



Staff Report for Capital Sustainability Steering Committee

Date of Meeting: April 16, 2024

Report Number: SRCS.24.07

Department: Community Services
Division: Recreation and Culture Services

Subject: **SRCS.24.07 Recreation and Culture Master Plan
and 10 Year Capital Forecast for Growth**

Purpose:

To present a summary of the Recreation and Culture Master Plan and the 10 Year Capital Forecast for recreation and culture new and growth projects, and to facilitate discussion and feedback on strategies for implementation and cost mitigation.

Recommendation:

- a) That SRCS.24.07 regarding the Recreation and Culture Master Plan and 10 Year Capital Forecast for Recreation and Culture new and growth projects be received, and all comments referred back to staff for consideration in 2025 capital planning.

Contact Person:

Gigi Li, Director of Financial Services and Treasurer, extension 6435

Tracey Steele, Commissioner of Community Services, extension 2476

Report Approval:

Submitted by: Tracey Steele, Commissioner of Community Services

Approved by: Darlene Joslin, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner and City Manager. Details of the reports approval are attached.

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Background:

The Recreation and Culture Plan (the “RCP”) was approved by Council on December 7, 2022 (SRCS.22.18) to guide the delivery of recreation and cultural facilities and services over a ten year timeframe from 2022 to 2032.

Recreation and Culture Plan Implementation Progress

The RCP establishes target service levels for the provision of recreation facilities and includes both capital and operational recommendations. To date, implementation of operational recommendations includes:

- Significant progress toward the return of programming to pre-pandemic levels
- Re-organization of the Recreation and Culture Division to improve operational efficiency
- Assessment and compilation of data to determine program-related service levels and associated performance measures
- Completion and ongoing implementation of the Age Friendly Community Strategy
- Ongoing work on the Festivals and Events Strategy (target completion by the end of the year)
- Reinstatement and review of the Community and Culture Grants Program
- Initiation of an update to the Cultural Leadership Council Terms of Reference

Implementation of recommendations that may have capital implications includes the following:

- An assessment of Indoor Turf needs is almost completed with a report to Council anticipated before the summer recess
- Capital funds have been allocated for renovations associated with repurposing the fitness room at Bayview Hill Community Centre and the daycare space at Richvale Community Centre to fill the need for integrated Adult 55+ and Youth space
- Funds have been allocated for the North Leslie Community Centre Feasibility Study which will include the recommended ice pad needs assessment

10 Year Capital Forecast – Recreation Projects

The following growth and new service level recreation and culture capital projects arise from RCP recommendations and are anticipated in the 10 Year Capital Forecast:

- Design and construction of the North Leslie Community Centre including an 8 lane pool and separate teaching tank, two NHL-sized ice pads, a fitness centre with walking track, four multi-purpose rooms, a full college-sized gymnasium and a dedicated Adult 55+/Youth space
- A ceiling for the sports dome field house to facilitate additional community meeting space
- Construction associated with repurposing the daycare space at Richvale Community Centre to a multi-purpose room
- Air conditioning for the existing sports dome (to facilitate year-round use)

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- Improvements to the McConaghy Centre reception area
- Design of an indoor soccer turf facility

The following are additional recreation capital projects, which are not currently included in the current 10 Year Forecast, but may arise from studies recommended by the RCP or other plans and studies:

- Construction associated with an additional indoor (soccer) turf facility
- Design and Construction of an indoor tennis facility in the north portion of the City (air-supported structure and clubhouse)
- Addition of washroom facilities to the Lake Wilcox Boathouse (recommended by the Oak Ridges Community Centre and Park Master Plan completed in 2006 for Lake Wilcox Park)
- Design and Construction of an air-supported structure for pickleball courts
- Improvements to facilitate cultural uses in existing buildings

Neither the RCP, nor the current 10 Year Capital Forecast include any projects associated with the Richmond Hill Centre Transit-Oriented Community as associated development is expected to commence beyond the ten year horizon.

Financial/Staffing/Other Implications:

Current 10 Year Capital Forecast

Development Charges (“DCs”) provide for the recovery of growth-related capital expenditures from new development. The development of parks, indoor recreation facilities, recreation vehicles and equipment are eligible service components funded by the Parks and Recreation Services Development Charge Reserve Fund (the “Parks & Rec DC”).

The current 10 Year Capital Forecast estimates a total of \$387 million in expenditures from the Parks & Rec DC from 2024 to 2033. It is expected that the total amount of Parks and Rec DCs that will be collected over the same period of time will be approximately \$208 million. Accounting for the existing balance of the Park and Rec DC, the result is a funding shortfall of \$129.5 million in 2033. Additionally, it should be noted that this shortfall does not account for the projects listed above that are not currently included in the 10 Year Forecast (for example, construction of an indoor turf facility).

The current cost estimate for the North Leslie Community Centre is \$253 million, which amounts to 65% of the currently estimated 10 year expenditure from the Parks & Rec DC. It is expected that in 2028 the \$75 million in funds required for the first phase of construction associated with the North Leslie Community Centre will be about \$11 million more than available in the Parks & Rec DC at that time. In 2029 & 2030 approximately \$107 million more than collected will be needed for the North Leslie Community Centre as currently planned. This amounts to a total shortfall for the

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community centre of \$118 million (and this does not account for park needs in the later years of the 10 Year Forecast).

