

Date: December 3, 2013
To: Daniel Sailland, Chief Administrative Officer
From: Caroline Lamont, Manager of Development Services
Subject: Proposed Recreation Fieldhouse Facility - Next Steps

PURPOSE

This report presents two recommendations: That Council direct staff of the Village of Pemberton to continue with an incremental approach in the delivery of new recreation facilities for the Pemberton area; and that Council direct staff of the Village of Pemberton to prepare the necessary documents to seek electoral assent through referendum related to the proposed Fieldhouse facility as outlined in the October 2013 Memorandum of Understanding.

BACKGROUND

The Village of Pemberton, Lil'wat Nation and Area C (Squamish Lillooet Regional District) have indicated in their respective strategic plans and/or their land use plans the importance of fostering recreation opportunities that respond to community needs and resources (a summary of these policies are attached as Appendix A). In addition, recreation facilities are identified as key directions in the Winds of Change (see text box).

The governments within the Pemberton Valley have undertaken considerable work with the community to further define the preferred types of recreation facilities, possible locations, governance challenges, new partnerships as well as financial constraints and resources. The Village's *Recreation Facilities Implementation Plan* (July 2013) builds on previous master planning initiatives and provides a multi-level Action Plan to continue with a step by step or incremental approach to decision making for future facilities in the Pemberton area while recognizing the shared responsibilities of local governments.

"That the Councils in both Pemberton and Mount Currie make an effort to maximize the development of recreational and leisure infrastructure. Specific projects might include:...sport development and training facilities and opportunity, Shared recreation centre..."
(Winds of Change Rec. #3)

In July of 2013 the SLRD's (Area C) commissioned the review of or *Overview of the Recreation Facilities Implementation Plan* which identified several recommended conclusions related to: partnerships, facility selection, governance, operations, and financial resources and requirements.

On October 1, 2013 the Village of Pemberton, Sunstone Ridge Developments and the Hill Academy executed a Memorandum of Understanding. The MOU recognizes that the Hill Academy plans to operate an academic and athletics programs at a new school campus to be built on the Sunstone Lands. In addition, the MOU indicates the need for the construction of a fieldhouse for indoor sports lands adjacent to the school site (currently under a lease and option

to purchase in favour of the Village). The MOU also sets down obligations for the three parties that include certain milestones related to the timing of the rezoning and purchase of the recreation site, the finalization of design plans, partnership arrangements, development plans, facility operations, financing and construction. The MOU is attached as Appendix B, with the related timeline attached as Appendix C.

REPORT DIRECTIONS

The Village is currently at a crossroads as it works within an MOU structure with private partners and also continues to pursue enhanced partnership structures with Area C and Lil'wat. There are clear challenges and opportunities which are articulated in the reports prepared by both the Village and the SLRD related to the provision of recreation facilities. The following summarizes key areas within each of the plans:

Recreation Facilities Implementation Plan - The *Recreation Facilities Implementation Plan* reviews the various initiatives that have been undertaken during the past year in an attempt to engage the community about their thoughts and opinions related to future recreation facilities (both indoor and outdoor) in the Pemberton area (Village, Area C and Lil'wat Nation). The *Recreation Facilities Implementation Plan* brings forward an informed and community driven process to develop and/or enhance new recreation facilities for area residents. In particular the *Implementation Plan* provided direction with regard to the following (see also Appendix D):

Recreation Partnerships:

- *The current governance approach to recreation has its challenges that appear to be affecting the delivery and planning of the needed services and facilities.*
- *There needs to be greater clarity on the roles and responsibilities of the various recreation providers in the greater Pemberton area.*
- *Any future recreation facility will need to identify the opportunities to jointly (directly or indirectly) fund and operate such amenities. The community consultation clearly recognized that public/private partnerships should be pursued (hence the MOU was pursued).*

Preferred Facilities

- *The community has indicated that an arena and a fieldhouse have the highest priority as far indoor facilities, while playing (soccer) fields were top priority for outdoor facilities. There did not appear to be one facility that is clearly a top priority for the majority of the respondents, yet the fieldhouse fulfills a wide range of community needs (including the loss of the old Community centre gym) and was consistent with the MOU with the independent school.*
- *Additional information and consultation should be pursued to further define the preferred projects.*

Capital Funding Sources

- *The respondents consistently indicated that they had financial concerns with the facilities proposed.*
- *Due to the relatively small population base in the Pemberton area and no recreation reserve funds, there will be ongoing costs of the facility operations as well as debt financing.*
- *There was added concern with regard to the debt currently outstanding on the Community Centre and the challenges this building had with cost overruns during development as well as ongoing maintenance deficiencies.*

Ongoing Operations

- *The challenge in building a new facility is not only the capital costs and ongoing debt financing but also the opportunities to maximize the use of the facility.*
- *PVUS has challenges that need to be resolved before any new recreation facilities are added. Any facilities that are done in partnership with the Lil'wat Nation or other private interests should have agreements in place to ensure that the roles, responsibilities and financial commitments are established.*

Site Selection

- *Acceptance of non-farm use, execute Offer to Purchase for the Pemberton Farm Road East site (Gravel Pit).*

Transportation Improvements

- *An option in addressing challenges related to recreation may be improved by enhanced transportation links.*

Overview of Recreation Facilities Implementation Plan - The recommended conclusions provided in the *Overview of the Recreation Facilities Implementation Plan* reinforces that "given the number of studies and the associated public gatherings on these subjects of late it would be difficult to go back to square one now to complete a new Parks and Recreation Master Plan". In addition the Overview recognizes the community's needs and next steps, specifically:

- *The local governments functioning in the Pemberton Valley serve a relatively small population, which on the surface, is below the "tipping point" to make the construction and operation of a recreation complex possible;*
- *...expectations of a seamless public recreation service that is built on cooperation among those partners who provide public recreation services to the Pemberton Valley;*
- *SLRD initiate discussions with the Lil'wat Nation, the Village of Pemberton, the Resort Municipality of Whistler and School District #48 and encourage the creation of a joint recreation service plan to include a vision and mission, governance model, staffing structure and supervision, funding and management plan... It would therefore seem imperative for all parties to reach consensus on the above noted topics...*
- *The timing of this process is critical...the process required to properly inform voters with regard to any such referendum specifics requires many months.*
- *For these reasons the parties should be encouraged to begin meetings as soon as possible to build a strategy that will lead to the ultimate objective of building a collectively agreed to recreation service plan for the Pemberton Valley...*

ALTERNATIVE OPTIONS

The two reports suggest different strategic approaches in the shorter term delivery of recreation facilities in the greater Pemberton area. The *Recreation Facilities Implementation Plan* suggests a dynamic yet incremental approach in the shorter term delivery of recreation facilities, drawing on more recent studies, surveys and assessments. The Overview proposes a more comprehensive short term approach through the preparation of a joint recreation service plan. Appendix E provides a flow chart that illustrates the Comprehensive and the Incremental Approach. The following provides a brief summary of the options:

Comprehensive Approach – Although the SLRD's Overview recognizes that *it would be difficult to go back to square one now to complete a new Parks and Recreation*

Master Plan”, the report recommends the development of a joint recreation services plan. The joint recreation services plan would set the framework for recreation partnerships going forward considering governance, financial resources, facilities and operations. This would be in place before proceeding with any new recreation facilities.

