimated at \$67.8M dollars (\$24.3M for Phase 1; \$43.5M for Phase 2). Phase 2 may be broken down into sub phases (second arena, aquatic centre). Construction of Phase 2 (or sub phases) is dependent on capital funding from the Federal/ Provincial governments and other funders. Preliminary operating estimates reflect that a subsidy will be required to sustainably operate the facility. A key next step for the project is the finalization of funding model and associated project resourcing.



2

Background

Community and Regional Description

The Town of Morinville has a population of 9,848 and serves as the primary urban centre within Sturgeon County. Located 20 kilometres north of St. Albert, the town is situated along Highway 2 and Highway 642. The Town has experienced significant growth over the past number of years and is well regarded for a strong quality of life.

Surrounding the Town of Morinville, Sturgeon County spans a land mass of 2,300 km² and has a population of approximately 20,000 residents. Sturgeon County is comprised of farmland, industrial development, residential acreages, 11 hamlets and encompasses 5 urban municipalities (Morinville, Gibbons, Legal, Bon Accord, and Redwater). The population within Sturgeon County, including the five towns, is 38,419. The Canadian Forces Base, also referred to as Edmonton Garrison, is within Sturgeon County boundaries and is located 24 km from Morinville. As well, Alexander First Nation is adjacent to Sturgeon County as does the City of St. Albert.

Challenge/Opportunity

The Town of Morinville is working towards the development of a new Community Recreation Facility in order to expand recreation, leisure and well-being opportunities in the Morinville area. The potential project is also necessary in order to replace the aging Ray McDonald Arena. The ultimate goal of the project is to create a regional “hub” site which can accommodate a variety of indoor and outdoor facilities and amenities.

Consultation conducted with Town and surrounding County residents confirmed that a strong desire exists for facility development in Morinville. As reflected in the adjacent chart, over three-quarters of responding Town households and over two-thirds of responding surrounding County households believe that there is a need for new and/or enhanced facilities.

Need for New/Enhanced	Town	County
Yes	87%	70%
Unsure	4%	10%
No	9%	20%

* From the Household Survey conducted for 2016 Morinville Regional Recreation Needs Assessment which included 808 (±3.0%) responses from the Town and 301 (±5.3%) responses from the County (total: 1,172 responses [±2.6%])

Residents also place a high value on recreation and related facilities and amenities. There is also a high level of acknowledgment as to the role that these spaces play in building a strong, vibrant and attractive community.

Statement	Strongly Agree	Somewhat Agree	Unsure	Somewhat Disagree	Strongly Disagree
Recreation is important to my quality of life.	69%	27%	2%	1%	1%
The municipalities in the area should work together to provide recreation opportunities for residents.	74%	20%	3%	2%	1%
Quality recreation programs and facilities can help attract and retain residents.	71%	22%	4%	2%	1%
Recreation services brings the community together.	59%	33%	4%	2%	1%
My local community as a whole benefits from recreation programs and services.	61%	25%	8%	4%	2%
Residents can benefit even if they do not use recreation services directly.	36%	38%	16%	7%	3%

* From the Household Survey conducted for 2016 Morinville Regional Recreation Needs Assessment.

Current Situation

Facility assessments conducted as part of the 2013 Regional Recreation Facility Master Plan confirmed that the Ray McDonald Arena is nearing the end of its useable lifespan and will require replacement before 2020.

Facility	Remaining Useful Life ^A
Ray McDonald Sports Center: Arena	5
Ray McDonald Sports Center: Curling Rink	22
Morinville Community Cultural Centre	44

Note: The curling rink useful life will be extended with the replacement of the roof.

Growth and evolution in the community has also contributed to a desire for new recreation and leisure opportunities. The 2016 Morinville Regional Recreation Needs Assessment confirmed that while traditional activities remain important, a strong and growing demand also exist for aquatics and fitness facilities/spaces in the community. Currently, Morinville is served by private fitness facilities and programming offered in multi-purpose spaces such as the Morinville Community Cultural Centre and hall facilities. There is not an indoor or outdoor aquatics facility in Morinville and residents currently travel to St. Albert or Edmonton to access aquatics opportunities.

A Regional Recreation Facility Master Plan (2013)

* From the Household Survey conducted for 2016 Morinville Regional Recreation Needs Assessment.

Indoor Priorities	Town	County
Leisure swimming pools	59%	57%
25m swimming tanks	54%	48%
Walking/running tracks	49%	46%
Fitness/wellness facilities	41%	42%
Ice arena facilities	37%	33%
Indoor child playgrounds	28%	26%
Leisure ice surfaces (non-hockey)	26%	25%
Indoor field facilities (e.g. soccer, football)	22%	24%
Climbing gyms	20%	18%
Gymnasium type spaces	17%	14%
Curling rink	14%	9%

* From the Household Survey conducted for 2016 Morinville Regional Recreation Needs Assessment.



3

Project Description

Overview

The Community Recreation Facility project has been developed through an extensive process of community consultation and will ensure that indoor ice provision in the community is both sustained and expanded in lockstep with current and anticipated growth. The project also includes the development of new amenities which will significantly enhance regional recreation and leisure assets and provide additional opportunities for residents in Morinville and the surrounding region.

The project encompasses two phases which can be summarized as follows:

***Phase 1:** Development of a new indoor performance ice arena (up to 1,000 seats) and a 30,452 ft² multipurpose field house with a walking/running track.*

***Phase 2:** Expansion of the facility to include an indoor aquatics facility, second indoor community ice sheet, and an outdoor ice sheet (with the potential to retrofit into an indoor curling facility in the future if required).*

The availability of project funding will impact how Phase 2 of the project proceeds. While ideally Phase 2 will be completed in a single build, it is possible that resource limitations, both capital and operational, may require that Phase 2 be split into sub phases. Should this occur, it is anticipated that the second arena would be constructed first, followed by the aquatic centre and curling rink. Construction of the curling rink may be indefinitely postponed as the existing curling (adjacent to the Ray McDonald Arena) has 20 to 30 years of remaining life with investment in a new roof in 2017.

The facility will be sited on a 77 acre land parcel immediately east of Morinville on Highway 642. Sturgeon County has purchased 50 acres adjacent to the site for the development of the new Sturgeon County Campus.

Project Justification and Benefits

The Community Recreation Facility project will bring a variety of benefits to Morinville and surrounding areas in Sturgeon County. Identified below are key benefits that justify pursuing the potential project.

Phase 1 of the Community Recreation Facility project will:

- Sustain the provision of one indoor ice in Morinville.
- Enhance wellness and physical activity opportunities by providing space for walking/running and fitness programming.
- Provide indoor multi-purpose space to meet programming needs for indoor soccer, basketball, volleyball and a variety of other programs.
- Provide an emergency reception center.

Phase 2 of the Community Recreation Facility project will:

- Provide incremental ice (second indoor sheet) in the future to ensure that programs can meet demand in lockstep with growth.
- Meet demand for indoor aquatics.
- Put in place a plan and associated space for replacement of the curling facility when required.

Anticipated Outcomes

Once completed, the Community Recreation Facility project will create a hub that will help attract and retain residents. While the facility is primarily geared towards providing space for physical activity, recreation, and sport; social benefits will also be accrued. Common spaces at multi-purpose recreational facilities often become key gathering places that can foster community building and provide residents of all ages with a safe and positive environment.

