

To: COUNCIL

Meeting Date: 5/4/2023

Subject: Recreation Complex & Idea Exchange – Concept Design and Budget Approval

Submitted By: Lesley Head, Director of Recreation & Culture

Prepared By: Shane Taylor, Project Manager

Report No.: 23-190-CD

File No.: C1101

Wards Affected: Ward 7

RECOMMENDATION(S):

THAT Report 23-190-CD Recreation Complex & Idea Exchange – Concept Design and Budget Approval be received;

AND THAT Council approve design Concept A and direct staff to proceed with schematic design at an estimated total project (design and construction) budget of \$99,771,880;

AND FURTHER THAT Council approves increasing the capital forecast for the Recreation Complex A/00463-41 by \$16,178,300 for a total construction budget of \$93,387,500 funded from tax-funded debt in the amount of \$18,977,800, from development charges reserve funds in the amount of \$33,211,900, and from development charges funded debt in the amount of \$41,197,800.

EXECUTIVE SUMMARY:

Purpose

- To obtain Council approval on the preferred concept design and budget;
- To obtain direction from Council to advance the preferred concept to the design development stage;
- To update Council on the expected next steps.

Key Findings

- The Project Team has developed two concept plans that each contain the programming directed by council but that vary in overall size and cost;
- Staff recommend that Council approve Option A at 98,153 square feet and a total estimated project budget of \$99,771,880;
- Option B is designed to be 111,248 square feet and carries a total estimated project budget of \$107,935,380;
- Following Council direction, the Project Team will move into design development including a more detailed look at the design, more detailed cost estimates and additional consultation with key stakeholders;
- The next Council check-in will take place summer 2023 at the end of schematic design before heading into detailed design.

Financial Implications

- Class D cost estimates are completed;
- Design costs are contained in existing capital project A/00463-30 with a budgeted amount of \$6,384,380;
- Option A construction budget is estimated at \$93,387,500 for a total project budget of \$99,771,880;
- Option B construction budget is estimated at \$101,551,000 for a total project budget of \$107,935,380;
- The total cumulative increase to the tax levy is projected to be 4.54% under Option A, which equates to an estimated \$68 per year for the average household based on current tax ratios and rates. The total cumulative increase to the tax levy is projected to be 4.89% under Option B, or an estimated \$73 per year for the average household.
- The project funding plan includes \$41.2 million in debt to be funded from future development charges (DCs) under Option A and \$46.6 million under Option B. If there is insufficient DCs available to cover the debt payments, tax levy funding may be required to make up for the loss which is not included in the forecasted tax levy increases.
- Both the DC and tax-funded debt are planned for payment terms of 20 years. The City's debt limit, calculated as debt payments as a percent of own-source revenues, is forecasted to reach 12.7% under Option A and 13.1% under Option B. While this forecast is above the current debt limits of the City's comparators (lower tier large municipalities with populations greater than 100,000), it remains

within the City's debt limit policy of 15% when rate-supported debt such as DCs are included.

STRATEGIC ALIGNMENT:

- ☒ Strategic Action; or
☐ Core Service

Objective(s): WELLBEING - Connect people to services that support individual and community wellbeing

Strategic Action: Provide age-friendly services that are accessible to all

Program: Not Applicable

Core Service: Not Applicable

BACKGROUND:

Recreation Facilities Master Plan and Expansion Strategy

- In 2014, the City completed a Recreation Facilities Master Plan that recommended the establishment of a large-scale multi-purpose sport and recreational facility to meet current and future recreational needs in the City. Planning for the new facility began soon afterwards, starting with a community engagement campaign beginning in April 2015.
- In February 2019 Council directed staff to begin planning the new Recreation Complex and Idea Exchange on City-owned lands in South-East Galt.
- In June 2019, Council approved a Recreation Facilities Expansion Strategy to provide needed recreational amenities spread across multiple facilities. This strategy included:
 - South-East Recreation Complex & Library
 - A Four-pad expansion at the Cambridge Ice Park – the Buckingham facility, which is currently under construction
 - Expansion of Preston Memorial Auditorium to a twin-pad arena
 - Decommissioning the City's older arenas to reduce operating costs
 - Joining a Region-wide working group to explore opportunities for a new 50m pool within the Region of Waterloo.

