



City of  
**Peterborough**

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**To: Members of the Finance Committee**

**From: Allan Seabrooke, Commissioner of Community Services**

**Meeting Date: January 14, 2019**

**Subject: Report CSAD19-001  
Major Sport and Event Centre Project Next Steps**

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## **Purpose**

A report to provide staff's review of the Major Sport and Event Centre Feasibility Study Phase 1 & 2 final report; options regarding the next phase of the project; and to recommend awarding a single source consulting assignment.

## **Recommendations**

That Council approve the recommendations outlined in Report CSAD19-001, dated January 14, 2019, of the Commissioner of Community Services, as follows:

- a) That Council approve proceeding with site selection as the next phase of the project subject to approval of this capital project in the draft 2019 budget.
- b) That Council approve the award of a single source consulting assignment for the next phase of the Major Sport and Event Centre to Sierra Planning and Management, 206 Laird Avenue, Suite 200, Toronto, Ontario at a cost of \$126,500, plus HST of \$16,445 for a total of \$142,945, pending approval of this project in the draft 2019 budget.

## Budget and Financial Implications

Table 1: Cost for Site Selection Phase 3A for the Major Sport and Event Centre

Line	Description	Amount
1	Consulting Fees	\$110,000
2	Consulting Contingency	\$16,500
3	Total Consulting Costs	\$126,500

The total net \$126,500 requirement, after applicable HST rebates for the site selection Phase 3A for the Major Sport and Event Centre has been submitted through the draft 2019 Capital Budget (Appendix A, Reference #6-6.07). Staff propose that the project presented in the draft 2019 Capital Budget be further separated, requesting approval for site selection as a first step but only proceeding with the remainder of the capital project following Council's approval of the site selection. The remainder of this capital project is \$353,500.

## Background

### Previous Council Direction

Through Report CSAD18-005 Major Sport and Event Centre Feasibility Study Phase Two Final Report and Presentation dated September 17, 2018, Council approved the following recommendations:

- a) That the Major Sport and Event Centre Feasibility Study Phase Two Final Report and presentation by the consultant, Sierra Planning and Management, be received for information; and
- b) That staff review the consultant's recommendations in the Final Report and report back to Council through the 2019 Budget process with options regarding the next phase of the project.

### Brief Description and Review of the Work Completed in Phases 1 & 2

Sierra Planning and Management was retained in 2018 to determine the overall feasibility and cost benefits of investment in a new Major Sport and Event Centre in the City. The Executive Summary is attached as Appendix B. The study included a detailed assessment of the viability of a new facility from a number of perspectives including:

- i) relative need for a new facility;
- ii) market opportunity;
- iii) design and capital costing magnitude;
- iv) operational performance; and
- v) locational options.

The project was divided into two phases: Phase One Feasibility Study included stakeholder and community consultation to determine market and community needs to justify a Major Sport and Event Centre for the City and broader region, beyond what is provided currently in the existing Peterborough Memorial Centre; and Phase Two Business Case provided specific recommendations on the requirements for a new Major Sport and Event Centre based on the information gathered in Phase One including development of location criteria and an assessment of possible site options.

The Feasibility Study answered a number of questions to assist in making the decision to proceed on the path of planning for a new Major Sport and Event Centre in the City of Peterborough. The study concludes that the City of Peterborough is fully invested in the spectator events market in addition to the spectator market for hockey and lacrosse. The market draw for events to the Peterborough Memorial Centre is expectedly broad for even the most typical of events, extending well beyond the City and into southern Durham Region and parts of the GTA to the west of Durham. There is an emerging strong rationale for investing in renewed facilities to better access this market potential with greater frequency and the potential for improved economic and reputational benefits for the City.

The existing Peterborough Memorial Centre is being well maintained but has no capacity to add additional fixed seating or to make functionality improvements relative to its competition. The required investment to maintain the building in essentially its current functional state for the long term is not supportable and planning for its replacement should be a priority. Once there is Council approval to continue the work required toward implementation, the next critical steps include further site selection work and achievement of sufficient funding or a likelihood of achieving funding. It is likely that a minimum five-year window is required before the building is completed with evidence from other cities that suggests the timeline may be longer by several years, with the delay not in the design and construction phase but in the project definition, location selection and funding approval stages.