Scope

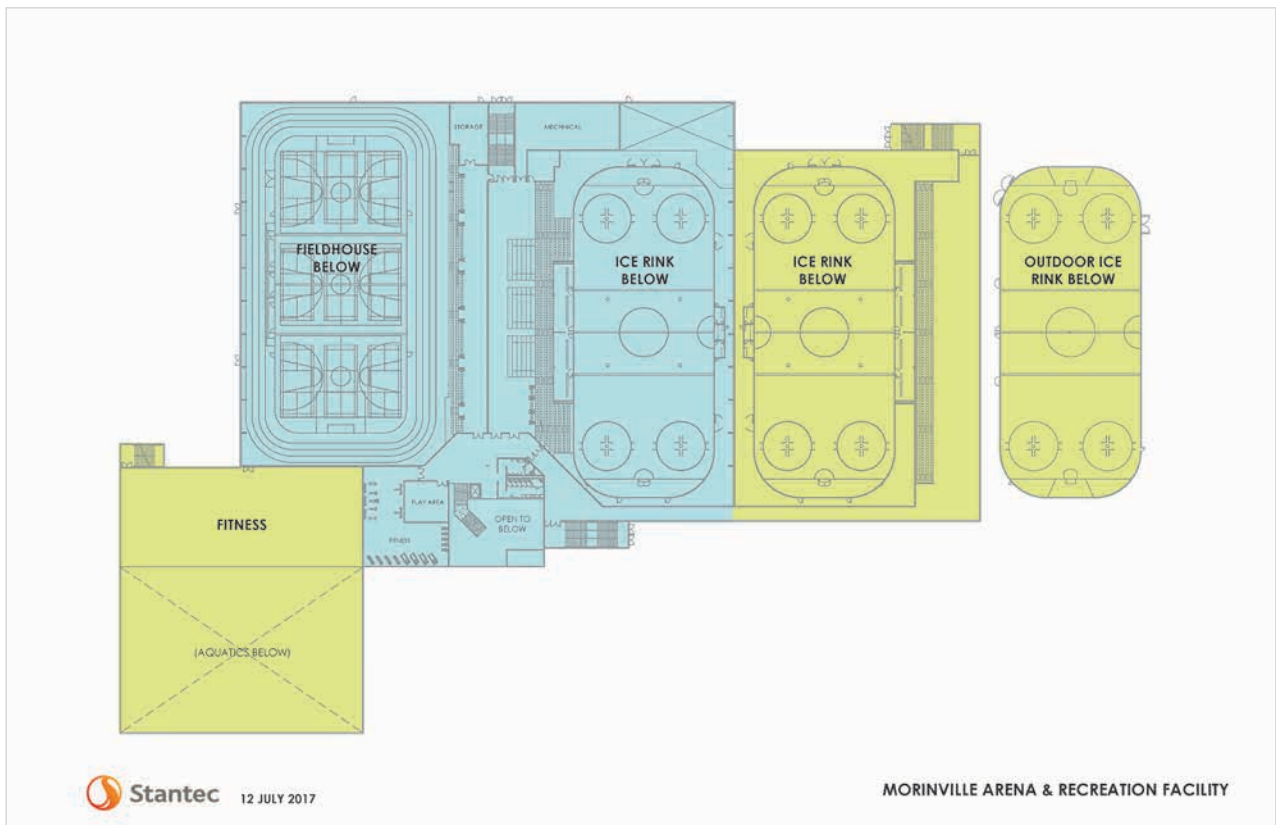
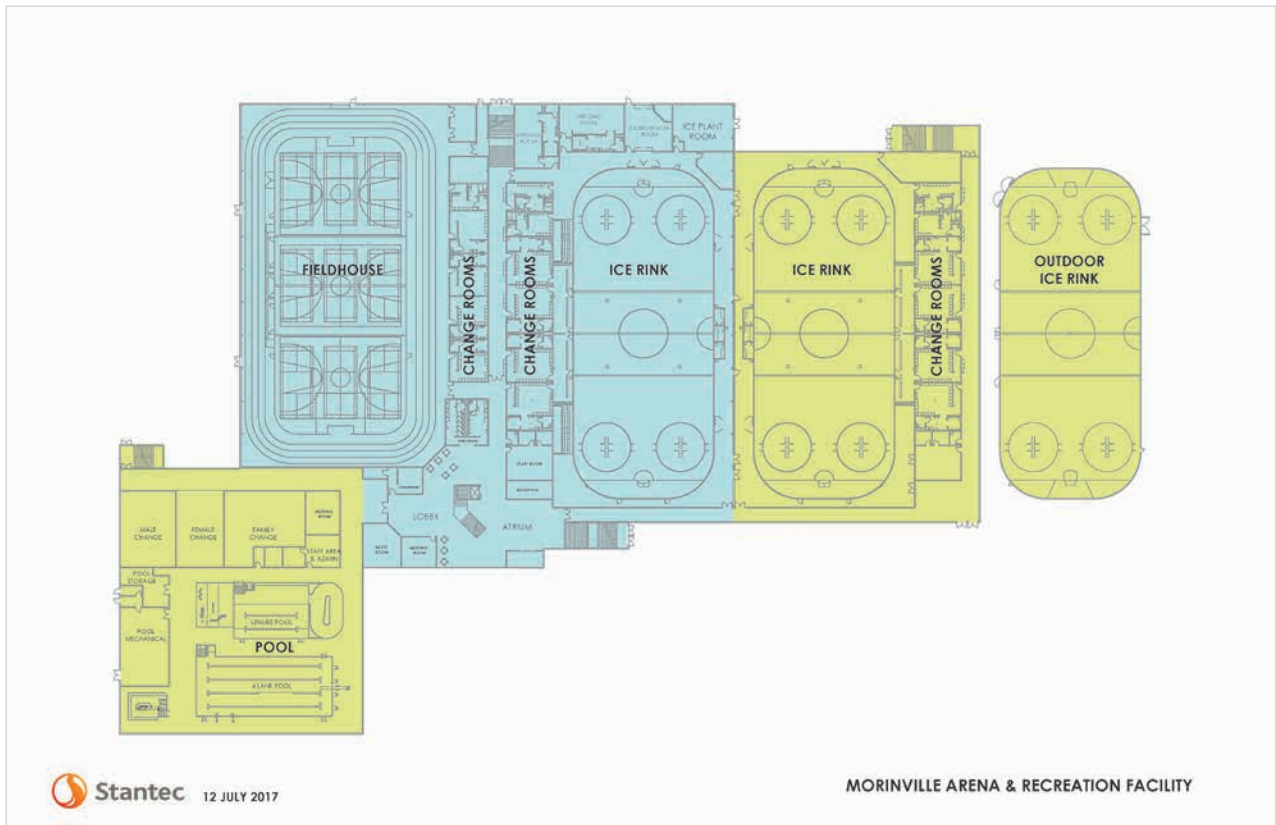
The scope of the project involves Phases 1 and 2 of the project as outlined in the following charts and described previously in the Project Overview.

Program Area

Program Description	Phase 1		Phase 2	
Facility Common Area				
Lobby/Administration	467m ²	5,030ft ²	—	—
Building Support/Storage	405m ²	4,359ft ²	—	—
Circulation	1,176m ²	12,652ft ²	2,760m ²	29,694ft ²
Multi-purpose Rooms	39m ²	421ft ²	53m ²	573ft ²
Ice Rink				
Ice Rink	1,542m ²	16,589ft ²	1,542m ²	16,589ft ²
Spectator Seating	226m ²	2,434ft ²	200m ²	2,151ft ²
Locker Rooms	613m ²	6,599ft ²	404m ²	4,348ft ²
Storage/Building Support	1,399m ²	15,051ft ²	276m ²	2,967ft ²
Outdoor Ice Rink	—	—	1,542m ²	16,589ft ²
Field House				
Field House/Running Track	2,244m ²	24,141ft ²	—	—
Change Rooms	272m ²	2,931ft ²	—	—
Storage/Building Support	170m ²	1,825ft ²	—	—
Spectator Seating	145m ²	1,555ft ²	—	—
Play Area				
Play Area	66m ²	705ft ²	—	—
Fitness				
Fitness	214m ²	2,298ft ²	832m ²	8,953ft ²
Aquatics				
Pool Program	—	—	588m ²	6,325ft ²
Change Rooms	—	—	460m ²	4,945ft ²
Storage/Support	—	—	276m ²	2,965ft ²
	Phase 1		Phase 2	
Area Subtotals	8,977m²	96,591ft²	8,931m²	96,099ft²

Facility Concepts

The following floor plan renderings have been developed to reflect a conceptual layout for phases 1 and 2 of the project.



Site Concept Plan



Design Methodology and Considerations

The project is being executed using Design, Bid, Build construction methodology.

Construction of the recreation complex will incorporate, where economically feasible (considering both operating and capital cost), options that will lessen the impact of the building on the environment. Some of the items that are being considered include:

- Solar panels
- Energy efficient lighting (LED, natural light)
- Use of storm water ponds for on-site irrigation
- Drought resistant grass species on sport fields.
- Recycling of heat generated from ice plants to provide heat in other areas of the building (including future aquatic centre).
- Geo-thermal heating.

The recreation complex will be constructed to follow LEED® principles. Designing facilities in the most environmentally friendly way possible can lead to significant reduction of the environmental impacts of construction and operation. It can be more costly in terms of capital; therefore, detailed cost-benefit analysis may be required prior to ultimate decision making on some mechanical and facility design decisions. Other green design principles, such as ensuring facility patrons have transportation options (e.g. future public transit, active transportation) and associated support amenities (e.g. bike racks) and design to promote physical activity (i.e. making stairwells more appealing alternatives to elevators) should also be considered in community facility provision.