Joint-Use Campus

In February 2021, Council approved the Joint-Use Campus Feasibility Study completed by CSP Architects. The study was jointly funded and collaboratively completed by a team composed of staff from the City, Idea Exchange, Waterloo Region District School Board (WRDSB) and Waterloo Catholic District School Board (WCDSB). Key highlights of the approved study and concept plan included:

- Two separate buildings: City (Recreation Complex and Idea Exchange) and School Board (two schools and childcare facility)
- Urban design benefits of separated buildings include distinct identity and addresses for each partner, and smaller building volumes more in keeping with the scale of the surrounding neighbourhood
- Some potential for future additions to the schools by expanding to the north
- Developable site can be severed according to the ownership ratios determined between the City and School Boards
- Outdoor play and amenity areas continue to be shared between all users on an agreed schedule
- Fully separated parking and drop-off for School Board and City components, which may be shared as per agreement
- Community Park is highly visible and inviting to the neighbourhood and generous in scale; community park located between the two buildings maximizes visibility and access to playground and outdoor open space from the street
- Entrance to City facilities creates a “main street” highlighting all key city activities
- Compact and efficient plan to reduce combined schools’ gross floor area
- School circulation clearly separated for each Board

Council endorsed the feasibility study concept design and recommendations and directed City staff to move forward into concept design, to sell a portion of the lands to the School Boards, and to continue working towards delivery of a joint school between the boards separately to the City’s own Recreation Complex project.

The School Boards continue to advance their project towards completion, having recently submitted for formal Site Plan Approval. Work continues to be coordinated between all the groups with several outstanding items still underway including easement registration and a joint-use agreement in varying stages of progress.

Council Direction May 17, 2022

On May 17, 2022, the Project Team brought forward a report that identified rising construction industry costs and highlighted a potential funding gap between what was budgeted in the project's capital forecast and what project costs were realistically anticipated to be. The Project Team cited several recently tendered projects of similar scale and scope to the Recreation Complex as precedents for the expected budget increase. In order to maintain control over the rising costs, the Project Team recommended preparing multiple concept design options in graduated size and scale for Council to consider. Council directed staff to proceed with two concept designs, one Modified Build (at approximately 105,000 sq ft) and one Full Build (at approximately 125,000 sq ft), and to seek approval on one option. Terms of the procurement of the architects was also reviewed as a part of this meeting.

Overview of Work Completed to Date

Concept design work on the Recreation Complex began in August 2022 following the engagement of the project architects, MacLennan Jaunkalns Miller Architects (MJMA). MJMA and Colliers Project Leaders (project management consultants) led the Project Team through a series of design exercises, held bi-weekly throughout the fall and winter of 2022 and 2023. The Project Team worked with the consultants to find efficiencies within the building footprint and reduce the overall square footage from previous estimates. Consultation took place with Indigenous groups during this time, as well as a public engagement Micro-Consultation campaign via the Engage.ca platform. An information report was shared with Council on December 15, 2022, to provide a brief update on project progress and Order of Magnitude budget estimates.

Council Workshop March 30, 2023

On March 30, 2023, City staff and the project consultants conducted a Council workshop that was accessible by the public through the City's YouTube channel, presenting the proposed design in detail and answering questions. The full presentation is included for reference as Appendix A. Summary of the main points of feedback from Council included:

- Request for café or concessions for food
- Dedicated area for breastfeeding to take place that is separate from washrooms or changerooms
- Provisions for on-site security
- Dedicated washroom facilities in the library
- Exercise equipment in the fitness area
- Wider lanes on the running track that allow for passing

- Explore the comfort level with universal changerooms in Cambridge
- Request for adult change tables in changerooms
- Consult with Inclusive, Equity and Accessibility Team in Cambridge
- Request for consultation with Accessibility Advisory Committee
- Request for consultation with multi-cultural groups on universal vs standard washrooms

At the workshop the Project Team received direction from Council to look closer at the preceding elements; an in-depth review and analysis will be completed over the coming months, including review of costs and operational implications, and whether these elements can be incorporated within the building's approved square footage.

Green and Inclusive Community Buildings Program – 2nd Intake

In July 2021 the City submitted an application to the first intake of the Green and Inclusive Community Buildings (GICB) program but was not successful. A second intake was announced and an application was submitted on February 28, 2023, with a request for \$25M in grant funding. Council will be notified once the successful applicants are announced.

ANALYSIS:

Guiding Principles

In alignment with the findings of the Council-endorsed Feasibility Study, the design team set forth to firm up the guiding principles that would inform the conceptual facility and site design, which includes:

- Creating a vibrant, inviting and multi-generational community hub
- Leveraging sharing opportunities
- Program prominence and identity
- Animating streetscape and creating distinct identity for each partner
- Providing a safe and secure design
- Facilitating flexibility
- Maximizing green space
- Encouraging active transportation
- Incorporating sustainable design

Comparison of Options A & B

Below please find a side-by-side comparison of both concept designs including program features and estimated project budgets. The focus behind both design Options A and B

is to provide a quality design that addresses the needs of the community as identified throughout the processes completed to date. Project staff have worked closely with the project consultants to ensure both designs are feasible, constructable, can be operated and are appropriate in the local market.

Each of the following concept design options are similar in program but vary somewhat in size and cost.

