



Staff Report

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Report To:	General Government Committee		
Date of Meeting:	January 10, 2022	Report Number:	CSD-001-22
Submitted By:	George Acorn, Director of Community Services		
Reviewed By:	Andrew C. Allison, CAO	Resolution#:	
File Number:		By-law Number:	
Report Subject:	Future Indoor Recreation Facility at the Garnet B. Rickard Recreation Complex Site		

Recommendations:

1. That Report CSD-001-22 and any related communication items, be received;
2. That Council provide direction on a preferred option and associated actions:

Option 1 – Expansion of Indoor Recreation at Garnet Rickard Location

That Council adopt this location for the proposed indoor recreation expansion plan;

That Council refer the proposed project budget of \$66,100,000 to the 2022 budget for consideration;

Option 2 – Expansion of Indoor Recreation at South Bowmanville location

That Council adopt this location for the proposed indoor recreation expansion plan;

That Council refer the proposed project budget of \$57,636,300 to the 2022 budget for consideration;

Option 3 – Deferral of Indoor Recreation Expansion

That staff be directed to review and update the 2017 Indoor Facilities Development Strategy, revise the proposed implementation schedule, and include the future Community Park location at Lambs Road and Concession Street;

That staff report back with this information in 2023; and

3. That all interested parties listed in Report CSD-001-22 and any delegations be advised of Council's decision.

Report Overview

The purpose of this report is to provide Council an assessment of the site of the Garnet B. Rickard Recreation Complex to determine the feasibility of locating the proposed indoor recreation facility expansion at this location, instead of the original location at the South Bowmanville Community Park. In general, the proposed recreation facility plan would not change, however, the Rickard location would not include the construction of a new branch library. Should Council direct staff to move forward at this site, the Clarington Public Library has determined the proximity to the main branch adjacent to the Municipal Administrative Centre would not make this branch feasible.

Since last reporting on this proposed project, we have experienced a world-wide pandemic that has resulted in supply chain challenges, labour market shortages and other economic factors that would have a significant impact on a large project such as this. For this reason, we have also provided an updated project budget estimate for the South Bowmanville plan, previously presented to Council.

To prepare the information needed to make an informed decision, a conceptual site plan and building program was developed and, with cooperation from Planning and Development staff, circulated to applicable departments at Durham Region and Clarington as well as specific outside agencies.

1. Background

- 1.1 At the May 10, 2021 GGC Meeting, Staff Report [CSD-003-21 Future Indoor Recreation Facility](#) was introduced, outlining three options for a new recreation facility in Clarington.
 - Option 1: That Council approve the proposed indoor recreation facility plan, as recommended in [Report CSD-009-19](#), to be located at the South Bowmanville Community Park;
 - Option 2: That Council direct staff to issue an Expression of Interest (Market Sounding) for the design, construction, financing, operation, and maintenance of a new recreation facility, to be located at the South Bowmanville Community Park; or
 - Option 3: That Council provide staff direction on a preferred location, as identified in this report, or otherwise; and That staff be directed to prepare a conceptual facility design plan for the preferred location.
- 1.2 Council approved Resolution #GG-336-21: That Item 14.2, regarding a Future Indoor Recreation Facility, be referred to Staff to report back in the fall on the matters listed under Option 3 of Report CSD-003-21; and That Council approve the costs to prepare the conceptual plans and project budget, not to exceed \$25,000 which will be funded from the Community Services Capital Reserve Fund.”

- 1.3 While not identified in the Resolution, Council specified that they wanted the report to investigate the feasibility of locating the new recreation facility on the current Garnet B. Rickard Recreation Complex site.
- 1.4 Lett Architects was retained to provide a conceptual plan for an expanded recreation facility on the Garnet B. Rickard Recreation Complex site (Attachment 1). As they developed the original concept and costing information for South Bowmanville in 2019, there would be a consistent approach to the task. A staff team also was put together including key members of appropriate municipal departments.

