

Developing Inter-Municipal Shared Facilities

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Clem Pelot Consulting
Tucker-Reid & Associates and
The JF Group

Presentation Overview

- Introductions
- Inter-municipal Shared Facilities
- Needs Assessment/Feasibility Phase
- Advantages/Disadvantages
- Ideal Conditions
- Governance and Operating Models
- Building the Business Plan
- Questions/Discussion

Inter-Municipal Shared Facilities

Defining the concept :

- Two or more municipal partners
- Enhance services available to residents
- Reflects current and future demand
- Partners share costs (capital and operating)
- Also shared risk
- Collective decision-making

Examples

- *Town of Perth, adjacent Townships Tay Valley, Drummond/ North-Elmsley and Lanark Highlands*
Feasibility of a new regional recreation complex to replace 3 older, standalone facilities
- *Mississauga, Oakville and Milton*
Study to examine the shared construction and operation of a 50M Pool, fitness and community complex (did not proceed)

Needs Assessment

Existing facilities:

- Inventory
- Condition
- Use and capacity

Consultation:

- Community stakeholder groups
- Public survey

Conclusion: facility demand quantified/ qualified

Feasibility

- Clear statement of purpose (vision)
- Space program for two or more options
- Capital cost estimate
- Operating budget
- Financing options
- Governance
- Implementation plan

Advantages to Shared Facilities

- Larger, more diverse 'regional' facility
- Destination or specialized facilities
- Broader range of services for users
- Higher quality = increased participation
- Cost savings and operating efficiencies
- Cost sharing = less tax burden on local rate payers
- Reduce environmental impact of existing facilities
- Enhanced infrastructure grant opportunity

Challenges of Shared Facilities

- Where to locate it?
- Authority of each Partner Council
- Compromise, consensus decision making
- Accommodating the needs of others
- Cost sharing formula
- Governance model

Ideal Conditions - Site

Site Evaluation – Ideal site would meet all or most conditions

- Within urban boundaries
- Owned by one of the municipalities
- No encumbrances
- Close to public transportation
- Main transportation route
- Development potential

Site Evaluation Cont'd

- Of sufficient size
- Meets timing requirements
- Has site servicing
- Meets zoning requirements
- Visibility
- Community compatibility

Ideal Conditions

- Pent up demand – clearly articulated need
- Population growth
- Stakeholder and public support
- Agreed to design elements
- Agreed to distribution of capital and operating costs

Ideal Conditions

- Partnership Potential
- Agreed to governance and operating model
- Achievable and realistic business plan
- Mutually agreed to space program
- Integrated program model
- Supports the service mandates
- Meets principles of access and affordability

Governance

There are some givens to be considered:

- Governance representation equal to capital contribution
- Governance representation equal to operating risk
- Decision-making processes differ
- Not everybody in the same organization shares the same opinion

Governance and Operations

Governance and Operating Models

- Not for profit corporation
- Partnership model
- For profit corporation
- Operating agreements

Land and Ownership Issues

- Where is the facility to be located?
- Who owns the land?
- Are there any encumbrances?
- Will the collective own all the assets?

Capital Financing Structure

- Agree in principle to the capital cost sharing formula
- Nail down the cost of the facility early
- Determine components applying to only one partner
- Determine each partner's sources of funds

Creating the Business Plan

- Start from common ground on the planning principles
- Finalize the approach to facility management
- Determine a mutually acceptable operating model
- Project each partner's needs

Business Plan

Revenue Estimates

- Agree on a pricing plan
- Agree on facility use targets and traffic projections
- Use a of partners' experience plus industry metrics
- Be realistic – have all surprises be positive ones

Business Plan

Cost Estimates

- Staff deployment will be key!
- Be generous with utility projections
- Establish a facility maintenance reserve account
- Establish a capital replacement account



Conclusion

Questions?



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