

RECREATION AND CULTURE COST SHARING AGREEMENT

THIS AGREEMENT made effective as of the 1st day of April, 2025 (the “Effective Date”)

Between:

COUNTY OF GRANDE PRAIRIE NO. 1
(the “County”)

and
CITY OF GRANDE PRAIRE
(the “City”)

WHEREAS the County and the City (each a “Party” and collectively the “Parties”) have entered into an Intermunicipal Collaboration Framework Agreement (the “ICF”), and have previously entered into a Cost Sharing and Information Sharing Agreement dated April 1, 2021 (the “2021 Agreement”).

WHEREAS the County and the City each provide and support various recreational and cultural services accessible to residents in both the City and the County;

WHEREAS pursuant to the 2021 Agreement, the Parties have worked together to gather data to assess the use by City and County residents of various recreation and cultural facilities and services offered by the City and the County;

WHEREAS the Parties have reached an agreement with respect to contributions by the Parties in compensation for all such recreational and cultural facilities and services offered by the Parties as set out in this Agreement;

WHEREAS the Parties agree that this Agreement will be reviewed as part of orientation training for councillors of each of the Parties under s. 201.1 of the *Municipal Government Act*, RSA 2000, c M-26;

NOW THEREFORE the Parties agree as follows:

1. **Definitions.** In this Agreement, in addition to any terms defined elsewhere herein, the following terms shall have the following meanings:
 - a. “**Agreement**” means this Agreement, and includes any Schedules hereto;
 - b. “**Capital Improvement Costs**” means costs incurred by the Parties relating to improvements to the facilities described in Schedules “A” and “B” that meet the recognition criteria of a Tangible Capital Asset in accordance with Public Sector Accounting and each municipality’s capitalization threshold. Capital Improvements Costs shall not include Capital Renewal and R&M Costs.

- c. **“Capital Renewal and R&M Costs”** means costs incurred by the Parties relating to repairs, maintenance and improvements to the facilities described in Schedules “A” and “B” that do not meet the criteria of a betterment under Public Sector Accounting. Capital Renewal and R&M Costs shall not include Capital Improvement Costs.
 - d. **“Facility Expansion”** means an improvement to a facility described in Schedules “A” or “B”, the construction of which improvement has commenced on or after the Effective Date, which improvement would expand the facility’s size or occupancy limits, or an improvement that, while it does not increase the size or occupancy of the facility, constitutes a significant alteration that would allow the facility to offer substantively new programming or services, or any other improvement the Parties mutually agree to treat as a Facility Expansion.
 - e. **“Financing Costs”** means any and all costs incurred by the Parties of borrowing, including without limitation interest and other debt servicing costs and any administrative fees, charges, stop loss settlement costs or penalties incurred in relation to or arising from any such borrowing.
 - f. **“ICC”** means the Inter-municipal Collaboration Committee established under the ICF.
 - g. **“New Facility”** means any new recreation or cultural facility within the County or the City that does not exist as of the Effective Date, or any existing building or facility within the County or the City not set out in Schedule “A” or “B” that in its current form is not used for any recreational or cultural purpose.
 - h. **“Operating Costs”** means all operating costs incurred by the Parties in operating the recreational and cultural facilities described in Schedule “A”, net of all operating revenues including grants received by the Party operating any such facility, as agreed upon in Schedule “A” for the purposes of this Agreement.
 - i. **“Public Sector Accounting”** means the Public Sector Accounting Handbook published by Chartered Professional Accountants of Canada, as amended or replaced.
2. **Term.** This Agreement shall come into force and effect on the Effective Date, and shall continue for a period of four (4) years, ending March 31, 2029 (the “Term”). The Parties agree to begin specific negotiations on the terms of a replacement agreement by January 1, 2028. The parties shall work together in good faith to achieve consensus over the term of this Agreement, but after July 1, 2028 may agree to engage in a mediation or other form of dispute resolution necessary to ensure a replacement agreement is in place before the expiry of the Term.

