



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner, Community Services

Meeting Date: June 19, 2023

Subject: Major Sport and Event Centre Study Project Update, Report CSACH23-002

Purpose

A report to provide an update to Council on the status of the Major Sport and Event Centre Study Project and to seek direction on the next steps for the project.

Recommendations

That Council approve the recommendations outlined in Report CSACH23-002, dated June 19, 2023 of the Commissioner, Community Services as follows:

- a) That an update on the status of the Major Sport and Event Centre Study Project be received for information;
- b) That the preferred location of a Major Sport and Event Centre shall be in the Central Area in accordance with the "Downtown First" public investment strategy described in Section 4.3.1 x. of the Official Plan;
- c) That a reassessment of the original September 2018 Feasibility Study be undertaken to include:
 - i. Updating capital works completed and providing new estimates of future capital needs that will be required at the Peterborough Memorial Centre;
 - ii. A review of the changing landscape of competitive venues with a smaller project scope given a community ice pad is no longer necessary;
 - iii. Review and revisions of financial operating projections;

- iv. An update to the economic impact model of operations and spending multipliers to the regional economy;
 - v. Revisiting the scope of the project and updating the current cost analysis;
- d) 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 within the preapproved budget of \$353,000.

Budget and Financial Implications

There are no budgetary or financial implications associated with the recommendations in this report. The next phase of this project as recommended can be accommodated through the remaining balance of \$363,617 approved through the 2019 Capital Budget.

Sierra Planning and Management has undertaken the work to date for Phases 1, 2 and 3A and to ensure an efficient continuation of the project, staff are recommending a single source consulting assignment be approved for Sierra Planning and Management to continue the next phases of the development process.

The original capital costing for the project included in the September 2018 Feasibility is provided in Chart 1 below. While new capital costing will be part of the information to be updated for Council consideration if the project is approved to move forward, as a frame of reference, non residential capital costing has risen on average 48% since 2018. The revised costing based on this 48% capital cost inflation is also provided in Chart 1. It is important to note that this is in 2023 dollar figures and any construction will see additional inflationary costs according to whatever construction timeline is eventually approved.

Chart 1 - Capital Cost Estimates

Cost	Event Centre (\$2018)		Plus Community Ice Pad (\$2018)	
	5800 Seats Approx. 155,000 sq. ft.	% of Total	Approx. 190,000 sq. ft.	% of Total
A. Hard Construction Costs	\$43,975,000	61.0%	\$55,756,000	64.9%
B. General Condition & Selected Soft Costs	\$9,710,000	13.5%	\$9,710,000	11.3%
C. Other Soft Costs	\$4,570,000	6.3%	\$5,470,000	6.4%
D. FF & E	\$13,877,000	19.2%	\$14,971,000	17.4%
Total	\$72,132,000		\$85,907,000	
Estimated Revised Costing in 2023 dollars	\$107,000,000		\$127,000,000	

Background

Council awarded RFP P-17-17 through [Report CSAD17-003](#), Award of RFP P-16-17 for Consultant Services to Undertake a Feasibility Study for a Major Sport and Event Centre in Peterborough, Ontario dated December 4, 2017 to Sierra Planning and Management.

Phases 1 & 2 of the Project

The project was divided into two phases. [Report CSAD18-003](#), Major Sport and Event Centre Feasibility Study Phase One Executive Summary and Presentation detailed the Phase One Feasibility Study which 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 (PMC). Analysis and highlights included:

