



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner of Community Services

Meeting Date: November 9, 2020

Subject: Report CSD20-005
New Arena and Aquatics Complex 2020 project update

Purpose

A report to update the current status of the Arena and Aquatics Complex project and provide a recommendation for proceeding with the project.

Recommendations

That Council approve the recommendations outlined in Report CSD20-005 dated November 9, 2020, of the Commissioner of Community Services, as follows:

- a) That City staff review Morrow Park as an alternate site for the Arena and Aquatic complex and provide Council with a follow-up report to include a high-level conceptual design and budget costs associated with pursuing the Morrow Park location and;
- b) That Council approve a single source consulting assignment for the work associated with the alternate site review to Perkins +Will Architect for an amount not to exceed \$300,000

Budget and Financial Implications

The approved budget to date for the project is \$3.5 million (Budget Reference # 6-6.05). Expenditures to date on the entire project are \$2,821,749 of the approved \$3.5 million. The balance remaining unspent is \$678,251.

Costs associated with Council approval of recommendation a) can be accommodated within the remaining approved project budget.

There is no request for additional budget approval in the 2021 budget for this project.

Background

Council approved Report CSD19-016 dated October 15, 2019 to move the location of the project to a site at Fleming College and to apply for funding through the Investing in Canada Infrastructure Program – Community, Culture and Recreation Stream (ICIP-CCR).

ICIP – Community Culture and Recreation Grant Funding Application Status

The ICIP-CCR funding application was submitted on November 12, 2019. The City was recently advised that the application was unsuccessful and did not proceed past the provincial government review stage.

The Province stated the following in its notification:

“Following an evidence-based provincial review process, your project, Peterborough Arena Complex - A partnership between the City of Peterborough and Fleming College, was not nominated for federal review and approval. The intake of this funding stream was highly competitive, and total demand reached upwards of \$10 billion against total available joint funding (federal-provincial-applicant) of nearly \$1 billion.

Projects that were nominated to the federal government for review and approval were those that most closely aligned with the provincial assessment criteria and federal requirements. The provincial assessment criteria included reviewing projects based on Community Need, Community Support, Lack of Similar Services Accessible Nearby, Operational/Financial Capacity, Value for Money, Asset Management Planning, whether projects were open to the public and efficiencies through joint projects.”

Through further correspondence with Provincial staff the City has been informed that 264 projects were nominated to the federal level and that since the Province is in the project nomination phase of the program, it is not in a position to publicly share information before both the provincial and the federal governments have approved projects.

Fleming College Partnership Status

City staff recently met with Fleming College staff and First Nations representatives to update the group on the outcome of the funding and discuss next steps for the project. Fleming College expressed how much they value the partnership with the City and have requested at this time that the development of the project at the Fleming site be paused. Fleming College is currently fully focused on responding to the effects that the COVID-19 pandemic has imposed on their operations and staff attention is fully committed to

their ongoing recovery plan. Staff anticipate it could be several years before Fleming College is in a position to consider future development on this site.

Project Expenditures to Date

Through Report CSD19-016 dated October 15, 2019 project expenditure and commitments to date were reported as \$3,156,592 net of HST for the development of the New Arena and Aquatic project. With Council’s endorsement to move the project to the new location at the Fleming Site, staff worked promptly to mitigate any further costs associated with the previous site location. Table 1 below outlines the updated year to date (YTD) actual costs on the project on the original Trent site;

Table 1: Project Expenditures/Commitments to date

Description	Amount per Report CSD 19-016	Amount Revised To YTD Actuals
Consulting Fees Phase 1 – Award Report CSD16-002	\$384,000	\$384,000
Consulting Fees Phase 2 – Award Report CSD16-028	\$2,073,400	\$1,822,131
Consulting Fees Amendment – Award Report CSD19-001	\$228,917	\$184,788
Studies Testing and Inspection	\$140,275	\$147,000
Miscellaneous – Surveys, Commissioning, Permits	\$330,000	\$76,000
Total	\$3,156,592	\$2,675,869

The updated expenditure on the project at the original site location was \$2,675,869 net of HST, and the balance remaining on the approved budget was \$824,131.

