

2:02 p.m.

Tuesday, October 22, 1991

[Chairman: Mr. Ady]

MR. CHAIRMAN: Might I call the meeting to order. I'd like to welcome the Minister of Recreation and Parks and his officials. I appreciate them taking time to come and meet with our committee.

For the benefit of committee members perhaps I could just review the areas that are funded from the Heritage Savings Trust Fund that would be acceptable to discuss. The minister has responsibility for Fish Creek provincial park, which did not receive funding last year from the fund; Kananaskis Country recreation and development, which also did not receive funding; municipal recreation/tourism areas, which did receive funding; and urban park development, which received funding. So questions involving those developments would be appropriate to be directed to the minister and/or his officials today.

We would welcome some remarks from the minister as an introduction to his department, and if he would introduce his officials that he has with him to the committee, then we will move to questions from committee members. Mr. Minister.

DR. WEST: Thanks very much, Mr. Chairman, and good afternoon to the standing committee. This afternoon I have with me two individuals from the party - from the department. I watched too much television last night; it must still be on my mind. Mr. Fred Wilton, on my far left, is senior consultant and in charge of the municipal recreation/tourism areas. Mr. Barry Manchak is senior manager with recreation facilities, and he's in charge of the urban park program for the Department of Recreation and Parks.

As indicated by the chairman, there are two areas that received funding from the Alberta Heritage Savings Trust Fund in the year '90-91, the municipal recreation/tourism areas and urban parks phase 2. The MRTA program, as it's known, or the municipal recreation/tourism areas, has been ongoing over the last five years and has been a program that has delivered some \$300,000 worth of moneys to develop local recreational and tourism areas in some 41 constituencies in the province of Alberta. Accompanying those sites after they've been designated is a contingent of some \$20,000 from the General Revenue Fund in operating funds for 25 years. In the '90-91 year there were some 123 activities throughout the province in various sites ranging from golf courses to small lake developments and campsites. Many very great, innovative ideas come from our municipalities and support groups throughout the province. We get a good bang for the buck because in most of these sites that were developed, ranging anywhere from \$5,000 sites up to \$100,000, which was the maximum per site, the local areas put in a lot of their own volunteer labour and moneys to enhance these sites. Over the years we have seen some 10,000 campsites developed in the province of Alberta through the MRTA program.

The committee, of course, understands this program, as you have studied it in previous years. I'll await your questions as to how the funding was directed and where it was spent throughout the province.

The urban parks program phase 2 started two years ago and last year had some \$3 million put out for the development of plans, and \$150,000 was spent in administration. Phase 2 is an \$82.2 million program that will be directed over 10 years to some 11 cities in the province of Alberta. Phase 1, if you can remember, developed five sites in the province and was very well received. I believe that phase 2 over the next 10 years will develop some

fine facilities in these cities throughout Alberta for recreational facilities and development of healthier life-styles by our citizenry.

Both of these programs follow the mandate of the Alberta Heritage Savings Trust Fund to provide a better quality of life and to leave a legacy for future generations. I await your questions.

MR. CHAIRMAN: Thank you, Mr. Minister.

The Member for West Yellowhead, followed by the Member for Athabasca-Lac La Biche.

MR. DOYLE: Thank you, Mr. Chairman. Indeed, it's great that the minister took the time today to be one of the first ministers in front of the committee. He'll probably get off easier than some later on as we get a little more into the final details.

I truly agree, Mr. Chairman, that the theme the minister has chosen, the quality of life, is very appropriate indeed for Recreation and Parks, because I think of nothing more than to promote good health and good recreation for the citizens of Alberta.

My question would be in regards, Mr. Chairman, to the municipal recreation/tourism areas. Indeed, I was involved as a municipal councillor and mayor previously, and I was very pleased with the funding that came forward and the money that was allotted for operating over the years. I compliment the department on that very worthwhile project. My question to the minister is whether this program is completely finished. Or will there be another program taking its place for other ventures that we could easily develop in areas as people look further to better development in their communities?

DR. WEST: As I had said, some 273 sites having been developed when the program is finished, there is at the present time no new program coming forth.

MR. DOYLE: Thank you to the minister, Mr. Chairman.

Another question, of course, has to do with Kananaskis Country. In the Auditor General's report of March 1990 a total of \$621,900 in revenue and \$1.4 million of expenditures have been reported in the financial statements, but as of March 31, 1990, the province had an unrecorded liability at Kan-Alta of \$838,800. I was wondering if the minister has straightened out the record on this particular unrecorded liability at Kananaskis?

DR. WEST: I would ask the chairman to clarify this question as it relates to the expenditures of the Alberta Heritage Savings Trust Fund. This is a private company that runs the Kananaskis golf course. I don't understand the direction of this question.

MR. CHAIRMAN: If the Member for West Yellowhead would focus on funds expended.

MR. DOYLE: I understand that the funding, Mr. Chairman, came through the heritage trust fund through Recreation and Parks to build ventures in the Kananaskis Country recreation development. One part of that, of course, was the Kan-Alta development, the golf course at Kananaskis. The Auditor General points out that there's an unrecorded liability of \$838,800. Has the minister straightened this out on the books so that it does now appear?

DR. WEST: If I understand it, the Trent Jones pavilion and some of the capital expenditures that were done at the Kan-Alta golf course have been accounted for in the process for this liability. That liability was paid off by the operating people, Kan-Alta themselves, in the building of the Trent Jones pavilion and other facilities at the Kananaskis golf course which now belong to the

people of Alberta. So, yes, there has been an accounting for the \$838,000.

MR. DOYLE: Mr. Chairman, a further question on Kananaskis Country. I guess I should point out to the minister that I've never visited Kananaskis Country, so naming a building doesn't mean that much to me. Perhaps we'll have the opportunity to visit it at some later point. In 1988-89 the Auditor General recommended to recover the \$635,000 paid to Kananaskis Village Resort Association in excess of the contractual obligations. I for one can't understand how all this extra money was paid to them and never recovered. I was wondering if the minister is still recovering that money at approximately \$58,000 a year as he indicated in the Legislature this spring and I believe the year before. When will that total amount of money be paid back, or is there any way of getting it sooner?

