



**Department: Community and Corporate Services
Committee: New Community Centre Advisory
Committee**

Report Number: 2009-37

Date: October 5, 2009

**SUBJECT: Request for Additional Government Funding
Health and Wellness Recreation Centre**

1) PURPOSE:

This report has been prepared at the direction of the New Community Centre Advisory Committee to provide a recommendation to Council to support a further request to the Federal/Provincial governments for an additional \$6 million and in order to leverage such funding that the City provides matching funds of \$3 million from the available hydro funds.

2) HISTORY, BACKGROUND, COUNCIL POLICY, PRACTICES

At the Council meeting of September 22, 2008 Corporate Services Report No. 2008-38 was approved endorsing the Port Colborne Health and Wellness Recreation Centre for the Building Canada Fund – Communities Component grant application.

On October 27, 2008 Corporate Services Report No 2008-45 was approved by Council for the application of a grant for an amount of 2/3 of the overall cost proposed at \$20,600,000 or approximately \$14,000,000 to the Building Canada Fund-Communities Component based on the prepared business plan. In addition, City Council committed up to \$7,000,000 of the Hydro funds to fund the construction of the Health and Wellness Recreation Centre project.

Staff prepared and submitted the on line application on November 20th, 2008.

On Friday, February 13, 2009, it was announced that Port Colborne was successful in our grant application and would be receiving the full amount requested being \$6,866,667 each from the Federal and Provincial governments amounting to \$13,733,334. Together with the municipal 1/3 share of \$6,866,666 the total project amounts to \$20,600,000.

At the Council meeting of July 7, 2009, Corporate Services Report No 2009-28 was approved as follows:

1/ The New Community Centre Advisory Committee recommends that the Council of the City of Port Colborne consider the design of the Health and Wellness Recreation Centre to include all the components described in Options 1, 2 and 3 as described in this report with an estimated cost of \$35,405,100

2/ That Council consider additional components to be options of the master site plan during the design stage and be subject to capital funds being available from additional grants, other revenue sources and capital funds committed from the commercial sector to utilize the space in the facility.

3/ That Council authorize MHPM to issue a Request for Proposal for the Prime Design Consultant based on the approved design components as determined by Council.

On August 31, 2009 Council awarded the Design Architect Consultant to MacLennan Jaunkalns Miller Architects (MJM)

3) STAFF COMMENTS AND DISCUSSIONS

The Design Review Sub-Committee has been meeting with MJM and MHPM to review the site location at the T.A. Lannan Complex and they have provided their preliminary cost estimate for the Health and Wellness Recreation Centre attached as Schedule A.

As Council is aware, MHPM estimated cost of the facility, with the Field house and additional options, amounted to approximately \$35,405,100. As per MJM's cost estimates, which are independent of MHPM's estimates, they amount to approximately \$35,898,875. Both cost estimates are based on each consultant's recent experience in building similar type facilities. The cost estimate can be separated into the original proposal, excluding the Field house, at \$33,966,875 and an additional \$1,932,000 for the Field house option.

In order to build the proposed facility with the Field House and additional options as described in Report No. 2009-28, additional funding is required in the amount of \$9 million. This takes into account the current funding available from the grant program of \$13,733,334, City committed funds from the hydro funds of \$7,000,000, the previous Provincial Grant of \$3,300,000 (includes interest) and a fundraising campaign target of \$3,000,000 for total available funds of \$27,033,334. As the fundraising is an unknown at this time, actual funds available amount to approximately \$24,000,000.

The Advisory Committee is recommending that staff approach the appropriate government ministry to request an additional \$6 million (\$3 million from the Province and \$3 million from the Federal Governments) to complete the construction of the proposed Health and Wellness Recreation Centre. In order to achieve this request, the Committee is requesting that Council commit an additional \$3 million from the hydro funds as the City's matching contribution.

4) OPTIONS AND FINANCIAL CONSIDERATIONS:

a) Do nothing.

