



SPRINGBANK PARK FOR ALL SEASONS

Agricultural Society

32224A Springbank Road, Calgary, Alberta T3Z 2L9 • Tel: (403) 242-2223 Fax: (403) 242-3202

Tuesday, January 26, 2021

Dear Ms. Cortada,

As I indicated to Ms. Panaguiton yesterday afternoon, I am writing to you to advise that since my letter of January 7, 2021, two material developments have occurred in relation to SPFAS' current application before the RGC. I recognize that the deadline for presentation materials has passed but in my submission, RGC cannot properly deal with Agenda Item E-3 tomorrow without this additional and highly material information before it. This is information that was not available as of January 7 as it was only received by SPFAS on January 15. In addition to those two material developments, the information contained in the RGC Agenda package distributed on January 22 also contains information that I would submit SPFAS must have the opportunity to address, again, in order to ensure that all relevant information is considered by the RGC in making its decision regarding the \$740,000 of unallocated MSI funds.

First, on January 15, 2021 SPFAS received a report from CostPlan Management Ltd. providing a detailed cost estimate for renovations to the Main Facility's front entrance and curling rink concession area (the "Front Entry Project"). (That report was provided to you yesterday and is attached to this letter for ease of reference.) As you will recall, SPFAS had allocated \$400K to this project, including \$300K in MSI already approved (to cover the aspects of the Project included in the Stantec Report), plus \$100K of SPFAS capital reserve funds (to cover items not included in the Stantec Report). However, as seen in the report, it is CostPlan's opinion that given the age of the facility, a more extensive demolition and replacement of basic mechanical infrastructure is required to ensure that these renovations are made in compliance with current building code requirements. As a result, the capital cost estimate for this work has increased from \$300,000 to \$780,000, with the difference of \$480,000 all being attributable to items included in the Stantec Report. CostPlan's report was presented to SPFAS Operations and Capital Enhancement Committee on January 18. While the increase in the project cost was somewhat unexpected, we were aware that the Front Entry was one of the two "landmark" areas of our facilities (the other being the Red Dutton Arena), and that it was therefore not unlikely that our target figure of \$400,000 might be a low one - in fact that was the reason for retaining CostPlan to perform a proper cost estimate before starting on the project.

Second, also on January 18, Gibbs Gage presented to the Committee its preliminary drawings for both the Front Entry project as well as the Red Dutton slab replacement project. As we advised in our phone call with you and Ms. Panaguiton on January 12, incorporated into those plans is an elevator that would provide safe access to all four levels of our Main Facility to individuals with mobility challenges of every sort. As you can see in their report, CostPlan has provided a preliminary cost estimate of \$200,000 for this portion of the project. (See below re possibility of CFEP grant, as discussed.) As we have discussed with Gibbs Gage, there are important design and construction efficiencies that can be gained by undertaking this design change as part of the Red Dutton slab replacement. Therefore, SPFAS is confident in the current cost estimate from Gibbs Gage for this Red Dutton Arena project of \$1,725,400 as well as the cost estimate of \$200,000 for the elevator installation project.



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I can assure you that SPFAS has worked as quickly as possible with Gibbs Gage and now CostPlan Management to update the original cost estimate for the Front Entrance/Curling Kitchen (now \$780,000) and the Elevator installation (\$200,000).

SPFAS has also completed \$100,665 of capital refrigeration updates and is moving forward with a firm budget of \$1,725,400 to complete the Red Dutton slab replacement project as well as to complete maintenance capital projects over the next 3 years in the amount of \$505,000.

Taking all of these into account, SPFAS is seeking to finalize **\$3,311,065** of project financing. These supplementary materials are being provided to RGC to ensure that the best, most current information is available to the Committee as it makes its decision tomorrow regarding the allocation of the remaining MSI funds.

As you can see, from the simplified spreadsheet, based on our PRESENT FUNDING (first box in the spreadsheet), there is currently a funding shortfall for our current essential capital projects in the amount of \$910,745 (highlighted in yellow). This is even with SPFAS contributing \$691,320 and SPFAS also dedicating the entirety of the next three years of the \$80,000 per year RVC Annual Funding Grants (\$240,000) toward these projects. Without the additional \$740,000 in MSI funding, this shortfall of \$910,745 will form the subject of an application under Policy C-317 for emergency funding, to be shared on a 50/50 basis between SPFAS and RVC, i.e. \$455,372 each.

As you can also see from the spreadsheet, based on our PROPOSED FUNDING (second box in the spreadsheet), if the RGC allocates the full \$740,000 of unallocated MSI funds to SPFAS, then SPFAS' current capital projects will still require emergency funding under Policy C-317 but in the lesser amount of \$170,745.