Incremental Approach – The *Recreation Facilities Implementation Plan* has drawn on previous master planning documents, updated survey and outreach work, and reports completed over the past 24 months. The *Recreation Facilities Implementation Plan* proposes moving forward with new facility development, if appropriate to the community and local governments. The Pemberton Valley Utilities and Service Committee (PVUS) has acted to meet the needs of existing facilities as well as future projects with a particular focus directed to the Cottonwood Community Centre and the acquisition of lakefront property at Gates Lake. The Cottonwood Community Centre was part of the 2005 Master Plan Facilities Update, but both the Gates Lake facility and the fieldhouse initiative have proceeded outside such a comprehensive service plan.

Since the adoption of the *Recreation Facilities Implementation Plan*, the Village has pursued (and informed Area C and Lil’wat) partnerships with land owners/developers and an independent school with regard to shared funding and use of recreation facilities. These discussions have since been documented in a Memorandum of Understanding. The MOU has ambitious timelines, which likely could not be fulfilled if a comprehensive a joint recreation services plan was undertaken.

Although there appears to be initial community support for increased taxes to accommodate the delivery of new recreation facilities, any borrowing is subject to electoral approval. In line with the continuing an incremental approach to recreation and with the direction within both the *Recreation Facilities Implementation Plan* and the MOU with Sunstone and Hill Canada the Village must decide how it will fulfill its legislative requirements.

DISCUSSION

The background information that has been prepared clearly recognizes that there is considerable work that the recreation providers in the Pemberton area need to address before committing to new recreation facilities. Where the SLRD’s report prefers a comprehensive service review the Village has indicated a preference for a more incremental approach. The following table outlines the pros, cons and other possible opportunities related to the two alternative options.

	PROS	CONS	OTHER OPPORTUNITIES
Comprehensive	<ul style="list-style-type: none">• Addresses ongoing issues notably governance, financial and management considerations upfront in a comprehensive manner.• Confirm recreation facility preferences considering a three tier approach.	<ul style="list-style-type: none">• Delay in completing Plan may compromise MOU which would delay the delivery of a major recreation facility and economic driver.• Delay the delivery of improvements to Gates Lake facility.• Require reassessment of the Pemberton Road East site.	<ul style="list-style-type: none">• Consider working concurrently on the “in the works” facilities (Gates and Fieldhouse) and governance, financial and management considerations.

Incremental

- Continuing with initiatives that have been pursued during the past few years (Gates, fieldhouse, etc)
- Sooner delivery of needed recreation facilities.
- Opportunity to share the capital/operating costs as well as possible risks with private partners
- Issues related to governance, financials and/or management may be stalled if agreements cannot be addressed, resulting in added costs or other issues.
- One partner could proceed independent of others and rely on “out of area” fees for service.

Although Village staff agree with the merit of a joint recreation services plan, there is concern that the project will significantly delay the delivery of recreation facilities in a timely and cost effective manner (likely 6-12 months due to the winter construction season). In particular, the work and momentum (and community outreach) already done with both the Gates Facility and the Fieldhouse MOU would be lost. Instead of putting a hold on new recreation facilities, the Village and Area C could agree to work expediently to address these issues during the next few months, perhaps specifically focusing on the challenges related to the delivery, funding and operations of the Gates Lake and fieldhouse facilities.

In addition, the Village of Pemberton may need to seek approval of the electors (depending on what the final structure of the agreement that is developed with Sunstone and the Hill Academy). Section 86 of the *Community Charter* identifies the required processes that may be taken in affirming the necessary elector approval and this include the Alternative Approval Process (AAP) and Referendum (assent of electors).

Alternative Approval Process – The provincial government website identifies AAP’s “as a method to gauge public opinion in regard to certain types of proposed bylaws, agreements, or other matters. It is most commonly used in relation to long-term borrowing bylaws. It is a less expensive option than using a referendum to gauge public opinion. It can be used whenever the legislation requires a local government to obtain the approval of the electors”. In particular, the AAP process requires certain public notice of a proposed bylaw (in the case of recreation, this would be a bylaw for borrowing). After the required notification electors have 30 days in which to advise their local government that in their opinion that the matter is of such significance that a referendum should be held. If more than 10% of the electors hold this opinion, then the local government cannot proceed with the proposed bylaw without holding a referendum.

Referendum – Assent is obtained where a majority of the votes counted as valid are in favour of the bylaw or question. The referendum process is analogous to running an election. A referendum requires two advance voting opportunities as well as a general voting day.

The provincial website further indicates that if “an issue is controversial or requires a significant contribution of taxpayers’ dollars, the number of elector response forms submitted to the local government will likely exceed the 10% threshold. Therefore, it may be timelier for local governments to proceed straight to a referendum rather than delay the matter by holding an alternative approval process first”.

Staff is supportive of a referendum as it is seen as being a clearer representation of the electorate position on an issue and is believed to be a more robust approach to seeking electoral assent. The disadvantage is that it is both more costly to implement and takes more time (approximately 6 months). An estimated timeline is attached as Appendix “F”.

COMMUNICATIONS

Residents were extensively engaged in the recreation planning process in the Spring of 2013 and should be informed of the next steps in the planning and development of recreation facilities. A communications plan needs to be developed to provide information to the Pemberton area community. This outreach approach would include information in line with the timing and requirements of either an AAP or referendum process (whichever is selected).

IMPACT ON BUDGET, POLICY, STAFFING

Each of the options have budget and staffing implications. It is too early in the process to clearly define these impacts.

LEGAL CONSIDERATIONS

There are no legal considerations at this time.

POTENTIAL GOVERNANCE CONSIDERATIONS

Each of the options will have government implications. It is too early in the process to clearly define these impacts.

CONSIDERATION

THAT Council review the report and provide comment related to the alternative recreation process that should be pursued (comprehensive vs. incremental);

AND THAT Council refer the report to the Pemberton Valley Utilities and Service Committee for discussion and decisions regarding the preferred approach in pursuing future recreation facilities.

AND THAT if Council is supportive of the incremental approach, that the referendum process be initiated and that a question should be drafted and legally vetted for early January 2014.