	Option A	Option B
Program Features Building	98,153 sf total 8-Lane lap pool (5,600 sf) Leisure pool (1,900 sf) Pool spectator seating (150) 3-court High-School gymnasium + 1 FIBA cross-court (18,100 sf) Running track (170m) 3 multi-use/meeting rooms Fitness studio Idea Exchange (11,000 sf)	111,248 sf total 10-Lane lap pool (7,000 sf) Leisure pool (1,900 sf) Pool spectator seating (150) 3-court FIBA Standard gymnasium + 1 FIBA cross-court (23,000 sf) Running track (180m) 3 multi-use/meeting rooms Fitness studio Idea Exchange (12,700 sf)
Site Area & Parking	12.7 acre property 6.4 acres of park space 338 parking spaces 1km multi-use trail	12.7 acre property 6.0 acres of park space 385 parking spaces 1km multi-use trail
Project Budget	\$99,771,880	\$107,935,380

Staff-Recommended Option A

The Project Team believes that Option A provides an appropriate and exciting response to the elements requested by the community through consultation, and delivered at a lower price than Option B. Option A provides the full complement of programming offered by Option B while also providing additional square footage of programmable park space due to the smaller building footprint and reduced parking lot size. The consultant team, who are experts in the design and delivery of facilities of this typology, support the Project Team in the assessment that the staff-recommended Option A is a good and appropriate solution to the City's recreational and sports needs.

Anticipated Next Steps

Following Council direction, the Project Team will immediately move the building and site design forward into schematic design phase, which will consist of a more detailed

look at the physical spaces and finishes. A public information centre will be scheduled in the coming weeks and additional consultation will be initiated with key stakeholders to determine a more detailed assessment of needs to inform the design. Detailed review of the information received through consultation to date will be reviewed and will continue to be incorporated into the design as appropriate. The Project Team anticipates a report back to Council summer 2023 on schematic design prior to moving onto the detailed design phase.

EXISTING POLICY / BY-LAW(S):

Municipal Green Building Policy 30.160

The Municipal Green Building Policy 30.160 outlines that all new municipal facilities greater than 5,400 square feet be constructed to a LEED Gold Certified standard. The project will be designed to LEED Gold standard as a baseline and, if successful in obtaining the GICB grant, will be constructed to a higher standard of Net-Zero Carbon.

FINANCIAL IMPACT:

Staff-Recommended Option A Budget and Funding

- Construction costs for Option A were determined based on Class D Cost Estimates prepared by Ingersoll & Associates based on information provided by MJMA. Total project costs are calculated based on the culmination of construction costs; soft costs; furniture, fixtures and equipment costs; and contingences.
- Total estimated project cost (design & construction) for Option A is \$99,771,880.
- Public Art investment is included in the estimated project costs.
- Staff estimate that 20% of the project costs would be funded from tax-supported debt, which is estimated at \$20 million. The remaining 80% of the project costs would be funded by growth-related Library and Parks Development Charges Reserve Funds in the amount of \$38.6 million and Development Charges-Funded Debt in the amount of \$41.2 million.
- Option A will result in an overall increase in the project forecast of 19.4% from the 2023 budget.
- The total cumulative increase to the tax levy is projected to be 4.54% under Option A, which equates to an estimated \$68 per year for the average household based on current tax ratios and rates. This levy increase includes the tax-supported debt payments, sustainable capital contribution for future rehabilitation and replacement of the complex, net operating costs for the Library, operating costs net of forecasted revenues from the Recreation facilities, as well as projected savings from the closure

of Dolson pool. Operating impacts will be examined in detail through future operating budgets.

Option B Budget and Funding

- Construction costs for Option B were determined based on Class D Cost Estimates prepared by Ingersoll & Associates based on information provided by MJMA. Total project costs are calculated based on the culmination of construction costs; soft costs; furniture, fixtures and equipment costs; and contingences.
- Total estimated project cost (design & construction) for Option B is \$107,935,380.
- Public Art investment is included in the estimated project costs.
- Staff estimate that 20% of the project costs would be funded from tax-supported debt, which is estimated at \$21.6 million. The remaining 80% of the project costs would be funded by growth-related Library and Parks Development Charges Reserve Funds in the amount of \$39.8 million and Development Charges-Funded Debt in the amount of \$46.6 million.
- Option B would result in an overall increase in the project forecast of 29.1% from the 2023 budget.
- The total cumulative increase to the tax levy is projected to be 4.89% under Option B, which equates to an estimated \$73 per year for the average household based on current tax ratios and rates.