The facility will also need to be designed in such a manner that is appropriate to the site.

Out of Scope

Future outdoor facilities (e.g. soccer pitches, baseball diamonds, trails, community gardens, etc.) on the site are out of scope for this business case. Outdoor facilities will be planned and constructed as funds become available and opportunities to leverage synergies with indoor facilities are identified.

Site servicing, preparation and access/egress costs are also not included in this business case but will be important aspects of the potential project.

Project Schedule

Subject to approval of Morinville and Sturgeon County Councils.

Project Aspect	Timeframe
Business Case	March, 2017
Final Funding Formula and Project Resourcing: Phase 1	March, 2017
Final Funding Formula and Project Resourcing: Phase 2	To be determined (based on capital and operational funding availability)
Detailed Design: Phase 1	February, 2017 – August, 2017
Detailed Design: Phase 2*	To be determined
Construction: Phase 1	August, 2017 – January, 2019
Construction: Phase 2	To be determined
Project Completion: Phase 1	February, 2019
Project Completion: Phase 2	To be determined

* Phase 2 may be split into sub phases based on available funding.

Critical Success Factors

Success Factor	Level of Importance	Strategy
Securing capital funding for the project	High	Morinville has allocated funding for Phase 1 of the project. The Town has undertaken ongoing discussions with regional partners. Phase 2 has also been conceptually designed in a manner that allows for future flexibility and sub-phasing.
Community support and buy-in	High	The Town with County support conducted a Recreation Needs Assessment in 2016. The project included a number of forms of engagement. Consultation specific to the project has also been ongoing over the last number of years.
Operational sustainability	High	This business case document provides a preliminary facility operating budget. Further refinement, consultation, and modelling will need to occur before Phase 2 of the project proceeds.
Regional support	Medium	Continue discussions with Regional Partners.

Statement of Public Use

The facility will be a barrier-free public asset available to regional residents and community organizations for a variety of activities and purposes. Financial accessibility will be a key driver of future modeling.



4

Strategic Alignment

Town of Morinville

2016 Regional Recreation Needs Assessment

The Town of Morinville undertook the development of a Recreation Needs Assessment in order to holistically assess recreation services in Morinville. A central component of the study was consultation with regional residents and stakeholders. Numerous forms of secondary research were also undertaken which included trends and best practices, utilization data, a review of previous planning, and benchmarking. Preliminary indoor and outdoor infrastructure priorities were developed based on the consultation and research findings. The indoor priorities are provided in the adjacent chart.

Rank	Indoor Space	Household Survey	Group Survey	Stakeholder Interviews	Trends and Best Practices	Utilization and Growth	Previous Plans and Studies	Comparable Municipalities
1	Ice arena facilities	✓	✓	✓		✓	✓	✓
1	Walking/running tracks	✓	✓	✓	✓		✓	✓
1	Fitness/wellness facilities	✓	✓	✓	✓		✓	✓
4	Leisure swimming pools	✓	✓	✓	✓		✓	
4	25m swimming tanks	✓	✓	✓			✓	✓
4	Gymnasium type spaces	✓	✓	✓	✓			✓
7	Indoor field facilities (e.g. soccer, football)	✓	✓	✓				
8	Indoor child playgrounds	✓			✓			
8	Leisure ice surfaces (non-hockey)	✓			✓			
8	Climbing gyms	✓	✓					
11	Curling rinks			✓			✓	
11	Classroom/meeting spaces		✓	✓				
13	Library space		✓					
13	Court sport spaces (e.g. racquetball, squash)		✓					
13	Youth centre		✓					
16	Community hall/banquet facilities							
16	Seniors centre							
16	Art studios/practice space							
16	Dance/program/martial arts rooms							
16	Gymnastics spaces/parkour rooms							
16	Indoor agricultural facilities (agriplex)							

Morinville 2035: Growing Together— Municipal Sustainability Plan (2011)

Morinville’s Municipal Sustainability Plan (MSP) presents a 25-year vision and goals to guide the Town’s development as a healthy, beautiful, and sustainable community. Pertinent content is displayed below.

Vision

“Morinville, embracing our past; building pride in our future.”

In summary, the desired future state is a community that offers:

- An economically vibrant commercial downtown core;
- Beautiful, efficient development patterns;
- Environmentally and ecologically responsible decision-making;
- Strong ties to its historical and cultural past;
- The retention of ‘small town’ feel and family friendly lifestyle;
- A commitment to a more sustainable way of living; and,
- A commitment to be seen as an innovative leader within the region.

The Plan also targets that by 2035, most residents (more than 75%) are able to satisfy the majority (more than 75%) of their recreational needs within Morinville.

2017 – 2019 Three-Year Strategic Plan

Based on the Municipal Sustainability Plan of 2011, this Three-Year Strategic Plan provides more concise actions and initiatives for Town Council and administration. The Strategic Plan specifically identifies that the Town is “... committed to providing diverse recreational and fitness opportunities”. Further to this statement, the Plan outlines the following success measures for the Town between 2017 and 2019:

- Completion of a site plan for the 77 acre recreation lands.
- Establish partnerships for supporting the development of the Regional Recreation Complex.
- Design and begin construction on a replacement arena as the first phase of the multi-use recreation complex.

Morinville 2016 Business Plan

The Town’s Business Plan sets priorities for Council and Administration to ensure core service responsibilities are met. Priorities related to recreation are summarized below.

Recreation Facility

Investigate Morinville and/or region’s long-term financial capacity of constructing and operating a potential new recreation facility.

- Seek partnerships and fundraising opportunities.
- Joint Servicing Committee with Sturgeon County remains in place. Develop MOU to including funding models and cost sharing options for the servicing of lands relating to a recreation facility.

Town of Morinville Recreation, Parks and Open Spaces Master Plan 2011 – 2021

The Plan provides a template for the Town to follow to ensure that the delivery of publicly provided parks, open space and leisure services are delivered efficiently, effectively and in line with the leisure needs of Morinville residents. The Plan identified a number of infrastructure priorities and focus areas. Included on the list as a post 2018 goal is a potential Town and County leisure hub facility.

Sturgeon County

Regional Recreation Facility Master Plan (2013)

The Sturgeon Regional CAO Partnership Committee commissioned a Regional Recreation Facility Master Plan which included Sturgeon County and the five towns within its boundaries (Redwater, Bon Accord, Legal, Gibbons, and Morinville). The regional plan was developed to guide decisions regarding recreation facilities in the area. A collaborative inter-municipal vision is included in the plan as well as a framework for the development, upgrading, repurposing, and cost-sharing of recreation facilities. Pertinent elements of the Plan are shared below.

Vision

In 2038, our region has become a destination to live, work and play within the Capital Region. Recreation is recognized region wide as an essential community service and fundamental to the health, vibrancy and livability of our communities. Through structured and unstructured recreation facilities that are accessible to people of all backgrounds, residents of our region are happier and healthier than ever and are more engaged in our communities. Families spend more time recreating together and visitors from the Capital Region, and abroad, travel here to partake in sport tourism events— enhancing our economic prosperity. Our recreation opportunities are helping to attract business investment and families to the region and recreation is purposefully being used as a strategy to address issues related to education, health, crime, early childhood development and life-long learning. Municipalities are working effectively and efficiently together, and with community partners, to leverage and coordinate limited resources toward the delivery of the highest quality recreation services that meet the most pressing needs of the region. Our recreation facilities are sustainable— environmentally, economically and socially and meet the needs of the day, while remaining adaptable to accommodate future needs.

Eight Desired Outcomes

1. Happier and healthier citizens
2. Closer families
3. Early development and life long learning
4. Community pride and sense of connection
5. Reduced environmental effects
6. Increased economic impact of sport tourism
7. Quality, safe and accessible recreation facilities
8. Spirit of cooperation and improved coordination

Facility Provision

This role includes the provision, in some cases through partnership, of public recreation and culture facilities that support recreation activities for all age groups in the community. The range of facilities will vary from community to community and complement, versus duplicate, facilities provided by non-profit organizations, private sector and the education system.

Needs Assessment and Future Planning

Municipalities assess the needs of citizens and organizations on a regular basis, to ensure that services align with the community's needs. In addition, municipalities will plan for the future, ensure that recreation and parks are an integral part of the Municipal Development Plans, and conduct more specific plans as required.