With the move to the Fleming Site further costs were incurred to study, survey and implement a preliminary site plan concept and costing analysis as part of the ICIP-CCR application and future proposed site development. Costs expended at the Fleming Site total \$145,880 net of HST for a total of \$2,821,749 on the project to date

Arena Needs Assessment and Feasibility Study– 2013/14

On January 27, 2014, City Council received and adopted as a planning tool the Arena Needs Assessment Study that investigated the use and functionality of existing arena facilities and determined the specific needs of community ice and floor users currently and in the next 20 years. The study established community arena requirements to move forward and studied population growth projections to 2041, including anticipated changes in age profile and implications for demand for activities that utilize arenas.

A conservative arena service level of 1 ice surface per 11,000 residents was

recommended to be used until around 2031. The recommended arena service level would produce the following requirement for ice surfaces to 2031 (based on the upper and lower range of predicted population growth and with the retirement of Northcrest Arena, leaving five ice surfaces in the City):

- **2013:** (82,500) 7.5 ice surfaces required **(+2.5)**
- **2018:** (84,775-87,250) 7.7 to 7.9 ice surfaces required **(+2.7 to 2.9)**
- **2021:** (88,775-90,500) 8.1 to 8.2 ice surfaces required **(+3.1 to 3.2)**
- **2031:** (95,500-103,000) 8.7 to 9.4 ice surfaces required **(+ 3.7 to 4.4)**

The Needs Assessment found a projected requirement of two additional ice surfaces by 2021 over and above the replacement of the single pad at Northcrest Arena. Population growth has been in the mid-range as projected and staff feel confident that the information contained in the 2014 Arena Needs Assessment and Feasibility Study remains relevant and should continue to be used as a guiding document.

Demand for Ice Time Remains Strong

The elimination of the single pad Northcrest Arena has impacted the majority of user groups and City ice recreational programs. All ice and floor user groups and City ice recreational programs have been limited in the number of members and teams their organizations can accommodate and the number of tournaments and events they can host for over 24 years since the opening of the twin pad Evinrude Centre in 1996.

Of the 49 organizations and user groups with ice allocated for the full 27-week Fall/Winter Season, 24 groups were most impacted by the reduction of one ice pad following the closure of Northcrest Arena and have experienced a change to their ice time allocation (shift in day of the week, facility or reduction of hours allocated). Upon closure of all City arenas in March due to the COVID-19 pandemic, staff has maintained ongoing communication with user groups and organizations to plan the return to indoor sport activities based on Provincial restrictions and guidelines from sport governing bodies regarding their Return to Play/Sport plans. Sport organizations relayed that their membership and demand to return to the ice remains strong.

The gradual re-opening of arena facilities with restrictions in place began in August with the Evinrude Centre (two pads), then Kinsmen Civic Centre (two pads) following Labour Day and the Peterborough Memorial Centre (single pad) in late September. The 2020/21 Fall/Winter Season is currently underway with ice allocations at all facilities adjusted to incorporate increased cleaning protocols between rentals resulting in three less hours of ice available each day. The operation of select City-run pre-registered ice programs have resumed gradually starting in October with restrictions and limited capacities.

Demand for ice time by organizations, user groups and City-run programs continues to remain strong in spite of the restrictions imposed as a result of the COVID-19 pandemic. Ice rentals per pad this Fall/Winter Season are averaging 47 hours per week per pad

multiplied by 5 pads under these current restrictions with continued additional demand for ice by occasional user groups. The demand for ice and floor time exceeded the City's supply prior to the pandemic restrictions and staff anticipate these supply and demand issues will continue following recovery from the pandemic.