2:12

DR. WEST: It is being collected yearly at the rate that you had stated, and it will prorate. There was \$635,000 owing, and at \$58,000 a year it would take the number of years required to do that.

MR. DOYLE: Thank you.

MR. CHAIRMAN: The Member for Westlock-Sturgeon, followed by the Member for Lacombe.

MR. TAYLOR: I thought the Member for Athabasca-Lac La Biche was next.

MR. CHAIRMAN: The Member for Athabasca-Lac La Biche.

MR. CARDINAL: Thank you very much, Mr. Chairman. I understand that about 15 or 20 sites are designated to receive the remaining capital funding available under the municipal recreation/tourism areas program in 1991. As the program draws to a close, does the minister believe that the municipal recreation/tourism areas program has met the needs in the province for recreation and tourism sites, or is the plan to allot further funds or develop new programs to continue funding tourism sites?

DR. WEST: It's a good question because it begs another question: what is enough, as you travel through, for people coming to this beautiful province? We believe that it has met the full requirements of the program and really addressed a tremendous amount of need that was out there in providing not only local facilities for recreation but in allowing the development, as I have said in my introduction, of some 10,000 campsites throughout the province to accommodate people that are coming to those various communities or traveling throughout the province; the tourism component, if you like. There will always be a review of the requirements in the province of Alberta, but I think that if we look throughout the province at the services that we have in recreational and park facilities, they stand up well against any other jurisdiction that I know. We will monitor them as they get older. There is no doubt that we will have to ensure that those facilities are maintained, and we will have some checks and balances put in place to make sure that we monitor the investment of the Alberta Heritage Savings Trust Fund.

MR. CARDINAL: Does the minister have a projection date as to when the balance of these projects that are already approved would be completed?

DR. WEST: Yes. As I sit here today, we are very close to the completion and the delivery of the funds, and this goes into the next year, the '91-92 year. We are at the tail end of the program this year, and there is only \$75,000 remaining out of the \$13.8 million that has been expended.

MR. CARDINAL: Okay; that's good. Thank you very much.

MR. CHAIRMAN: Westlock-Sturgeon, followed by Lacombe.

MR. TAYLOR: Thank you, Mr. Chairman. My greetings also to the minister and congratulations on arriving at a very intelligent solution to the Wildlife Park on the border of my constituency. Also hello to Mr. Manchak and Mr. Wilton. I think this is the first time Mr. Wilton has been here. He has been here before? Sorry.

The question I have is with respect to urban parks. What is the line that you draw between the rural area and the urban? What does the population have to be in a town to qualify it for an urban park grant?

DR. WEST: Ten thousand.

MR. TAYLOR: Has the minister . . .

MR. CHAIRMAN: Is this your supplementary question now?

MR. TAYLOR: Yeah, I'm going to a supplementary. I wouldn't think of overburdening them with more than a couple of questions, you know. I've seen them sputter and die right in front of me on the third question.

The second question, then, is whether or not it wouldn't be wise, now that your MRTA grants have pretty well worked themselves out, to move that the urban park program limit be moved to towns with, say, 5,000. I think 10,000 is a little restrictive. There are a great many towns of 5,000 that could use the urban park process, and I think they're now falling through the crack between rural and urban development. Was the minister going to do that?

DR. WEST: We are in phase 2. The logistics of serving 11 cities with phase 2 are tremendous, and I think you should do well what you've started rather than expanding into something that may jeopardize the whole program. I am sure that the towns and communities that are at the level you say, 5,000, certainly look at their recreation component as well as their small parks. We have many other programs besides the one put forward by the Alberta Heritage Savings Trust Fund that can help in the smaller parks. We have the Recreation, Parks and Wildlife Foundation, we have the community facility enhancement programs, and we have all types of outdoor help through the Sport Council and what have you that will help these smaller communities. But what I say is that in these fiscally responsible times, we must address what we have on our plate at the time and do that well. We have 11 new cities that we have designated in phase 2, and we plan to do the best job we can in serving those.

MR. TAYLOR: My point was that in a proposed expansion of the MRTA thing, which I think, as I recall the correspondence between us, is ended - there are no funds left, or there are very few left - the urban parks for 5,000 or so would be putting money to work that would normally be used to extend the MRTA and wouldn't be taking away from the 11 cities, to be honest with you.

Let's go on to the final supplementary then. It's back to the golf course and the developments in Kananaskis. I think the Member for West Yellowhead hit on something there. Would the minister be prepared to file the complete financial report on Kananaskis showing the income earned from everything, from the hotels to the golf course operators, and what kind of income we're getting into the Kananaskis project, so we could have a very clear idea just what the net cost is to the taxpayer?

DR. WEST: Well, there have been various figures brought forward over time, and I believe there's a member of your party that wrote to the owners of Kan-Alta, who sent a complete package of the information of their revenues and their expenses and the contract. So you have that available; that was sent to you by the private sector. Now, I'm not at will to expose the private sector's books, you know, in due respect for that confidentiality, but you are at will to ask them for that. They did send it to a member of your party in the last session. So you have that available to you, and I would ask that you look at that.

MR. CHAIRMAN: Thank you.

The Member for Lacombe, followed by Edmonton-Beverly.

MR. MOORE: Thanks, Mr. Chairman. We all are aware of what the heritage fund dollars did for Kananaskis Country and the people of Alberta, but I would like to look at the whole Kananaskis Country and say: has the time arrived where general revenue in other departments can take over any other expansion and maybe the private sector take over, rather than draw any further from the heritage trust fund?

DR. WEST: Well, at the present time there are no new moneys going into Kananaskis Country from the Heritage Savings Trust Fund. The operational dollars come out of general revenue, and of course Kananaskis generates a tremendous amount of income as per that operational cost. I was just looking at the fees just from the campgrounds this year that are through, and Kananaskis has generated over a million dollars. If you took in the hotel taxes, the property taxes – and now we're charging them for sewer services and what have you – if you took the total amount of moneys coming out of Kananaskis Village and Kananaskis Country from the golf course, I would just say that they bring in about \$280,000 direct, which on a little over 70,000 rounds is over \$4 a round that they donate back to the province, believe it or not. If you took all of those and played it against the roughly \$13 million cost out of the general revenue account, you will find that Kananaskis generates back in revenue to the province well over 10 percent of the cost of running it, which is a pretty good return on that basis.