2. Assessment of the Garnet B. Rickard Recreation Complex Site

- 2.1 As directed by Council, staff undertook a detailed review of the location to determine the feasibility of adding an indoor recreation facility expansion onto the existing building. Staff also convened meetings with other internal departments to discuss the exercise and to assist in assessing the feasibility of the indoor facility expansion on this site. Planning and Development staff suggested that the review of the proposal should follow the same preliminary procedure as any other development proposal.
- 2.2 Planning and Development staff circulated the information and plans to various agencies and departments for comments. The various responses were compiled, including those of their staff. The comments have been summarized and are provided below. It is important to note that these comments were provided at a high level on the overall concept plan. Further circulation would be necessary on a more detailed plan if Council decides to pursue the expansion option further.

Durham Region Planning

- 2.3 The Provincial Policy Statement (PPS) states that active communities should be promoted by, among other measures, planning and providing for a full range and equitable distribution of publicly accessible built and natural settings for recreation. They conclude this proposed project appears to confirm with the direction of the PPS.
- 2.4 One of the objectives of A Place to Grow is to provide direction for intensification within designated built-up areas. It is a vision of A Place to Grow that public services will be co-located in community hubs that are broadly accessible and further that growth be focused, among other considerations, in locations with existing or planned transit. This proposed project is located within a future Major Transit Station Area (MTSA), and as such, appears to be consistent with the direction of A Place to Grow.
- 2.5 The Regional Official Plan (ROP) requires that development within MTSA's will offer convenient, direct, sheltered pedestrian access for persons with disabilities,

pedestrians, cyclists, and connections to a variety of transportation modes. At this time the proposed concept does not illustrate access for these groups and would be required to proceed. The site is designated a "Community Facility" in the Bowmanville West Town Centre Secondary Plan. As public recreation facilities are a permitted use, this proposed project appears to conform to the policies of the ROP and the Bowmanville West Town Centre Secondary Plan Area.

Durham Region Public Works

- 2.6 The property is currently serviced with sanitary servicing and water supply. Based on the facility program, should larger sizes be required a servicing plan will need to be prepared and submitted to the Region for review.
- 2.7 The Region has reviewed the right-of-way requirements along the frontage of the property and has concluded no road widening is required.

Central Lake Ontario Conservation Authority (CLOCA)

- 2.8 The proposed addition to the existing complex is outside regulated areas so CLOCA permits would not be required, and the Conservation Authority has not identified any reason for objection at this time. Should the project proceed, they would review the technical materials of the application and would look forward to ensuring innovative stormwater management is achieved.

Durham Region Transit

- 2.9 DRT is requesting that any future plans submitted include all existing transit infrastructure. No other comments were provided.

Enbridge Gas

- 2.10 Enbridge Gas has no objections to this proposed project but reserve the right to amend any development conditions based on the need to expand and/or alter the existing piping facilities.

Clarington Planning and Development

- 2.11 One objective of the Bowmanville West Town Centre Secondary Plan is to provide a full range of land uses, including community facilities, employment, and residential opportunities. Development shall be in a sustainable fashion, with a maximum emphasis on the integration of land uses, compact urban form, and the implementation of public transportation initiatives.

