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Dynamyx Facility Needs Report

Presented by: Diane Enger, Director

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RECOMMENDATION(S)

..recommendation

That Council receive Administration's review of the Dynamyx Facility Needs Report as information.

..body

PURPOSE OF REPORT

To provide Council with a summary of the background to the proposals for support from Dynamyx Gymnastics Club and to provide background on the current process for evaluating proposed recreation infrastructure development.

COUNCIL DIRECTION

On July 13, 2015 Council has passed the following motion:

(CM-343-2015)

That Administration work with Dynamyx, to determine if their project can be modified and then re-submitted for evaluation by the Community Capital Partnership Program Advisory Committee by December 31, 2015.

On June 7, 2016 Council passed the following motion:

(CM-362-2016)

That the preliminary business case for the project titled "Dynamyx Gymnastics Club New Building" not be approved to advance to the detailed business plan stage of the Capital Partnership Program.

On February 21, 2017 Council passed the following motion:

(CM-17-010)

That Administration review the Dynamyx December 2016 facility needs report and report back to Council in Q2.

BACKGROUND AND DISCUSSION

The Dynamyx Gymnastic Club ("the Club", "Dynamyx") has been operating in St. Albert for over 22 years and serves approximately 2,200 children and youth on an annual basis. The Club has a volunteer board, a large user pay component and paid professional staff.

The Club has been leasing facility space for 22 years and has been sustainable in their facility; however due to the growth of the Club, the need for improvements to their lease space and an upcoming increase in lease rates, the Dynamyx Gymnastics Club is looking at other facility options.

There are currently two gymnastics clubs operating in St. Albert. The other club, St. Albert Gymnastics Club have owned and operated their own facility for several decades and have recently declined Dynamyx's offer to consider a merger. Currently, the level of support that other Municipalities provide to gymnastics facilities varies by Municipality.

In July 2015 and June 2016, Dynamyx Gymnastics Club submitted two proposals to the City of St. Albert through the Capital Partnership Program Advisory Committee (CPPAC), proposing a partnership that would result in the construction of a new gymnastics centric facility. The CPPAC recommended not pursuing the project due to the fact that this project "appealed to a narrow demographic of St. Albert residents" as well as "concern about the \$1.7M to \$1.8M identified funding gap", and ultimately, the partnership request from Dynamyx was unanimously declined by Council (refer to Legislative History).

In 2016, the CPPAC concluded and was no longer accepting applications. After the conclusion of the program, Dynamyx presented City Council directly with two feasibility studies.

- November 2016 – The report provided information on the current membership and utilization, market inventory, population demographics and trends.
- December 2016 - The report provided member survey results and recommended next steps.

Through the submission of these reports and the corresponding presentations to Council, the Club has informally requested that the City provide gymnastics facilities within St. Albert that they would be able to use in the provision of their service.

Based on an assessment of the original submissions from Dynamyx compared to the recent feasibility studies, there are many unknowns in regard to the specifics of the partnership that Dynamyx Gymnastics Club is requesting.

Administrative Analysis Based on Infrastructure Development Process

Since the conclusion of the CPPAC Program, Administration has explored infrastructure development direction that is embedded in existing recreation strategic documents to provide parameters and assessment criteria for new recreation facility construction and partnership consideration for new recreation facilities.

Specific direction is provided within the Recreation Master Plan as part of Priority 3: "Invest in Recreation Infrastructure" in regard to the stages of analysis when evaluating the potential use of public funds for construction of recreation facilities. The stages of evaluation include:

1. Preliminary Need Identification.
2. Needs Assessment.
3. Feasibility Analysis.

Based on this process, currently, the request from Dynamyx Gymnastics Club is at Stage 1: Preliminary Need Identification. This stage includes three steps including:

- Facility Alignment with Service Level Criteria.
- Concept Plan (high level).
- Partnership Consideration.

