



COUNTY LAND PURCHASE

Q & A

Why did the County purchase land?

A year ago, the County of Stettler conducted an external audit of the Public Works Shop, which was built in 1969. With the results of the audit, Council determined it was time to replace the Public Works Shop.

In the interim, Council approved the purchase of self-contained modular office units, to house our Public Works staff administratively, as a temporary solution. Council directed administration to start looking for land that would be appropriate for County operations.

Since the construction of the existing municipal buildings the County has expanded its services to include administration of the Shirley McClellan Regional Water Services Commission – the largest waterline in Alberta; Stettler District Ambulance Association; Stettler Waste Management Authority; and the Regional Fire Service in Big Valley, Donalda and Byemore. Additionally, programs downloaded onto municipalities from the provincial government include: Water; Planning; Agricultural Fieldmen; weed control, and inspections and spraying to name a few. The local health board was eliminated and is now done by lobbying through the municipalities, including doctor retention. There have been 672 subdivisions created and now maintained and serviced since 1979 when the shop was built, plus lake lots serviced now with water and sewer have increased from 44 to 432.

What is wrong with the current building?

The current Public Works building, on the west end of Stettler was built in 1969 and designed to last about 25-30 years. Since then, codes have changed, along with staffing and equipment. Additionally, the County Administration Building

was built in 1989, also designed to last 25-30 years. In addition to now being undersized, there are other issues with our current municipal work spaces:

- It's difficult to retrofit a 45 year old building, impacting the cost of repairs and routine maintenance.
- There are ventilation concerns and health and safety concerns.
- The shop workspace was developed in an age of manual typewriters and adding machines. Electrical systems cannot manage the loads from computers, photocopiers and modern equipment.
- In winter, some workspaces won't heat. Space heaters aren't efficient because of electrical issues.
- The building is in need of costly upgrades to plumbing, telecommunications, HVAC, handicapped access and other aging and outdated infrastructure.
- There is little space for ratepayers to meet with County staff or Councillors.
- Our current space is now surrounded by developments of residential housing.

Is 'doing nothing' an option?

County Council will make the final decision, and all options are open to them. But we are growing, the needs are growing, and the costs are growing – the problems are not going away.

Issues with the current space are being dealt with now by housing departments in ATCO trailers, converting meeting rooms into offices and conducting piecemeal fixes. All of these things cost money, but bring no lasting value to taxpayers.

The longer a decision is delayed, the more money will go to temporary measures, and the more expensive a long-term solution will become. Between 1998 and 2012 (a 15 year period), we



saw an 87.9% average increase^[1] (about 5.8% per year) in the cost of industrial and institutional construction rates in Alberta. Basing figures on the same growth in the next 15 years (which is a conservative estimate due to the exponential growth patterns of these statistics), we can predict that today's \$10,500,000 would be around \$19,729,500 for example.

Couldn't we just renovate?

The shop assessment identifies recommended actions and corresponding opinions including probable costs, which observe physical deficiencies, to replace major building systems and components that will exceed their expected useful life and to satisfy or upgrade to current code requirements. The immediate costs are over \$600,000, with an estimated total to exceed \$1,400,000. This estimate does not consider any issues that may be discovered during renovation, nor does it allow for our expanding operations. Renovating would not address the growing needs of the municipality. Residential housing has grown up around the County land. There is not enough space at our current location for construction. Land value played a major role in the decision to purchase land for us to grow. The County of Stettler now owns two sites – the current site in town, and now the one on Highway 56 south of Stettler. The site in town is valued at approximately \$3,500,000. If everyone was located to the new site, our current site would be a saleable asset.

Could we lease more space?

Leasing or renting space makes sense for a business that can write off the cost on taxes. It is not an advantage for government. Leasing is expensive and taxpayers don't end up with an asset of any value at the end.

What are the costs, and how will the County pay?

At this time, Council has not made any decisions on what to build. Options could include a new Public Works shop and offices, or a combined facility that would house Administration and Public Works. After these decisions have been made, the County will look to funding from the Province, capital reserves for building, and investigate borrowing.

What would a new site look like?

This would be for County Council to determine. Rest assured Stettler County will not build a castle or an architectural masterpiece. This would be a functional building, similar to what you would see in any suburban business park. It could potentially house office space, Council Chambers, customer service space, Public Works and Agricultural Services.

Where will it be?

The new site is at the corner of Highway 56 and Township Road 38-4. Two kilometers south of the town limits on the east side of Highway 56.

What are the next steps?

Administration will research cost estimates for design and construction of all of the options. County Council will decide based on estimates, interest rates and budget, whether to proceed with just a Public Works shop and offices, or to combine the construction of the facilities and build a new municipal office and shop complex. Once Council decides and approves the project, groundbreaking could occur in 2015.

¹Source: Statistics Canada. Table 327-00430- Price indexes of non-residential building construction, by class of structure, annually (index, 2002=11).