Caroline Lamont, Manager of Development Services

CHIEF ADMINISTRATIVE OFFICER REVIEW

Daniel Sailland, Chief Administrative Officer

Attachments:

Appendix A – Recreation Policies and Plans

Appendix B – MOU

Appendix C – MOU Timeline

Appendix D – Recreation Implementation Plan Action Items

Appendix E – Comprehensive vs. Incremental Approach to Recreation Facilities

Appendix F – Process to Hold Referendum

VILLAGE POLICIES AND ACTIONS RELATED TO RECREATION FACILITIES

REGIONAL GROWTH STRATEGY

- **GOAL 7 – CREATE HEALTHY AND SAFE COMMUNITIES**
 - *Creating opportunities for improving the quality of life so that people will choose to live and remain in the region.*
 - *Promoting high quality (level, range and appropriateness) health, social, cultural, educational, recreational, and commercial services to meet the needs of people of various ages, abilities, and income levels.*

VILLAGE OF PEMBERTON STRATEGIC PLAN

- **GOOD GOVERNANCE**
 - Lead key initiatives that impact the Village of Pemberton***
 - 2.6 Negotiate terms for the transfer of land for the purpose of providing future recreation opportunities*
- **SOCIAL RESPONSIBILITY**
 - Engage regional partners and Pemberton residents to review recreational services and assess the greater communities' future needs***
 - 4.1 Complete a Recreation Asset Inventory Review for the greater Pemberton area*
 - 4.2 Work with Lil'wat Nation and Area C to advance a joint recreation master plan*
 - 4.3 Actively seek community input on recreation re-visioning and implementation*

2012 VILLAGE OF PEMBERTON ANNUAL REPORT - STATUS OF RECREATION

- **COMMUNITY CONSULTATION**
 - Public input has been actively sought on recreation re-visioning and implementation. With the Village of Pemberton and Lil'wat Nation Feasibility Study: Preliminary Business Analysis for Proposed Multi-Use Recreational Facility conducted in 2012 as background, community outreach and an implementation strategy for recreation is to take place in 2013.*
- **PLANS AND WORK PLANS**
 - In 2012 the Village commissioned a Recreation Facilities Feasibility Study in an effort to gain greater understanding of the costs associated with various indoor facilities. A Recreation Facilities Implementation Plan will be prepared in 2013, drawing on the Facilities Feasibility Study and extensive community consultation.*
- **FUNDING AND LAND TENURE**
 - A lease and option to purchase agreement has been negotiated with a private land owner for the potential transfer of land to provide future recreation opportunities. Pending a 2013 Recreation Facility Implementation Plan and Agricultural Land Commission (ALC) decision, the Village will determine whether to complete the purchase.*
- **WINDS OF CHANGE 2013 STRATEGIC PLAN GOALS**
 - *4th Annual Wellness Gathering*
 - *Winds of Change Recognition Awards*
 - *Speaker Series*
 - *Winds of Change Bursaries for one Pemberton*
 - *Secondary School student and one Xit'olacw student*
 - *Continue Social Media Engagement Strategy*
 - *Poster Awareness Campaign*
 - *Support Friendship Trail Bridge, VOP Recreation Feasibility Study*
 - *Ongoing communication and collaboration*

SLRD (AREA C) OFFICIAL COMMUNITY PLAN

➤ **OBJECTIVES**

- **Economic Development**
 - *Foster a variety of recreational opportunities for residents and visitors, where both direct and indirect employment benefits for local residents can be realized.*
- **Public Lands & Facilities**
 - **Objectives:**
 - *To support the preservation and development of lands for institutional use.*
 - *To promote the health and safety of residents and visitors by encouraging the improvement of medical services and fire and police protection capability.*
 - *To foster cooperation among all agencies involved in planning and land use in the area.*
 - **Policies**
 - *The Regional District shall work with the Village of Pemberton, Lil'wat Nation and community organizations to determine the community and recreational facilities needed by area residents and to determine possible funding sources.*

VILLAGE OF PEMBERTON OFFICIAL COMMUNITY PLAN

➤ **COMMUNITY PLANNING DIRECTION #3:**

Community Facilities shall be within our Fiscal Means and Accommodates Resident's Needs for Lifelong Learning and Leisure

Pemberton has considerable natural and locational advantages, yet as the community grows there is an increasing demand for social, recreational, and service facilities. The challenge of the Village together with the Squamish Lillooet Regional District (Area C) is to balance the realities of capital and operating costs with the financial resources of the servicing the community. The following policies, strategies and actions recognize the opportunities to realistically move towards fulfilling the community's facility needs.

▪ **Community Facilities' Policies**

- *Accommodate the lifecycle needs of residents of all ages and abilities*
- *Provide safe, accessible and convenient facilities for artistic, cultural, academic, leisure and recreational expression, activities and learning*
- *Accommodate community's needs for health and wellness services*
- *Continually enhance the offerings and opportunities of both indoor and outdoor facilities catering to all seasons*
- *Balance the provision of amenities with the community's fiscal resources and capacity*
- *Encourage the development, integration and shared community use of publicly accessible facilities*
- *Coordinate the resources of the Village, Regional District and Lil'wat Nation to maximize the opportunity of recreation services and facilities for the area*
- *Enhance and expand existing community amenities to meet growing and evolving needs*

▪ **Community Facilities' Strategies**

The Village does not currently have a strategic plan for the enhancement and development of community facilities. A strategy should be developed to effectively plan and implement a program for the development of community facilities for Pemberton residents. At this time local recreation planning is informed by two renditions of Community Recreation Service Master Plan dated 1999 and 2005...

1999 Plan: *intended to be a five year guide for development of recreation services and facilities. Effectively the plan recognized that the community's expectations for facilities were significantly greater than their financial resources and willingness to pay (be taxed). The plan clearly indicates*

that the community wants a multi-functioning recreation program to include facilities, fields and green spaces...formulated a detailed strategy for recreation facilities, parks and open spaces within the Pemberton area. In particular, some of the major directions recognized in the implementation plan (related for facilities rather than parks and open spaces) included:

- Maximize local resources and facilities through volunteers, non-profit groups, sports organizations, schools, neighbouring municipalities and other private interests and businesses (sponsorship, eventing, etc); and
- Develop a community facility that is based on the accepted increase in taxes of \$150 per household

2005 Plan - Identified major community recreation facility needs related to the short and long term provision of services for residents living in the Village of Pemberton and Electoral Area "C" (SLRD) ...the Plan addressed three primary areas of interest all related to the issue of a major community recreation facility as the scope, functions, capital and operating costs and locations of a facility (community centre and/ or arena and/or pool as a replacement for the Pemberton Meadows Road facility). The study recommended: a community centre be designed for an active recreation purpose located on Lot 15 and that it include the library; the existing Meadows Community Centre be closed; and that community use agreements be made with local public schools for active sports. The report also recommended that the building of the community centre anticipate a future building phase of an arena on the same lot.

In the public consultation process for the Official Community Plan the following community facilities were identified as priorities: arena, pool, and public washrooms.