The parameters used in the evaluation of the Preliminary Need Identification are a combination of principles from the Recreation Master Plan, New Facility Predictive Model, the Partnership Handbook, Council Policy and historical practices within existing agreements.

These parameters have been outlined and discussed in more detail in the attached document titled: **Infrastructure Development Process**. The parameters have been identified to provide consistency in the City's provision of land and facilities for recreation and specifically around partnership consideration with community associations, because, as discussed in the Recreation Master Plan, a transparent protocol for equitably dealing with potential groups outlining the expectations around public investment is key.

Administration has completed a preliminary analysis of the Dynamyx Gymnastics Club's eligibility for support based on the parameters outlined for the Preliminary Need Identification and the information presented to date. The summary of the analysis has been included below for Council's information.

Step 1: Facility Alignment with Service Level Criteria

Parameter: Maintains current service levels in context of a growing market.

Analysis: Neither the City of St Albert Recreation Master Plan or the New Facility Predictive Model have identified dedicated gymnastic facilities as one that the City supports currently or have plans to develop in the future. **X**

Parameter: Conforms to current recreation functions of the regional municipalities or new functional areas as contained within the broader strategic planning.

Analysis: There are several communities that offer publicly funded gymnastics facilities in the region. **✓**

Step 2: High Level Concept Plan

Parameter: The development occurs on publicly owned or long-term lease land.

Analysis: Dynamyx Gymnastics Club has requested that the facility be built on publicly owned or long-term lease land. **✓**

Parameter: The development is dynamic and adaptable.

Analysis: The facility would include many pieces of fixed equipment which would not be able to be used by the public or another user group without supervision. **X**

Parameter: Priority is on multiuse development before single use.

Analysis: Traditionally, the City builds recreation facilities that are multi-use and multi-user facilities. Gymnastics facilities are primary user facility and may not align with the multi user philosophy of City funded recreation facilities. However,

this facility could also be built to accommodate other needs such as staff offices and community meeting space. **X**

Step 3: Partnership Consideration - Based on parameters for the provision of Land and Facilities for Community Associations

Parameter: The City and the community association enter into a lease agreement for the use of City Owned land for the Community associations delivery of community programming.

Analysis: This condition may be met within the parameters of an agreement; however, has not been discussed with the Club at this time. **?**

Parameter: The community association is a Not For Profit Community association in good standing with the Societies Act.

Analysis: This condition may be met within the parameters of an agreement; however, has not been discussed with the Club at this time. **?**

Parameter: The community association is a single representative of the sport/activity for the City.

Analysis: There is a second gymnastics club in St. Albert, and, as such, Dynamyx Gymnastics Club is not an association that acts in the best interest of the sport overall such as St. Albert Minor Hockey Association. **X**

Parameter: The community association will provide broad based programming beginner to elite assessable to a broad spectrum in the community.

Analysis: This condition has been met based on the feasibility report provided by Dynamyx Gymnastics Club. **✓**

Parameter: The community association's members/registrants are significantly St Albert residents.

Analysis: This condition may be met within the parameters of an agreement; however, has not been discussed with the Club at this time. **?**

Parameter: Ideally, the facility will have the ability to host major events to generate tourism.

Analysis: This condition may be met within the design of the facility; however, it has not been discussed with the group at this time. **?**

Parameter: Some may have some paid office staff but predominately volunteer coaches and program coordination.

Analysis: The Club has a volunteer board, a large user pay component and paid professional staff who coordinate and deliver the program. **X**

Parameter: The community association relies on grants and sweat equity for the building and further development of facilities. City will not contribute to the further development of the infrastructure.

Analysis: This condition may be met within the parameters of an agreement; however, has not been discussed with the Club at this time. **?**

Parameter: Operation of the facility will be 100% funded through the community association. The City will not provide any ongoing or operational support

Analysis: This condition may be met within the parameters of an agreement; however, has not been discussed with the Club at this time. ?

