



Media Release

THE CORPORATION OF THE CITY OF VERNON
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FOR IMMEDIATE RELEASE

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Active Living Centre Referendum: Funding strategy and impact for taxpayers

On October 15, 2022, eligible voters in Vernon will take part in a referendum for the Active Living Centre – a new multi-purpose indoor recreation facility.

The proposed facility includes several dry land spaces such as a double gymnasium with multiple sport courts; an 80-station fitness centre; a 150m synthetic walking/running track; and multi-purpose activity and program spaces, as well as a new aquatic centre that features a 50m pool; leisure pool; hot tubs; sauna and steam room.

To help voters make a well-informed decision, the City of Vernon is offering detailed information about the project and the referendum process through a series of weekly media releases leading up to general voting day on October 15.

What is the estimated cost to build the proposed Active Living Centre?

The Class D estimated cost to build the Active Living Centre is between \$112M and \$121M, which includes design, professional fees, construction, and both construction and inflation contingency. The cost was calculated by two independent Quantity Surveyors in 2022, and is based on anticipated costs in 2023.

What is the financial strategy to pay for the Active Living Centre?

At this time, the strategy is to ask the citizens of Vernon to support borrowing for the full cost of the Active Living Centre. However, to reduce the amount the City would have to borrow for the project, and to reduce the impact for Vernon taxpayers, the City is also actively pursuing major grant funding for the planning, design, and construction of the facility.

City Council has approved the following timeline to borrow funds from the Municipal Finance Authority (MFA), if electors vote in favour of the referendum question:

- **2023:** Facility planning and design to take place, drawing \$12 million from the MFA loan
- **2024:** Construction to begin on the facility, drawing \$40 million from the MFA loan
- **2025:** Construction to continue on the facility, drawing \$40 million from the MFA loan
- **2026:** Construction to be completed with an anticipated Fall 2026 opening date, drawing up to \$29 million from the MFA loan

In addition to the strategy outlined above, private contributions and Fee for Service Agreements will be considered, as opportunities arise, in order to reduce the costs to citizens of Vernon.

What is the financial impact for Vernon taxpayers?

If electors vote in favour of the referendum question, the City of Vernon will have up to five years to begin borrowing funds for development of the Active Living Centre facility. Based on the financial strategy noted above, the first draw on the MFA loan would be in the Fall of 2023.

The financial strategy includes four consecutive years of property tax increases for the purpose of repaying the debt to develop the facility, starting in 2024, with the following schedule:

Municipal budget year	Active Living Centre new debt	Active Living Centre operating cost	Tax increase for Avg House*	Cost per month
2023	0%		\$0	\$0
2024	3.5%		\$63	\$5.25
2025	3.5%		\$67	\$5.58
2026	3.5%	0.4%	\$80	\$6.67
2027	3.0%	0.9%	\$82	\$6.83
Total estimated new tax over 5-yr term, per average assessed residential property*, for the development of the Active Living Centre			\$292	\$24.33

**Based on the 2022 average assessed residential property value of \$611,523*

No more property tax increases are expected after 2027 for the purpose of repaying the debt to develop the Active Living Centre facility.

If built, the Active Living Centre is expected to be open in the Fall of 2026, thus requiring additional funds for operating costs.

Will grants be sought and to what extent?

Yes, grant and donation opportunities are being explored to help reduce the overall cost of the project. Grant approvals are at the discretion of the particular grant administrator.

Recently, the City of Vernon applied for a [grant](#) of up to \$6 million through the *Canada Community Building Fund in British Columbia - Strategic Priorities Fund Capital Infrastructure Stream* (CCBF Grant).

According to the CCBF grant administrator, review of applications and determination of approval is expected to take several months, so information on the status of the City's application is not expected to be available until the end of 2022 or start of 2023.

Where can I find more information?

Visit www.engagevernon.ca/activelivingcentre to learn more about the project and the referendum process. If you have questions about the above information, please contact Doug Ross, Director, Recreation Services, at dross@vernon.ca.