Five Strategies

1. Improve regional coordination, cooperation and funding of the regional recreation system.
2. Develop new or repurpose existing district level recreation facilities to address current and anticipated facility gaps and accessibility.
3. Plan and develop a new multipurpose, multigenerational regional recreation complex.
4. Enhance the quality and longevity of existing recreation facilities by addressing major recreation facility maintenance deferrals.
5. Capitalize on the economic potential of recreation and sport tourism.

Select Associated Actions

Regional Actions

- Undertake a Siting Study to determine potential and recommended location for a regional multi-purpose, multigenerational recreation complex. Begin land assembly for the optimal site (2013 – 2018).
- Undertake a detailed design development facility and master planning (2019 – 2024).
- Begin phased development of the regional recreation complex (2019 – 2024; 2025+).

Morinville Actions

- Develop new spaces to provide open floor fitness programs and weight/cardio equipment (2013 – 2018).
- Develop a new youth programming space to replace the existing youth facility (2013 – 2018).
- Develop new senior programming space (2013 – 2018).

- Ray McDonald Sports Centre Arena: Replace the original ice rink piping and repair all roofing leaks, columns and water damage to extend the arena’s life for at least 5 years **while the Town plans for a multi-purpose recreation facility which includes consideration of various strategies such as working with the Sturgeon Regional Partnership (2013 – 2018).**
- Ray McDonald Sports Centre Curling Rink: Replace the curling rink’s roof (2013 – 2018).
- Ray McDonald Sports Centre Soccer Fields: The soccer fields at the Ray McDonald Sports Centre have nearly reached the end of their useful life. The fields should be stripped, regarded and re-surfaced with grass (2019 – 2024).
- Splash Park: Splash parks can consume significant volumes of fresh water. The Town should explore and pursue feasible water conservation or recirculation strategies to minimize water consumption (2013 – 2018).

Related Planning From Other Stakeholders

Active Alberta Policy

The Province of Alberta’s Active Alberta (2011 – 2021) policy is the overarching policy document that is intended to guide the delivery of recreational, active living and sport opportunities in the province. The policy identifies that:

Recreation, active living and sport are vitally important to Albertans. The activities they choose for enjoyment, where they live and take vacations, what they teach their children, and who they select as their heroes all demonstrate how important the sector is to the lives of Albertans.

Core to the policy document is the identification of six (6) core outcomes which reflect the intended objectives of the policy:

- **Active Albertans:** More Albertans are more active, more often.
- **Active Communities:** Alberta communities are more active, creative, safe and inclusive.
- **Active Outdoors:** Albertans are connected to nature and able to explore the outdoors.
- **Active Engagement:** Albertans are engaged in activity and in their communities.
- **Active Coordinated System:** All partners involved in providing recreation, active living and sport opportunities to Albertans work together in a coordinated system.
- **Active Pursuit of Excellence:** Albertans have opportunities to achieve athletic excellence.



Going the Distance: The Alberta Sport Plan (2014 – 2024)

The renewed Alberta Sport Plan provided Albertans the opportunity to share their views, passion, and ideas about Alberta’s current and future priorities for sport. The Plan identifies the following vision for sport in the province: Alberta is the national leader in sport with a coordinated and adaptive system which promotes excellence and fosters opportunities for life-long participation for all Albertans.

The Plan also identifies roles and contributions for key sectors of the sport delivery system in Alberta, including municipal governments.

Government	
Government of Alberta	<ul style="list-style-type: none"> • Provide leadership by setting the direction through policy development. • Provide financial support to build and update facilities and infrastructure. • Work with federal and municipal governments through intergovernmental cooperation. • Model collaboration through deliberate engagement with relevant ministries.
Alberta Sport Connection	<ul style="list-style-type: none"> • Coordinate and deliver programs and services that build an integrated sport delivery system. • Provide leadership by establishing priorities through grant funding. • Support, recognize and celebrate athletes, coaches, officials and other community leaders.
Municipal Governments	<ul style="list-style-type: none"> • Ensure availability, affordability, and accessibility of a broad range of sport, recreation and physical activity opportunities. • Facilitate local development through municipal policy and program design. • Support provincial sport organizations and local sport delivery bodies in the provision of sport, recreation and physical activity opportunities. • Facility operation and maintenance.

Canadian Sport Policy¹

The Canadian Sport Policy was updated in 2012 to set a direction for the period of 2012 – 2022. The updated Policy builds on the success of the 2002 version and will continue to help guide governments, institutions and various sport organizations. Outlined in the 2012 Policy are five broad objectives:

- **Introduction to Sport:** Canadians have the fundamental skills, knowledge and attitudes to participate in organized and unorganized sport.
- **Recreational Sport:** Canadians have the opportunity to participate in sport for fun, health, social interaction and relaxation.
- **Competitive Sport:** Canadians have the opportunity to systematically improve and measure their performance against others in competition in a safe and ethical manner.
- **High Performance Sport:** Canadians are systematically achieving world-class results at the highest levels of international competition through fair and ethical means.
- **Sport for Development:** Sport is used as a tool for social and economic development, and the promotion of positive values at home and abroad.

¹ <http://www.pch.gc.ca/eng/1358351890624/1358352054107>

Canadian Sport for Life Policy²

Canadian Sport for Life is a movement to improve the quality of sport and physical activity in Canada. CS4L links sport, education, recreation and health and aligns community, provincial and national programming. The CS4L Long-Term Athlete Development framework is widely accepted as foundational model for developing both athletes and active individuals in Canada. In many instances, sport organizations are now required to align their programs and mandates with the framework.

The CS4L Long-Term Athlete Development consists of seven stages:

- Stage 1:** Active Start (0 – 6 years)
- Stage 2:** FUNdamental (girls 6 – 8, boys 6 – 9)
- Stage 3:** Learn to Train (girls 8 – 11, boys 9 – 12)
- Stage 4:** Train to Train (girls 11 – 15, boys 12 – 16)
- Stage 5:** Train to Compete (girls 15 – 21, boys 16 – 23)
- Stage 6:** Train to Win (girls 18+, boys 19+)
- Stage 7:** Active for Life (any age participant)

Stages 1 – 3 of the framework develop physical literacy before puberty so children have the basic skills to be active for life. Stages 4 – 6 provide elite training for those who want to specialize in one sport and pursue competition. Stage 7 is about staying Active for Life through lifelong participation in competitive or recreational sport or physical activity.

A Framework for Recreation in Canada 2015: Pathways to Wellbeing

The recently (2015) finalized Framework for Recreation in Canada provides a new vision and suggests clear goals, underlying values and principles for the provision and delivery of recreation in Canada. While it is understood that recreation is a broad term and that local interests, priorities and needs differ from region to region and in each individual community; aligning the recreation sector can help build a stronger case for investment in recreation. The Framework outlines both a renewed definition and vision for recreation in Canada.

The Framework was developed based on ongoing engagement with decision makers, academics, service providers, and citizens across the Country. Research was also important to the development of the Framework in order to help further justify and portray the benefits of recreation.

The Framework for Recreation in Canada was formally adopted by the Alberta Recreation and Parks Association in April 2015.

Renewed Definition

Recreation is the experience that results from freely chosen participation in physical, social, intellectual, creative and spiritual pursuits that enhance individual and community wellbeing.

Vision

We envision a Canada in which everyone is engaged in meaningful, accessible recreation experiences that foster:

- Individual wellbeing
- Community wellbeing
- The wellbeing of our natural and built environments



² <http://canadiansportforlife.ca/>

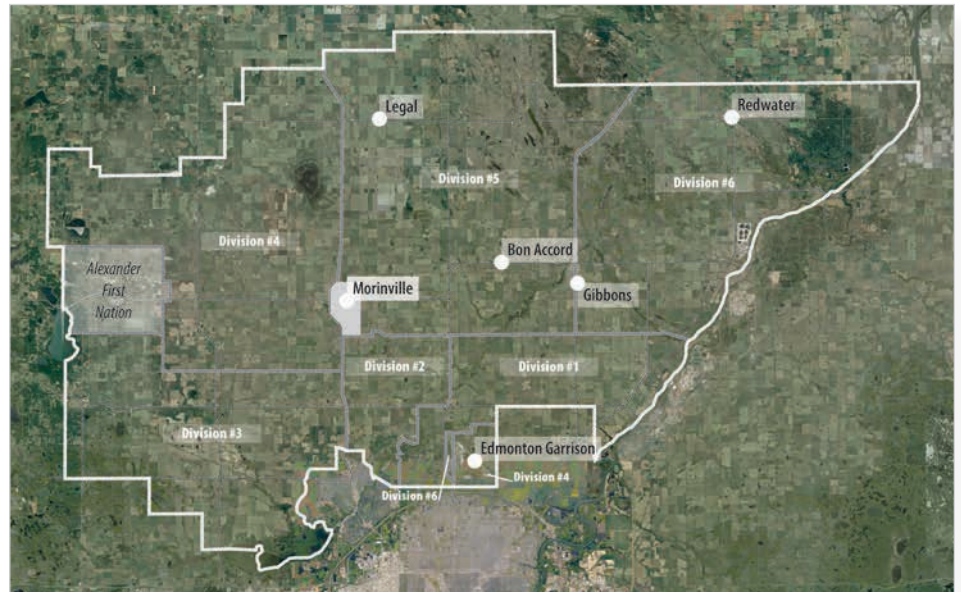


5

Market and Context Analysis

Market Overview

Morinville has a 2016 population of 9,848 residents living in 3,491 occupied dwellings. Since 2014, the population has increased by 5.23% and the Town anticipates continued growth. Over the past 10 years, Morinville has experienced an average annual growth of 4.6%. The regional population, including Sturgeon County and the five urban municipalities within it, is 38,419 residents.