▪ **Community Facilities' Actions**

- Update the community recreation master plan including governance decisions, facilities locations, and the community needs;
- Ensure that future governance decisions identify the expectations and ongoing costs to local government administration, operations and works;
- Facilitate discussions with the SLRD and Lil'wat Nation with regard to combining available resources to expand on the recreational offerings of the entire valley;
- Develop an acquisition plan to acquire lands identified for future community facilities; and

RECREATION INVENTORY

➤ **PURPOSE**

To compile information about the greater community's existing recreational offerings as well as to understand the area's current social and economic environment. (the study area comprises the jurisdictions of the Village of Pemberton, SLRD Electoral Area C and Lil'wat Nation (Mount Currie Band)). The overview is organized in four main sections

- *character of governing organizations in the study area, which includes decision making, financial considerations and existing strategic and land use plans and recreation master plans.*
- *the existing conditions for recreation considering municipal and Band facilities as well as other facilities used by the local community; and*
- *an overview of the community, touching on key socio-economic indicators, existing recreation groups and interests and trends.*

➤ **KEY FINDINGS:**

- *Any partnerships in developing recreation facilities need to have a governance structure that operates within the fiscal goals of the community and ensures transparency and accountability.*
- *Each government needs to feel that they are equal players in the decision making structure despite legislative differences. Community consultation and advisory/stakeholder groups must be part of any decision making process.*
- *The cost of both capital construction and ongoing operating costs must be in line with what each of the partners are able to afford and yet must equally result in a fair contribution. Alternative, innovative yet proven funding options will be needed to ensure that the facility will be fiscally sustainable and, where possible, potential risks should be diverted to third party operators as may be the case with a P3 structure.*
- *There is general support from each of the governments that a significant recreation facility such as an ice rink or swimming pool can only be realized through collaboration.*

VILLAGE OF PEMBERTON AND LIL'WAT NATION FEASIBILITY STUDY PRELIMINARY BUSINESS ANALYSIS FOR PROPOSED MULTI-USE RECREATIONAL FACILITY

The report was to assess the viability of developing shared recreational facilities, within the Village of Pemberton, Squamish Lillooet Regional District (SLRD) Electoral Area C and Lil'wat Nation which provided a preliminary market review and business analysis which included

- *a situation analysis*
- *a facility utilization analysis*
- *community outreach*
- *revenue & expense model (development program, cost estimates, financial proforma and property tax implications) for six (6) different multi-use recreation facilities (standalone pool, standalone rink or standalone fieldhouse and rink/fieldhouse, rink/pool or rink/pool/fieldhouse). Each option considered the facility programming (size, amenities, etc) and cost estimates.*
- *The proformas took the facility costs considering operating and debt servicing costs for initial capital investments.*
- *The tax implications were then identified recognizing operating costs and debt servicing costs*
- *The implications were considered per capita, with VoP and SLRD and the VoP alone*

Table 12-1- Annual Debt Service and Operating Deficit Combined

<i>Facility Type</i>	<i>Annual Debt Service (A)</i>	<i>Projected Annual Operating Deficit (B)</i>	<i>Total Combined (A+B)</i>	<i>Cost per partner with 2 equal partners</i>	<i>Cost per partner with 3 equal partners</i>
<i>Stand Alone Single Surface Arena</i>	\$540,000	\$191,000	\$731,000	\$365,500	\$243,667
<i>Stand Alone Field House</i>	\$294,000	\$80,000	\$374,000	\$187,000	\$124,667
<i>Stand Alone Pool</i>	\$660,000	\$862,000	\$1,522,000	\$761,000	\$507,333
<i>Combined Single Surface Arena & Field House</i>	\$771,000	\$176,000	\$947,000	\$473,500	\$315,667
<i>Combined Single Surface Arena & Pool</i>	\$1,192,564	1,057,000	\$2,243,564	\$1,121,782	\$747,855
<i>Combined Single Surface Area, Field House & Pool</i>	\$1,494,212	943,000	\$2,437,212	\$1,218,606	\$812,404

12-4 Possible Tax Implications Pemberton and SLRD

<i>Tax Class</i>	<i>Residential</i>	<i>Utility</i>	<i>Light Industry</i>	<i>Business</i>	<i>Non-profit</i>	<i>Farm</i>
<i>Facility Type</i>						
<i>Stand Alone Single Surface Arena</i>	\$226	\$310	\$2,760	\$321	\$362	\$37
<i>Stand Alone Field House</i>	\$116	\$158	\$1,408	\$164	\$193	\$19
<i>Stand Alone Pool</i>	\$469	\$644	\$5,738	\$668	\$785	\$76
<i>Combined Single Surface Arena & Field House</i>	\$292	\$401	\$3,570	\$416	\$488	\$48
<i>Combined Single Surface Arena & Pool</i>	\$692	\$950	\$8,458	\$986	\$1,157	\$113
<i>Combined Single Surface Area, Field House & Pool</i>	\$752	\$1,031	\$9,188	\$1,071	\$1,257	\$122

**MEMORANDUM OF UNDERSTANDING
LEADING TO A SCHOOL AND RECREATION CENTRE
BETWEEN
VILLAGE OF PEMBERTON,
SUNSTONE RIDGE DEVELOPMENTS LTD.
AND HILL CANADA INC.**

THIS MEMORANDUM OF UNDERSTANDING is dated for reference the 15th day of October, 2013,

BETWEEN:

THE VILLAGE OF PEMBERTON, a municipal corporation under the *Local Government Act*, RSBC 1996, c. 323, and having offices at Box 100, 7400 Prospect Street, Pemberton, British Columbia, V0N 2L0
(the "**Village**")

AND:

SUNSTONE RIDGE DEVELOPMENTS LTD., a business incorporated under the *Business Corporations Act*, SBC 2002, c. 57, under number BC0857673 and having a registered office at 14185 Rio Place, Surrey, British Columbia, V3S 0L2
(**"Sunstone"**)

AND:

HILL CANADA INC., having offices at The Sports Village, 2600 Rutherford Road, Vaughan, Ontario, Canada, L4K 5R1
(**"Hill"**)

WHEREAS:

- A. Sunstone is the registered owner of the lands and premises located at 1835 Highway 99 Pemberton and legally described as PID: 027-950-191, Lot 2, District Lot 211, Lillooet District, EPP1353 (the "**Sunstone Lands**");
- B. Sunstone has successfully made application to the Agricultural Land Commission and has approval to permit the construction of a proposed school (the "**School**") on a portion of the Sunstone Lands (the "**School Site**") as shown on the plan attached hereto as Schedule A as a non-farm use within the Agricultural Land Reserve in accordance with section 25 of the Agricultural Land Commission Act (Resolution #255/2011);
- C. Hill currently operates a first class high school academic and athletic program in Ontario and wants to operate a similar program at a new boarding school campus to be built on the Sunstone Lands;
- D. The Village is the lessee of certain lands and premises as shown on the plan attached hereto as Schedule B and located on a portion of land located south of the CN Rail Line {00259969; 2}

on the east side of Pemberton Farm Road East which form part of the property legally described as PID: 028-961-072, Part of Lot 4, District Lot 211 Lillooet District, Plan EPP21848 (the “**Village Lands**”);

- E. The Village has successfully made application to the Agricultural Land Commission and has approval to permit the construction of a proposed recreation centre (the “**Facility**”) on the Village Lands as a non-farm use within the Agricultural Land Reserve in accordance with section 25 of the *Agricultural Land Commission Act* (Resolution #235/2013).
- F. The Village has an option to purchase (the “**Option**”) the Village Lands and it now intends to exercise the Option to purchase the Village Lands for ten dollars (\$10.00);
- G. Sunstone, the Village and Hill (collectively, the “**Parties**”) see a mutual benefit to working together jointly and developing a framework for collaborating and coordinating their collective expertise and resources in the design, financing, construction, operation and use of a new Facility on the Village Lands and a new School on the School Site to respond to community needs and promote educational, recreational, social and economic opportunities within the community; and
- H. The Parties agree that this Memorandum of Understanding (“**MOU**”) is not binding, but by signing the MOU the parties indicate their acceptance of the principles and business terms contained herein and are willing to work together to achieve their mutual goals and objective with respect to the successful establishment and functioning of a School and Facility.