Mind you, there's always going to be need for upgrading and maintenance of Kananaskis, and that comes out of that \$13 million. All of the maintenance and upgrading is done from the General Revenue Fund at the present time. There are other developments where the private sector certainly comes forward with proposals, and that's consistent with the Kananaskis resource management plan. There are areas within that plan that designated sites for other villages and sites for other golf courses or what have you. Much to the chagrin of some who wouldn't want any activity in there, that did go through a public process, and certainly as the question might indicate, there is room for some private-sector development. There will always be room for the responsibility of this province to maintain that resource and to develop other areas into it. Right now in Kananaskis Country we're going to host the Canadian Jamboree site next year there. We will be

requesting moneys out of Public Works, Supply and Services and through the General Revenue Fund to address upgrading of the site to make this a quality jamboree and as well leave some services there for future occasions.

2:22

So to your question: at the present time no money out of the Heritage Savings Trust Fund. I would await any recommendations that you have, and I think that's the process we're in here for, for whatever reasons. I go back to the question on MRTA or this question, that if in your process of studying this you have recommendations, you could bring forth some of those if you think there's maintenance there. At the present time I think the maintenance is quite good in Kananaskis Country, and I'm not making a recommendation that more money come out of the Heritage Savings Trust Fund.

MR. MOORE: Supplemental, Mr. Chairman. I'm very glad to hear that the minister says he will accommodate the private sector wherever possible, because they can do the job and do it well. However, my concern was that there are demands made from time to time for money from the heritage trust fund, and I'll use as an example the Powderface Trail from Bragg Creek over, to complete it. What I'd like to know is: is it the responsibility of transportation to provide that road, or is it Kananaskis Country's? I want to know whether you think that is a demand that should come to the heritage trust fund or to transportation to provide that infrastructure.

DR. WEST: Well, there is a Kananaskis interdepartmental committee which looks at the various jurisdictions from Environment to transportation; Forestry, Lands and Wildlife; and Recreation and Parks. They look at these issues and come up with the department that is responsible for that, but they work in conjunction for the betterment of Kananaskis Country. So that trail itself is not designated as solely transportation but brought back to Rec and Parks, which is the ministry over Kananaskis Country. At the present time, within the budgets that we have, we will go forth with maintenance, but we're not requesting any further funds.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Beverly, followed by Calgary-Foothills.

MR. EWASIUK: Thank you, Mr. Chairman. I'd like to just make some questions, although many of these questions have been alluded to by previous members. I want to speak to the municipal recreation/tourism areas. I might say to the minister that this particular program has been well received. I think it's been a good program that's served the province well and the communities that were able to draw from it. I think it's been well done. However, there is a problem. I was going to raise the point – I think it's been answered – that there were not still moneys left over in the budget, but I understand that's already been allocated and so there isn't any money left in the budget.

On a recent tour of the east central part of the province, this program was raised with me on a number of occasions, the criticism perhaps that they weren't able to get any funding from it. While I note you've made emphasis that there were campgrounds established and so on, which I think is fair enough, perhaps the kind of complaint that I thought I heard was that communities that may have had, in their opinion at least, some uniqueness about their area felt that if there was some sufficient perhaps seed money or grant available to them, they could have

exploited that and developed a tourism attraction in their community. That didn't seem to have happened in some cases. I thought I heard the minister say, Mr. Chairman, that the program is not going to continue. It's unfortunate. So my question again is to the minister. I think there is a need. It's an awfully good program, and I would hope that there was some reconsideration that indeed this area be continued and expanded perhaps. I wonder if the minister could perhaps comment on that.

DR. WEST: Well, I believe your question would be better targeted to Tourism. If you go back five years, this program had a specific target and a need out there to develop what we call these recreation/tourism sites. They were a kind of joint site in that they not only worked on local tourism – the local people used them, plus people traveling throughout the province – but they targeted in the purest sense recreational facilities for the local people. You're saying that people out there now are looking, and this is the thing we're pushing.

The industry of tourism certainly is important. We have other programs out there called community tourism action plans that would better serve the needs of those communities at the present time. There are dollars that we put into that, and I would think that you could perhaps direct them to some of the other programs. But this was a specific program, and to expand it outside of the mandate of local parks, if you like, or recreation areas and get into the industry of tourism through this one to me goes off the original mandate of MRTAs.

We also hear the balance from communities that perhaps there's a limit to where you go to. There are 112 private campground operators or recreational facilities out there. Now, they want the infrastructure so people travel and get a chance to tour around. So they're not totally opposed to municipal recreation/tourism areas or other programs we have, but they believe that there's a joint common ground that government and the private sector should reach. I think we've reached that with the MRTA program and we should allow some of the private sector to carry on in other areas, because once we become a competition with the private campground operators or those putting on recreational facilities, we've gone too far as a government.

MR. EWASIUK: I don't have any supplementary. Thank you, Mr. Chairman.

MR. CHAIRMAN: Calgary-Foothills, followed by Calgary-Mountain View.

MRS. BLACK: Thank you very much, Mr. Chairman. I'd like to welcome the minister. He briefly touched on a point that I was going to ask him about just a moment ago: the government getting involved with competing with the private sector. I think he made a statement earlier that the quality and value of life has to be portrayed throughout the province and that what the intention with some of these programs had been was to provide for the healthy environmental education of people throughout the province, but I notice in the urban park development program that as at the end of March we've spent \$91 million in developing parks throughout our municipal centres. I think that's well and good, but I'm wondering: where does the private sector fit into this in this overall scheme? I think that in municipalities there's a time when there are so many programs that are available to municipalities and rural settings for grants through CRC – you touched on it – CFEP, et cetera, to develop the community itself. Are we not overlapping with some of these programs by providing additional dollars through this urban park program?