3. **Non-Discriminatory Access to Services and Facilities.** During the Term of this Agreement, each Party agrees to continue to allow residents of the other Party to access its facilities described in Schedules “A” and “B” on the same terms granted to its own residents, without discriminatory or preferential pricing and without discounts available only to its own residents, unless otherwise agreed to by the Parties. Each Party shall take reasonable steps to ensure third parties involved in the provision of the facilities in Schedule “A” and “B” comply with this section.
4. **Compensation for Recreation and Cultural Facility Operating Costs and Capital Renewal and R&M Costs.** The Parties agree to contribute to Operating Costs and Capital Renewal and R&M Costs for the facilities set out in Schedule “A” based on the proportionate shares and annual expenses set out in Schedule “A”. The County will therefore pay to the City a lump sum annual net payment of \$2,099,071 on October 1, 2025. Such annual payment due each year of the Term on October 1 will be adjusted during the remaining years of the Term as follows:
- a. The net annual payment by the County to the City for Operating Costs for the facilities set out in Schedule “A” (set at a net payment by the County to the City of \$1,472,242 for 2025) will increase by a fixed rate of 2.5% per year; and
 - b. The net annual payment by the County to the City for Capital Renewal and R&M Costs for the facilities set out in Schedule “A” (set at a net payment by the County to the City of \$626,829 for 2025) will be adjusted to reflect the average Capital Renewal and R&M Costs for the facilities described in Schedule “A” over the previous years working towards a five year average starting in 2019 and excluding 2020 and 2021, as follows:
 - i. In respect of the payment which shall be due on October 1, 2026, the net payment will be adjusted based on the average annual Capital Renewal and R&M Costs incurred in respect of the facilities set out in Schedule “A” during the calendar years 2019, 2022, 2023, and 2024;
 - ii. In respect of the payment which shall be due on October 1, 2027, the net payment will be adjusted based on the average annual Capital Renewal and R&M Costs incurred in respect of the facilities set out in Schedule “A” during the calendar years 2019, 2022, 2023, 2024 and 2025; and
 - iii. In respect of the payment which shall be due on October 1, 2028, the net payment will be adjusted based on the average annual Capital Renewal and R&M Costs incurred in respect of the facilities set out in Schedule “A” during the calendar years 2022, 2023, 2024, 2025 and 2026.

The Parties agree to meet in July of each year of the Term to share such information as necessary to adjust the net payment which shall be payable on October 1 of the following calendar year. For clarity, the Parties agree to meet in

July of 2028 to calculate amounts owing for the following year for the purpose of any renewal or replacement of this Agreement in the future.

5. **Compensation for Montrose Cultural Center Facility Costs.** The County agrees to contribute to the City's facility operating expenses for the Montrose Cultrual Centre in relation to the operation of the City Library, Theresa Sargent Hall and Art Gallery facilities, based on the proportionate shares and annual expenses set out in Schedule "B". The County will therefore pay to the City a lump sum annual payment of \$341,837 on October 1, 2025. Such annual payment due each year of the Term on October 1 will be adjusted during the remaining years of the Term as follows:

- a. The payment by the County to the City for the 'Operating Expenses' set out in Schedule "B" for the facilities described in Schedule "B" will increase by a fixed rate of 2.5% per year; and
- b. The payment by the County to the City for the Capital Renewal and R&M Costs for the facilities described in Schedule "B" will be adjusted to reflect the average Capital Renewal and R&M Costs for the facilities described in Schedule "B" over the previous years working towards a five year average starting in 2019 and excluding 2020 and 2021, as follows:
 - i. In respect of the payment which shall be due on October 1, 2026, the net payment will be adjusted based on the average annual Capital Renewal and R&M Costs incurred in respect of the facilities set out in Schedule "B" during the calendar years 2019, 2022, 2023, and 2024;
 - ii. In respect of the payment which shall be due on October 1, 2027, the net payment will be adjusted based on the average annual Capital Renewal and R&M Costs incurred in respect of the facilities set out in Schedule "B" during the calendar years 2019, 2022, 2023, 2024 and 2025;
 - iii. In respect of the payment which shall be due on October 1, 2028, the net payment will be adjusted based on the average annual Capital Renewal and R&M Costs incurred in respect of the facilities set out in Schedule "B" during the calendar years 2022, 2023, 2024, 2025 and 2026.