Identified below are selected population characteristics of Morinville as reflected in the Town's most recent municipal census report.

- Of the residents who are employed, approximately one-third (33%) work in Edmonton, one-quarter (24%) work in Morinville, and 14% are employed in St. Albert.
- Morinville has a large population in the 25 to 34 age category as 14.4% of residents are in this range. Since 2014, sizable growth has occurred in the 5 to 9 year age category as 161 additional residents are now in this age range.
- Over one-quarter (27.3%) of Town residents are under the age of 18 compared to the provincial figure of 22.7%.
- Adults between the ages of 25 to 54 make up 37.7% of the Town's population which is a 2.3% increase since 2014.
- Adults over 55 years old make up 15.4% of the Town's population; 6.7% are over 65 years old.
- Approximately two-thirds (63%) of occupied dwellings are single detached homes; apartments account for 9% of occupied dwellings.
- The average household has 2.6 residents per dwelling.
- Approximately 15% of residents are renting their home.

In 2013, the Capital Region Board developed population projections for its participating municipalities. The municipalities within, and including, Sturgeon County are predicted to have a population between 59,200 and 73,900 residents by 2044.

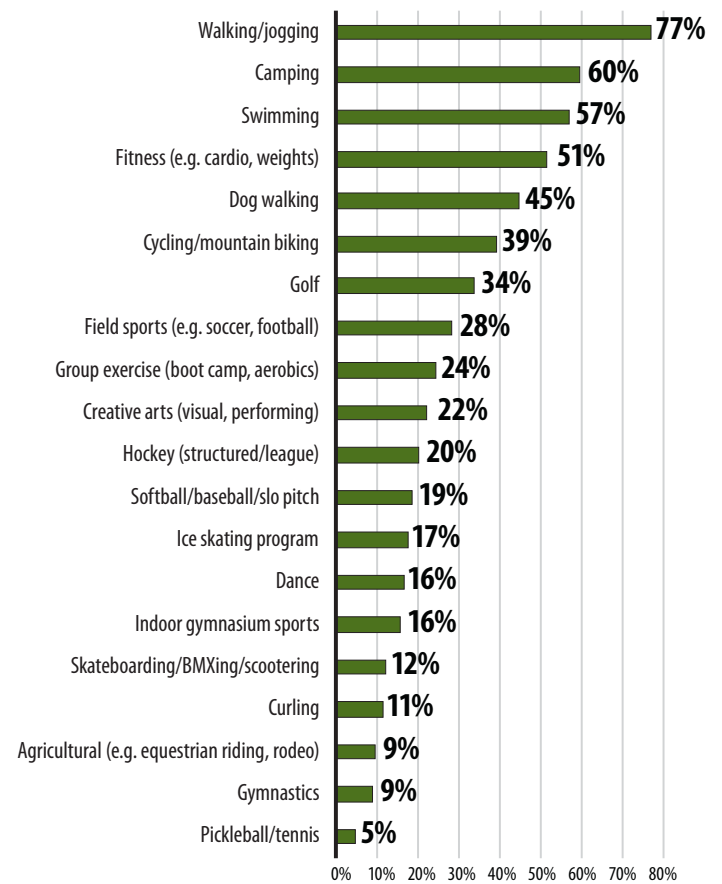
Capital Region Population Projections

Municipality	2011	Current	Low 2044	High 2044
Bon Accord	1,488	1,529	2,700	3,300
Gibbons	3,030	3,159	5,400	6,400
Legal	1,225	1,345	2,200	2,700
Morinville	8,569	9,848	14,800	17,500
Redwater	1,915	2,053	3,100	4,800
Sturgeon County	19,578	20,485	31,000	39,200
Total	35,805	38,419	59,200	73,900

Participation Indicators

A number of local, provincial and national sources can be used to help anticipate future participation demands and trends. The following graph illustrates findings from the household survey conducted as part of the 2016 Recreation Needs Assessment. As reflected in the graph, walking/jogging, swimming and fitness had high rates of participation with over half of households reporting that household members had participated in these pursuits in the past years. A high proportion of households in Morinville also have household members that participate in ice sport activities. Approximately one-fifth of households have members that play hockey (in a structured league) or and/are part of an ice skating program.

Recreation Participation



Alberta Recreation Survey

The Alberta Recreation Survey, fielded every four to five years by Alberta Culture and Tourism, broadly measures participation rates for a variety of activities. The recent (2013) Survey found that Albertans continue to enjoy an array of physical activity, recreation and leisure pursuits.

- Top 5 physical activities: Walking for pleasure, bicycling, aerobics/fitness, swimming/aquafitness (in pools), and swimming/aquafitness (in lakes, rivers, ponds).
- Top 5 group activities: Bowling/lawn bowling, curling, ice hockey, soccer, softball/baseball.

The following chart identifies findings from the past three Alberta Recreation Surveys specific to ice related activities.

Sport	2004	2008	2013
Ice Hockey	16.90%	14.20%	12.80%
Figure Skating	N/A	3.30%	3.80%
Ringette	1.00%	1.10%	1.10%
Lacrosse	N/A	N/A	0.40%
Floor Hockey	N/A	N/A	0.20%

Hockey Canada/Hockey Alberta

Available data from Hockey Alberta also provides an insight into hockey participation trends. The following charts reflect historical registrations in Hockey Alberta sanctioned programs (all minor hockey association in Alberta). As reflected in the charts, registration numbers have remained relatively consistent over the past five years with some moderate growth occurring in younger age groups while some older age groups have experienced gradual decline. **Overall, trends suggest that hockey participation is likely to remain stable and be driven by registrations in younger age levels.**

Male Player Registration Summary					
Level	2010/2011	2011/2012	2012/13	2013/14	2014/15
Midget	8,034	7,963	8,160	7,702	7,535
Bantam	7,738	7,407	7,549	7,193	7,082
Peewee	8,783	8,638	8,711	8,644	8,753
Atom	8,921	8,963	9,193	9,011	9,060
Novice	8,815	8,923	8,965	9,099	9,486
Initiation	8,438	8,520	9,063	9,211	8,926
Total	50,729	50,414	51,641	50,860	50,842

Female Player Registration Summary					
Level	2010/2011	2011/2012	2012/13	2013/14	2014/15
Midget	1,396	1,263	1,246	1,357	1,292
Bantam	973	1,072	1,100	995	981
Peewee	1,116	1,106	1,119	1,053	1,168
Atom	1,016	1,076	1,105	1,150	1,217
Novice	915	1,024	1,016	985	1,119
Initiation	1,106	1,036	1,097	1,178	1,306
Total	9,133	9,066	8,166	8,133	8,569

The Importance of Providing Supportive Environments for Physical Activity and Wellness

The Canadian Health Measures Survey (Statistics Canada) concludes that the fitness levels of Canadian children and youth, as well as adults, have declined significantly between 1981 and 2009. Among youth aged 15 to 19, the percentage who were at an increased or high risk of health problems more than tripled; for adults aged 20 to 39 this percentage quadrupled.

The 2016 ParticipACTION Report Card on Physical Activity for Children and Youth found that only 9% of 5 to 17 year olds in Canada meet the recommended levels for moderate to vigorous physical activity.