2:32

DR. WEST: Well, in the urban parks program again it is specific, and I had answered that it is for cities of 10,000 or greater. It's targeted to a direct need within a city to serve all its people perhaps outside of what you're getting at: the private sector's ability to put on walking trails and provide a bridge over the rivers and that sort of thing. There are many of these urban parks whose logistics don't fit into private-sector operations. The private sector is involved in concessions and some of the other facilities that are provided within urban parks, and there are contracts given out. But I understand your question fully, and as I say, that is always the question of government: what services they should provide to the citizens on a general basis, services that can't be adequately supplied by the private sector, and which ones they leave to the private sector. Again, the parks that I have seen are beautiful parks, but, again on an income basis, could not have been provided, I don't believe, solely by the private sector. Your question will be noted, and as I said, should be taken forward in other considerations.

MRS. BLACK: I think the parks are wonderful. I think they have provided a basis for families and communities to enjoy the outdoors, and I think that's a very valuable part of our life. However, I do wonder whether the interference through these types of funds has basically pushed back the service groups and private-sector groups from getting involved because the funds are readily available. I did notice that cities like Calgary have not been involved in the urban park development as yet, and I'm wondering: have they made application since this last report?

DR. WEST: Calgary is working, I think, behind the scenes on their master plan. I would ask: where's Calgary?

MR. MANCHAK: As we understand it, Calgary has their concept plan in front of city council right now for approval, so we expect to see an application from Calgary later this month or early November.

DR. WEST: If I can answer your question directly, we spent \$44 million on Fish Creek provincial park out of the Heritage Savings Trust Fund. Uniquely enough, it's a provincial park, but it's one of the finest urban parks in an urban park setting that you'd want to find. If you look back in time, the first phase of urban park per se in Calgary spent \$44 million on one individual park. I'm sure that Calgary is looking at that, and you know that Calgary is wrestling with some of the concepts of park design, knowing that the Nose Hill area is one there are mixed feelings about at the present time, how they address that.

MRS. BLACK: Well, I guess what I'm concerned with is that when we look at priorities for the heritage trust fund and we're looking at the best return on our investment for the fund to grow, I'm having difficulty at this point justifying the expenditure – at this point: I want to stress that – on further pathways and parkways through urban settings when potentially those dollars may be better spent on something that has a return on investment. I guess my question is: what are we forecasting in the next five years over this urban park project? What are our yearly expenditures going to look like in the next few years?

DR. WEST: Well, the expenditures will go to the \$82 million level, \$82.2 million, and it will be flowed over 10 years as the heritage fund can afford to flow these dollars. In this year that

we're studying right now, it was \$3 million, \$3,150,000 to be exact. As the parks come on stream, they demand more money when they get into their capital phases, so it will be prorated over years, depending on what can be brought forward.

I have to say that your question would leave an impression on the floor – and I wish to correct that – that some or all of the investments of the Heritage Savings Trust Fund were done for a purely monetary thing. There are deemed assets and there is the cash value, and I'm sure that you study the heritage fund and know that this year in the report the cash value is around \$12.3 billion, with the deemed assets being the remainder of the \$15 billion. These urban parks are a deemed asset, and they have never been put into cash security levels or those other levels for a return on investment. The return on this investment is quality of life, a protection, I guess, of the beauty of this province into the future, and to protect some of the Heritage Savings Trust Fund for the benefit of future generations. I know now that I'll be dead and gone when my children and my children's children will be able to step on an urban park that was put in place today and enjoy its beauty and conservation. That's a return on investment. So your question was asked the bluntest, and I gave you one of the bluntest answers I could.

MR. CHAIRMAN: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. Just to reflect some of the comments around me at this moment: we appreciate the answer the minister has just given.

To the minister. Last year we talked in general about new developments in Kananaskis Country, especially a golf course development. Since this committee met last year, Kan-Alta Golf Ltd. has stepped forward with a proposal to build a new golf course adjacent to the existing one they manage in Kananaskis Country. In response to that some serious environmental concerns have been raised, including a belief some people have that the existing golf courses, the two that are there now, were built in an environmentally sensitive area, and as part of the planning process for them, further development in the immediate vicinity was not advised. In fact, mitigation for the existing golf courses that are there now included a promise – some people considered it a promise – that development would not proceed in an alluvial fan area, I think it is, near the existing golf course. But that area is the very site where this proposed new golf course is intended to go.

Given these concerns that have been raised, I'm just wondering whether the minister would indicate whether it's his intention to refer the application that's come forward or whether it's going to be reviewed in any way by the Natural Resources Conservation Board.

DR. WEST: The present proposal, through the Minister of the Environment, has of course been sent to an environmental impact assessment study and is in that process at the present time.

To comment on your previous comments, I guess they were, the Evan-Thomas area, at the original assessment, which was a public review, had been indicated as an area for a possible golf course 10 years ago, and it passed public scrutiny at that time under the Kananaskis integrated resource management plan. So there is no surprise that that area would be selected. As far as the environment and the wildlife in the area, that all can be mitigated to be compatible with a golf course. At great expense to the private sector and a great time delay, they are going through a full environmental impact assessment study at the present time.

MR. HAWKESWORTH: Mr. Chairman, given the planning documents that exist, I think for some people in Alberta there certainly was a lot of surprise about that proposal. I think the minister fully appreciates that there are other golf courses being proposed in the Bow corridor that not only have to go through a thorough environmental impact assessment, but as I understand it, they are also going to be subjected to public hearings before the Natural Resources Conservation Board. You must know that this is a very competitive environment in that area, certainly for those who are looking at making investments. So there's a perception that there's a different approval process in place depending on who you are: when it comes to Kananaskis Country lands, they are exempt from a step that others are going to be forced to go through, and that's appearing before the Natural Resources Conservation Board. I wonder if the minister would take this opportunity to tell us whether he intends to make sure that all proponents of golf courses in the Bow Valley corridor, including Kananaskis Country, will be asked to go before public hearings of the Natural Resources Conservation Board.