NOW THEREFORE this Memorandum of Understanding witnesses that the Parties desire to proceed as follows:

1. Definitions

In this MOU, unless otherwise defined, the following words and phrases shall have the following meanings:

- (a) “**Accepted Cost Projection**” means the Project cost projection prepared by the Project Team and accepted by the Parties as the cost projection for the Facility and, if applicable, the School;
- (b) “**Accepted Preliminary Design**” means the design submitted to the Parties by the Project Team and accepted by the Parties as the design for the Facility;
- (c) “**Facility**” has the meaning ascribed in paragraph E;

- (d) “**Project**” means the design, financing and construction of the proposed Facility on the Village Lands;
- (e) “**Project Budget**” means the budget approved by the Parties for the Preliminary Design of the Facility;
- (f) “**Project Team**” means the team of employees, consultants and professionals assembled by each of the Parties to prepare the Accepted Cost Projection and Accepted Preliminary Design;
- (g) “**School**” has the meaning ascribed in paragraph B;
- (h) “**School Site**” means that portion of the Sunstone Lands on which the proposed School will be located and as identified in Schedule A;
- (i) “**Sunstone Lands**” means the lands described in paragraph A above; and
- (j) “**Village Lands**” means the lands described in paragraph D above.

2. Schedules

The following Schedules are attached to and incorporated into this MOU:

- Schedule A – School Site;
- Schedule B– Village Lands; and
- Schedule C – Facility Features and Amenities.

3. Village Obligations. In connection with this MOU, the Village agrees to use its best efforts to do the following:

- (a) acquire the Village Lands as registered owner, in accordance with terms of the Lease Agreement and the Option between Nellie Den Duyf and the Village dated July 12, 2012;
- (b) upon acquisition of the Village Lands, to subdivide the Village Lands in accordance with all statutory requirements;
- (c) confirm its sources of funding and preliminary budget for the Project;
- (d) confirm the key individuals and non-financial resources it can contribute to the Project Team and the Project which will also focus on the partnering uses and mutually beneficial links that exist with a neighbouring School;
- (e) confirm its functional requirements for the Facility which will help form the basis of the Preliminary Design and Budget in section 6 below;
- (f) confirm the timelines for electoral approval and other statutory obligations for the Project;
- (g) consider adopting the rezoning and issuing the permits necessary to carry out the intentions of the Parties under this MOU;
- (h) jointly develop a design, build, finance and operate agreement with Sunstone and Hill for the development and operation of a joint use Facility on the Village Lands; and
- (i) do all of the foregoing on or before February 28, 2014.

4. Sunstone Obligations. In connection with this MOU, Sunstone agrees to use its best efforts to do the following:

- (a) jointly develop a design, build, finance and operate agreement with the Village and Hill for the development and operation of a joint use Facility on the Village Lands;
- (b) confirm its sources of funding and preliminary budget for the design, construction and operation of the School and Facility;
- (c) confirm the key individuals and non-financial resources it can contribute to the Project Team and the design, construction and operation of the School and Facility;
- (d) confirm its functional requirements for the Facility which will help form the basis of the Preliminary Design and Budget in section 6 below; and
- (e) do all of the foregoing on or before February 28, 2014.

5. Hill's Obligations. In connection with this MOU, Hill agrees to use its best efforts to do the following:

- (a) jointly develop a design, build, finance and operate agreement with the Village and Sunstone for the development and operation of a joint use Facility on the Village lands which will also focus on the partnering and/or joint uses and mutually beneficial links with the neighbouring School;
- (b) confirm its sources of funding and preliminary budget relevant to the design, construction and operation of the School and Facility;
- (c) confirm the key individuals and non-financial resources it can contribute to the Project Team and the design, construction and operation of the School while maintaining an additional focus on the partnering uses and mutually beneficial links that exist with a neighbouring Facility;
- (d) confirm its functional requirements for the Facility which will help form the basis of the Preliminary Design and Budget in section 6 below; and
- (e) do all of the foregoing on or before February 28, 2014.

6. Preliminary Design and Budget. As part of completing their obligations under sections 3 – 5 above, the Parties agree to use their best efforts and work collaboratively to create a preliminary design and budget for a high quality Facility that will foster existing and future uses using creative construction techniques which will support the effective and efficient use of capital and effectively address the needs and resources of each Party. The Parties further agree that:

- (a) a Project Team shall be established to oversee the preliminary design and budgeting process which shall be comprised of key individuals of each of the

Parties with the process resulting in an Accepted Cost Projection and an Accepted Preliminary Design for the Facility;

- (b) the Parties shall work collaboratively to ensure each other's legal and or legislative timelines are met;
- (c) the Facility will include those features and amenities detailed in Schedule C;
- (d) the preliminary design , construction and budgeting of the Facility shall be publicly tendered; and
- (e) the preliminary design and budgeting for the Facility shall be completed by January 10, 2014.

7. Further Legal Agreements. After completion of the preliminary design and budgeting detailed in section 6 above, the applicable Parties will negotiate and enter into legal agreements for the design, financing, construction, ownership, occupation, use, operation and maintenance of the Facility (the "**Agreements**"). The Parties agree to use their best efforts to complete negotiations and execute the Agreements by February 28, 2014 with the Agreements to include the following provisions:

- (a) Design plans confirmed by January 10, 2014;
- (b) Financing plans confirmed by May 09, 2014;
- (c) Construction plans confirmed by May 30, 2014;
- (d) Ownership arrangements confirmed by February 28, 2014;
- (e) Occupation and Use plans confirmed by February 28, 2014;
- (f) Operation and Maintenance plans confirmed by February 28, 2014; and
- (g) Completion date: May 30, 2015.

9. Confidentiality. This MOU and all information, records, books and data to which each Party and/or such Party's respective representatives are given access will be used by such Party solely for the purpose of performing its obligations pursuant to this MOU and, and will be treated on a confidential basis, provided that the Parties acknowledge and agree that the Village is subject to, and must comply with the *Freedom of Information and Protection of Privacy Act* (British Columbia).

10. Relationship of the Parties. Nothing contained in this MOU shall constitute or shall be deemed in any way to create an employment, agency, partnership, joint venture or other legal relationship between the Parties.

