

# Potential Sale of the Edson & District Recreation Complex



# FAQs

- Here are some of the frequently asked questions we have received with respect to the sale of the Recreation Complex:
  - Can the Town sell the Rec Complex for such a low price/below market value?
  - Why wasn't the public allowed to voice their opinions/have a say?
  - Why is the name of the buyer and the purchase price being kept secret?
  - Why wasn't the Rec Complex put out for public bid?
  - Why can't others put in an offer?
  - Why is this being rushed or pushed through?
  - Where does this leave the golf club and curling club?
  - Is Yellowhead County upset by this deal?
  - Is this legal?
  - What is the purpose of selling this Town facility?
  - Will the rates go up?



# What was the Process?

- We received an unanticipated offer from a private buyer
  - the facility was not “for sale”
  - Perception of a limited interested market – zoned for parks & recreation

PR – Parks & Recreation – (1) General Purpose of District – This land use district is generally intended to establish an area for the use and development of public areas to meet the active or passive recreational and leisure pursuits at the local, neighbourhood, municipal and district level.

(2) Permitted uses: Active and passive recreational facility or building, and parks; Accessory use or building

Discretionary uses: Billboard, Campground, Day care facility, Golf course, Public use, Public utility, Public utility building, school, Sign, Surveillance suite.

- Negotiations with the interested party
- Informed all affected partners – Yellowhead County, Golf Club, Curling Club



## What was the Process? (con't...)

- Agreed in principal to deal
  - Honour remaining 4 year lease of golf club
  - Ensure two years services for the curling club
- Engaged in legal review with Jill Sheward at Brownlee LLP in Edmonton:
  - “Partner Jill Sheward is a real estate lawyer practising commercial real estate and lending law, handling both commercial and municipal transactions. On the commercial side, this includes the acquisitions, dispositions, financing (acting for both lenders and borrowers), leasing of office, industrial and retail space (acting for both landlords and tenants); and on the municipal side she does all of the foregoing plus rights-of-way, licenses, easements and restrictive covenants.”
  - Have an obligation to protect 3<sup>rd</sup> party interest
- Released the initial press release to the public regarding the potential sale – our goal is always to remain open and transparent while protecting 3<sup>rd</sup> party rights, as required by us in the *FOIP Act*.



# What was the Process? (con't...)

Town \ Town News \ Rec Complex Sale Discussions

## Rec Complex Sale Discussions

The Town of Edson has been approached for the potential sale of the Edson and District Recreation Complex.

At the September 5<sup>th</sup>, 2017 Council meeting, Council received an offer from a private group for the purchase of the Rec Complex Building. The Town is currently in discussions with the potential buyer, as well as getting feedback from our partners at Yellowhead County and the various community groups in regards to the potential sale. If the sale does go ahead, there would be a minimum of two weeks of public advertising before the deal can be finalized.



It's important to note that curling will remain at the facility for the winter, and access will remain for the golf club, if the deal is approved.

In both the recent joint Community Services study, as well as past studies (Conrad Report), the suggestion is to move away from the current Recreation Complex in favor of working towards a new multi-use facility, more central to the users. The potential sale of the Rec complex is part of a strategic approach to ensure the development of the best possible recreation opportunities for Edson and area residents. More details will be forthcoming as the process moves forward.

Any questions or comments can be directed to the Town Managers office at 780-723-4401 or by email at [civiccentre@edson.ca](mailto:civiccentre@edson.ca).



# What was the Process? (con't...)

- Finalized sales agreement

- This includes the requirement as per the *MGA* to notify the public for feedback
- *MGA*:

## Disposal of land

70(1) If a municipality proposes to transfer or grant an estate or interest in

- (a) land for less than its market value, or
- (b) a public park or recreation or exhibition grounds,

the proposal must be advertised.

## Requirements for advertising

606(1) The requirements of this section apply when this or another enactment requires a bylaw, resolution, meeting, public hearing or something else to be advertised by a municipality, unless this or another enactment specifies otherwise.

(2) Notice of the bylaw, resolution, meeting, public hearing or other thing must be

- (a) published at least once a week for 2 consecutive weeks in at least one newspaper or other publication circulating in the area to which the proposed bylaw, resolution or other thing relates, or in which the meeting or hearing is to be held...

*(emphasis added)*



## What was the Process? (con't...)

- Released a more in-depth press release, advertised the sale per the *MGA* requirements, and held this informational session.
- We will be holding a special meeting of Council on October 11, 2017 at 7:30 p.m. where the final decision will be made in public, with any and all public feedback including potential for other offers.



# What was the Process? (con't...)

**TOWN OF EDSON**  
**PUBLIC NOTICE OF SALE UNDER MARKET VALUE**  
**RECREATION COMPLEX**

Public Notice is hereby given pursuant to sections 70 and 606 of the *Municipal Government Act*, R.S.A. 2000, c.M-26, of a proposed Resolution respecting the sale of lands for less than market value. The lands in question are legally described as Plan 8121508, Block 1 and municipally described as 3905 Golf Avenue, Edson.

The proposed resolution will be made at a Special Council Meeting to be held on October 11<sup>th</sup>, 2017 at 7:30 pm.

A copy of the proposed resolution is available for inspection at the Town of Edson's Office located at 605 50<sup>th</sup> Street, Edson, Alberta T7E 1T7.