2:42

DR. WEST: I appreciate your inquiry into this, but I would ask you to review the NRCB legislation so you can understand the process. The NRCB looks across the province at the projects that are brought forward. They will make the determination whether it goes before a full NRCB hearing or whether it fits within the legislation and has had adequate environmental impact assessments and clearance. Now, if I were to apply the very insinuation you just gave, that all projects of a certain level should go, then a small project out in the Westlock-Sturgeon area that might be on 10 acres should go before the NRCB. In the legislation it was said that certain recreational things would be assessed under the NRCB and some wouldn't.

MR. TAYLOR: Like the road through Lily Lake.

MR. CHAIRMAN: Order.

DR. WEST: I hear what you're saying, but I as the minister along with the NRCB will be bringing forth the recommendations. The NRCB will fully know that this project is there and may send it to a complete NRCB hearing. Just as with the Energy Resources Conservation Board, all projects are scrutinized, but they don't go to full hearings. Be sure you understand that. Do you understand the process?

MR. HAWKESWORTH: Well, I think the concern is not only that a development in a sensitive environmental area escapes a full review but a policy for environmental review is applied inconsistently so that one person has to go before it but somebody down the road doesn't. That's the question in all of this that I hope is going to be dealt with on a policy basis so people know what the ground rules are and all proponents are treated equally across the board. I think that's a concern.

In regards to the approval process for this golf course development, I think the minister, who could be characterized as a strong proponent for the free enterprise system, understands that it thrives on and requires a competitive environment in order to operate successfully. I think one question some people have is: why wasn't the opportunity to build another golf course open to a competitive public tender process? Perhaps he could give us some idea what the process was in this development coming forward without being open to a competitive public tender process.

DR. WEST: Well, there are many ways in which proposals come forward to the government. Proponents come forward and ask for options to lease certain lands or to have the option to lease while they look at proposals, because it takes a fantastic amount of money to build up a proposal such as this golf course and go through the EIAs and what have you. So that is one way: a proponent comes forward, we look at their proposal, and if it's consistent with that designated land classification, then they have an opportunity to follow through on an option to lease.

There are other pieces of land which are designated specifically or targeted for a specific plan, which we then choose to take to a call for a proposal. I just recently did one beside Fish Creek. It was a call for interest. Before we call for a proposal, we call for interest so that 30- or 40-some proponents won't spend \$200,000 each providing a proposal and just one is accepted. So as we set some standards on a call for interest, then at the end we will look at a call for a proposal. In this case there wasn't a lineup of people looking at proposals for that area because of the high cost and, of course, the problems in looking at certain pieces of land in the public interest that, as I've said, must go through the cost of an EIA. So there are many ways in which we will look at various pieces of public land and how proposals are brought forward on them. To say that we didn't do it right this time or didn't do it right the last time, you would have to go back and look at the types of proposals that are needed for different areas in the province whether it's contracts in provincial parks or it's building a golf course in Kananaskis. One thing for sure: it won't be public dollars building the next golf course in Kananaskis Country.

MR. CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. Kananaskis Country and the golf course have attracted some attention. I'd just like to pursue that a little bit. First of all, I certainly concur with the minister in that in the original plans for Kananaskis Country the area in question was designated as a possible area for future development of a golf course. Maybe that's not well appreciated by all present. But I do have a couple of questions about that particular proposal or that particular development.

In terms of the idea of tendering, which was raised by the previous speaker, were other private-sector interests even aware that there was a possibility open to them of going forth with an additional golf course development in Kananaskis? I would just like to elaborate briefly, Mr. Chairman. It would be my impression that other people who might be interested in developing a golf course were not even cognizant of that kind of possibility existing, whereas certainly the neighbouring Kan-Alta people would have been. My question, Mr. Chairman, is: in his view, were other private-sector interests well aware that there was a possibility of going forth with development in that area?

DR. WEST: If I were to answer in full knowledge, thinking that everyone knew, I would be guessing something I couldn't guess. I will just say, going back 10 years to the original public hearings and the fact that you agree that this area had the future designation for a golf course, that anybody who was interested in building golf courses would have known at that time that there were areas within Kananaskis Country that had been designated future golf course sites.

If you think back to the day when the Kananaskis Country Golf Course was built out of the Heritage Savings Trust Fund, when the time came to find somebody to run the golf course, it was a very, very difficult thing to do. Nobody wanted to step out and take the risk of operating the Kananaskis golf course under the guidelines

set out because they didn't know whether it would be successful or whether it would be too expensive for Albertans, a whole myriad of reasons. Therefore, it was very difficult to get somebody to step forward and take over until Kan-Alta came along.

Second of all, there had been no more inquiries that we're aware of to develop another golf course in Kananaskis Country, because of the high costs again. At the same time, in the last 10 years there have been - I'm not going to say hundreds - all kinds of golf courses developed in the province of Alberta, one of the fastest growing recreational things. Many private investors have been investing in golf courses. They never took the opportunity to come to Kananaskis and follow up the fact that there had been one area designated, which they'd have known if they'd been paying attention in the last 10 years.

2:52

To answer your question, I would say yes, the private sector knew there was an opportunity in Kananaskis, but nobody came forward with any proposals except the one. That is consistent with proposals we get within Kananaskis Country for the development of other village sites or the development of ski opportunities. There are people that step forward with proposals, but they're not coming forward in handfuls; yet they're all aware that the original plan in Kananaskis had private-sector opportunities.

So to answer your question, yes, I am sure many knew there were opportunities available there, but not very many wanted to step forward with a proposal.

MR. JONSON: A supplementary, Mr. Chairman. I would certainly accept the minister's explanation there, but I'd like to ask another question related to this. Does the minister feel that all private-sector companies when they're dealing with projects such as this are comfortable with and fully aware of the financial arrangements that can be made in terms of such a development?

DR. WEST: Could you clarify that question? What is the question you're asking?

MR. JONSON: I'll put it another way, if I might.

MR. CHAIRMAN: Certainly.