11. Law Applicable. This MOU is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

12. Village's Statutory Duties. Nothing contained or implied in this MOU shall fetter in any way the discretion of the Village or the Council of the Village. Further, nothing contained or

implied in this MOU shall affect the Village's rights, powers, duties or obligation in the exercise of its functions pursuant to the *Community Charter* or the *Local Government Act*, as amended or replaced from time to time, or act to fetter or otherwise affect the Village's discretion, and the rights, powers, duties and obligations of the Village under all public and private statutes, by-laws, orders and regulations, which may be, if the Village so elects, as fully and effectively exercised as if this MOU had not been executed and delivered by each party to the other.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

THE VILLAGE OF PEMBERTON

By: _____
Mayor

By: *[Signature]*
Corporate Officer



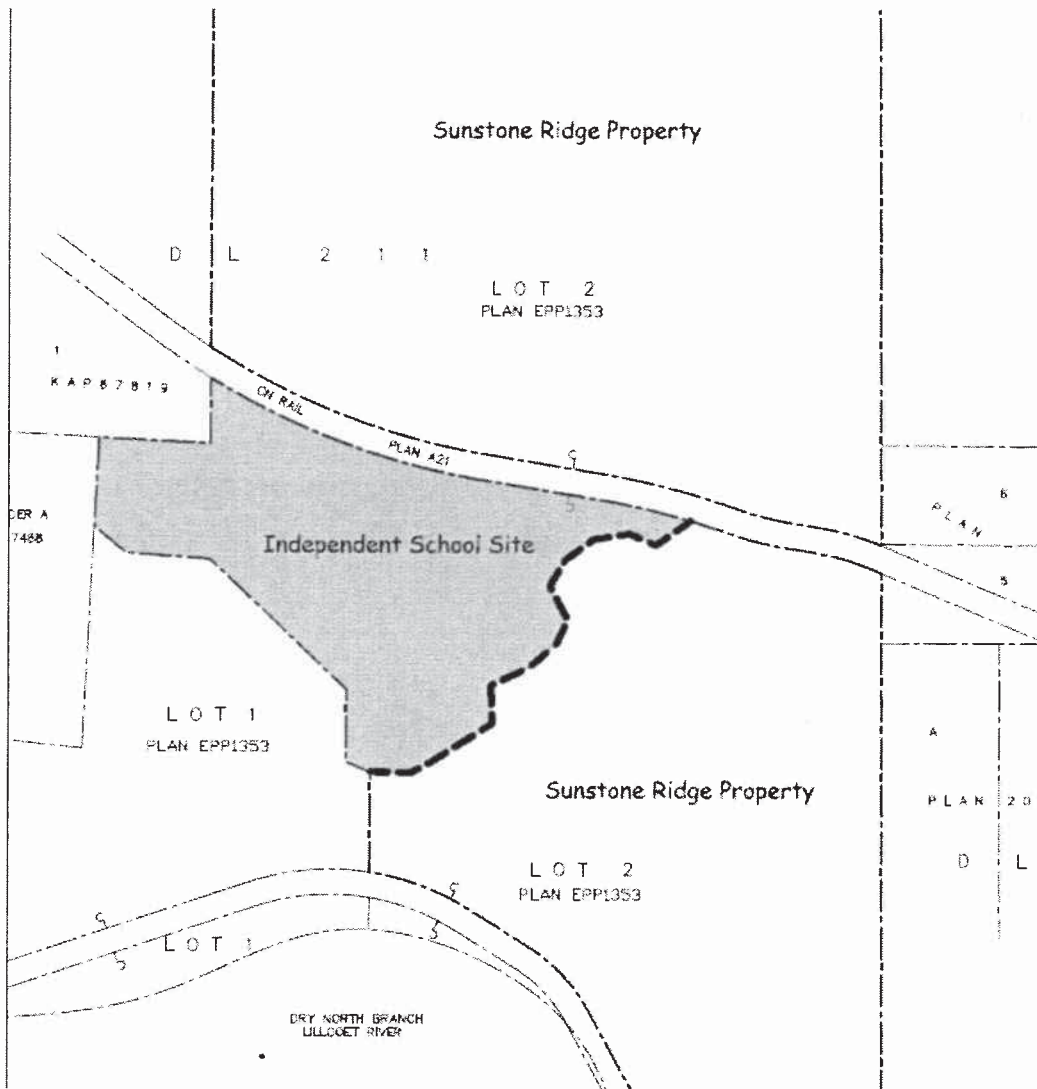
SUNSTONE RIDGE DEVELOPMENTS LTD.