Parameter: The community associations pay all their own utilities and operating expenses.

Analysis: This condition may be met within the parameters of an agreement; however, has not been discussed with the Club at this time. ?

Parameter: The community association must abide by all City Bylaws, Policies, Building Codes, etc.

Analysis: This condition may be met within the parameters of an agreement; however, has not been discussed with the Club at this time. ?

The Club does align with some of the parameters; however, many pieces of a potential partnership are still unknown. There are five key parameters which are currently not met;

- The facility type does not align with the corporate service levels.
- The facility would include fixed and specific equipment that is not adaptable to other types of uses.
- The facility would be developed for a single user experience.
- Dynamyx Gymnastics Club is not a single representative of the sport/activity for the City.
- Dynamyx Gymnastics Club is not volunteer based, predominately volunteer coaches and program coordination.

At this time, the information available is not sufficient to determine the viability of a partnership with the Dynamyx Gymnastic Club. Therefore, Administration is presenting this report for information.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

Administration has toured the Dynamyx Gymnastics Club's facility and have met with the President and Executive Director of the association. The feasibility reports that have been developed by the Club have been provided to Council for information.

IMPLICATIONS OF RECOMMENDATION(S)

Financial: None at this time.

Legal / Risk: None at this time.

Program or Service: None at this time.

Organizational: None at this time.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

1. That Administration continue to explore potential partnership with Dynamyx Gymnastics Club to be evaluated through the Infrastructure Development Process.
2. That Administration not pursue this development any further.
3. That Administration defer further work on this development pending direction through the Land Strategy and Capital Plan Prioritization.
4. That Administration proceed with other action as directed by Council.

STRATEGIC CONNECTIONS

City of St. Albert Strategic Plan (Policy C-CG-02) - Pillars of Sustainability

BUILT ENVIRONMENT - We build our community towards the future to sustain balanced development, with a reverent eye to the past, honouring our unique settlement history and distinct identity.

Governance Strategy

Council is committed to ensuring that the City of St. Albert is a responsive, accountable government that delivers value to the community.

Service Delivery Strategy

Council is committed to ensuring that the City of St. Albert is engaging residents to identify opportunities to improve delivery of services to the community.

Long Term Plans (e.g. MDP, Social Master Plan, Cultural Master Plan, etc.)

New Facility Predictive Model

Recreation Master Plan

Partnership Handbook

Corporate Objectives (See Corporate Business Plan)