MR. JONSON: One issue that has come up periodically over the years is insight into the financial status of the current Kananaskis golf course operation: what is required in terms of expenses, lease payments, and so on on the part of the company there, and also what the provisions are in terms of the rental of the facilities and all the rest of it. Mr. Chairman, I know the minister indicated earlier that that information has been provided to the Liberal caucus - that was the reference made - but are the parameters, not necessarily the figures but the parameters, of that overall agreement known to the private sector so they might be able to have some base to work from when they're looking at future developments?

DR. WEST: The original agreement in Kananaskis Country for Kan-Alta was tabled in the House and is available downstairs in the library. Okay?

MR. CHAIRMAN: Thank you.  
The Member for Wainwright.

MR. FISCHER: Thank you, Mr. Chairman. I have only one short question. Because of the beauty of the golf course down there



now and the demand for the use of it, I'm wondering how you set the dues. You mentioned there was \$4 per round that comes back to the province. The dues are reasonably cheap compared to any other golf course of that calibre. I am not wishing that you raise them, because I also think you could send a one-man committee, with maybe a chairman, down there to investigate that golf course a little oftener during the summertime. But how do you set the dues?

DR. WEST: As for agreement, all increases to the original fees were agreed upon when the agreement went into place, and all increases of fees have to be brought to the minister. I scrutinize them, and they're compared against the marketplace. If it's felt that any increase they're asking for is unreasonable, then there is a provision to send it to arbitration in the marketplace environment. The dues have been kept very, very reasonable because they're running a competitive golf course. You'll find that these dues, that do pass through the minister's office, have been kept at a reasonable rate for Albertans so Albertans can afford these rates for this quality of golf course. It's a good point to bring up. I think if the committee were to look around at the fees charged at other comparable golf courses, they would find that Kananaskis Country has one of the cheaper fees for this type of golf course in the country.

In answer to your question, originally the fees were agreed upon by agreement, and any increments had to be scrutinized by the minister and compared to the marketplace.

MR. FISCHER: I agree with you; they are cheap. But is there a cost-sharing formula, then, where the government would get some and the operators would get some? How would that work if there was an increase?

DR. WEST: The agreement is approximately 5 percent, and there are some exclusions depending on the joint usage of the village there. It's 5 percent of the gross of the golf course, so it takes in more than just the rounds of golf. It takes in what they sell in-house, in their pro shops and what have you, and rental of carts and that sort of thing, but it's approximately 5 percent of the general overall. There is no set fee per round. That income I said, prorated back to the number of rounds, is about \$4 a round. I was using that as an example, because I believe the Member for Westlock-Sturgeon had asked what types of revenue come back to the province outside of the taxes gained. As I said, through beverages and that sort of thing that are sold at Kan-Alta, which come back to the province, and the taxes they pay to ID No. 5 in sewer and water and what have you, they generated last year roughly \$280,000 and some back to this province.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon.

MR. TAYLOR: I think there's one other, the Member for Three Hills . . . Well, okay. Should we be going through the whole list? I hope she'll pardon I'm moving ahead with my second question. I do think she should get a question before I get my second, but okay.

MR. CHAIRMAN: I'm glad you expressed your opinion. Now just go ahead with your question.

MR. TAYLOR: All right. Okay. My question is with regard to the MRTA parks. The minister gave a very eloquent defence of parks, very touching. He mentioned that his children and his

children's children, provided one of the other cabinet ministers didn't hurt him in the wrong place, would be able to come out and enjoy the parks.

In article 20, I believe it is, of the regulations that set up MRTA parks, it said that when a park's finished there shall be a brass plaque put out there with the minister's name and the MLA's name. In my area my name was chiseled off. I thought maybe it was because the casting had been done in the Barrhead constituency, where they don't know how to spell Taylor, but I checked in the Vegreville constituency and also in Stony Plain, and wherever there are opposition MLAs, their name does not appear on the plaque for the MRTA park. With the government, it appears, it does. Now, that seems a little petty and small-minded, but of course we can accept that, except in the regulations that set up the MRTA grant, Mr. Chairman, it says the MLA's name shall be on the plaque as well as the minister's. Could the minister explain why the names of MLAs in opposition constituencies are left off the bronze plaque to dedicate the park?

DR. WEST: Yes.

MR. CHAIRMAN: That question really would better be directed during estimates.

MR. TAYLOR: No. It's on the MRTA . . .

MR. CHAIRMAN: If the minister is comfortable responding to it, the Chair will allow it.

DR. WEST: Oh, I'm very comfortable. This is a government program.

MR. TAYLOR: A supplemental to the minister. It's in the regulations. First of all, it's not a government program; it's a heritage trust fund program. We've just settled that. Secondly, it's in the minister's own regulations - or the minister prior to him, I should say, who put the regulations out - that a plaque shall be. So how can he unilaterally decide that opposition MLAs' names shouldn't be on the bronze plaque after it was put in the regulations that they should be? Why is Mr. Fox, for instance, left off the plaque in his constituency?

DR. WEST: This is a government directed program, Mr. Chairman.

MR. CHAIRMAN: I guess you have a second supplementary.

MR. TAYLOR: Yes. If the opposition MLA were willing to fund the extra cost the government would find necessary or maybe even put out a new plaque in order that it would comply with government regulations, could that plaque then be installed?

DR. WEST: I said before that it's a government program, and of course you're not a member of the government.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I'd like to ask the minister a couple more questions in regard to golf course development in Kananaskis Country. I know the minister is aware of the planning document for Kananaskis Country that was adopted - he can correct me if my date is wrong - in, I think, 1977. At the time it said that no facilities would be located east of Kananaskis Village and golf course. Now, that's precisely the

area where this new golf course is being proposed. As the minister has also said, there have been lots of golf courses coming on stream. I've lost count of how many are in the approval process or development process in the Bow corridor, for example. I'd just like to ask the minister: with all the other opportunities to build golf courses, particularly in that part of the province, what policy considerations would lead this government to approve another golf course smack-dab on top of a significant wildlife area in Kananaskis Country?