By: *[Signature]*
Authorized Signatory

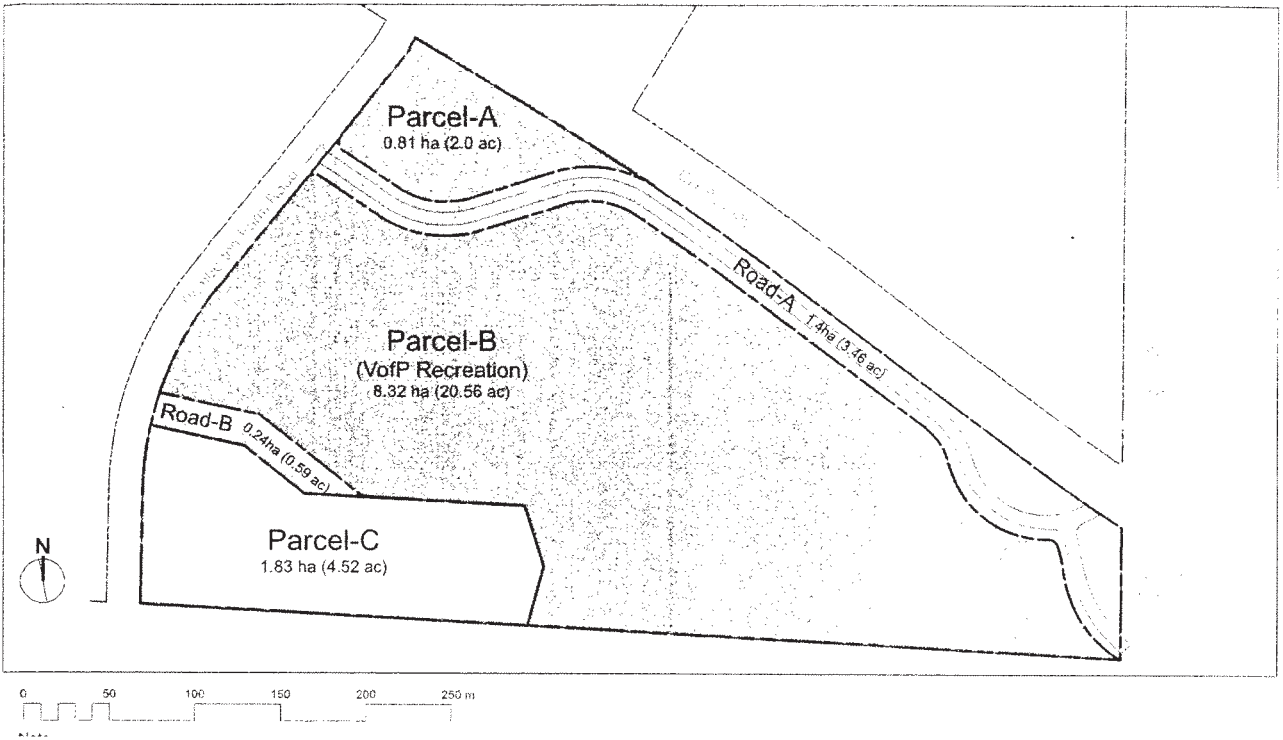
THE HILL ACADEMY

By: *[Signature]*
Authorized Signatory

**SCHEDULE A
SCHOOL SITE**



**SCHEDULE B
VILLAGE LANDS**



SCHEDULE C
FACILITY FEATURES AND AMENITIES

- Lobby
- Vestibule
- Vending Alcove
- Concession/Storage
- Administration Office
- Private Offices
- Seating Area
- Storage
- Public Washrooms
- Changing / locker rooms
- Indoor Field Surface - 170' X 75' – Soccer, Lacrosse, football, etc.
- Basketball/Volleyball – regulation Courts – 30' X 60'
- Badminton Court - 20' X 44'
- Gymnastics Centre - 25' X 44'
- A 5000 sq. ft. strength and conditioning room
- The capability to expand to include studios
- At least one outdoor field with plans for future artificial turf

RECREATION FACILITY PRELIMINARY TIMELINE (as per MOU)

NOVEMBER	<ul style="list-style-type: none"> ▫ Rezoning Complete
DECEMBER	<ul style="list-style-type: none"> ▫ Land Purchase Complete
JANUARY	<ul style="list-style-type: none"> ▫ Public Consultation to Finalize Facility Directions (early January) ▫ Referendum/Alternative Approval Process Application Initiated (January 3rd) ▫ Design Plans (January 10th)
FEBRUARY	<ul style="list-style-type: none"> ▫ Ownership Arrangements (February 28th) ▫ Occupation and Land Use Plans (February 28th) ▫ Operation and Maintenance Plans (February 28th)
MARCH	
APRIL	
MAY	<ul style="list-style-type: none"> ▫ Financing Plans (May 9th) ▫ Construction Plans (May 30th)



COMPLETION DATE MAY 30, 2015

APPENDIX A – RECREATION FACILITIES ACTION ITEMS

RECREATION PARTNERSHIPS

FACILITY SELECTION

CAPITAL FUNDING

ON GOING OPERATIONS

SITE ACQUISITION

CONSULT
Village to meet with Area C to determine their interest and participation in the development and ongoing operation of new indoor and/or outdoor recreation facilities.

NEW INFORMATION
Explore other options for swimming lessons, including organizing Pemberton only instructors for use of the Whistler’s Meadow Park pool.

SHARE INFORMATION
Provide the community with information related to the current fiscal status of the new Cottonwood Community Centre and the financial plan to retire the debt.

CONSULT
Work to resolve governance and operational issues between the Village and Area C (PVUS) that hinder the effective, fiscally responsible and efficient delivery of existing and new recreation facilities

DECISION
Pending ALC acceptance of non-farm use, execute Offer to Purchase for the Pemberton Farm Road East site (Gravel Pit).

CONSULT
Village to meet with Lil’wat Nation to determine the level of interest in the development and ongoing operation of new indoor and/or outdoor recreation facilities.

NEW INFORMATION
Village to investigate the preliminary costs to build and operate an outdoor pool, for the primary function of swimming lessons and includes spa facilities such as a whirlpool, steam room and/or sauna.

NEW INFORMATION
Village staff to pursue sources of funding to cover capital costs (i.e. area governments (SLRD Area C and Lil’wat Nation), senior government grants, amenity funds from development, sponsorship or partnerships (independent school) and fundraising.

CONSULT
Meet with the School Board to address the current management and maintenance of the existing playing fields,

ACTION
Pending ALC acceptance of non-farm use, rezone property to accommodate the proposed recreation uses.

CONSULT
Village to pursue private interests such as an independent school to determine interest in the development and ongoing operation of new indoor and/or outdoor recreation facilities.

CONSULT
Further dialogue between Area C and Village at PVUS on the long term planning of the Gates property and the cost implications on the Recreation Service.

NEW INFORMATION
Determine possible revenue/usage impacts on existing community centre with the introduction of new recreation facilities

ACTION
Determine the site preparation costs to accommodate flood protection, geotechnical considerations and any ALC conditions (if approved)

CONSULT
Meet with RMOW to discuss recreational services in the larger service area (i.e. user fees for non-Whistler residents, future recreation facilities in Whistler

NEW INFORMATION
Investigate the preliminary costs to build and operate an outdoor pool, for the primary function of swimming lessons and may include spa facilities such as a whirlpool, steam room and/or sauna.

NEW INFORMATION
Determine the roles and responsibilities (including the lead) for all organizations that are vital to the initial development and ongoing operation of the new recreation facilities.

ACTION
Pursue site preparation works and services in a cost effective manner as opportunities arise.

CONSULT
Meet with the School Board on any plans for future recreation facilities in the Pemberton area, including playing fields.

CONSULT
Explore partnerships with private interests (independent school) to build/operate either the arena or field house facility.

CONSULT
Explore with Independent and public schools potential bookings or partnerships for recreational facilities.

CONSULT
Explore a joint Pemberton /Whistler Minor Hockey and Adult Hockey Associations; use of field house for Pemberton and Whistler Soccer Associations training and/or camps and Pemberton Gymnastics the potential for gymnastics and trampoline.

DECISION
Subject to the action items noted above, a long term facilities program be determined for the Pemberton area*

DECISION

Subject to the action items noted above, a long term facilities program be determined for the Pemberton area*

RECREATION PARTNERSHIPS

ACTION

Establish agreements for all partners in the new recreation facilities

FACILITY SELECTION

CONSULT

Form a community/ stakeholder advisory group to assist with the planning and construction options for proposed recreation facilities

CAPITAL FUNDING

NEW INFORMATION

Develop a sound financial plan for new recreation facilities that identifies available capital funds (government reserves, amenity funds, private partnerships, sponsorship, etc.) borrowing and ongoing operating costs.

ON GOING OPERATIONS

ACTION

Establish in agreements for all organizations that will operate or utilize the new recreation facilities

SITE ACQUISITION

ACTION

Master Plan the site to complement surrounding uses including but not limited to the private school, residential and commercial development (also subject to an ALC exclusion), natural environmental features and the Friendship Trail.