Deliver programs and services that meet or exceed our standards

Exercise strong fiscal management

Ensure our customers are very satisfied

Report Date: June 12, 2017

Author(s): Diane Enger

Committee/Department: Recreation & Parks

Acting General Manager: Kevin Scoble

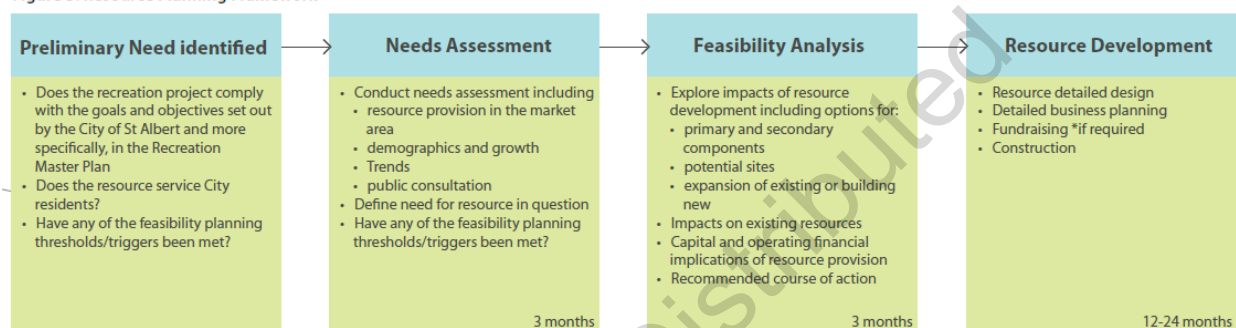
City Manager: Kevin Scoble

INFRASTRUCTURE DEVELOPMENT PROCESS

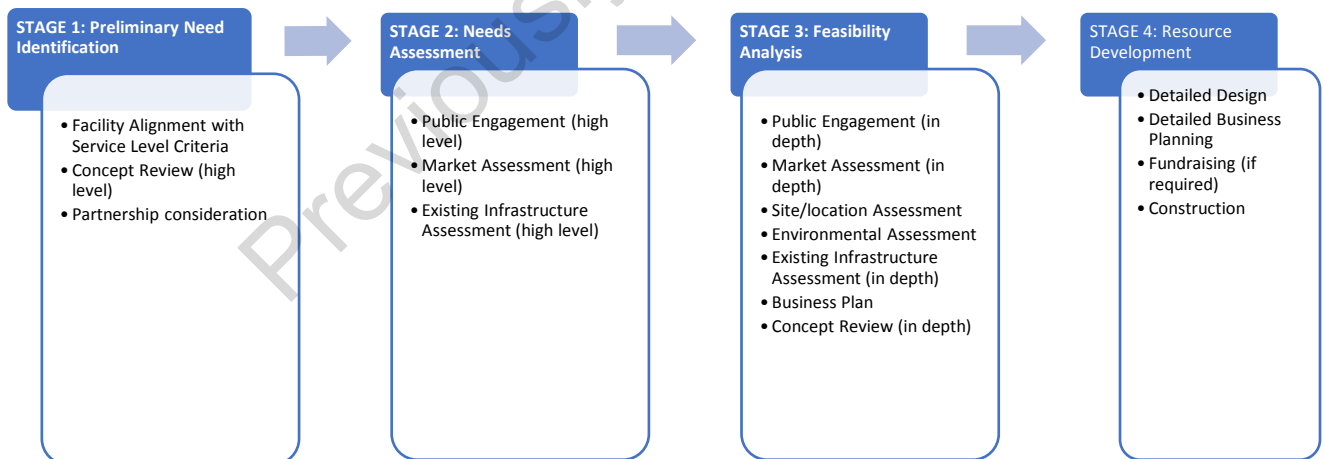
In the Recreation Master Plan, Appendix 2: Infrastructure Direction (p 68) outlines strategies for major recreation infrastructure. Specific direction is provided within the Recreation Master Plan as part of Priority 3: “Invest in Recreation Infrastructure” regarding the stages of analysis to be used when considering new recreation facility development. This process is used for internally proposed recreation developments as well as externally proposed recreation developments.

These stages are outlined below in Figure 3: Resources Planning Framework from the Recreation Master Plan.

Figure 3: Resource Planning Framework



Within each stage, there are specific steps that need to be carried out these actions have been identified below each stage in the figure below.



This document focuses on the steps that occur as part of Stage 1: Preliminary Need Identification, outlining each step and the parameters that are used by Administration through this analysis.

Stage One: Preliminary Need Identification

During Stage One, a new development project, would be put through the Preliminary Needs Assessment. This Stage includes three Steps:

- Step 1: Facility Alignment with Service Level Criteria.
- Step 2: High Level Concept Review.
- Step 3: Partnership Consideration.

Through the Recreation Master Plan, the New Facility Predictive Model, the Partnership Handbook, Council Policy and historical practices from established agreements, parameters have been identified within each step that Administration uses to indicate alignment between the potential new development and corporate vision.

The following sections speak to the specific parameters that existing within each Step and cites where these parameters were identified from. The parameters have been identified to provide consistency in the City's provision of land and facilities to recreation facilities and specifically around partnership consideration with community associations, and because, as discussed in the Recreation Master Plan, a transparent protocol for equitably dealing with potential groups outlining the expectations around public investment is key.