- 2.12 In terms of urban design for the area, emphasis should be on creating a more urban public realm along King Street (Hwy 2 West) and Bowmanville Avenue. Surface parking should be designed in a way to allow for future intensification and include pedestrian connections. Parking should be at the rear or side of the facility and a landscape buffer added along the street edges. Building and architectural design of any proposed additions would also be of primary importance considering the visibility and prominence of the site and the Municipality's leadership role in achieving high quality developments across the community.
- 2.13 Transit supportive development is the primary focus in this area which shall include compact development at higher densities. Shared parking or parking structures should be provided to support transit-oriented development. There are site and architectural limitations for any expansion of the existing building to create a prominent streetscape along Highway 2 West that reflects the built form of the rest of Bowmanville West.
- 2.14 Any redesign of this site shall include a sustainability component not only for the building addition but also for the exterior of the site, including the parking area and stormwater management. This will set a precedent for the community.
- 2.15 Bowmanville West is slated to become a Protected Major Transit Station Area. This high density, multi-modal centre will be anchored by a GO station and will serve as the retail and service hub for the entire community. The proposed expansion of indoor recreation would not fit the primary vision for an area set to transform into a MTSA. The proximity to a train station is better served for residential and commercial uses.
- 2.16 A future consideration for this site other than the proposed expansion could include partnerships or outright sale of land which could potentially include affordable housing, residential/mixed use development and/or other community/institutional uses. Expanding the existing indoor footprint on this site reduces any opportunities for the longer term in this respect.
- 2.17 The proposed project would significantly reduce the amount of green space on the property. Additionally, the need for green space in Bowmanville West is expected to increase over time as higher density development attracts more residents to the area. Other than on the Rickard site, the opportunity for more public green spaces is limited in Bowmanville West. In an effort to preserve the existing green space on this property, the construction of a parking structure could be considered.
- 2.18 In general, Council will need to consider the balancing of priorities as it relates to achieving the vision for the long-term for the MTSA and the potential need for expansion of recreational space.

Clarington Public Works – Infrastructure

- 2.19 The proposed site plan should avoid building parking spaces, drive aisles, and internal roadways within future building expansion areas. This would reduce the amount of “throwaway work” at the time of future expansion.
- 2.20 The concept plan will need to evaluate the existing grade constraints on the site. With an increased demand for on site snow storage (including that created from arena operations), Public Works would like to see snow storage areas placed in areas where they can drain naturally while not interfering with the functionality of the site.
- 2.21 The relocated skate park seems rather small in size and the identified location presents public hazard concerns. Alternate locations should be considered on the site to address this.
- 2.22 The stormwater pond should be removed from the plan as it presents both a public hazard concern and a maintenance burden on Public Works. Stormwater management may be already partially allocated to the West Side Creek Master Drainage Study and may only be required from a quantity control perspective. In this case, an underground storage chamber would achieve the desired level of stormwater control and reclaim green space and a public amenity area.
- 2.23 Further evaluation on the impact this proposed project would have for site access routing in relation to the adjacent neighbourhood areas as well as adjacent roadway restrictions. Southern access would be eliminated with access to the fire hall only. Eastern access from Bowmanville Avenue would be restricted to southbound right in movement only. Northern access from Stevens Road is hampered by poor sight lines from the alignment deflection to the west and the steep vertical curve road profile to the east which likely presents various safety concerns.
- 2.24 Access from the west via Uptown Avenue would require Clarington Boulevard to serve as the primary route to access the site. A significant draw of background traffic will occur from the existing and future expansion of the Brookhill community as the Clarington Boulevard/Highway 2 intersection serves as a central hub for much of west Bowmanville.
- 2.25 As a primary entrance route, the intersection of Clarington Boulevard/Uptown Avenue would likely need to be signalized and possibly reconstructed. This may be problematic due to the short distance between signal at Highway 2 and Stevens Road. Additionally, the right turn storage lane westbound onto Clarington Boulevard may need to be extended and the median on Clarington Boulevard for left turn into Home Depot may need to be closed.

Clarington Energy and Climate Change Coordinator

- 2.26 There are currently eight (8) EV charge points being installed at this facility in the east parking lot. Consideration should be given to work around these installations or to allocate project funds to relocate them.
- 2.27 Should approval for this project be received, funding is available for existing community buildings through the Green Municipal Fund – Community Buildings Retrofit Grant.