The consultant's report stresses that an implementation plan is essential and should commence in 2019 to ensure a replacement of the Memorial Centre in the medium term (5 years). There are a number of concurrent and sequential tasks involved in determining whether the City can or should invest in the replacement of the facility now or later. The City needs to address the long-term future of the asset but has a choice to continue the status quo or invest in the process leading to change. The implementation plan must respect Council's fiduciary responsibility to assess the feasibility and timing of the project relative to other needs and impacts on the City. There are a number of decision points which are provided in the implementation plan going forward where Council can assess the process of implementation. The implementation plan is an immediate step to provide greater certainty to the project – its definition, location, cost and affordability to the City.

## Recommended Next Phase of the Project

Staff recommend continuing the work in 2019 through an implementation plan that gives priority to site selection in Phase 3A of the project. Defining Site Selection as a separate phase of this project will allow the implementation plan to continue, resulting with a recommendation for Council approval to proceed with a preferred site or, at most, two sites. The next step is to perform additional evaluation of the shortlist of candidate sites identified during the feasibility study project, including a review of one additional site as requested, the Market Plaza site. The evaluation would explore estimated capital cost to acquire and/or develop, planning suitability, parking supply and demand, and long term strategic alignment with the Official Plan objectives in the areas under consideration. A contingency is included in the budget request for site-related expenses that may need to be carried out if the candidate sites are close enough in desirability and the difference between sites depends on technical and site development cost risks. Performing these studies during this phase would be done if necessary to render a decision by Council. A portion of the budget for design specifications is allocated to this phase of the project to allow for conversations regarding development options on potential sites. The remainder of the project (Phase 3B) will only proceed if Council approves site selection in the first part of this assignment.

The balance of the project to proceed with in Phase 3B would include:

- i) land acquisition or land assembly plans to facilitate the concept design plans including required environmental and geotechnical assessment phases and ORCA approval on the site selected;
- ii) refining the business case for the new facility that includes the financing/funding strategy, Memorandums of Understanding and the financial requirements of anchor tenants as well as potential area development partnerships;
- iii) preparation of a higher level of architectural and engineering design and potential cost; and
- iv) development of a Request for Proposals to secure the interest of a third party to design, build, finance and potentially operate and maintain the new Major Sport and Event Centre.

The project structure going forward would continue to include the Steering Committee that is comprised of staff and representatives from the Peterborough Petes, Peterborough Lakers, Peterborough Kawartha Economic Development and Downtown Business Improvement Area.

Throughout the process Council will be apprised of the outcome of each substantive stage of the work so that decisions can be made as to whether the project remains viable as the specifics of capital cost, timing and funding are brought clearer into focus.

## **Single Sourcing the Consulting Assignment**

Section 11.2 of the City Procurement By-Law 18-084 requires that “prior to seeking the approval of the Approval Authority and prior to any discussion with the Supplier, the Department must obtain the Treasurer’s approval to initiate a Non-Standard Procurement in accordance with all applicable procedures and protocols”. The City Treasurer has approved this.

Section 11.3.1 (b) of the City Procurement By-Law 18-084 permits a Non-Standard Procurement “where only one Supplier is able to meet the requirements of a procurement in order to: i. Ensure compatibility with existing products; ii. Recognize exclusive rights, such as exclusive licenses, copyright and patent rights; or iii. Maintain specialized products that must be maintained by the manufacturer or its representative.”

This proposed assignment in Phase 3 will build directly on the work and recommendations already completed by Sierra Planning and Management during Phases 1& 2 of the Major Sport and Event Centre Feasibility Study. To bring another consulting firm “up to speed” is anticipated to add additional costs and would diminish the continuity of the project given the substantial background work completed by Sierra. In consideration of this, staff believe Sierra, given their initial project involvement and knowledge of the assignment, are the best provider to complete the next phase of the project.

## **Timelines**

If the recommendations are approved and approval of this draft capital project is given in the 2019 budget, the assignment will be confirmed via a purchase order before the work commences. The work will begin immediately after the purchase order is issued which is anticipated in February 2019. Staff will return to Council in the last quarter of 2019 to report back on Phase 3A – Site Selection to obtain direction on whether the remainder of this project proceeds (Phase 3B).

## **Summary**

Staff recommend continuing the work of Sierra Planning and Management in 2019 through an implementation plan that gives priority to site selection in Phase 3A of the Major Sport and Event Centre project. The remainder of the project will only proceed if Council approves site selection. The completion of this assignment for site selection is expected by the last quarter of 2019.

Submitted by,

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Commissioner of Community Services

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Attachments:

Appendix A: 2019 Capital Project #6-6.07 Business Plan Phase III – Major Sport and Event Centre Project

Appendix B: City of Peterborough Multi-Use Sport & Event Centre – Feasibility Study September 2018 – Executive Summary.