Step 1: Facility Alignment with Service Level Criteria

The City provides residents and visitors with inclusive recreation opportunities that are consistent with available public resources. This is achieved through three priorities:

- **Building** and maintaining recreation infrastructure for community use
- **Partnering** with and providing support to the Community in the delivery of recreation opportunities.
- Directly **delivering** recreation opportunities.

The priority of "Building" speaks to the service of constructing and maintaining innovative and long-lasting infrastructure to ensure that there are facilities and parks in which the community is able to participate in recreation opportunities. This infrastructure provides a venue for directly delivered or partner delivered recreation opportunities.

As part of this step, Administration reviews the type of facility that is being explored for new development against the parameters that support this step. Those parameters include:

Parameter	Citation
Maintains current service levels in context of a growing market.	Expected Growth and Demographic Change <i>Does the facility maintain service levels in the context of a growing market?</i> (New Facility Predictive Model)
	Council Policy C-FS-05 Budget and Taxation Guiding Principles - "The operating budget shall be developed based on the principle of sustaining established and Council approved services and service levels. As such, the previous year is used as the starting point with various factors including inflation and other corporate adjustments. The Services and Service Levels Inventory as attached to this policy shall serve as the basis for the development of the proposed budget."
Conforms to current recreation functions of the regional municipalities or new functional areas as contained within the broader strategic planning.	Market feasibility analysis and business planning could occur when one or more of the following criteria are met: • • facility type and function conforms to current recreation functions of the regional municipalities or new functional areas as contained within the broader strategic planning. (RMP p35)

Step 2: High Level Concept Review

Through the 2012 Recreation Master Plan, key parameters have been identified that provide context to be considered when assessing a proposed concept for a new recreation facility development. The parameters as well as their citation have been included in the table below:

Parameter	Citation
The development occurs on publicly owned or long-term lease land.	Market feasibility analysis and business planning could occur when one or more of the following criteria are met: • • proposed public investment is contained on publicly-owned or long-term lease lands (leases beyond 50 years) (RMP p35)
The development is dynamic and adaptable.	As society evolves, so too does preference for recreation opportunities. Thus, recreation infrastructure management must be dynamic and adaptable to. (RMP p31)
	It is important to note that quality recreation programming has to be flexible and dynamic and must respond to societal value shifts. (RMP p 22)
	Municipalities and other public agencies have a responsibility to relate decision making regarding the disposition of public funds to sound, diligent protocol and processes. This means that all decisions with implications for public generated funds (namely, through taxes) should be made based on sound research, public engagement and with the most up-to-date pertinent information as possible. (RMP p33)
Priority is on multiuse development before single use.	Constant dialogue with residents as well as multi-use design will ensure that the recreation needs of both today and tomorrow resident populations can be met. (RMP p31)
	Stand-alone versus a multi-plex approach - Economies of scale in facility operations, in staffing, administration, purchase of supplies, contracted services, utilities and marketing have been proven in existing facilities such as Servus Credit Union Place. Users of multiplex facilities have opportunities to partake in a variety of recreation and culture activities while other family members and friends are using other portions of the facility. Facility use is extended by the opportunities to not only partake in the recreation or culture activity of choice but also share in other social activities such as food, retail and professional health services and common public/social gathering areas. The overall capital cost of multiplex facilities is also expected to be less than the comparative cost of building a number of stand-alone facilities. The efficiencies of scale and the attractiveness of the size of multiplex projects to construction industry stakeholders have resulted in excellent bidding and construction services related to these types of projects.” (RMP p78-79)

Step 3: Partnership Consideration

If the new development has been proposed by a community association, Step 3 occurs in which a partnership is considered. Through the Recreation Master Plan, Partnership Handbook, and historical corporate practice parameters have been identified which are used to evaluate the potential partnership. Those parameters and their citations include:

Parameter	Citation
The City and the community association enter into a lease agreement for the use of City Owned land for the Community associations delivery of community programming.	Proposed public investment is contained on publicly-owned or long-term lease lands (leases beyond 50 years). (RMP p35)
	In order for Community & Protective Services to become involved in a project or service, there must be a commitment to: legalize/formalize agreement and obtain approval. (Partnership Handbook p8)
	Historical corporate practice based on existing agreements.
Must be a registered Not for Profit organization or legally incorporated entity.	Must be a registered not-for-profit or legally incorporated entity that has a mission, mandate or objective to provide public leisure programs and services or be willing to provide enhanced benefits to a leisure project. (Partnership Handbook p9)
The community association is a single representative of the sport/activity for the City.	The [Funding Opportunity] spectrum explains that facilities accessible by the entire community and that are within the City's "base" level of service and should be a municipal responsibility. As recreation infrastructure becomes more specialized and less accessible by the general public, funding should come from a combination of public taxes, user fees and private/non-profit investment. (RMP p38)
The community association will provide broad based programming beginner to elite assessable to a broad spectrum in the community.	The [Funding Opportunity] spectrum explains that facilities accessible by the entire community and that are within the City's "base" level of service should be a municipal responsibility. As recreation infrastructure becomes more specialized and less accessible by the general public, funding should come from a combination of public taxes, user fees and private/non-profit investment. (RMP p38)
	Services should be provided to people at all levels of ability from the most talented participants to people with special needs. (Partnership Handbook p6)
The community association's members/registrants are significantly St. Albert residents.	For approval in principle, the community association must detail the percentage of membership/utilization or projected utilization for the project from St. Albert residents. (Partnership Handbook p9)
Ideally, the facility will have the ability to host major events to generate tourism.	In terms of infrastructure design, the ability to host regional, provincial or national events should be incorporated into existing and new infrastructure, where feasible. (RMP p30)
The community association is volunteer based. Some may have some paid office staff but predominately volunteer coaches and program coordination.	Historical corporate practice.

Parameter	Citation
<p>The community association relies on grants and sweat equity for the building and further development of facilities. City will not contribute to the further development of the infrastructure.</p>	<p>Operational and capital partners of any development proposed are established as registered societies and collectively represent sufficient membership or market members to sustain the development for the life of the development (typically set at 40 years for public buildings). (RMP p35)</p>
	<p>For final approval, the community association must demonstrate the capability to fulfill the financial commitment and the establishment of a management and operating structure that is within the operating capabilities of the organization and best suited to the programs and services being offered. (Partnership Handbook p9)</p>
<p>Operation of the facility will be 100% funded through the community association. The City will not provide any ongoing or operational support</p>	<p>Operational and capital partners of any development proposed are established as registered societies and collectively represent sufficient membership or market members to sustain the development for the life of the development (typically set at 40 years for public buildings). (RMP p35)</p>
	<p>For final approval, the community association must demonstrate the capability to fulfill the financial commitment and the establishment of a management and operating structure that is within the operating capabilities of the organization and best suited to the programs and services being offered. (Partnership Handbook p9)</p>
<p>The community associations pay all their own utilities and operating expenses.</p>	<p>Operational and capital partners of any development proposed are established as registered societies and collectively represent sufficient membership or market members to sustain the development for the life of the development (typically set at 40 years for public buildings). (RMP p35)</p>
	<p>For final approval, the community association must demonstrate the capability to fulfill the financial commitment and the establishment of a management and operating structure that is within the operating capabilities of the organization and best suited to the programs and services being offered. (Partnership Handbook p9)</p>
<p>The community association must abide by all City Bylaws, Policies, Building Codes, etc.</p>	<p>In order for Community & Protective Services to become involved in a project or service, there must be a commitment to: Partner organization will follow Federal, Provincial and Municipal laws, policies, plans and procedures in all areas affecting the project. (Partnership Handbook p8)</p>