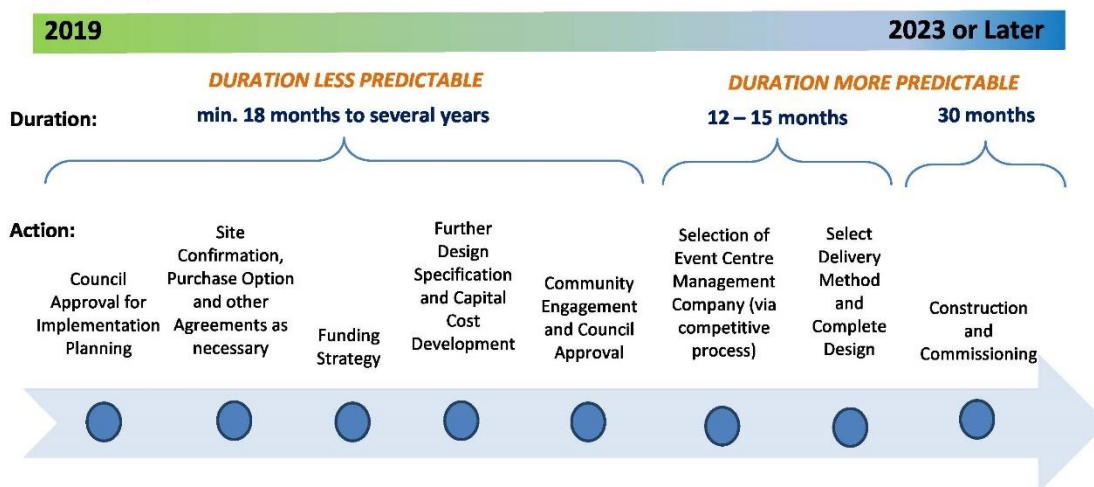
- Proposed capital costs with seating expected to be 5800 in an approximate 155,000 sq ft overall building;
- Expected project timeline;

- Functional assessment of the PMC along with a cost benefit analysis of upgrades to the PMC vs a new building and when construction should occur;
- Market definition, current status of the market and future market opportunities;
- Potential components of a new facility;
- Existing financial performance of the PMC vs a new facility potential financial performance;
- Locational considerations for a new facility and potential economic impacts.

[Report CSAD18-005](#), Major Sport and Event Centre Feasibility Study Phase Two Final Report and Presentation detailed the Phase Two Business Case and 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 for further consideration in Phase 3. The Locational Analysis included in this phase included a long list of candidate sites which were reduced to the prime locations to be considered of No Frills on George Street, Morrow Park, City Public Works Garage/Mall on Townsend and extending to George Street; and James Stevenson Park.

The original timeline in the 2018 Feasibility is shown in the below graphic. This graphic provides an indication of an expected timeline if Council chooses to move forward.

Potential Timing:



Phase 3A of the Project

Continuing the work from 2019, [Report CSAD20-008](#), Major Sport and Event Centre Study Phase 3A included additional evaluation of the shortlist of candidate sites identified during the feasibility study project, including a review of the Market Plaza site

(George Street bounded by Rink and Townsend across from Del Cray park). Further analysis led to narrowing the site search to Morrow Park and a site in the downtown area. As a result, additional downtown site locations were brought forward that may prove to be suitable following some modifications to preliminary concept design specifications.

Phase 3A was comprised of the following tasks:

- Site analysis, review of ownership and encumbrances, constraints, and appropriateness of the sites under review to meet the goals of the City;
- High-level hazard, environmental and geotechnical review to distinguish between sites and identify risks;
- Land-use planning review and how such public infrastructure can be expected to contribute to the goals of Central Area planning established in the new Official Plan;
- Further design concept testing on sites and additional sites identified for further review;
- Capital cost updates for escalation and the option for a reduced-scale facility;
- Impacts of site conditions on capital costs;
- Assessment of the relative potential of sites to support broader regeneration of the Central Area of the City; and
- Reporting and recommendations for the next Phase 3B.

The approval of this report included the following directions:

- a) That the Draft Analysis of Prospective Sites Report (Appendix A) and Presentation by the consultant, Sierra Planning and Management, be received for information;
- b) The potential for a Major Sport and Event Centre be referred to the larger strategic planning exercise carried out in Key Strategic Development and Investment Areas contained in the Central Area as identified in the new Draft Official Plan.

Morrow Park Update

Subsequent to Council's deferral of the final decision on a location for the Major Sport and Event Centre, Morrow Park was approved as the location for the new Twin Pad Arena and Aquatics Complex. This was approved via [Report CSD21-009](#). Based upon this decision, Morrow Park is no longer a viable option for the placement of a Major Sport and Event Centre. The new Arena and Aquatics Complex along with its subsequent parking will cover close to half of the park while the vast number of parking spaces and size of the new Major Sport and Event Centre would no longer be able to fit onto the remainder of the site. In addition, a Major Sport and Event Centre and a large

twin pad and aquatics centre complex are not compatible as it would be difficult to operate without negatively impacting each other.

The construction of a new twin pad arena at Morrow Park also reduces the expected scope of the Major Sport and Event Centre project which originally included an attached community arena. The demand for such an arena has now been reduced due to the new twin pad arena being constructed and is not a critical need to be included in the new project.