The opportunity to allocate the remaining \$740,000 of MSI funds to finance these projects would provide mutual benefits to RVC and to SPFAS as both parties would draw \$370,000 less from their respective capital reserves.

As it does every year, SPFAS will be submitting its applications under Policy C-317 for its Annual Capital and Operating Grants before February 28. At that time, this year, we will also make our application for Emergency Funding to ensure that all of the \$3,311,065 worth of projects are fully funded.

From an overall perspective, if the RGC, having considered all material information before it, allocates the remaining MSI funds in the amount of \$740,000 to SPFAS' essential capital projects, then the proposed SPFAS overall capital funding plan presented in these submissions would reflect the following percentages: **64%** by MSI funds, **21%** by SPFAS' Capital Reserve, **3%** by a CFEP grant, **7%** by 3 years' worth of RVC's Annual Capital Grant to SPFAS, and **5%** by RVC's Capital Reserve.

In addition to these material developments in our cost estimates, in order to ensure that the Park's position is fully presented, I am also duty-bound to address new information made public on January 22, in the Agenda package for Wednesday's RGC meeting - specifically, the fact that the second



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project competing for the remaining MSI funds is a traffic control project at Range Road 33 and Springbank Road.

This information has come as a very big surprise to SPFAS. There can be no doubt that the \$2.2 million initially allocated to the Springbank community was always intended to be used to support recreation and cultural amenities. This was made clear in the original motion made by RVC Councillor Brenda Goode and approved by Council.

That intention was reiterated in the motion passed by Council on July 16, 2013, which read as follows:

“MOVED by Councillor Magnuson that Council allocates a maximum of \$2.2 million to the Springbank regional area, which may include lands yet to be identified, to support new recreational and cultural amenities or future expansion of recreational and cultural amenities in the region[.]”

And on February 25, 2020, that intention was yet again confirmed in Council’s motion, which read as follows:

“MOVED by Councillor McKylor that the net proceeds [of the fair market value sale of Plan 7191, Parcel A] as well as the Springbank MSI funds be set aside for equitable distribution towards a new Springbank Community Centre, future recreation as well as land(s) as required by either of these projects.”

The intention of Council, publicly declared on more than one occasion since 2013, to use the MSI monies to support recreation in Springbank could not have been made more clear over the last several years and, as a matter of public record, has rightfully provided the community with a reason to be optimistic that its needs, as expressed in so many studies and surveys, will have resources dedicated to them.

In the Park’s submission, the “signalization” project now under consideration for MSI funding clearly falls outside the scope of what has always been contemplated for that funding. That project must be categorized as what it is - a traffic project. To call it a recreation project and proceed to allocate these particular MSI funds to pay for it would be to divert critically needed funds away from the purpose for which they were very clearly originally intended.

SPFAS places paramount importance on the safety at its facilities and cares greatly about safety in our greater community. SPFAS also acknowledges that as a general principle, “connectivity” is something that enhances a community. However, with Springbank’s main recreational facilities having clear, pressing needs which have been unequivocally substantiated by expert reports, to divert any of the remaining MSI funds to something that is essentially a traffic project would be to violate the spirit and intent of Council’s own motions. Even if one could make the argument that pathways are recreation and traffic lights would be an important aspect of a pathway system at that intersection, there is at present no pathway system at that intersection, and therefore, nothing to be connected. There may be in the future, but there is not at present.



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I would encourage all Councillors to consider what strong opposition they would mount to a suggestion that funds originally and unequivocally dedicated to recreation and culture in their communities be diverted to a project which is at best, only remotely connected to those purposes, and in the future at best. Resources are lean right now, and every dollar expressly directed toward recreation, as the MSI funds were, must be spent in recreation, and spent, we would submit first and foremost to ensure that what is operating now continues to operate at maximum capacity, and at the highest levels of safety. Particularly because of the scarcity of resources, we must fund what we have before we fund what we may have in the future.

It is our hope that on January 27, RGC will honour the original spirit and intent of the MSI allocation and dedicate all of the remaining MSI funds, in the amount of \$740,000 to SPFAS' urgent capital projects. Construction is set to begin on April 1, the goal being to fully re-open our facilities on August 1, so that the significant revenue we traditionally earn in August can be captured. Time is indeed of the essence.

Finally, as we discussed, SPFAS GM John Rop and I will be attending the RGC meeting virtually from the Park and will be available by phone should you require further information or clarification of the foregoing. It is vitally important to SPFAS that everyone involved in this critical decision understand all of the relevant information, including the material information that became available after our original submission was sent to you.