Opportunities for Funding and Cost Mitigation

It is recommended that the follow strategies be further investigated to mitigate recreation and culture costs in the 10 Year Capital Forecast:

1. Reconsideration of the indoor turf projects – Currently staff are undertaking an Indoor Turf Needs Assessment for presentation to Council. Preliminary indications are that identified needs could be met through a school board partnership in which the school provides the land and City funds the capital cost of an air-supported structure. The school would use the facility on school days and it would be available for City permitting and programming on evenings, weekends and in the summer. The school board has also indicated, that if the City is not interested in a partnership, they would pursue a private partner. The school board has been successful in securing public private partnerships in other jurisdictions (for example, Vaughan's Woodbridge Sports Dome). The facility would still be available to the community, but the City would not contribute to the capital construction or have control of permitting.

Additionally, it is recommended that the air conditioning currently planned for the existing dome be deleted from the 10 Year Forecast as it has been confirmed that this approach is not supported by the soccer clubs.

2. Reduce design costs (area and cost per square foot) for the North Leslie Community Centre – For example, commit to using lower cost finish options, minimizing design “desires,” and mitigating accessory space (such as hallways and foyers). In 2023 the City of Guelph was able to reduce the costs of its South End Community Centre by approximately \$14 million through such measures. Additionally, work is underway to determine an optimal approach to achieving environmental goals in building construction.
3. Reduce facility service levels for the North Leslie Community Centre – It is recommended that the dedicated adult/youth space be eliminated from the scope of the project as the RCP recommends that these uses be integrated into general multi-purpose rooms and projects that are already underway (addition of a ceiling to the Richmond Green Field House, and repurposing of the Richvale daycare space and Bayview Hill fitness centre). Additionally, the planned feasibility study will consider City-wide ice pad needs and may recommend postponing construction of one or both of the ice pads currently included in the cost estimate. Elimination of the dedicated space and one ice pad, for example, could reduce the overall cost of the community centre by approximately \$30,000 - \$40,000. At a later stage, Council might also consider removing components such as the fitness centre, walking track and/or therapeutic pool from the project scope based on specific costs determined through the feasibility study.
4. Maximize innovative revenue sources including:

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- Public Private Partnership and Naming Rights – Staff are currently working on a Naming Rights report which will suggest prioritizing the North Leslie Community Centre as a candidate site and additional sponsorship opportunities could be pursued.
- Grant Funding – Staff continuously monitor grant funding opportunities, and review priorities and activities of other levels of government to anticipate potential grant funding trends. Based on existing provincial and federal priorities, staff anticipate grant funds aligned with climate change adaptation and mitigation (including net-zero facilities), housing and complete communities.
- Sale of recreation assets – For example, in 2020 Council approved the sale of the Lake Wilcox Community Hall Lands at 81 Wildwood Avenue. Staff have been waiting for favorable market conditions and rezoning through the Comprehensive Zoning By-law process to proceed with the land sale, but this process could be accelerated by allocation of funding to demolition and planning processes. As the Lake Wilcox Community Hall land is Community Centre land, potential revenue from its sale (\$3 to \$5 million) could be used toward a new community centre.

5. Financial Approaches

- Allocate Cash in Lieu of Parkland funding to the Community Centre – Implementing this approach will require recognition that the current Parks Plan target for total parkland to be secured to 2031 of 29 hectares will likely not be met.
- Use funds from the Community Enhancement and Economic Vitality Reserve (from the sale of Richmond Hill Hydro)
- Debt financing may be considered as a financial tool to bridge the timing of expenses and development charges collections.

Relationship to Council's Strategic Priorities 2020-2022:

Implementation of the Recreation and Culture Plans is consistent with the Council priorities of “Balancing Growth and Green” and “Strong Sense of Belonging” and capital planning associated with the Plans ensures that recommendations contribute to “Fiscal Responsibility.”

Conclusion:

The Recreation and Culture Plan was approved by Council on December 7, 2022 to guide the delivery of recreation and cultural facilities and services over the ten year timeframe from 2022 to 2032. The RCP recommendations for additional recreation and culture facilities are captured in the 10 Year Capital Forecast for new and growth projects. The Growth Projects specifically are funded from the Parks and Recreation Development Charge Reserve Fund which is projected to have a funding shortfall of \$129.5 million by 2033. Additionally, some growth projects that require additional study (i.e., the indoor/air-supported structures for soccer, tennis and pickleball) are not currently accommodated within the 10 Year Forecast.

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The current cost estimate for the design and construction of the North Leslie Community Centre is \$253 million, which amounts to 65% of the total 10 year expenditure from the Parks & Rec DC and a shortfall for the community centre of approximately \$118 million (not accounting for park needs which are also drawn from the same DC).

This report provides a list of measures to mitigate the predicted funding deficit for recreation new and growth capital projects. Comments received from the Capital Sustainability Steering Committee will be used as input for the North Leslie Community Centre Feasibility Study, the Indoor Turf Needs Assessment and the 2025 Budget Strategy.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

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Report Approval Details

Document Title:	SRCS.24.07 Recreation and Culture 10 Year Capital Forecast for Growth.docx
Attachments:	
Final Approval Date:	Apr 10, 2024

This report and all of its attachments were approved and signed as outlined below:

Tracey Steele - Apr 10, 2024 - 11:37 AM

Darlene Joslin - Apr 10, 2024 - 2:33 PM