

May 11, 2021

Council approves agreement and \$22 million in financial support for Westerner Park

1. Why did The City originally get involved in the Westerner Park's finances?

Westerner Park reached out to The City of Red Deer for assistance in late 2019 after a number of factors ultimately led to the financial instability at Westerner Park, including the decision to expand the facility, major event contract negotiations and the current economic reality, to name a few. The additional impacts of COVID-19 are placing greater financial pressures on Westerner Park with no ability to host events or generate revenue throughout the COVID-19 pandemic.

The City's goal is to continue to support strong economic activity in the city and region. Westerner Park has an annual impact of \$150 million on the economy and is an important part of the region's economic recovery. While The City is also experiencing financial impacts from the economic climate and COVID-19, it is important to look long term for economic resilience.

At this time, without support from The City of Red Deer, Westerner Park cannot continue to operate based on current capital and operating projections.

2. What involvement has The City had in Westerner Park in the past?

In early 2020, The City of Red Deer assumed temporary financial oversight for Westerner Park to help navigate the current challenges. In addition, The City owns the land at Westerner Park, which it leases to Westerner Park under a 50-year lease.

Our shared goal is financial and operating stability with Westerner Park continuing to serve as our community hub for events that are pivotal to our community life and economic development in our city, and to prevent additional or similar financial challenges from occurring in the future.

3. Why did City Council approve a new agreement?

Shifting to a more formal agreement is a natural transition with the increase in financial support approved by City Council. The new Relationship Framework Agreement will give The City a higher level of involvement in decision-making, oversight, budgeting, lease agreements and other major items relating to Westerner Park.

4. What financial support did Council approve in May, 2021?

On May 11, 2021, City Council approved \$3 million in the form of a grant to fund operational needs through the pandemic. Also approved is a \$19 million loan intended to pay out an unsustainable loan Westerner Park currently holds, relating to the construction of Exhibition Hall.

5. What impacts to Red Deerians will the financial support approved have?

The \$3 million grant will be funded through Operating Reserves – Tax Funded, and will not impact property tax bills for Red Deerians. This grant is to ensure continued operations of Westerner Park through the pandemic.

The \$19 million loan approved by Council will have a 30-year payback period and will be funded through debt resulting in the need to revisit the capital plan during budget deliberations in the fall.

6. How much financial support has The City provided to Westerner Park in the past and how did it affect tax payers?

The City provided \$2.55 million in operating grants in 2020 and another \$1.45 million in 2021. There was no direct impact to tax payers stemming from these grants as they were funded from reserves through one-time funding.

7. What is included in the new Relationship Framework Agreement?

The new framework will give The City a higher level of involvement in decision-making, oversight, budgeting, lease agreements and other major items relating to Westerner Park.

In the agreement, one of the main items is the development of a Master Plan for Westerner Park. The plan will establish the 15-year vision, land use concept, multi-modal transportation plan, building design principles and site-servicing concept.

There will also be the development of an asset management to ensure maintenance of all infrastructure on the grounds and to provide a guide for capital investment to support the long term plan for the site. Council approved one time funding to cover 50 per cent of the contract cost.

As the City's Liaison to WEA, the City Manager will have a greater role in the advising the WEA Board and CEO.

The agreement will be reviewed annually to ensure the optimum conditions are in place that reflect the intended relationship between WEA and The City. The agreement also assigns responsibility for financial oversight back to the Board and consolidates current agreements into one collection of documents.

For more information, contact:

Corporate Communications
The City of Red Deer