NEW INFORMATION

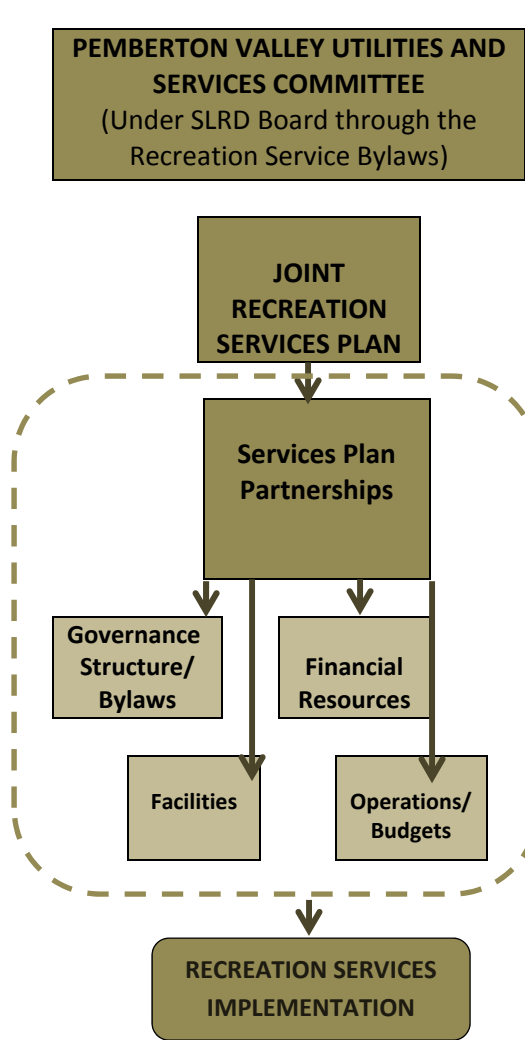
Prepare shelf ready funding applications selected recreation facilities

CONSULT

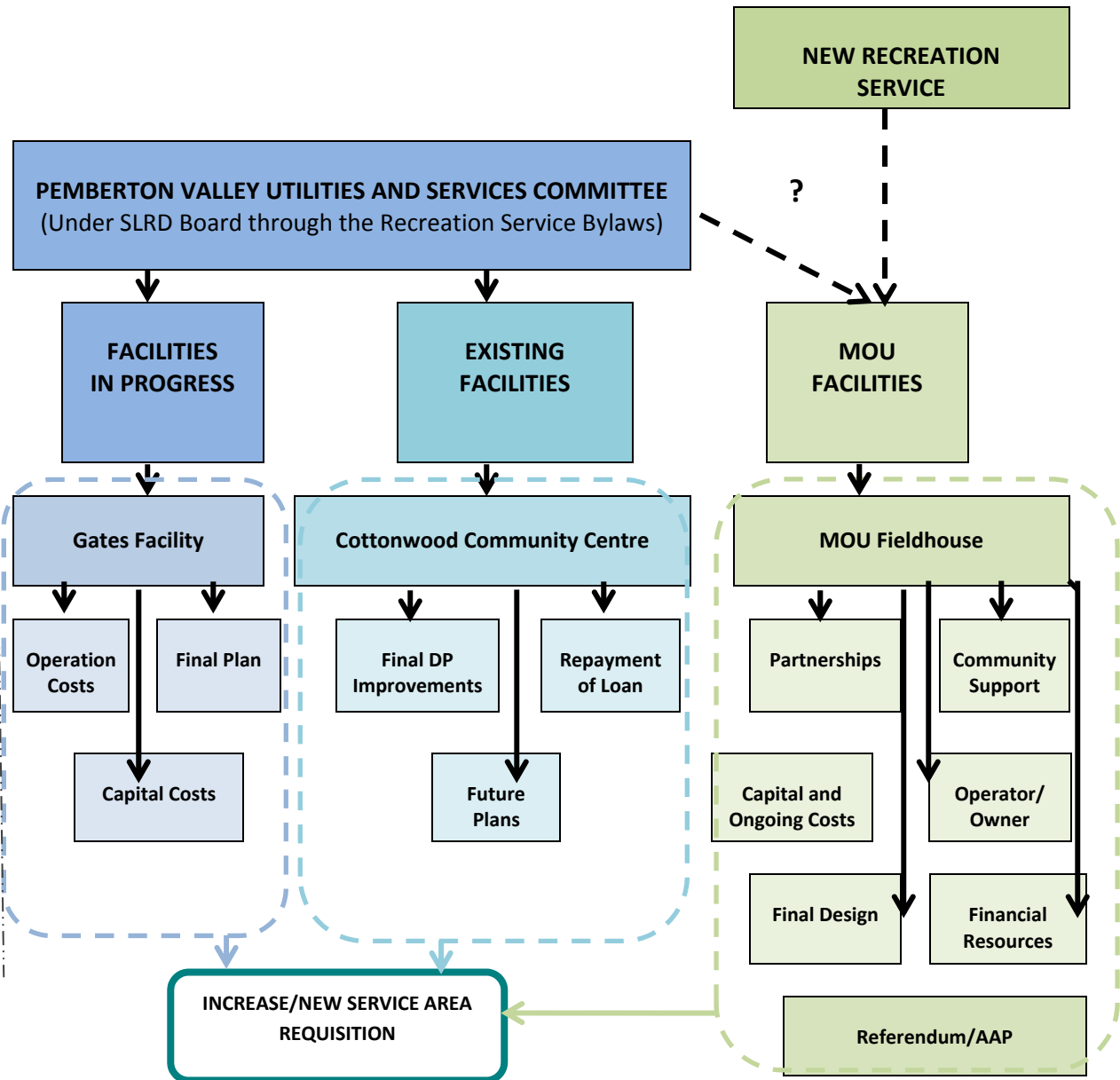
Provide opportunities for the community to learn about and provide comment on the financial plan for a new recreation facility. Any borrowing will require a referendum which will ensure public consent.

Note that as the process unfolds, additional actions will be identified

COMPREHENSIVE APPROACH



INCREMENTAL APPROACH



Process to Hold a Referendum:

- Step 1:** 1 – 3 Readings of the Loan Authorization Bylaw
- Step 2:** Send LA to Inspector of Municipalities for approval
- Notice of Other Voting developed
 - Ballot Question developed
- Step 3:** Inspector returns bylaw approved – this time frame may vary depending on how much advance work has been done with the Ministry
- Step 4:** Chief Election Officer sets date for “other voting” – this must be within 80 days of the direction from the Inspector of Municipalities
- Advertising in local papers, establish advance voting days, hire staff – if required, order ballots (one month timeframe for all of this)
- Step 5:** Advanced Voting (two opportunities) – usually a Wednesday
- Step 6:** General Voting Day (has to be a Saturday)
- Step 7:** Council meeting following the Voting
- Received by Council
 - Bylaw adopted
- Step 8:** One Month Quashing Period – 30 days/4 weeks
- Step 9:** Quashing period ends – apply to Inspector of Municipalities for Certificate of Approval from the Province (2 weeks)
- Step 10:** Council meeting
Municipal Security Issuing Resolution by Council – send to RD
- Step 11:** RD prepares and issues Security Issuing Bylaw – 4 readings at one meeting
- Step 12:** 10 day quashing period
- Step 13:** RD sends Security Issuing Bylaw to Province for Inspector of Municipalities Certificate of Approval
- Step 14:** Information to MFA for processing/issuance of funds

***The total time frame for a Referendum under this process is approximately 6 months.** It really depends on whether or not things can be lined up in such a way that we are able to meet all deadlines ie: council/RD meeting schedules. If we complete the vote, wait a month and then have to wait another month for a RD meeting it slows it all down.

**The Alternative Approval Process is much quicker but has been criticised for not being a transparent process as you have to rally up to vote against it. The quashing periods still apply.