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CITY OF KELOWNA

# MEMORANDUM

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**DATE:** APRIL 11, 2005  
**FILE NO:** 6240-20  
**TO:** City Manager  
**FROM:** Recreation Manager  
**SUBJECT:** Future Legacy Aquatic Centre

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**RECOMMENDATION:**

**THAT** City Council approve the financing plan and public communication campaign for the future Legacy Aquatic Centre as attached to the report from the Recreation Manager dated April 11, 2005;

**AND THAT** Council give readings consideration for the first three readings of Bylaw 9359, Legacy Aquatic Centre Construction Loan Authorization Bylaw.

**BACKGROUND**

During the September 27, 2004 meeting, Council directed staff to proceed with planning for a future aquatic centre to include a 50 metre main pool and a major leisure waterpark to be located in Mission Recreation Park, and limit the property tax increase required for the annual operating cost and capital cost debt financing to 4% or less. In order to achieve the target for the property tax increase, the City made an application to the Province of BC for grant funding for the future Legacy Aquatic Centre and the Legacy Stadium.

Premier Campbell made the announcement in Kelowna on April 4, 2005 for a \$6.5 million grant to the City of Kelowna towards the Mission Recreation Park facility development, including the future Legacy Aquatic Centre. This Provincial grant has now provided the necessary funding in order to finalize the City's financing plan, and allow this project to continue to move forward.

**DISCUSSION**

The attached financing plan summary illustrates the capital funding sources, annual operating budget net expense, and the relative impact on property taxes. This financing plan dedicates \$5 million from the Provincial grant to the future Legacy Aquatic Centre project.

Staff is preparing a separate report to Council regarding the Legacy Stadium complex, which will include two artificial turf sportsfields. This separate report will detail the different phases of development and the financing of the Legacy Stadium project with the intention to include the remaining \$1.5 million from the Provincial grant.

The attached Bylaw 9359 will initiate the Alternative Approval Process as previously approved by Council. Should Council approve the first, second and third readings of Bylaw 9359, the next step will be to forward this to the Inspector of Municipalities, for approval by the Province of BC.

Also attached is a workplan schedule including the public communication campaign detailing the key steps and dates during this next phase of the project development. Should Council approve this communication campaign, staff will proceed to conduct public open houses, displays in shopping malls, provide information through other media, and finalize a web site.

Staff have prepared appropriate communication materials for the communication campaign including;

- a full colour brochure,
- display panels,
- computer compact disc,
- newspaper advertisements,
- radio advertisements, and
- an internet web site.

Staff will report back to Council by May 30 with the following;

- response from the Inspector of Municipalities,
- establish the dates for the alternative approval process, and
- community feedback from the public open house mall display sessions.

### **Marketing Analysis;**

Over the past several weeks, a marketing analysis has been conducted. The purpose of this analysis was to specifically seek input from residents, property owners, businesses, the tourist industry and other stakeholders via a market research process. This information is to provide statistically and scientifically valid information, which can be applied to make accurate predictions of:

- aquatic facility and fitness facility attendance patterns from aquatic facilities in the Regional District of Central Okanagan (RDCO) for 2004,
- future aquatic facility and fitness facility attendance from throughout the RDCO projected over time until 2015,
- admission fees that aquatic facility and fitness facility patrons are willing to pay the first year of operation,
- projections of total public attendance and fee schedule changes over time until 2015, and
- tourism attendance potential for the new proposed future aquatic centre with the hospitality sector in the RDCO.

Staff are continuing to work with our consultants on the final report, and we are pleased to report that preliminary results are very positive. Estimations established in 2003 and 2004 for attendance and admissions fees with the resulting impact on the future operating budgets are now confirmed by this market research.

The operating budget costs and tax impact are defined on the financing plan (attached), and staff are recommending that these remain the same, as the market research supports the operating budget.

**Summary:**

Council first authorized work to be initiated on a new aquatic centre in January 2003. Since that time considerable efforts have contributed to many prototypes, surveys, capital cost budgets, operating budgets, committee meetings, public information displays, advertisements, investigations, impact analyses, proposal requests, site visits, grant applications, professional reports and Council reports.

