



MEMO

To: Mayor and Council
cc.
From: Daniel Gagnon
Date: May 21, 2021
Subject: Additional Information – Recreation Hub Design Costs etc

At the May 10th Council meeting, the recommendation of the Hub Committee to direct staff to issue an RFP for more in-depth design of the recreation hub was deferred. This memo provides some additional context for Council's consideration in light of the questions raised at that meeting.

In 2009, the City applied to the Building Canada Fund (BCF - federal provincial municipal capital cost sharing funding for large facilities at a 33% even share). The hub at that time featured a pool, arena and library with a rounded cost of \$30 million to be located at the Centennial Arena site. Some engineering/architectural designs and plans were tendered and done by the firm Cannon Designs Limited. The cost of those designs was approx. \$465,000. Additional work was done including geotechnical. Without conducting a thorough analysis, a safe assumption of another \$75,000 for hub costs in 2009-10.

The BCF was rolled out to stimulate the economy in the aftermath of the recession of 2008/9 and much of the approvals hinged on "shovel readiness" with projects that could start immediately in 2010. It is debatable whether the city's hub project at that time was truly shovel ready. Regardless, after coming very close to approval, the application was ultimately declined in 2010.

Later in 2016/17, the City hired Colliers International to resurrect the concept and conduct community consultation, needs analysis and preliminary work on the new hub with a pool, arena, large gym, walking track and curling sheets. The provincial Wynne govt viewed the project favourably but was defeated in 2018.

In 2018-20 the city began using the firms of Tulloch Engineering and IDEA Inc from Sault Ste Marie for preliminary designs and site analysis. Total cost for hub design and prep work in 2019-21 are approx. \$206,000 (approx. \$60 - \$70k / year).

Both Colliers and Tulloch/IDEA indicated that the 10+ year old designs were of little to no value for the new concept proposed.

The proposed RFP for more detailed, but not completely construction ready documents, would take the pared down hub (pool, arena, walking track and some community rooms - cost of \$27M) further along to a state of readiness that would be better positioned for future funding applications. Approx. cost of those designs is \$475,000. There are no imminent large funding purses available for new builds such as the proposed \$27M hub.

There is a fund at the NOHFC that could feasibly fund 50% of the \$475k. That fund could also fund both design and capital costs to a maximum of \$2 million NOHFC contribution (meaning total project costs of \$4 million). If the city applies only for design costs, it would negate any future NOHFC funding for the capital phase (leaving approx. \$1.75M on the table). If the city applied for both design and capital, it would have to make a compelling case that the capital phase was imminent or confirmed. That may be challenging under the circumstances.

If Council wishes to pursue the RFP, it should be prepared to finance the \$475k solely with municipal funds (while seeking funding if possible noting the limitations above). The funds can be taken from the healthy working funds reserve but it would be recommended to establish a process at budget time to reimburse the reserve with an annual contribution.

Other items to consider:

- There are a plethora of renovation and repair grants available now (as opposed to 2019 when the Arena structure needed emergency repairs there were no grants whatsoever eligible to fund the repair)
- There is no funding for large community recreation projects on the immediate horizon
- All three levels of government likely heading into elections in the next 16 months with both provincial and federal governments heavily in debt due to the pandemic
- Some of the projects that were approved in the 2019 round (where we were unsuccessful) are in the \$12-\$15M range in ridings closer to larger population centres / catchment areas.

Respectfully submitted,

Daniel Gagnon