

March 11, 2015

To: Members,
Community and Protective Services Committee

Re: North West Leisure Centre Spray Pad Donation

RECOMMENDATION

1. That City Council approve the receipt of DREAM Development's restricted donation of \$650,000 for the North West Leisure Centre Spray Pad.
2. That City Council approve the addition of the North West Leisure Centre Spray Pad to Community Service's Capital Program for 2015 with the restricted donation as the funding source.
3. That City Council delegate authority to the Executive Director, City Services and to the Chief Financial Officer to negotiate and execute a Donation Agreement based on the principles outlined in the report prior to the City of Regina issuing a tender for construction for the North West Leisure Centre Spray Pad.
4. That this report be forwarded to the March 23, 2015 City Council meeting for consideration.

CONCLUSION

Administration has been working with the community to develop a vision for the outdoor space surrounding the North West Leisure Centre (NWLC). Key elements of the vision include a spray pad (Phase I) and accessible play structure (Phase II), which complements the range of activities already in place on site, including the arena, pool, gymnasium and multi-purpose spaces within the leisure centre, as well as two outdoor rinks. DREAM Developments (DREAM) is interested in donating \$650,000 towards Phase I of the project, in return for a tax receipt and a donor recognition package. Administration is recommending approval of this donation to advance the project. The community will continue to raise funds for Phase II of the project, which includes the fully accessible play structure.

BACKGROUND

Administration has been approached by citizens and representatives of community associations in the North West requesting additional investment in spray pads that serve this area of the city. Consistent with the Recreation Facility Plan (RFP), Administration identified the NWLC as the priority, and began working with a steering committee in late 2014, which consists of neighbours and representatives from throughout the West Zone. A consultative process has been used to identify opportunities, constraints and develop a draft site plan for the NWLC (Appendix A). While the long term plan includes a spray pad and accessible play structure, the first Phase of the project is the addition of a spray pad.

Since this work was initiated, DREAM has offered to contribute \$650,000 towards the project to construct the spray pad (Appendix A). In return for this investment, DREAM is requesting a tax receipt and a donor recognition package for the contribution.

DISCUSSION

This project is consistent with the City of Regina's (City) RFP which recommends the site development to further enhance the NWLC as a community destination. Implementation of the plan requires a community commitment to raise the funds for implementation. DREAM's donation will advance this initiative.

Gifts and donations offered to the City are governed by the *Donation Policy 210-FIN-13* (Appendix B). Administration has had preliminary discussions with DREAM based on this policy and have agreed in principle to the following principles:

- DREAM will provide a cash donation in the amount of \$650,000 to the City via cheque two weeks after City Council approval of the donation;
- DREAM's cash donation of \$650,000 will be restricted to the design and construction of the spray pad at the NWLC;
- The City will recognize DREAM by providing signage at the facility to acknowledge the donation;
- The City may assign additional donor recognition to DREAM for the spray pad provided the City's corporate identity is not compromised. Any donor recognition package will be assigned a fair market value based on a third party valuation; and
- The City may issue a charitable donation receipt to DREAM in adherence to Canada Revenue Agency rules and regulations.

DREAM has agreed in principle that any advantage or benefit received from the donation is to be deducted from the total donation for the purpose of issuing a charitable receipt. Advantage or benefit could come in the form of a donor recognition package that includes marketing assets such as, signage, public announcements, commercials, billboards, etc. The standard industry practice for calculating fair market value for donor recognition packages is based on the degree of activation. For example, a donor recognition package for this asset class could generate a fair market value in the range of \$5,000 to \$100,000 per year. A fair market value of \$5,000 per year could be assigned to a donor recognition package that only includes site signage, where a value of \$100,000 per year could be assigned for site signage and use in all marketing assets.

If a decision was to be made to move forward with the development of the spray pad with the donation offered by DREAM, Administration would proceed with the negotiation and execution of a Donation Agreement with DREAM. This agreement would be negotiated based on principles outlined in this report, as well as the requirements set out in the *Donation Policy 210-FIN-13*. An overview the project timeline is provided:

Announcement of Donation Offered/Council	Week of March 2, 2015
Construction Documents Complete	March 23, 2015
Donation Agreement Executed	April 10, 2015
Request of Proposal for Construction Issued	April 14, 2015
Construction Started	July 2015
Construction Completed	October 31, 2015
Grand Opening Held	Spring 2016

RECOMMENDATION IMPLICATIONS

Financial Implications

The cost of constructing a new spray pad in the outdoor space at the NWLC is estimated at \$650,000. This expenditure will be fully offset by the receipt of a cash donation of \$650,000 from DREAM.

As per *Donation Policy 210-FIN-13*, City Council approval is required to accept restricted monetary donations greater than \$100,000 and for assigning recognition to donors valued in excess of \$300,000.

Ongoing operating and maintenance costs for this new spray pad are estimated to be \$7,000 per annum. Should this initiative be approved, the incremental operating costs will be part of the 2016 budget process.

Environmental Implications

There are no environmental implications associated with this report.

Policy and/or Strategic Implications

This project supports the direction outlined in the RFP to build on the NWLC site as a community destination with a range of indoor and outdoor recreation facilities. It also supports the priority of developing complete neighbourhoods identified in the *Design Regina: The Official Community Plan Bylaw No. 2013-48*. By incorporating the spray pad at the NWLC, it will allow for utilization of existing infrastructure (washrooms, change rooms, parking) already provided at the NWLC and increase active use of the outdoor space, adding to the vibrancy of the NWLC.

Approvals and principles applied to this donation are consistent with *Donation Policy 210-FIN-13*.

Other Implications

There are no other implications associated with this report.

Accessibility Implications

Administration will work to ensure that play elements contained within the spray pad will allow for full accessibility.

COMMUNICATIONS

The Community Services Department will partner with the Communications Department to work with DREAM to develop the donor recognition package, which will include a communications plan to notify citizens of the spray pad development.

If a decision were to be made to move forward with the development of a spray pad at the NWLC, further consultation and promotion would be conducted in accordance with the negotiated Donation Agreement. It is anticipated that there may be media interest related to the donation during the week of March 2, 2015. Any formal announcement would occur subsequent to Council deliberation on March 23, 2015.

DELEGATED AUTHORITY

City Council approval is required to accept this donation, as per *Donation Policy 210-FIN-13*.

Respectfully submitted,



For: Laurie Shalley, Director
Community Services

Respectfully submitted,



Kim Onrait, Executive Director
City Services

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