Next Steps

Staff have recently consulted again with Sierra Planning and Management on this project and they have recommended to staff that the current Feasibility study remains highly valid as a two stage assessment of need. It is being recommended that the Feasibility Study be updated to include:

- Reassessment of capital works completed at the PMC and to estimate future costs to allow an updated assessment to compare the PMC to a new facility
- Review of changes in the market for similar venues in this area of Ontario
- Review the impact of a change in scope to not include an attached community arena
- Update financial operation projections for the new facility
- Update the projected cost analysis since Covid-19 has resulted in significant construction cost increases for similar buildings

New Official Plan

The work completed on the project indicates a Major Sport and Event Centre is best situated in the Central Area.

The new Official Plan identifies Key Strategic Development and Investment Areas. These areas are identified to facilitate intensification and redevelopment and shall be the focus for the implementation of a range of financial and planning tools. Key strategic development and investment areas are identified as having the potential to support the City's desired vision and objectives, including the creation of community hubs with a mix and range of land uses, a high quality public realm and waterfront, transit improvements, and the restoration of natural heritage features. Section 4.3.1 x. of the Official Plan includes a Downtown First strategy which fully supports this form of investment in the downtown area.

With the loss of Morrow Park as a viable locational option and the direction in the new Official Plan focussing growth in the downtown, the report is recommending that the search for a site be focussed only on the downtown area.

Additional Considerations and Additional Next Steps

Phase 3A Locational Analysis and Site Determination:

This was begun in the original review of Phase 3A but was not finally determined. If Council wished to enhance the timeline of this project and was comfortable proceeding prior to reviewing an updated Feasibility Study, then an option would be to add to the recommendations that a locational analysis be undertaken for possible sites in the downtown area. The consultant would update the work already undertaken by ensuring that additional sites that now meet the revised size and scope needs are evaluated. If Council wished this to be added to the recommendations, staff would suggest the following wording:

1. That Council approve proceeding with the next scope of work to include a priority list of downtown locations for Council to confirm the preferred site.

Phase 3B:

Under the original timeline, the Phase 3B next step of this large and important project will allow the consultant and staff to build directly on the work already completed during Phases 1, 2 and 3A. Staff are not recommending this work be undertaken at this time but wanted to advise Council of this necessary next step.

Phase 3B would include the following specific actions:

- Undertake necessary discussions with relevant landowners and potential development interest for land on or surrounding the selected site in the downtown;
- Reassess and propose alternative building and functional space program options and develop scaled-back estimates of capital costs;
- Finalize the business objectives of the City in respect of the development of the new facility, establish a new timeline for completion of the project and complete a full business case for the design, development and operation of a new facility in the downtown area; and
- Develop a Funding Strategy based on increasing certainty of site-related costs, a range of potential funding sources and necessary risk analysis of the funding sources to determine potential impact to the tax base.

Determination of Business Model

The original Feasibility Study identifies the potential range of partnership options that may be considered as one of the final steps. Staff are highlighting this for Council as a future major area of consideration and for Council to be aware that there may be alternative partnership options beyond simple municipal ownership and operation which could include:

- Municipal Ownership and Operation
- Non-Arms Length Municipal Agency Operation
- Private Sector Operation (fee for service)
- Private Sector Operation (fee at risk, performance incentives)
- Private Ownership and Operation

Project Steering Committee

The project Steering Committee has been in place since the inception of this project providing valuable input and is comprised of staff and representatives from the Peterborough Petes, Peterborough Lakers, Peterborough Kawartha Economic Development and Downtown Business Improvement Area. The Steering Committee last met in October 2020 to review the consultant's presentation on Phase 3A and provided their unanimous support in favour of the consultant's recommendations. Staff are not recommending this group be reconstituted at this time but would be recommending doing so as part of future phases.

Report on this project to date

Given the scope of work involved a number of additional reports (not listed above) have been generated on this project and are provided here for reference to ensure Council understands the full scope of work undertaken to date on this project.

- [Report CSD15-004, Arena Development Update](#)
- [CSAD18-001 Major Sport and Event Centre Feasibility Study Presentation](#)
- [CSAD19-001 Major Sport and Event Centre Project Evaluation](#)

Summary

The report provides Council with the scope of work completed to date for a New Major Sport and Event Center and recommends some updates to the existing plan along with the next steps to be undertaken should Council agree to continue the work on this project.

Submitted by,

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Commissioner of Community Services

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