The Parties agree to meet in July of each year of the Term to share such information as necessary to adjust the net payment which shall be payable on October 1 of the following calendar year. For clarity, the Parties agree to meet in July of 2028 to calculate potential amounts owing for the following year for the purpose of any renewal or replacement of this Agreement in the future.

For clarity, the payments described in Schedule "B" relate only to the City's operating expenses and Capital Renewal and R&M Costs for the facilities described in Schedule "B", and except as set out in section 6 of this Agreement, the County shall have no obligation to

share in the operating expenses of any third parties offering programming within those facilities.

6. **Grant Funding:** In addition to the contributions by the County to the Montrose Cultural Centre Facility as set out in section 5, the Parties agree that their respective annual grant funding contributions to the Grande Prairie Library Board (the “Library Board”) and the Art Gallery of Grande Prairie (the “Art Gallery”) during the Term of this Agreement shall be at least equal to the funding provided by each Party in 2024, unless a lesser level of funding is mutually agreed between the Parties, in which case such reduction would apply proportionately to each Party. Barring such lesser level of funding, in respect of each year of the Term:

- a. The County will provide annual grants to the Library Board in an amount not less than \$330,560, and to the Art Gallery in an amount not less than \$86,000; and
- b. The City will provide annual grants to the Library Board in an amount not less than \$1,733,655, and to the Art Gallery in an amount not less than \$312,242.

7. **Capital Improvement Costs.** The Parties agree to contribute to the Capital Improvement Costs on the basis set out in Schedule “C”. For clarity, the County shall therefore pay to the City a net fixed lump sum payment of \$326,000 on October 1 of each year of the Term. While the Parties intend to track Capital Improvement Costs during the Term to establish a five-year rolling average in the future, the County’s contribution to the City for Capital Improvement Costs will remain fixed at \$326,000 per year during the Term of this Agreement.

8. **Capital and Debt Servicing Payment and Release.** The County agrees to pay to the City a one-time total all-inclusive net payment of \$4,600,000, which will be payable by the County to the City in four annual installments of \$1,150,000 payable on October 1 during each year of the Term. Such payment by the County is intended to be in full and final satisfaction of

(i) any and all past, current (i.e., up to the Effective Date) or future Financing Costs for each Party’s recreation and cultural facilities, except as may otherwise be agreed upon by the Parties in connection with any future joint financing arising out of the Agreement described in section 9; and

(ii) any and all past or current (i.e., up to the Effective Date) capital costs for each Party’s recreation and cultural facilities,

but is not intended and shall not be construed as satisfaction or payment in respect of:

(i) Capital Improvement Costs incurred during or after the Term of this Agreement;

(ii) Capital Renewal and R&M Costs incurred during or after the Term of this Agreement; or

(iii) costs relating to any New Facility or Facility Expansion.

Accordingly, in consideration for such payment by the County, notwithstanding the expiry of the Term of this Agreement:

- a. The City forever waives any further entitlement to compensation or reimbursement from the County for (and forever releases the County from any claims or costs relating to):
 - i. Past or current (i.e., up to the Effective Date) capital costs for any of the City's recreational or cultural facilities; and
 - ii. Past, current, or future Financing Costs (including costs of any existing or future re-financing) relating in any way to any of the City's recreational or cultural facilities, except as may otherwise be agreed upon by the Parties in connection with any future joint financing arising out of the Agreement described in section 9.

The Parties agree that this waiver by City shall not apply to any Capital Improvement Costs incurred during or after the Term of this Agreement, Capital Renewal and R&M Costs incurred during or after the Term of this Agreement, and capital costs relating to any New Facility or Facility Expansion.