3:02

DR. WEST: Mr. Chairman, to go back over this once again, you would have to go back to the beginning of Kananaskis, which was after '77. I don't know what document the member has, but Kananaskis is in its 11th year and you're talking about 1977. If you go back to the integrated resource management plan, the original plan for Kananaskis Country as gone through public review and then through order in council of the day, you will find that the Evan-Thomas area was at that time designated a potential site for a future golf course.

MR. HAWKESWORTH: Mr. Chairman, in his earlier answer to my question the minister indicated that this proposal is going to go through an environmental impact assessment; that's been ordered. Will there be any opportunities for the public to have input after the conclusions of this impact assessment have been published? Is there going to be any public review of that assessment, or is there going to be any way the public can have their say? Where does the public have a role in all this?

DR. WEST: Well, to correct, it hasn't just been called; they are in the middle of an environmental impact assessment. As part of that process, there are public meetings. If you recall, the proponents that brought forth before had been requested to hold public meetings, which they had, before an EIA was even called. They held meetings in Calgary, and the turnout after they'd advertised was very minimal. I appreciate your question, and I'm sure that under the process of an environmental impact assessment study, public scrutiny is there.

But they have done a double whammy on this golf course, because they went through a total environmental review, not an impact assessment. They completed a complete environmental review before, they held public meetings in Calgary, and then the Minister of the Environment came in after the NRCB legislation had been voted on and passed in this Legislature and asked for a further environmental impact assessment study. So the proponents of this golf course are now on their second environmental review of this area and have already gone through one public process. The Kananaskis resource management plan went through a public process. Before the Evan-Thomas area is through, it will be the most studied area environmentally that I know of in Kananaskis Country.

MR. CHAIRMAN: Thank you.

Final supplementary.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I'd just like to tell the minister that I was one of the members of the public that showed up at a public meeting in Calgary in January of this year. What it was was an opportunity for the proponent to basically present his plans. It was a public relations job more than any particular review or scrutiny being provided. Certainly the sense I got in attending the meeting was that this proposal was almost a fait accompli. They were going through the public input

process, but it really wasn't what I would call a public hearing process. It was more public relations. So I'm just wondering . . . My sense of a public hearing is when you have something like the Energy Resources Conservation Board or other bodies, even a development appeal board at a municipal council level; you call the proponents, who make a presentation, and call people who have concerns they want to raise, and there is an opportunity to make formal submissions to some sort of impartial arbitrating board. Will there be any opportunity for the public to attend public hearings at the conclusion of the environmental impact assessment? I don't mean the kind of public meeting that was sponsored by the developer back in January of this year. Public hearings.

DR. WEST: What I'll do, you know . . . Because the question you ask is targeted to the process after an environmental impact assessment goes through, I will have the Minister of the Environment get in touch with you personally or with the committee itself and answer the question as to just where the process goes after the EIA.

MR. HAWKESWORTH: Okay; fair enough. Thank you, Mr. Chairman. I appreciate the interest of the minister.

MR. CHAIRMAN: Thank you.

The Member for Three Hills, followed by the Member for Ponoka-Rimbey.

MRS. OSTERMAN: Thank you very much, Mr. Chairman. It's good to see the minister and his staff. In terms of some of the programs in my constituency, it's been very nice to have company from the department in openings and so on.

If this question has already been answered, Mr. Chairman, I will just refer to *Hansard* afterwards. I wondered if the minister had outlined the proposed funding for the urban parks program over the next several years. As you know, I'm keenly interested in Airdrie and what it is they'll be able to achieve. I wondered if the minister had already answered that question.

DR. WEST: That question has not been asked directly. I would ask Barry Manchak if he would give an indication of how the money has flowed so far – and you have seen it through some of this – and how we have projected the targets and the progress of various cities involved.

MR. MANCHAK: Thank you. Respecting Airdrie, Airdrie has been very successful in the first two years of the program. They started out with funding the very first year and proceeded with a master plan for the Nose Creek park. In the '90-91 fiscal year they completed that concept plan and began construction in Nose Creek park. In the current year they are proceeding with further planning for the rest of the city and will have construction nearly completed for the Nose Creek component of their park development.

Would you like me to go through the rest of the program?

MRS. OSTERMAN: I just wondered if there was a set allocation each year or it depended . . . Supposing the communities that are eligible, the cities that are eligible, fully subscribe in a very fast way to the amount of funding available. How is that going to be handled? How will the allocation be handled?

MR. MANCHAK: We approach each city in the summer of the year preceding the next budget year to get from them an indication



of what their development requirements and funding requirements will be for the coming year. Then, based on that, we make a submission to the heritage fund for funding. Once we have an indication of what our budget for each year will be, we then let the cities know and they simply have to apply to us, based on their design and construction plans, for that funding.

MRS. OSTERMAN: Mr. Chairman, one question that's off this particular topic but that I understand has been delved into in detail has to do with the management of the golf course at Kananaskis. The minister mentioned to the Member for Ponoka-Rimbey that obviously there's a document for our perusal, the original agreement. I want to ask: has that agreement been amended in any way since it was originally signed, particularly in a financial way?

DR. WEST: You mean the direct funding agreements with the urban parks?

MRS. OSTERMAN: No, I'm talking about the golf course at Kananaskis and the agreement the government has with the group running it. Has that agreement been altered in any way since it was originally struck?

3:12

DR. WEST: I'm sorry. I misinterpreted your question to begin with.

The agreement was amended. For one thing, when they built certain facilities in and around the Trent Jones pavilion, there was an agreement put in place that allocated the cost of that building. The proponents, the Kan-Alta owners, built it at their expense and then subtract a certain number of dollars from the dollars that flow through from the first agreement yearly to pay for that facility and the facility that belongs to the province. So there was an amendment made to that. It was alluded here today how we had rectified the Auditor General's account of some \$882,000. Of course, it was done by an agreement that they take the loan out and build the building and then take the moneys off the moneys owing to the province. The Auditor General had some concern that this wasn't the normal way that accounting is done in government, and that's why he reports it in that sense. But in the truest sense to the people of Alberta, they had an asset built that was paid for over time by the proponents but not directly taken out of the General Revenue Fund at that time.