Funding Opportunity Spectrum

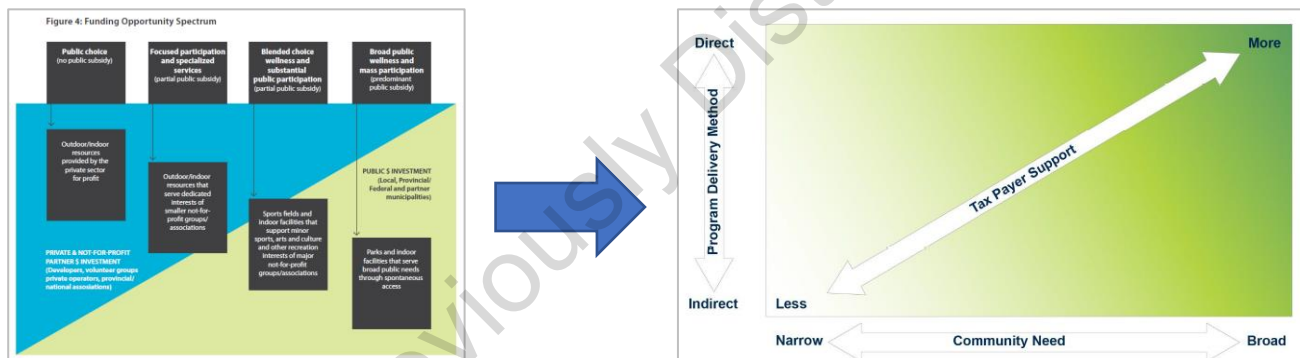
Recreation Master Plan – Priority 4.4: Seek Out Innovative Funding Opportunities – Figure 4, pg. 39

It is important to fairly and equitably assess how the City supports and funds recreation programs, services, facilities and parks for the community. First articulated in the 2012 Recreation Master Plan, the Funding Opportunity Spectrum is used to provide a fair assessment and leverage community resources to ensure that public funds are being used to the greatest public benefit.

Recreation opportunities that are offered in St. Albert support public good, inclusion, equity, sustainability and lifelong participation. These opportunities are delivered through a combination of tax payer support, community support and user contribution.

The spectrum illustrates that recreation opportunities that are indirectly delivered (through partners or the private sector) and are serving a narrow community need, receive less support from the City of St. Albert than recreation opportunities that are being delivered directly by the Recreation and Parks Department and are serving a broad community need.

Likewise, as recreation opportunities become more specialized and less accessible by the general public, those funds should come from a combination of public taxes, private/non-profit investment and user fees.



Through working with the original Funding Opportunity Spectrum model, Administration has developed a simplified version. This version has allowed Administration a broader flexibility in the application of these principles to other service areas than infrastructure including programs, events, facility operations, etc.

Current Context of Community Funded and Operated Facilities

Over the past several decades the City has addressed not-for-profit community recreation association needs through a partnership model in the provision of land and resources.

Currently there are several associations that have a lease or a licence of occupation on a public parcel of land that they have developed for their Association's program delivery needs meeting overall community demand and enhancing the opportunities provided in the community. These include St. Albert Soccer Association, St. Albert Baseball Association, St. Albert Rugby Association, St. Albert BMX Association, St. Albert BMX Club, St. Albert Community Garden Association, St. Albert Botanic Park Society. The majority of these leases have been in place for many years before land availability was a challenge in St. Albert, as it is presently.

The illustration below reflects the principles of the funding opportunity spectrum and the historic service delivery philosophy around existing partnerships with community associations in the construction of recreation facilities.

Assumptions of the model include that a facility would be built and operated by the municipality if the operating model of the facility protected the public good and provided for inclusion, equity, sustainability and lifelong participation. The intent would not be to build and/or operate facilities that are exclusively for the primary purpose of a specific interest group.



* Recreation opportunities provide a social benefit to the community. The unquantifiable social benefit, such as the reduced health care costs of facility users, is part of the "public good" that recreation opportunities provide to the community.