- b. The County forever waives any further entitlement to compensation or reimbursement from the City for (and forever releases the City from any claims or costs relating to):
 - i. Past or current (i.e., up to the Effective Date) capital costs for any of the County's recreational or cultural facilities; and
 - ii. Past, current or future Financing Costs (including costs of any existing or future re-financing) relating in any way to any recreational or cultural facility or service, except as may otherwise be agreed upon by the Parties in connection with any future joint financing arising out of the Agreement described in section 9.

The Parties agree that this waiver by County shall not apply to any Capital Improvement Costs incurred during or after the Term of this Agreement, Capital Renewal and R&M Costs incurred during or after the Term of this Agreement, and capital costs relating to any New Facility or Facility Expansion.

- 9. **New or Expanded Facilities Agreement.** The Parties agree to continue negotiating a separate written agreement (a "New or Expanded Facilities Agreement") that will address any New Facility or Facility Expansion, which will require each Party to consult with the other Party prior to commencing any New Facility or Facility Expansion. The Parties recognize the value of recreation and cultural services and facilities provided to residents and the obligation of each Party to contribute to recreation and cultural services and facilities that benefit their residents. The Parties agree the terms of this Agreement do not apply to any costs relating to a New Facility or Facility Expansion.
- 10. **Data Collection and Committee Responsibilities.** During the Term, each Party agrees to continue to gather user data and improve data collection processes. Each Party agrees to track

financial expenditures relating to its facilities described in Schedules “A” and “B”. Such data shall be reviewed annually by the ICC with an annual report provided to City and County Councils. Notwithstanding the foregoing, the Parties agree that despite any potential change in user data or costs, except as specifically provided for herein the Parties during the Term of this Agreement will continue to apply the usage ratios and adjusted costs set out in the Schedules to this Agreement, and the information gathered and exchanged during the Term of this Agreement will be used for the purpose of making any adjustments during any renewal, extension or replacement of this Agreement after the expiry of the Term.

11. **Material Change in Facilities.** The Parties agree that in the event of any material change to the operations of any of the facilities identified in the Schedules to this Agreement or to the services provided in connection with such facilities, the Party responsible for such facility will notify the ICC of such change once it is being considered, or in the case of a material change that was unplanned, as soon as reasonably possible once such a change arises. The Parties through the ICC will meet to negotiate in good faith any required changes to the cost sharing otherwise applicable to such facility. A material change would include any permanent or extended closure or partial closure of a facility, or any significant reduction in service. In the event the Parties cannot agree on any adjustments arising from any such material change, either Party may treat the matter as a dispute in accordance with section 12 of this Agreement.
12. **Disputes.** In the event of any dispute between the Parties with respect to the interpretation or application of this Agreement, the Parties shall follow the dispute resolution process set out in the ICF.
13. **Notices.** Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be given by email or facsimile, to the applicable addresses below:

County: 10001 - 84 Avenue

Clairmont, Alberta T8X 5B2

Attention: Chief Administrative Officer

City: P.O. Box 4000

Grande Prairie, Alberta T8V 6V3

Attention: Chief Administrative Officer

14. **Amendment.** This Agreement may only be amended by an instrument in writing that is signed by a duly authorised representative of each of the Parties.
15. **Preamble.** The preamble is incorporated into and forms a part of this Agreement.
16. **Waiver.** No indulgence or forbearance by any Party shall be deemed to constitute a Party giving up its rights to insist on performance in full and in a timely manner of all covenants of the other Party and any such waiver must be expressed in writing and signed by such Party and

then such waiver shall only be effective in the specific instance and for the specific purpose for which it is given.

17. **Further Assurances.** Each of the Parties shall execute and deliver all such further documents and do all such other things as the other Party may reasonably request to give full effect to, better evidence or perfect the full intent and meaning of this Agreement.
18. **Counterparts.** This Agreement may be executed in any number of counterparts, where the signature of each Party is on a separate signature page, each of which will be deemed to be an original, and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed signature page to this Agreement by any Party by electronic transmission will be as effective as delivery of a manually executed copy thereof by such Party.