As previously authorized by Council, staff continue to progress on other components for this project including the proposals for a partner/operator, proposals for a design/build team, communication materials and the marketing research final report.

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JWR Oddleifson  
Recreation Manager

P/c     Director of Parks and Leisure Services  
           Director of Financial Services  
           City Clerk

Attachments

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## **CITY OF KELOWNA**

### **BYLAW NO. 9359**

#### **Legacy Aquatic Centre Construction Loan Authorization Bylaw**

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WHEREAS it is deemed desirable and expedient to construct a 50 metre swimming pool and leisure waterpark facility located in Mission Recreation Park on property owned by the City of Kelowna located east of Gordon Drive and legally known as Lot 2 Section 6 Township 26 ODYD Plan KAP46027;

AND WHEREAS the construction of the above aquatic centre will improve delivery of recreation services to the residents of the City of Kelowna;

AND WHEREAS the estimated cost of construction of said swimming pool and leisure waterpark facility is the sum of Thirty-Two Million, Nine Hundred Thousand Dollars (\$32, 900,000.00);

AND WHEREAS the maximum term of a debt that may be authorized by this bylaw is twenty (20) years;

AND WHEREAS the Council has provided an alternate approval process in relation to the proposed Loan Authorization Bylaw;

AND WHEREAS the approval of the Inspector of Municipalities has been obtained;

AND WHEREAS the debt to be created by this bylaw is the sum of Twenty Million Dollars (\$20,000,000.00);

NOW THEREFORE, the Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of the 50 metre swimming pool and leisure waterpark facility, and to do all things necessary in connection therewith and without limiting the generality of the foregoing:
  - (a) To borrow upon the credit of the municipality a sum not exceeding Twenty Million Dollars (\$20,000,000.00);
  - (b) To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with the construction of the said aquatic facility.

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2. The maximum term for which debentures may be issued to secure the debt created by this bylaw is twenty (20) years.
  3. This bylaw shall take effect on the date of its adoption by Council.
  4. This bylaw may be cited for all purposes as "Legacy Aquatic Centre Construction Loan Authorization Bylaw No. 9359".

Read a first, second and third time by the Municipal Council this 18<sup>th</sup> day of April , 2005.

Received the Approval of the Inspector of Municipalities this day of , 2005.

Received Assent of the Electors by Alternative Approval Process this day of ,2005.

Adopted by the Municipal Council of the City of Kelowna this day of , 2005.

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Mayor

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City Clerk



## Legacy Aquatic Centre 2005 Schedule & Public Communication Campaign

|   | ITEM  | DATE   |
|---|---|--|
| 1 | Province of BC Grant Funding Announcement   | April 4  |
| 2 | Council report – Financing Plan, Borrowing Bylaw and Communication Campaign.  | April 18   |
| 3 | Forward bylaw to Inspector of Municipalities  | April 19   |
| 4 | Finalize communication materials and issue media kits   | April 20   |
| 5 | Open House & Mall Displays <ul style="list-style-type: none"> <li>– Mission Hall, 4 – 8 pm</li> <li>– Plaza 33, 10 am – 3 pm</li> <li>– Rutland Senior Centre, 4 – 8 pm</li> <li>– North Glenmore Elementary, 3 – 8 pm</li> <li>– Orchard Park Shopping Centre 10 am – 4 pm</li> <li>– Orchard Park Shopping Centre 11 am – 3 pm</li> <li>– Capital News Centre, 4 – 8 pm</li> <li>– Parkinson Recreation Centre, 4 – 8 pm</li> </ul> | April 27<br>April 30<br>May 11<br>May 12<br>May 14<br>May 15<br>May 18<br>May 24 |
| 4 | Council report on Inspector of Municipalities, Open House & Mall displays   | May 30   |
| 5 | Alternative Approval Process <ul style="list-style-type: none"> <li>– Anticipated Petition Period</li> </ul>  | June 6 – July 6  |
| 6 | Council report on Certificate of sufficiency and Borrowing Bylaw  | By end of July   |
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