Now, you asked if there is any change to the agreement. The agreement comes due two years from now. The original agreement and contract, except for that amendment, has not been changed since the agreement. There was an extension at the amendment, and in two years the full agreement comes up for renewal.

MRS. OSTERMAN: And the building in question: does that show a return that justifies that amount that is being deducted on a yearly basis from revenues?

DR. WEST: Only in the fact that the increased utilization of Kananaskis golf course facilities generates more revenue back by the percentage agreement we have. We have a percentage formula that if they do more business, more money flows back to the province. For example, if it's 5 percent, if they did a million dollars this year but with the new facilities they're doing more business as far as small conventions and meetings and utilization of the golf course, then if they do another half million dollars' worth of business, the province gets more money by triggering the formula on a percentage basis.

MR. CHAIRMAN: Thank you.

The Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. I think probably just one question, back to the municipal recreation/tourism areas, which is a very good program, and I think many members here have concurred in that.

In the way these are operated once they are established, I know there's provision for a reasonable entry fee or usage fee to be charged by the sponsoring agency. My question revolves around this concern. I know that these cases would be very, very rare, but I think there is the possibility that without some kind of monitoring, occasionally a municipal recreation/tourism area might be established and then a rather excessive fee charged for the use of it so that perhaps some people in close proximity would have preferred access to that MRTA. I don't think that was the original intention. I wonder if the minister could respond as to whether or not it is possible to check on this, monitoring without . . . Of course, I'm not advocating getting into some kind of major inspection effort, but just making sure these are fairly available to people for their use.

DR. WEST: We monitor the use of the funds, because in transferring operational dollars to them, we have to ensure there is proper use of public dollars in the maintenance of these facilities. The autonomy for charging is left to the municipal bodies or the bodies running the facility. It was never the intention to step in and regulate the fees charged for entrance to these MRTAs. What you ask, of course, is something the individuals who are complaining of this – and I would have to have the details, and maybe I could get them from you after. If it's a municipality that is running this MRTA, then the people who have concerns should be going to that municipality's elected officials and questioning what they're doing. The ownership of the MRTAs, after they're established, reverts to the municipality that runs them.

The caveat we have is on those operating funds to ensure that the original investment of the Heritage Savings Trust Fund is maintained properly and those funds are used for that purpose. We don't want to see the funds coming out and going to some other area in municipal administration. But I must say that we do not monitor the policy within that park as to the entrance charges. If people have a concern with that, they'll have to go back to the individual municipality that runs the park.

MR. JONSON: Well, Mr. Chairman, if I might – and I'll forgo any more questions – I think in some rare cases there should be some kind of appeal mechanism or an avenue to check on these situations. That's all.

DR. WEST: I'll take it into consideration with the details.

MR. CHAIRMAN: The Member for Westlock-Sturgeon.

MR. TAYLOR: This might be almost supplemental to the Member for Ponoka-Rimbey's and the member from Calgary's questions, two very good questions that the minister answered almost completely. I'd like to just ask a bit finer point on it. In spite of the fact that the ownership goes to the municipality and the minister has some sort of indirect control through operation fees, does the minister have any policy if the municipality turns the operation of the park over to a nonprofit organization or a service club, Lions or Rotary, as long as the charges, I suppose, stay the same? Or would there be even a question of sharing authorship – you might want to call it that if a little plaque is

very important to you – if Rotary or Kinsmen or somebody else were in there operating the park, taking the load off the municipality? It isn't strictly a municipal park; the municipality leases it out to the service club.

DR. WEST: I haven't followed all the individual ways each one is run. Perhaps, Fred, you could indicate what the variance is in the province in the way they're run and who runs them, the service clubs.

MR. WILMOT: The program is a municipal program targeted at municipalities. A municipality, however, can sponsor a service club or any organization properly registered to actually undertake the development and the operation of the facility. There is still an accounting required of how the funds are spent each year, capital funds and also operating funds, that has to come back and be signed off by the municipality. We have everything from Lions clubs to agricultural societies, whatever, running these facilities for the municipalities.

I think the important thing to note is that the operating dollars don't cover the entire operating costs. They still put a tremendous amount of time and energy – in volunteer labour, materials, or whatever – into the operation and maintenance of these projects. I think it's to their credit that they do that. And that is what has made this program very successful, because in a lot of cases the onus has been taken out of government hands, even municipal government hands, and placed on those groups. It's proven very successful.

Does that answer your question?

MR. TAYLOR: Yeah, I think so. I have a supplemental along the same lines. Would it be permissible, then, in your estimation for the service club operating it to charge fees over and above what would be necessary along with your grant to operate; in other words, make money for charity from the fees they charge for using the park?

MR. WILMOT: I would say most definitely the market will bear what they can afford to charge fees for. I know instances where they have taken that revenue they have generated as a project over and above the fees and put it toward another development in the community or even upgrading that facility, adding new components.

3:22

DR. WEST: The biggest complaint we have with MRTAs is not charging too much. In fact, some of them charge very little or nothing. There are a couple of situations – and I said this is a very unusual complaint with MRTAs – where their charges are too high. As I say, I understand what you're saying, but that has not been a general complaint.

MR. TAYLOR: I have one more but not really a supplementary, so I'd better wait till it goes around again. It's a question as to planning.

MR. CHAIRMAN: With respect, the Chair suggests that you ask the question. You're the last person on the list.

MR. TAYLOR: I'm the last one? Okay.

The question is very simple. Are there any plans or long-term plans being made for Kananaskis north? I particularly love that park and lake country in the northeast of Alberta. There has been some sniffing around there. Are there any long-term plans there?

DR. WEST: There is no Kananaskis north. I repeat: there is no Kananaskis north. There is no Kananaskis north or plans for a Kananaskis north.

MR. CHAIRMAN: Thank you.  
The Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, I move that we thank the minister and his officials for their attendance and that we hereby adjourn.

MR. CHAIRMAN: All in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? The motion carries. We're adjourned until tomorrow morning at 10 o'clock.

[The committee adjourned at 3:24 p.m.]