- Only 24% of 5 to 17 year olds use active transportation methods to or from school; 62% are driven.
- Only 44% of Canadian youth aged 8 to 12 meet or exceed the minimum level recommended for the physical competence domain of physical literacy.
- The recommended amount of moderate to vigorous physical activity is at least 60 minutes per day.
- On average, high school kids in Canada spend 8 hours engaging in screen-based, sedentary behavior each day.

Unstructured Spontaneous Activities are Increasing in Popularity

- The Canadian Fitness & Lifestyle Research Institutes 2011 – 2012 Sport Monitor Report 3 identifies that the highest proportion of Canadians prefer non-competitive sports or activities (44%).
- While many structured or organized activities remain important, there is an increasing demand for more flexibility in timing and activity choice.
- People are seeking individualized, informal pursuits that can be done alone or in small groups, at flexible times, often near or at home. This does not however eliminate the need for structured activities and the stakeholder groups that provide them. Instead, this trend suggests that planning for the general population is as important as planning for traditional structured use environments.

Market Area Provision

The following charts provide an overview of current Town operated indoor recreation facilities in Morinville and major facilities (arenas, fitness centres, field houses, and aquatics facilities) across the region.

Indoor Facility	#
Cultural Centres	1
Curling Facilities	1
Curling Sheets	4
Ice Arena Facilities	1
Ice Arena Sheets	1

Facility	Morinville	Gibbons	Redwater	Legal	Bon Accord	Sturgeon County	Edmonton Garrison	St. Albert	Total
Ice Arena Facilities	1	1	1	1	1	2	1	2	10
Ice Arena Sheets	1	1	1	1	1	2	2	5	14
Outdoor Pools	0	0	1	0	0	0	0	1	2
Indoor Pools	0	0	0	0	0	0	1	2	3
Fitness Centres	0	0	0	0	0	0	1	1	2
Community Gymnasiums/ Field Houses	0	0	0	0	0	0	1	1	2

Comparative Research

Benchmarking Research was conducted to contrast how Sturgeon County (including the municipalities of Morinville; Redwater; Gibbons; Bon Accord; Legal; Edmonton Garrison; Sturgeon County) contrasts to other regions in Alberta.

Region	Municipalities	Population (Most recent census)	Indoor Aquatics Facilities	Ice Arena Facilities	Ice Arena Sheets	Curling Sheets	Indoor Fields	Dedicated Community Gymnasiums	Fitness Centres	Indoor Walking/ Running Track	Indoor Playground
Wetaskiwin	Wetaskiwin; Millet; County of Wetaskiwin	25,579	1	3	4	6	0	0	1	0	0
Wheatland	Strathmore; Hussar; Rockyford; Standard; Wheatland County	22,492	1	4	5	10	0	0	0	0	0
Mountain View	Olds; Sundre; Carstairs; Didsbury; Cremona; Mountain View County	32,527	3	5	6	23	0	0	3	1	0
Bonnyville	Cold Lake; Bonnyville; Glendon; MD Bonnyville	36,376	2	4	6	13	0	2	2	2	0
Yellowhead	Edson; Hinton; Yellowhead County	28,755	2	4	6	18	0	0	0	0	0
Average	—	29,146	1.8	4.0	5.4	14.0	0.0	0.4	1.2	0.6	0.0
Sturgeon	Morinville; Redwater; Gibbons; Bon Accord; Legal; Edmonton Garrison; Sturgeon County	38,419	1	8	9	21	0	1	1	0	0

Infrastructure Trends and Leading Practices

Multi-Use Spaces Provide More Benefits

- Recreation and leisure facilities are being designed to accommodate multiple activities and to encompass a variety of different components.
- The benefits of designing multi-use spaces include the opportunity to create operational efficiencies, attract a wide spectrum of users, and procure multiple sources of revenue.
- Providing the opportunity for all family members to take part in different opportunities simultaneously at the same location additionally increases convenience and satisfaction for residents.
- Creating spaces within a facility that are easily adaptable and re-configurable is another growing trend observed in many newer and retrofitted facilities. Gymnasium spaces and field house facilities are being designed with adjustable barriers, walls, bleachers, and other amenities that can be easily set-up or removed depending on the type of activity or event.

Integrating Indoor and Outdoor Environments

- A new concept in recreation infrastructure planning is to ensure that the indoor recreation environment interacts seamlessly with the outdoor recreation environment. This can include such ideas as indoor/outdoor walking trails, indoor/outdoor child play areas, and indoor/outdoor aquatics facilities.
- Although there are a number of operational issues that need to be considered when planning indoor/outdoor environments (e.g. cleaning, controlled access, etc.) the concept of planning an indoor facility to complement the site it is located on (and associated outdoor amenities included) as well as the broader community parks and trail system is prudent and will ensure the optimization of public spending on both indoor and outdoor recreation infrastructure.
- Integrating indoor and outdoor environments is also achieved by ensuring interiors have good opportunities to view the outdoors.

More Focus is Placed on Ensuring Accessibility

- Many current recreation facilities are putting significant focus on ensuring that user experiences are comfortable including meeting accessibility requirements and incorporating designs that can accommodate various body types. Programming is made as accessible as possible via “layering” to provide the broadest appeal possible to physical and intellectual preferences.

- Meeting the needs of various user groups is also an important aspect of accessibility. Incorporating mobile technologies, rest spaces, child-friendly spaces, crafts areas, and educational multi-purpose rooms for classes and performances is an emerging trend.
- Accessibility guidelines set by governments, as well as an increased understanding of the needs of different types of visitors, is fueling this trend.

Achieving Financial Sustainability through Revenue Generating Spaces

- Operators of community facilities are being required to find creative and innovative ways to generate the revenues needed to both sustain current operations and to fund future expansion or renovation projects. By generating sustainable revenues outside of regular government contributions, many facilities are able to demonstrate increased financial sustainability and expand service levels.
- Lease spaces provide one such opportunity. Many facilities are creating new spaces or redeveloping existing areas of their facility that can be leased to food and beverage providers and other retail businesses.
- Short-term rental spaces are another major source of revenue for many facilities. Lobby areas, programs rooms, and event hosting spaces have the potential to be rented to the corporate sector for meetings, team building activities, holiday parties, and a host of other functions.
- Advertising spaces, sponsorships agreements, and naming rights are tactics used to generate revenue.

Social Amenities Enhance User Experience

- The inclusion of social amenities provides the opportunity for multi-purpose community facilities to maximize the overall experience for users as well as to potentially attract non-traditional patrons to the facility.
- Examples of social amenities include attractive lobby areas, common spaces, restaurants and cafeterias, spectator viewing areas, meeting facilities, and adjacent outdoor parks or green space.
- It is uncommon for new public facilities, especially in urban areas, to not be equipped with public wireless Internet.
- Another significant benefit of equipping facilities with social amenities is the opportunity to increase usage and visitation to the facility during non-peak hours. Including spaces such as public cafeterias and open lobby spaces can result in local residents visiting the facility during nonevent or non-program hours to meet friends or is simply a part of their daily routine. Many municipalities and nonprofit organizations have encouraged this non-peak hour use in order to ensure that the broader populace perceives that the facility is accessible and available to all members of the community.



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Alternatives

Alternatives

The following 4 alternatives were identified for analysis.

Alternative 1: Replace the current ice arena in the short to medium-term (Phase 1); working towards the development of a multi-purpose community recreation facility using a phased approach (Phases 2).

Alternative 2: Replace the current ice arena and develop a multi-purpose community recreation facility as a single phase project.

Alternative 3: Replace the current ice arena and develop a multi-purpose community recreation facility as multi-phase projects based on suitable capital funding being available.

Alternative 4: Replace the current ice arena and construct a multipurpose field house with walking/running track as the first phase of the community recreation facility and further develop the remainder of the facility based on capital funding availability.

** Project as presented in this business case.*

Scoring Criteria

The following chart outlines the scoring criteria that were used to rank the alternatives. These criteria were developed to consider a number of important factors which include project benefit and financial impacts.

Criteria	Scoring Metrics	
Community Demand	2 Points	The alternative addresses more than three-quarters (>7) of the top 10 indoor infrastructure priorities from the 2016 Regional Recreation Needs Assessment.
	1 Point	The alternative addresses between 1 – 6 of the top 10 indoor infrastructure priorities from the 2016 Regional Recreation Needs Assessment.
	0 Points	The alternate addresses none of the top 10 indoor infrastructure priorities from the 2016 Regional Recreation Needs Assessment.
Impact on Existing Opportunities	2 Points	The alternative sustains existing recreational opportunities for the long-term.
	0 Points	The alternative does not sustain existing recreational opportunities for the long-term.
Financial Impacts: Capital	2 Points	None/Minimal
	1 Point	Medium
	0 Points	High
Financial Impacts: Operating	2 Points	None/Minimal
	1 Point	Medium
	0 Points	High
Strategic Alignment	2 Points	The alternative is strongly aligned with Town strategic planning
	1 Point	The alternative has some alignment with Town strategic planning.
	0 Points	The alternative is not aligned/contrary with Town strategic planning.