3. Other Site Considerations

- 3.1 In addition to the above information, there are other considerations that Council should be advised of to best assess the feasibility of the proposed expansion on the Garnet Rickard site. As outlined in the capital project cost section of this report, the indoor expansion on the Rickard site will include costs that would not be necessary at the South Bowmanville location.
- 3.2 The most significant cost for this location is the premium estimated for the completion of the necessary site work. Unlike the green field location in South Bowmanville there is significant removal and/or relocation of existing roadways, parking lots, and underground services.
- 3.3 Based on the current demand for baseball fields, it will be necessary to relocate the two existing fields to another location in Bowmanville, likely to Clarington Fields. To provide minimal disruption to our minor and adult baseball groups, the two new fields should be fully operational prior to the removal at the Garnet Rickard site. An allowance for field relocation has been added to the project budget.
- 3.4 The existing skate park and playground will need to be removed and newly constructed on the site. Based on comments received, we will need to consider alternate locations on site for both amenities. An allowance for this work has been added to the project budget.
- 3.5 It has been estimated that select demolition of parts of the existing building will be required to integrate the expanded area into the current building plan. With a renovation project of this scale, there is the possibility that existing conditions will become evident when demolition begins. For this reason, a 3% construction contingency has been added to the project budget.
- 3.6 An expansion of this scale onto an existing facility will undoubtedly have a major impact on the existing operations. Although it is our intention to mitigate this impact and to create as much of a physical barrier between, it is likely the estimated two years of construction will require extensive physical barriers between the construction area and the rest of the facility.

- 3.7 Although it is planned to keep the remainder of the facility fully operational for as much of the duration of construction, it is unavoidable that a full shutdown of facility operations will be required. If this project moves ahead, staff will need to work with the contractor to best schedule this with the least amount of impact.
- 3.8 Community Care Durham (CCD) currently leases office and program space adjacent to the lobby of Pad B in the facility. Based on their proximity to the proposed expansion area, it is not feasible for their continued operation for the duration of the construction work. For this reason, an allowance for temporary relocation of their space has been added to the project budget.

4. Financial Considerations

- 4.1 As reported in CSD-009-19, staff identified a total project cost of slightly more than \$48,000,000 for the proposed Phase I indoor facility expansion at the South Bowmanville location. Since that date, we have experienced a world-wide pandemic that continues, in addition to supply chain challenges, skilled labour shortages and other economic factors. For this reason, we have had the architectural design firm update the estimated project cost to more accurately present-day information. Based on the original facility plan, it is estimated the total project budget has increased by over 18% to \$56,636,306.
- 4.2 For comparison, the estimated total project budget for the similar facility plan, not including a branch library, located on the existing Garnet B. Rickard Recreation Complex location is estimated at \$65,156,100. Due to the need to incorporate the existing facility into the new expansion, it was recommended that a 3% construction contingency be added to the project cost for this location. Additionally, there are other considerations that factor into this budget which will be explained further.

Capital Project Costs – Garnet B. Rickard Recreation Complex Location

- 4.3 The following provides a breakdown of the proposed costs of Phase 1 at Garnet B. Rickard Recreation Complex:

Construction	\$50,114,100
Site Work Premium	4,950,000
Baseball Diamond Relocation	1,000,000
Skate Park & Playground Relocation	315,000
Existing Building – Sectional Demolition	312,200
Allowance – Temporary Relocation Community Care Durham	250,000

Construction Contingency (3%)*	1,503,400
Furnishings, Fixtures and Equipment**	1,700,000
Design/Engineering/Project Management	5,011,400
Total	\$65,156,100
* contingency recommended due to uncertainty with existing conditions for connecting to existing building and premium to maintain existing operations during construction	
** increased equipment cost to equip commercial quality kitchen at this location only	

- 4.4 The Municipality has received indicative rates for serial debentures for 20 years. These rates are subject to change up until the debenture is issued. Serial debentures provide equal principal payments with declining total debt costs over the term of the debt. Per discussion with the Region of Durham this is the structure they are currently utilizing for their debenture issues.
- 4.5 Assuming an additional \$1,000,000 for pricing changes, closing costs and debt issuance costs, the total debt cost over the 20-year period is as follows:

	Indicative Rate	+1%	+2%
Interest Rate	2.7%	3.7%	4.7%
Total Principal	\$66,156,000	\$66,156,000	\$66,156,000
Total Interest	18,755,226	25,701,606	32,647,986
Total Debt Cost	\$84,911,226	\$91,857,606	\$98,803,986

Updated Capital Project Costs – South Bowmanville Community Park

- 4.6 The following provides a breakdown of the updated proposed costs of Phase 1 at South Bowmanville Community Park:

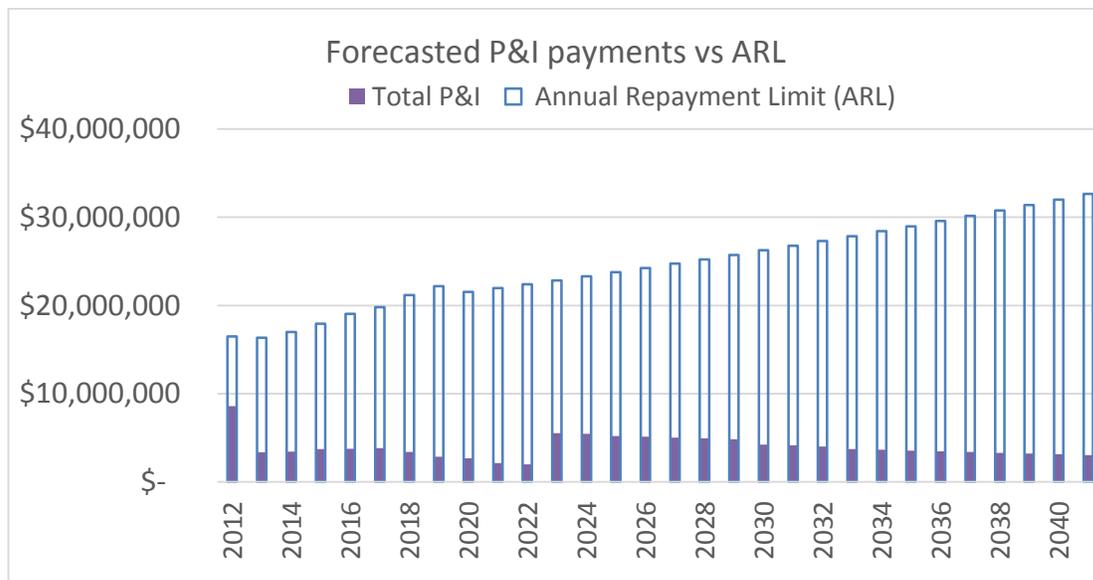
Recreation Component	
Construction	\$43,848,927
Furniture, Fixtures and Equipment	1,500,000
Design/Engineering/Project Management	4,384,892
Total Recreation	\$49,732,600
Library Component	
Construction	\$6,089,000
Furniture, Fixtures and Equipment	205,300
Design/Engineering/Project Management	608,900
Total Library	\$6,904,300
Total Phase 1	
Construction	\$49,937,927
Furniture, Fixtures and Equipment	1,705,300
Design/Engineering/Project Management	4,993,792
Total Phase 1 Cost	\$56,636,306

4.7 The Municipality has received indicative rates for serial debentures for 20 years. These rates are subject to change up until the debenture is issued. Serial debentures provide equal principal payments with declining total debt costs over the term of the debt.