IN WITNESS WHEREOF the Parties hereto have affixed their corporate seals, duly attested by the hands of their respective proper officers in that behalf, effective as of the day and year first above written.

COUNTY OF GRANDE PRAIRIE NO. 1

Per: _____

Per: _____

CITY OF GRANDE PRAIRIE

Per: _____

Per: _____

SCHEDULE "A"

CITY FACILITIES

Facility	Operating Cost-Sharing - 2023	Operating Cost-Sharing +2.5%	R&M & Capital Renewal Cost-Sharing	Total Cost-Sharing (adjusted)	% Usage by County Users
Eastlink Centre	1,057,757	1,084,201	498,993	1,583,194	22.50%
Bonnetts Energy Centre	612,441	627,752	55,871	683,623	23.50%
Design Works Centre	227,640	233,331	79,863	313,194	27.30%
GP Museum & Forbes House	139,958	143,457	3,506	146,963	16.30%
Dave Barr Community Centre	126,662	129,829	-	129,829	27.10%
Aquatera Outdoor Pool	31,395	32,180	17,283	49,463	15.70%
South Bear Creek Ball Diamonds	6,334	6,492	8,112	14,604	16.80%
Ernie Radbourne Pavilion	38,284	39,241	3,657	42,898	13.90%
Community Gyms	43,591	44,681	-	44,681	24.10%
Grande Prairie Activity & Reception Centre	21,032	21,558	2,719	24,277	16.50%
Grande Prairie Gymnastics Centre	52,731	54,049	14,539	68,588	25.30%
Hansen Lincoln Field	2,094	2,146	5,893	8,039	12.70%
Grande Prairie Curling Centre	47,405	48,590	30,710	79,300	19.80%
Grande Prairie Live Theatre	8,899	9,121	-	9,121	18.50%
Legion Field	2,762	2,831	-	2,831	23.80%
Indoor Soccer Pitch	108	111	-	111	23.80%
Centre for Creative Arts	30,390	31,150	19,913	51,063	25.10%
Golden Age Centre	3,931	4,029	9,955	13,984	9.10%
Special Events	40,635	41,651	-	41,651	12.80%
Interpretive Programs	167,504	171,692	-	171,692	18.10%
Total County Contribution	2,661,553	2,728,092	751,016	3,479,108	

COUNTY FACILITIES

Facility	Operating Cost-Sharing - 2023	Operating Cost-Sharing + 2.5%	R&M & Capital Renewal Cost-Sharing	Total Cost Sharing	% Usage by City Users
Crosslink County Sportsplex	350,582	359,347	115,213	474,560	50.70%
Evergreen Park	433,302	444,135	-	444,135	54.00%
County Campgrounds	165,964	170,113	-	170,113	54.40%
Philip J Currie Dinosaur Museum	201,525	206,563	5,247	211,810	47.70%
Knelsen Events Centre - Bezanson	7,980	8,180	-	8,180	39.90%
La Glace Arena / Recreation Centre	13,704	14,047	-	14,047	28.90%
La Glace Curling Rink	9,510	9,748	-	9,748	75.00%
Teepee Creek Ag Events Centre	6,060	6,212	-	6,212	30.30%
Kleskun Hill Museum	10,719	10,987	-	10,987	57.20%
South Peace Centennial Museum & Interpretive Centre	585	600	-	600	11.70%
Hythe Motor Speedway	275	282	-	282	18.30%
Rio Grande Rodeo Grounds	1,470	1,507	-	1,507	29.00%
Clairmont Community Gym	2,996	3,071	1,372	4,443	27.20%
Wapiti Nordic Trails	3,180	3,260	-	3,260	63.60%
Community Halls	17,367	17,801	2,855	20,656	36.30%
Total City Contribution	1,225,218	1,255,849	124,687	1,380,536	