Project Funding

Currently there is no indication of a second intake process for the ICIP-CCR to occur at a later date. Moving forward project funding models such as the following can be considered:

1. The municipality could opt to fund the entire project through a combination of user fees, development charges, and tax supported debt;
2. Opportunities for public-private partnerships could be explored; and
3. The municipality could opt to wait for a future government funding opportunity.

Staff will provide further information on project funding models in the next report.

Project Next Steps

City staff have considered and weighed several options as a result of the ICIP-CCR funding application not being successful. Staff firmly believe planning for the new arena complex must continue as the demand for ice and floor time in our community remains strong and is further stressed following the closure of Northcrest Arena. The information contained in the 2014 Arena Needs Assessment and Feasibility Study calling for an additional two ice pads in 2021 beyond the replacement of the single pad Northcrest Arena remains relevant today. With the update from Fleming College senior administration placing the status of the Fleming Site on hold for an unspecified length of time, City staff are now considering alternative options to proceed with the project in a timely manner.

Review of Alternate Site at Morrow Park

The first consideration is to move forward with this much anticipated Municipal project to include all the program elements previously approved by Council on the alternate site of Morrow Park. Through Report CSD15-004 dated April 20, 2015 Council approved the following recommendations as they related to development of Morrow Park:

- c) That Morrow Park not be considered as the location of the community arena and that this site be reserved for a facility of greater scale and significance; and
- e) That the OHL Facility Study, scheduled for 2018 in the Development Charges Background Study, be moved up to 2016 and that no further initiation of the Morrow Park Master Plan be undertaken until the OHL Facility Study is complete and presented to Council.

The "OHL Facility Study" was renamed the "Major Sport and Event Centre Study". The Feasibility Study and Business Case Phases 1 & 2 of this study were completed and

presented to Council in 2018. Site Selection Phase 3A of this study is scheduled to be presented to Council through Report CSAD20-008 dated November 9, 2020.

Approval of the recommendations in Report CSD20-005 will allow the review of Morrow Park as a site option for the new arena and aquatic complex project to be explored. The design would continue to include the following program elements that were previously approved by Council:

Phase 1:

- A twin pad arena with 500 seats on each pad;
- An elevated walking/running track;
- 12 team change rooms and 2 official rooms;
- A team training centre;
- Office / Administration / Customer Service space for City staff;
- Office space leased to sport group(s);
- A concession stand;
- Two multipurpose rooms;
- Public washrooms, elevator and storage;
- Landscaping and parking;
- LEED certified construction standard;

Planned future Phase 2 - Competitive 8 lane pool with changerooms;

Planned future Phase 3 - Third ice pad expansion.

Staff would need to revisit the original documentation related to Morrow Park and engage with stakeholders associated with the site and the community. Consulting work undertaken with user groups and staff to define the design of the project will remain instrumental information in any future drawing package development. The micro planning tasks required for the project that have been undertaken to date would also be transferable information. Consulting work required for the development of Morrow Park site would be new work and include initial environmental studies, traffic studies and base geotechnical investigations alongside conceptual site planning, site servicing, future phasing exploration and budget cost analysis.

Project Costs as represented at the Fleming Site

The estimated project budget for Phase 1 at the Fleming Site location was provided through the Cost Report prepared for the November 2019 funding application. This budget was based on a mid level of finish for the facility and included the significant cost for site works to develop the Fleming Site. Costs are outlined in Table 2 below:

Table 2 – Arena and Aquatics Complex estimated project costs at Fleming Site

Description		Amount
Construction Costs	Arena (113,603 sq ft)	\$35,118,000
	Arena Site Work at Fleming	\$6,601,000
	Escalation to Q1 2021 – 7%	\$2,920,000
	Allowances (utility services connections, testing & inspections, signage, security, IT)	\$815,000
	Estimated Construction Costs	\$45,454,000
Consulting Fees	Consulting Fees for Site Plan Approval	\$396,198
	Consulting Fees for Contract Drawings & Specification	1,592,808
	Consulting Fees for Project Tender and Award	497,250
	Consulting Fees for Construction Administration	\$828,750
	Estimated Consulting Costs	\$3,315,000
Project Soft Costs	Miscellaneous (Permits/Bonding/Geotech/Legal)	\$500,000
	Furniture, Fixtures and Equipment	\$600,000
	Project Contingency 5%	\$2,272,700
	Project Actuals Spent to Date	\$2,821,749
	Estimated Project Soft Costs	\$6,194,499
Project Total Estimated Costs		\$54,963,455

As part of the review of the Morrow Park site, staff believe that there may be opportunity to reduce the costs associated with the site work due to adjacency of services. Furthermore, a value engineering redesign exercise for a pre-engineered building with some of the program elements removed could also be considered as a way to reduce the overall project cost.

Schedule

Staff would prepare the follow up report by Summer 2021 with costs associated to pursuing the Morrow Park site with both the currently approved project scope and potential options for consideration of a modified scope.

Alternate Options Considered

Staff gave consideration to exploring a single pad option as an interim step to reduce the capital budget. The single pad option could be a stand alone option or an additional ice pad on an existing facility. The Kinsmen Civic Centre arena and the Peterborough Memorial Centre are the only locations with potential space for adding this option. There were several factors that do not support this as an option;

- The current demand for ice time goes beyond providing a single pad with the Arena needs assessment supporting two additional ice pads by 2021.
- The costs associated to operate a single pad versus a twin pad are similar due to the requirement of the staff complement, refrigeration plant and shared building common areas.
- A single pad option would not be supported by development charge project revenue.

Pool Component Update

Report CSD19-016 dated October 15, 2019 Council added recommendation e) stating, "staff to report back following receipt of the results of the Provincial review of the ICIP program on a plan and timeline for a competitive pool which shall include consideration of a pool being constructed concurrent to the twin pad". Staff have met with the Trent Swim Club to continue the pool options discussion per Council direction. Staff were compiling data on the future operational costs and revenue generation potential of the pool to fully address the future options of how and when the pool can be successfully phased into the project. This activity is currently paused while City Staff await Council direction for the project location and decisions on the options presented in this report.

Council Approval of Non-Standard Procurement

This report is requesting the approval of fees to be awarded to Perkins + Will Ltd under Section 11.3.1,d.,ii of Procurement By-law 18-084, where Council approval is required for the non-standard procurement of additional deliverables of value over \$100,000. Perkins + Will have been providing services as the Prime Consultant for the project through the award of P-27-15. The services provided have been incrementally approved through a series of Reports to date. The additional work required to develop the project on the new site location builds upon the previous work undertaken. It could not reasonably be determined at the time the original work was approved additional services would be required to relocate the project to an alternate site.

Summary

The ICIP-CCR funding application, submitted November 12, 2019, was unsuccessful and did not proceed past the provincial government review stage. It is fully recognized that the City is in need of a replacement facility for the Northcrest Arena that was decommissioned in May 2020 and, in addition, two additional ice surfaces as projected

in the 2014 Arena Needs Assessment. Staff feel confident that the information contained in the 2014 Arena Needs Assessment and Feasibility Study remains relevant.

Council's endorsement of the recommendation in this report will allow staff to continue to develop the new arena and aquatic complex project in 2021 within the approved budget. Staff will prepare a follow up report in Summer 2021 to include a high-level conceptual design and budget costs associated with pursuing Morrow Park as an alternate site, providing options for removal of some program elements to reduce the overall project cost.

Submitted by,

Sheldon Laidman,
Commissioner of Community Services

Contact Name:
Gillian Barnes
Project Manager, Facilities and Planning Initiatives
Phone: 705 742 7777, ext. 1828
Toll Free: 1-855-738-3755, ext. 1828
Fax: 705-876-4606
E-mail: gbarnes@peterborough.ca