Alternatives Scoring

As reflected in the following chart, the scoring of the alternatives confirms that Alternative 1 is the most suitable project approach/option.

Criteria	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Community Demand	2	2	2	2
Impact on Existing Opportunities	2	2	2	2
Financial Impacts: Capital	1	0	1	2
Financial Impacts: Operating	1	0	1	1
Strategic Alignment	2	2	2	2
Total	8	6	8	9



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Organizational Change Impact

Stakeholders and Requirements

The project will impact a wide array of stakeholders in a variety of ways. The following chart outlines anticipated stakeholders along with potential requirements pertaining to the project.

Stakeholder	Potential Project Requirement
Town of Morinville	<ul style="list-style-type: none"> • Lead and steer the project. • Develop capital and operating funding model. • Likely to be responsible for facility operations.
Sturgeon County	<ul style="list-style-type: none"> • Provide input into the project. • Financial support for the project.
Regional municipalities	<ul style="list-style-type: none"> • Provide input into the project. • Financial support for the project.
Community sport and recreation organizations	<ul style="list-style-type: none"> • Provide input into the project. • Assist with fundraising efforts.
Local and regional business community	<ul style="list-style-type: none"> • Local and regional fundraising efforts will require business community support.
Local and regional residents	<ul style="list-style-type: none"> • Provide ongoing input into the project (e.g. help refine future phases).

Stakeholder Business and Operational Impacts

The project will impact the aforementioned stakeholders in a variety of different ways. The following chart outlines these potential impacts and provides an associated magnitude rating for each.

High: Indicates that the magnitude of impact is significant and stakeholder support and preparation is critical.

Medium: There is a manageable impact to the stakeholder.

Low: The impact to the stakeholder is minor.

None: Stakeholder will not be impacted.

Impact and Description	Magnitude
Town of Morinville	
The project enables the Town to sustain indoor ice provision and plan for future growth and indoor ice demand.	High
The project enables the Town to expand and broaden recreational opportunities; a key strategic priority.	High
The project has a significant expense which may limit the Town's ability to undertake other capital projects or initiatives.	High
The project is likely to strengthen the Town's ability to attract and retain residents and businesses.	Medium
Sturgeon County	
The project will provide a regional "hub" facility that can serve a large catchment area within the County.	High
County support for the facility will be required in order for the project to proceed.	High
The project will help the County meet outcomes, strategies and action identified in the Regional Recreation Facility Master Plan.	Medium
Regional Municipalities (Including Alexander, and Legal)	
The project will provide a regional "hub" facility that can serve a large catchment area within the regional municipalities (including Alexander First Nations, and Legal).	Medium
Regional municipalities (including Alexander First Nations, and Legal) support for the facility will be required in order for the project to proceed.	Medium
The project will help the regional municipalities (including Alexander First Nations, and Legal) meet outcomes, strategies and action identified in the Regional Recreation Facility Master Plan.	Medium
Community Sport and Recreation Organizations	
The project will sustain an indoor ice sheet for ice user groups in the near term and provide a second sheet in the future to accommodate growth.	High
The project will provide indoor sport groups (e.g. soccer, basketball, volleyball) with a significantly enhanced program space to accommodate current and future needs.	High
Tournament and event hosting capabilities for local sport groups will be enhanced.	Medium
Local and Regional Business Community	
The facility is likely to bring increased visitors and non-local spending to the community.	Medium
The business community will be asked to support the facility through sponsorships, advocacy, promotions, and other partnerships.	Medium
Local and Regional Residents	
The project will expand and broader recreation, healthy living, and social opportunities for residents, including spontaneous use and aquatics.	High

Community Consultation

The 2016 Recreation Needs Assessment included significant engagement with local and regional residents. The following chart summarizes the consultation methods. Key findings from the consultation are presented throughout this business case document.

Mechanism	Description	Responses/Participants			Fielding Date
		Total	Town	County	
Household Survey (Mail-out)	A statistically representative survey of area residents. Questionnaires mailed to households in the Town of Morinville and surrounding Sturgeon County households.	1,172 Responses	808 Responses	301 Responses	June to July 2016
Household Survey (Public Online)	The household survey was available on the Town's website for area residents to provide input in case they did not receive a questionnaire in the mail. Results are reported on separately from the mail-out version.	37 Responses	24 Responses	3 Responses	June to July 2016
Community Group Survey	Online survey (with hardcopy available upon request) for community groups such as sport organizations, schools, and service clubs.	11 Responses			June to July 2016
Stakeholder Interviews	In-person interviews with key stakeholders in the community. Supplementary telephone interviews were also conducted.	28 Participants			June 2016

Note: The total includes respondents from the Town Morinville and Sturgeon County as well as 63 responses from Legal, Bon Accord, St. Albert, and those who did not identify a residency (included in the overall total but not in the Town or County totals indicated above).



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Cost/Benefit Analysis

Capital Cost Estimates

Project Phase	\$M (2017)*
Phase 1: Single Ice Sheet (Replacement) and Field House with Track	\$24.3M
Phase 2a: Added Ice Surface + Outdoor	\$16.0M (part of \$43.5M)
Phase 2b: Pool	\$27.5M (part of \$43.5M)
Phases 1 and 2	\$67.8M

* ±25%; not including site development, servicing, or acquisition.

Operating Cost Estimates

The following table outlines the expected operating revenues and expenses related to the entire build out of the project (Phases 1 and 2) and compares them to the existing ice arena (2017 budget). The estimates do not include the costs of operating any potential outdoor site amenities other than the proposed outdoor rink. The differences from years 1 to 3 are indicative of the time expected to fully penetrate user markets in the region.

Phases 1 and 2 (±20%)

Revenues	2017 Budget Arena	Year 1	Year 2	Year 3	Assumption
Drop-ins		\$73,500	\$98,000	\$122,500	Average 30/40/50 per day; 350 days per year; \$7 per user
Pass Sales		\$108,000	\$144,000	\$180,000	Average 300/400/500 passholders; Weighted average \$28 per month
Program Fees		\$30,000	\$30,000	\$30,000	Average 1,000 participants \$30 per participant
Swim Lessons		\$45,000	\$45,000	\$45,000	Average 1,500 participants \$30 per Participant
Rentals and Lease Revenue	\$190,000	\$—	\$—	\$—	N/A

Revenues	2017 Budget Arena	Year 1	Year 2	Year 3	Assumption
Average Prime Time Ice Rentals		\$190,000	\$190,000	\$332,128	Same as 2017 Arena budget plus 60% utilization of second sheet; weighted average \$14/hr
Average Non Prime Time Rentals		\$—	\$—	\$—	Same as 2017 Arena budget
Arena Dry Pad Rentals		\$—	\$—	\$—	Same as 2017 Arena budget
Field House Rentals		\$45,000	\$45,000	\$45,000	30 hours per week;\$30/hr; 50 weeks
Outdoor Rink Rentals		\$90,000	\$90,000	\$90,000	30 hours per week;\$100/hr; 50 weeks
Advertising		\$—	\$—	\$—	N/A
Other Revenues		\$25,000	\$25,000	\$25,000	Estimate
Vending Machines		\$—	\$—	\$—	Same as 2017 Arena budget
Cost Recoveries		\$—	\$—	\$—	Same as 2017 Arena budget
Total Revenue	\$190,000	\$606,500	\$667,000	\$869,628	—

