The City of SPRUCE GROVE

INFORMATION REQUEST

INFORMATION REQUEST #: IR-007-26

REQUESTED BY: **Councillor Tokar**

TOPIC: **Heavy Metal Place Debt**

DATE OF REQUEST: **November 2, 2026**

DATE OF RESPONSE: November 2, 2026

QUESTION: Why has $2.3M of Heavy Metal Place debt moved from the developer budget to the municipal budget? For 2027, last year's plan showed HMP debt of $21.8M municipal and $18.2M developer. The proposal shows $24.1M and 15.9M. The total is identical ($40.0M), so about $2.3M has shifted to taxpayers, and the same shift appears in 2026.

Response

The 2026 budget reflected the 2027 planned allocation of Heavy Metal Place (HMP) debt between municipal and developer funding based on preliminary cost estimates for the Library and Community Arena components of the facility that were available prior to construction completion. Following completion of the project, the City received the final cost allocation for these spaces and completed a review of eligible offsite levy costs. As a result, approximately $2.3 million of debt previously identified as developer debt was reclassified to municipal debt to align the financing allocation with the final eligible costs.

Background

The Heavy Metal Place (HMP) project was funded through a combination of funding sources, including both municipal and developer debt. Costs funded through developer debt are incorporated into the City's offsite levy model, with future developer levy collections used to fund the related debt servicing costs.

Offsite levies are governed by provincial legislation and may only be used to recover eligible growth

related infrastructure costs. Once the project was completed and final construction costs were allocated, Administration reviewed the portions of the facility that qualified for developer funding. To reflect the final eligible costs, approximately $2.3 million of debt was reclassified from developer debt to municipal debt.

Financial Implications / Taxation Impact

The reclassification of approximately $2.3 million in outstanding debt from developer debt to municipal debt will result in the associated debt servicing costs in future years being funded through municipal revenues, including property taxation, rather than through offsite levy collections. This adjustment does not change the total amount of Heavy Metal Place debt; it changes the funding source used to service a portion of that debt.

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