Anyone wishing to file a petition regarding the proposed Resolution must do so in compliance with the requirements contained in sections 222 – 226 and 231 of the *Municipal Government Act*, R.S.A. 2000, c.M-26, which include (but is not limited to) the following:

A petition must be filed with the Chief Administrative Officer of the Town of Edson within 60 days after the last date on which the proposed Resolution is advertised;

Only electors of the Town of Edson are eligible to be petitioners;

The petition must be signed by electors of the Town of Edson equal in number to at least 10% of the population;

Each page of the petition must contain an identical statement of purpose of the petition, the petitioner's printed surname, given name and signature, the street address of the petitioner or the legal description of the land on which the petitioner lives, and the date on which the petitioner signs the petition. An adult witness to the signature of each petitioner must sign opposite the petitioner's signature and swear an affidavit that the petitioner is entitled to sign the petition. The petition should also attach a signed statement of a person who states to be the representative of the petitioners and whom the municipality may direct inquiries about the petition.

Any questions or comments may be directed to Mr. Mike Derricott, Town Manager

Town of Edson  
PO Box 6300  
Edson, AB, T7E 1T7  
Phone: (780) 723-4401  
Fax (780) 723-3508

## Edson and District Recreation Complex Sale Update

**Edson, Alberta, Sept 20<sup>th</sup>, 2017** – The Town of Edson is in the process of selling the Edson and District Recreation Complex.

At the September 5<sup>th</sup>, 2017 Council meeting, Council received an offer from a private group for the purchase of the Recreation Complex Building. After careful consideration and consultation with the user groups involved at the facility, as well as our partners at Yellowhead County, negotiations began with consideration being given to access of the golf course and operation of the curling sheets. The deal requires that the buyer honour the 4-years remaining on the lease with the Golf Club, as well as to continue to operate the curling facility for the next two seasons. At the expiration of these timeframes the user groups would then negotiate directly with the new owner on a go forward basis.

While the negotiated sale price is not being released at this time to be fair to the prospective buyer, it is well below the assessed value of the property. The 2017 assessment of the Recreation Complex is just under \$3.45 million, however, a more detailed assessment has now been done, reducing that by 42% to about \$1.99 million based on the current condition and repairs required. Edson CAO Mike Derricott views this as an unexpected opportunity. "While the financial return may appear underwhelming for the size and current assessment of the building, one needs to keep in mind the upgrades required, as well as the operational costs that continue to be incurred by the taxpayers of Edson and Yellowhead County."

Over the past 11 years, about \$3.35 million has been spent on upkeep at the Recreation Complex. Since its construction in 1982, the facility was operated by the Recreation Society and much of that money was given in grants to the group for operations and maintenance. The following is a breakdown of the contributions made by the Town and County associated with the Recreation Complex since 2007 (rounded to the nearest thousand).



Full release available at: <http://www.edson.ca/town/town-news/post/edson-and-district-recreation-complex-sale>





# Valuation

- The assessment of the Rec Complex was out-dated (~\$3.45 million) and did not include the maintenance issues. Thus, the Town asked for an updated assessment to get a better understanding of the value of the property (~\$1.99 million).
  - had not received a detailed review since 1997
- Maintenance issues included:
  - Elevator (~\$100,000 – \$200,000), ice plant (~\$500,000-\$800,000), roof (~\$300,000-\$500,000, electrical (~\$???), etc.
- Operational burden
  - Cost recovery



# Valuation

- Operational burden

2017	\$162,000 (\$38,000 income/\$200,000 expense)	Major renovations halted while facility study was underway
2016	\$386,000 (\$73,000 income/\$459,000 expense)	First year the Town of Edson took over full operations
2015	\$491,000	
2014	\$385,000*	*Estimate due to financial system switch over
2013	\$312,000	
2012	\$311,000	
2011	\$304,000	
2010	\$296,000	
2009	\$277,000	
2008	\$238,000	
2007	\$186,000	



# Strategic Approach

- Conrad Report and Edson and Yellowhead County Community Services Strategic Plan

- Both were huge consultation efforts
- Both suggested abandoning the Recreation Complex in favour of a multi use facility
- Regardless of sale, something would have needed to be done with the recreation complex

Conrad Report

(p. 63)

Redevelopment potential...we therefore do not envision this location as being appropriate for further development of Community-based recreation and cultural activities.

Community Services Strategic Plan

(p. 52)

The building has significant roof leakage issues, interior plumbing issues. No major upgrades have been done to furnaces, lighting or the ice plant since 1982, and the affects of age are evident. Frost heaves have caused damage to walls, brickwork and posts, and the poor soil conditions in the area (muskeg, swampy conditions), cannot realistically be remedied.

In our view upgrading this facility with modern roofing and interior services and to present building codes would be a very expensive undertaking.

(p. 56)

The recreation centre was not considered suitable as an indoor activity space, and is particularly unsuitable for children and youth activity due to its location.

(p. 58/59)

The existing field house should be abandoned, sold or torn down and the land sold.

The Recreation/Curling to be sold or demolished and the land sold with proceeds used to help fund the new community complex.



# Strategic Approach

- Example:
  - City of Edmonton recently released that they will likely be demolishing Northlands (Rexall Place)
  - <http://edmontonjournal.com/business/commercial-real-estate/city-council-to-mull-over-future-of-northlands-coliseum>



# Questions