Other Financial Considerations

- The project funding plan includes \$41.2 million in debt to be funded from future development charges (DCs) under Option A and \$46.6 million under Option B. If there is insufficient DCs available to cover the debt payments, tax levy funding may be required to make up for the loss. The forecasted tax levy increase excludes any potential impact that may result from a lack of DC funding, which may result due to economic downturn, the Province not making the City whole for impacts from Bill 23, the *More Homes Built Faster Act, 2022*, or additional changes by the Province to the City's ability to collect DC revenues.
- Both the DC and tax-funded debt are planned for payment terms of 20 years. The City's debt limit, calculated as debt payments as a percent of own-source revenues, is forecasted to reach 12.7% under Option A and 13.1% under Option B. While this forecast is above the current debt limits of the City's comparators (lower tier large municipalities with populations greater than 100,000), it remains within the City's debt limit policy of 15% when rate-supported debt such as DCs are included.

PUBLIC VALUE:

Sustainability:

This project will support sustainability by delivering a LEED Gold or higher grade building that aligns with the City's Energy Conservation and Demand Management goals.

Collaboration:

Collaboration will involve the City continuing to work in partnership with the Idea Exchange as this project is developed, implemented and operated.

Engagement:

Public involvement was invited in person and virtually at key milestones throughout the duration of the project by various means, including public meetings, in-person delegations, online forums and citizen-led taskforces. Moving forward, the Project Team will continue to engage as appropriate with key stakeholders in varying means and methods.

The following summarizes some of the key engagement initiatives completed to date:

- In 2015 the City began an extensive consultation campaign including task force meetings, presentations by delegations, open houses, public meetings, online surveys, online interactive applications and at General Committee and Council meetings.
- In 2016 a public site evaluation process was completed that included online survey, public information centres, open task force meetings, project website.
- In 2017 consultation on program amenities and location took place with a number of sports user groups in the City.
- In 2019 the City undertook extensive public and user group consultation including in-person information centres, online surveys and public delegation meetings.
- In 2020-2021 extensive consultation with project partners (Idea Exchange, WRDSB, WCDSB) was completed in preparation of the Joint-Use Campus Feasibility Study. A Joint-Use Coordination Committee was established during the Feasibility Study work that continued to meet regularly during the early stages of site design to discuss matters relating to the joint site and continues to meet on an as-needed basis.

ADVISORY COMMITTEE INPUT:

Advisory Committees Consulted:

Further to engagement section listed above, the Youth Advisory Committee was consulted at their July 2021 scheduled meeting. An overview of the findings and recommendations of the Joint-Use Feasibility Study were discussed, as well as the anticipated timing for design and construction activities.

Additional consultation with advisory committees is anticipated to take place at appropriate junctures during the design development phase of the project including engagement with the Accessibility Advisory Committee, the Cycling and Trails Advisory Committee and the Youth Advisory Committee. The Arts and Culture Advisory Committee will be consulted on matters related to public art.

PUBLIC INPUT:

This report has been posted publicly as part of the report process. The presentation given at the March 30, 2023 Council workshop, which was broadcast on the City's YouTube channel, is included in Appendix A. Staff have advised impacted user groups of this report and project status.

INTERNAL / EXTERNAL CONSULTATION:

- Starting in November 2022 through March 2023 an online micro-engagement consultation campaign was held on the Engage.ca platform. Throughout the 18-week long campaign there were 1,580 visits logged on the survey website, with 415 responses to questions. Community input will be referenced in the design development phase to ensure the design responds to public needs. Analysis of the comments is currently underway and will be reported on at a future time.
- In summer and fall of 2022 several meetings took place with Indigenous groups to make introductions, to discuss the vision of the project, and to set up a pathway for future engagement at key points in the project; more engagement is planned during the design development phase.
- Regular meetings have taken place ongoing with the Project Management Team, consisting of staff from Recreation & Culture, Facilities, Operations, Sustainable Design & Development, Finance and Idea Exchange, and pulling in staff from other City departments on an as-needed basis.
- Regular meetings have taken place with the Project Steering Committee.
- Meetings continue to be held on as-needed basis with WRDSB and WCDSB staff.

- Coordination meetings have taken place and will continue with the Region of Waterloo with respect to future East Boundary Road.

CONCLUSION:

Significant work has been completed to date on the design of the Recreation Complex and Idea Exchange to come up with two concepts that appropriately addresses residents' and sports community's current and future needs. Following Council approval of the preferred concept design, the Project Team will proceed to the design development stage that will incorporate feedback previously received through consultation and continue the conversation with key project stakeholders. Design Option A has been carefully designed to provide appropriate programming for the Cambridge community while reducing the financial impacts when compared with Option B. With Council's timely support, the Project Team intends to take advantage of momentum to see the project through to construction completion in 2026, which is consistent with the delivery requirements of the GICB grant parameters.

REPORT IMPACTS:

Agreement: **No**

By-law: **No**

Budget Amendment: **Yes**

Policy: **No**

APPROVALS:

This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:

Director

Deputy City Manager

Chief Financial Officer

City Solicitor

City Manager

ATTACHMENTS:

1. 23-190-CD Appendix A – Council Workshop Presentation – Cambridge Recreation Complex and Library