This is an option, but not recommended as the project has been funded from the Building Canada Fund. The City is in a position to construct the Health and Wellness Recreation Centre using government grant funds amounting \$13,733,334. In order to receive the funds from the governments, Council must proceed in building the minimum

of the two arenas and the pool with the walking track and therapeutic pool as presented in the business plan for application of the funds. Council has committed a minimum of \$7,000,000 from the Hydro funds towards this project.

b) Other Options

Reduced Facility

Council may direct that the facility be built with the available funds of \$24 million plus fundraising. The facility components may have to be reduced and/or eliminated from the design construction. The facility may have to eliminate all options and accessories. The negative impact on this would be a base facility which may not meet the requirements for the current funding level from the grant program. It will not satisfy the public input we have received relative to desired attachments to the overall facility and may not meet the Health and Wellness aspect of the facility.

Schedule D Options

These options provide for funding of the original business plan proposal, excluding the Field house, for an estimated cost of \$34 million. The Field house would require funding from additional fundraising to add this component to the facility. In addition, it would be recommended that any additional fundraising funds be used to reduce the use of the Hydro Funds.

Option 1

This option requests \$3 million additional hydro funds to leverage \$6 million in government funding. It provides for \$1 million in fundraising and the \$3 million provincial grant previously received. Of the available \$5 million in Hydro Funds, this option would have \$2 million remain available for other projects.

Option 2

This option requests \$3 million additional hydro funds to leverage \$6 million in government funding. It provides for \$1 million in Federal Gas Tax Funds to cover the cost of greening components of the facility and the \$3 million provincial grant previously received. Of the available \$5 million in Hydro Funds, this option would have \$2 million remain available for other projects.

Option 3

This option requests \$2 million additional hydro funds and \$1 million in fundraising funds to leverage \$6 million in government funding. It provides for \$1 million in Federal Gas Tax Funds to cover the cost of greening components of the facility and the \$3 million provincial grant previously received. Of the available \$5 million in Hydro Funds, this option would have \$3 million remain available for other projects.

Option 4

This option requests \$3 million additional hydro funds and \$1 million in fundraising funds to leverage \$8 million in government funding. It provides for \$1 million of the provincial grant previously received to be allocated to the facility. Of the available \$5 million in Hydro Funds, this option would have \$2 million remain available for other projects. In this option, the remaining \$2 million from the provincial grant could fund the Field house component.

Option 5

This option requests \$3 million additional hydro funds and \$1 million in fundraising funds to leverage \$8 million in government funding. It provides for \$1 million in Federal Gas Tax Funds to cover the cost of greening components of the facility. Of the available \$5 million in Hydro Funds, this option would have \$2 million remain available for other projects. In this option, the remaining \$3 million from the provincial grant could fund the Field house component.

Committee Recommendation

The Committee is requesting that Council direct staff to approach the appropriate government ministry to request an additional \$6 million (\$3 million from the Province and \$3 million from the Federal Governments) to complete the construction of the proposed Health and Wellness Recreation Centre. In order to achieve this request, the Committee is requesting that Council commit an additional \$3 million from the hydro funds as the City's matching contribution. If funding is granted, the proposed facility can be constructed as proposed with all amenities of a Health and Wellness Centre.

5) COMPLIANCE WITH STRATEGIC PLAN INITIATIVES

This report is prepared in compliance with priority 2 from a previous strategic planning session with regards to building a new Community Centre.

6) ATTACHMENTS

Schedule A – MJM's Revised Project Estimate
Schedule B – MHPM's Project Estimates
Schedule C – Hydro Funds
Schedule D – Funding Options

7) RECOMMENDATION

1/ The New Community Centre Advisory Committee recommends that the Council of the City of Port Colborne support a direction for staff to prepare an application to the appropriate government ministry to request an additional \$6 million (\$3 million from the Province and \$3 million from the Federal Governments) to complete the construction of the proposed Health and Wellness Recreation Centre.

2/ That the Mayor presents the application request for additional funding to the appropriate Ministry, including The Honourable George Smitherman, MPP

3/ That Council commit an additional \$3 million from the hydro funds as the City's matching contribution towards additional funding from the Provincial and Federal governments.

8) SIGNATURES

Prepared on October 1, 2009 by:

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Director of Corporate and Community
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Reviewed and Respectfully Submitted by:

Councillor Bill Steele
Chair of the New Community Centre
Advisory Committee

Reviewed and Respectfully Submitted:

Robert J. Heil
Chief Administrative Officer