Expenses	2017 Budget Arena	Year 1	Year 2	Year 3	Assumption
Salaries and Benefits					
Salary Management	\$—	\$100,000	\$100,000	\$100,000	1 FTE @ \$100,000
Salary Marketing and Sponsorship	\$—	\$75,000	\$75,000	\$75,000	1 FTE @ \$75,000
Salary Group Benefits	\$—	\$13,682	\$13,682	\$13,682	Same proportion as 2017 Arena Budget
Salary Payroll Taxes	\$—	\$11,979	\$11,979	\$11,979	Same proportion as 2017 Arena Budget
Salary LAPP	\$—	\$19,286	\$19,286	\$19,286	Same proportion as 2017 Arena Budget
Wages full time	\$193,382	\$—	\$—	\$—	N/A
Wages Part Time	\$—	\$480,000	\$480,000	\$480,000	6 CSR @ \$50,000, 3 FTE Supervisory @ \$60,000
Wages Operators	\$—	\$360,000	\$360,000	\$360,000	6 FTE @ \$60,000
Wages Lifeguards	\$—	\$3,200	\$163,200	\$163,200	12 hours per day; average 2.0 guards per hour \$20/hr; 340 days per year
Wages Custodial	\$—	\$150,000	\$150,000	\$150,000	3 FTE @ \$50,000
Wages Summer Students	\$—	\$—	\$—	\$—	N/A
Wages Group Benefits	\$15,119	\$90,160	\$90,160	\$90,160	Same proportion as 2017 Arena Budget
Wages Payroll Taxes	\$13,237	\$78,937	\$78,937	\$78,937	Same proportion as 2017 Arena Budget
Wages LAPP	\$21,312	\$127,090	\$127,090	\$127,090	Same proportion as 2017 Arena Budget
Total Salaries and Benefits	\$243,050	\$1,669,334	\$1,669,334	\$1,669,334	—

Operating Expenses					
Mileage and Subsistence	\$—	\$—	\$—	\$—	N/A
Contracted Services General	\$24,000	\$96,000	\$96,000	\$96,000	4 x 2017 Arena Budget
Contracted Services Program	\$—	\$22,500	\$22,500	\$22,500	75% OF Program Revenue
Contracted Services Security	\$—	\$6,000	\$6,000	\$6,000	\$500/month
General Goods and Supplies	\$6,000	\$24,000	\$24,000	\$24,000	4 x 2017 Arena Budget
Arena R&M	\$8,000	\$16,000	\$16,000	\$16,000	2017 Arena Budget x 2
Field House R&M		\$10,000	\$10,000	\$10,000	Estimate
Aquatics R&M		\$25,000	\$25,000	\$25,000	Estimate
Janitorial Supplies		\$15,000	\$15,000	\$15,000	Estimate
Chemicals		\$50,000	\$50,000	\$50,000	Estimate
Equipment R&M	\$12,000	\$24,000	\$24,000	\$24,000	2 x 2017 Arena Budget

Expenses	2017 Budget Arena	Year 1	Year 2	Year 3	Assumption
Outdoor Rink R&M	\$—	\$7,500	\$7,500	\$7,500	Estimate
Zamboni Propane	\$3,000	\$6,000	\$6,000	\$6,000	2 x 2017 Arena Budget
Heat	\$44,400	\$192,690	\$192,690	\$192,690	192,690 sq ft x \$1/sq ft
Power	\$90,000	\$385,380	\$385,380	\$385,380	192,690 sq ft x \$2/sq ft
Debenture Interest	\$20,398	\$—	\$—	\$—	—
Insurance	\$—	\$50,000	\$50,000	\$50,000	Estimate
Total Operating Expenses	\$207,798	\$930,070	\$930,070	\$930,070	—
Total Expenses	\$450,848	\$2,599,403	\$2,599,403	\$2,599,403	—
Operating Deficit	\$(260,848)	\$(1,992,903)	\$(1,932,403)	\$(1,729,775)	—

Phase Summary

Phase	Shortfall by Phase
	Total
Phase 1: Single Ice Sheet (Replacement) and Field House with Track	\$(750,188)
Phase 2a: Added Ice Surface + Outdoor	\$(309,374)
Phase 2b: Pool	\$(670,210)
Total (Phases 1, 2a, and 2b)	\$(1,729,772)

Operating Budget Revenue Assumptions

Ice Rates	Rate	Proportion of 2 Arenas	Weighted Average
Youth local	\$113	50%	\$56.50
Youth non local	\$161	20%	\$32.20
Adult local	\$161	20%	\$32.20
Adult non-local	\$201	10%	\$20.10
Total	—	100%	\$141.00

Passholder Rates	Rate	Proportion	Weighted Average
Youth	\$20	30%	\$6.00
Adult	\$40	30%	\$12.00
Senior	\$20	20%	\$4.00
Family	\$30	20%	\$6.00
Total	—	100%	\$28.00

The table above outline how user fees used in the revenue estimates have been calculated. Where possible, rates charged in the current user market for ice rental and monthly pass rates were identified and allocated amongst expected user demographic breakdowns. For reference, ice rates and pass sales charged at Servus Place in St. Albert and Fort Saskatchewan's Down Centennial Centre (as of April 2017) are provided below.

Facility	Youth Rate	Adult Rate
Servus Place	\$131/hour (local)	\$52.50/month
Dow Centennial Centre	\$120/hour (local)	\$42.80/month



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Project Resourcing

The following table depict estimated capital fund resourcing scenarios.

Phase 1: Single Ice Sheet and Field House with Track	% of Capital	\$
Municipal Contribution	28%	\$6,800,000
Grants (FGT/MSI Capital)	64%	\$15,500,000
Sponsorships	8%	\$2,000,000
Total	100%	\$24,300,000

Phase 2a: Added Ice Surface + Outdoor	% of Capital	\$
Municipal Contribution	16%	\$2,560,000
Federal/Provincial Contribution	67%	\$10,720,000
Sponsorships	17%	\$2,720,000
Total	100%	\$16,000,000

Phase 2b: Pool	% of Capital	\$
Municipal Contribution	22%	\$6,166,668
Federal/Provincial Contribution	67%	\$18,333,333
Sponsorships	11%	\$3,000,000
Total	100%	\$27,500,000

Total Project Cost	\$
Total	\$67,800,000



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Key Risks and Mitigation Strategies

Potential risk is inherent with any project of this magnitude. Understanding these risks and identifying mitigation strategies are important in order to manage risk and position the project for success. Outlined in the chart below are potential along with mitigation strategies that have been identified for each. For each potential risk, the probability and impact have been estimated using the following guidelines.

Probability of Risk

High: Indicates that the event/situation is highly likely to occur.

Medium: Indicates that the event/ situation is likely to occur.

Low: Indicates that the event is not likely to occur.

Impact of Risk

High: Indicates that the event/ situation has a significant impact to the project.

Medium: Indicates that the event/situation will impact the project.

Low: Indicates that the impact is relatively minor to the project.

None: No impact to the project.

Description of Risk	Mitigation Strategies	Probability	Impact
Inability to secure capital funding for the project	<ul style="list-style-type: none"> Phased approach Ongoing discussions and dialogue with regional partners 	Low (Phase 1) Medium (Phase 2)	High
Inability to sustainably operate the facility	<ul style="list-style-type: none"> Development of a business case with operating projections Continue to explore other sources of revenue such as leased space or program sponsorship 	Low (Phase 1) Medium (Phase 2)	High
Lack of utilization	<ul style="list-style-type: none"> 2016 Regional Recreation Needs Assessment undertaken to verify need/demand Ongoing dialogue with user groups 	Low	High
Other projects in the region which may duplicate components/amenities	<ul style="list-style-type: none"> County is formally engaged in the project Ongoing dialogue with regional partners Town participation in previous regional recreation planning 	Low	Medium



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Conclusions and Recommendations

Findings from the 2016 Regional Recreation Needs Assessment, as highlight in this business case document, confirm that there is a high level of demand for new recreational opportunities in Morinville. However like many communities across Canada, the Town of Morinville is also faced with aging existing facilities that require major upgrades or replacement. Assessments conducted as part of the Regional Recreation Facilities Master Plan in 2013 confirmed that the current indoor ice arena in Morinville is nearing the end of its lifespan.

Phase 1 of the project as presented in this business case will enable the Town to sustain indoor ice provision in the community by replacing the existing arena while also adding a multi-purpose field house and an indoor walking/running track. Phase 2 of the project will significantly expand and broaden the array of recreational opportunities available in Morinville through the development of an additional ice arena, an indoor aquatics facility, and an outdoor arena space with the flexibility to be retrofitted into a curling facility when the existing facility requires replacement.

The total estimated capital cost of the entire project is \$67.8M dollars (\$24.3M for Phase 1; \$43.5M for Phase 2). Preliminary operating budget projections reflect that the annual operating subsidy required for Phase 1 will be approximately \$750,188 annually; increasing to approximately \$1,729,772 annually once both phases have been completed¹.

Recommendations

The following next steps are recommended for the project:

1. Submit grant applications
2. Refine the project timeline
3. Review needs assessment for specific phase including funding operational costs
4. Proceed with detailed design and pre-construction planning
5. Initiate construction

¹ In year 3 of operation.







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strategies