NET PAYABLE by the County on October 1, 2025	1,436,335	1,472,242	626,829	2,099,071
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***Note that for the purposes of this Agreement, the Parties have agreed that usage of a facility described in Schedules "A" or "B" by other persons who do not reside in either Party's municipality shall be absorbed by the host municipality in which such facility is situated and will not be cost shared between the County and the City.**

SCHEDULE "B"

	City Library	Theresa Sargent Hall	Art Gallery	Total
Total Costs				
Operating Expenses - 2023	843,384	45,117	204,478	1,092,979
R&M	153,684	15,490	37,261	206,435
Total	997,068	60,608	241,738	1,299,414
County Allocation	25.90%	31.40%	23.80%	100.00%
Operating Expenses - 2023	218,436	14,167	48,666	281,269
R&M	39,804	4,864	8,868	53,536
Total County Payment	258,240	19,031	57,534	334,805

County Payment +2.5% on operating expenses for County payment on October 1, 2025	263,701	19,385	58,751	341,837
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SCHEDULE “C”**Capital Improvement Costs*****A) City of Grande Prairie Facilities**

City Facilities	Total City Capital Contribution (2019-23)	County Resident Usage	County Share of Capital	Average Per Year
Eastlink Centre	\$ 5,105,549	22.5%	\$1,148,749	\$229,750
Design Works	\$ 1,282,182	27.3%	\$350,036	\$70,007
Bonnetts	\$ 1,674,226	23.6%	\$395,117	\$79,023
Museum	\$ 35,497	13.2%	\$4,686	\$937
Dave Barr	\$ 12,000	27.1%	\$3,252	\$650
Outdoor Pool	\$ 202,842	15.7%	\$31,846	\$6,369
MCC	\$ 409,578	25.9%	\$106,081	\$21,216
SBC Diamonds	\$ 970,946	16.8%	\$163,119	\$32,624
SBC Pavilion	\$ 7,500	16.8%	\$1,260	\$252
Ernie Radbourne	\$ 244,194	13.9%	\$33,943	\$6,789
ARC	\$ 33,577	16.5%	\$5,540	\$1,108
CKC Grandstands	\$ 288,540	12.7%	\$36,645	\$7,329
Curling Rink	\$ 1,315,878	19.8%	\$260,544	\$52,109
Art Gallery	\$ 8,000	14.6%	\$1,168	\$234
Centre for Creative Arts	\$ 182,611	25.1%	\$45,835	\$9,167
Golden Age Centre	\$ 13,115	9.1%	\$1,193	\$239
Total	\$ 11,786,235	\$ 2,589,013	\$ 517,803	

B) County of Grande Prairie Facilities

County Facilities	Total County Capital Contribution (2019-23)	City Resident Usage	City Share of Capital	Average Per Year
Evergreen Park	\$ 285,000	54.0%	\$153,900	\$30,780
Sportsplex	\$ 464,572	50.7%	\$235,538	\$47,108
Dinosaur Museum	\$ 26,985	47.7%	\$12,872	\$2,574
Campgrounds	\$ 483,450	54.4%	\$262,997	\$52,599
Knelson Centre	\$ 88,789	39.9%	\$35,427	\$7,085
Rio Grande	\$ 189,997	29.0%	\$55,099	\$11,020
Teepee Creek	\$ 34,675	30.3%	\$10,507	\$2,101
Wapiti Nordic	\$ 45,500	63.6%	\$28,938	\$5,788
Community Halls	\$ 455,170	36.3%	\$165,227	\$33,045
Total	\$ 2,074,138		\$ 960,504	\$ 192,101

Net County contribution: \$325,702*

*For clarity, the foregoing is for illustrative purposes only, and the Parties agree that during the Term of the Agreement, the Capital Improvement Costs shall be set at a fixed amount of \$326,000 per annum payable by the County to the City in accordance with the Agreement