We thank you in advance for bringing this new information to the attention of the RGC at or before its meeting tomorrow.

Sincerely,

A handwritten signature in black ink that reads "Lisa Skelton".

Lisa Skelton
403 660-7520

Attachments: Capital Project Financing Update - Approved by SPFAS Board on Jan. 25, 2021
CostPlan Management Inc. - Preliminary Estimate - forwarded to RVC Admin on Jan. 25, 2021

cc'd by email: Theresa Cochran, Executive Director, Community Development Services, RVC
Al Hoggan, CAO RVC
RVC Division 2 Councillor Kim McKylor

Capital Project Costing and Financing Update - Approved by the SPFAS Board on January 25, 2021

Current Cost Estimates and COMMITTED Funding (Including CFEP Grant Under Review) for SPFAS Essential Capital Projects as of JANUARY 25, 2021								
Project	Total Capital Cost	Total Funding By Source as of Jan 25, 2021 (Prior to SPFAS Board Review)						
		MSI Funds for SPFAS - Jan 25, 2021	SPFAS Capital Fund	CFEP \$100,000 Applied for by SPFAS (But Not Yet Approved)	RVC Capital Reserve (No Commitment to date pending MSI decision)	SPFAS Use of RVC Annual Capital Grant \$80,000/Yr X 3 Years	Total Funding as of Jan 25, 2021	Funding Shortfall as Jan 25, 2021
Refrigeration Upgrades Recently Completed	\$ 100,665	\$ 100,665						\$ -
Red Dutton Slab Replacement	\$ 1,725,400	\$ 968,335	\$ 226,320					\$ 530,745
Front Entrance/Curling Kitchen	\$ 780,000	\$ 300,000	\$ 100,000					\$ 380,000
Elevator	\$ 200,000		\$ 100,000	\$ 100,000				\$ -
Maintenance Capital Over 3 Years	\$ 505,000		\$ 265,000			\$ 240,000		\$ -
Total Capital Costs of All Projects	\$ 3,311,065	\$ 1,369,000	\$ 691,320	\$ 100,000	\$ -	\$ 240,000	\$ 2,400,320	\$ (910,745)
		41%	21%	3%	0%	7%	72%	-28%

Current Cost Estimates and SPFAS PROPOSED MSI, RVC and CFEP Funding for SPFAS Essential Capital Projects Presented to RGC on JANUARY 27, 2021								
Project	Total Capital Cost	Total Funding By Source AFTER Jan 27, 2021 (After SPFAS Board Review)						
		MSI Funds for SPFAS - Jan 27, 2021	SPFAS Capital Fund	CFEP \$100,000 Applied for by SPFAS (But Not Yet Approved)	RVC Capital Reserve	SPFAS Use of RVC Annual Capital Grant \$80,000/Yr X 3 Years	Total Funding as of Jan 27, 2021	Funding Shortfall
Refrigeration Upgrades Recently Completed	\$ 100,665	\$ 100,665					\$ 100,665	\$ -
Red Dutton Slab Replacement	\$ 1,725,400	\$ 1,328,335	\$ 226,320		\$ 170,745		\$ 1,725,400	\$ -
Front Entrance/Curling Kitchen	\$ 780,000	\$ 680,000	\$ 100,000				\$ 780,000	\$ -
Elevator	\$ 200,000		\$ 100,000	\$ 100,000			\$ 200,000	\$ -
Maintenance Capital Over 3 Years	\$ 505,000		\$ 265,000			\$ 240,000	\$ 505,000	\$ -
Total Capital	\$ 3,311,065	\$ 2,109,000	\$ 691,320	\$ 100,000	\$ 170,745	\$ 240,000	\$ 3,311,065	\$ -
		64%	21%	3%	5%	7%	100%	0%
Note 1: SPFAS MSI Funding Allocation of \$1.369M as of Jan 25 / SPFAS is seeking MSI Funding of \$2.109M / MSI Funding Increase to RGC - Jan 27								\$ 740,000
Note 2: Revisions to Committed Funding that SPFAS is pursuing - 1st Step is Total MSI Funding Approval of								\$ 2,109,000
Note 3: If full \$2.109M amount of MSI is approved for allocation to SPFAS, then total required funding from SPFAS, CFEP and RVC would be								\$ 1,202,065
Note 4: If SPFAS receives \$2.109M of MSI: SPFAS Cap Res \$691K / CFEP \$100K / 3 Yrs of RVC Annual Cap Grants \$240K / RVC Cap Res \$170K								\$ 1,202,065