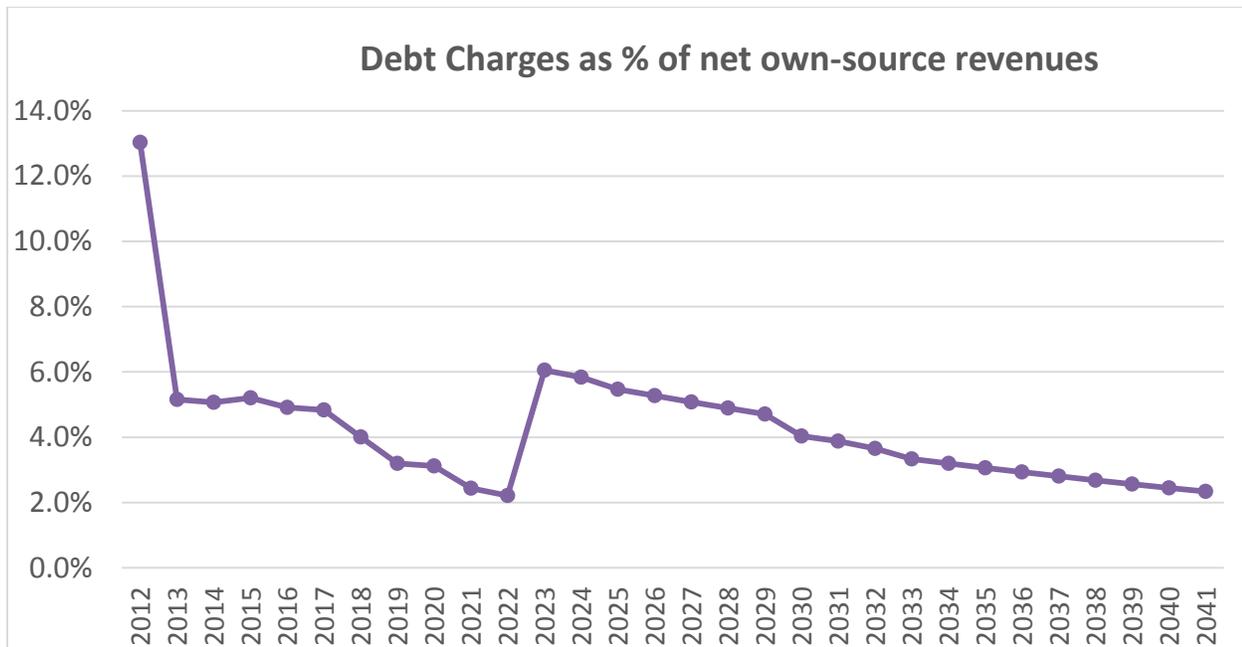
	Indicative Rate	+1%	+2%
Interest Rate	2.7%	3.7%	4.7%
Total Principal	\$57,636,300	\$57,636,300	\$57,636,300
Total Interest	16,339,891	22,391,703	28,443,514
Total Debt Cost	\$73,976,191	\$80,028,003	\$86,079,814

Summary of Debt Impact

- 4.8 As indicated above, in the worst-case situation, the South Bowmanville placement would be approximately \$1.2 million more than the best-case scenario at the Garnet B. Rickard location based on the above-mentioned assumptions.
- 4.9 While the overall cost could be reduced by shortening the term of the debt, this would increase the annual debt servicing costs. Further, for a new-build recreation facility, a 20-year term better aligns with the useful life of the asset and therefore better achieves the debt management principle of inter-generational equity.
- 4.10 The impact on the issuance of debt, assuming 2.7% for South Bowmanville, would be as follows:



- 4.11 The Municipality would not be at risk of breaking the legislative Annual Repayment Limit, assumed to increase by approximately 2% per year. The Municipality has an internally imposed limit of 10% own-source revenue (compared to the 25% legislative limit), the proposed debt would bring us to approximately 6% and then decrease.



- 4.12 It should be noted that in 2012 there was a refinancing of the outstanding portion of the South Courtice Arena, for the purposes of the legislation the balloon payment is considered a debt charge even though it was refinanced.
- 4.13 In 2023, the debt servicing costs would be approximately \$4,049,000. If the development charges cover 74% this would mean that approximately \$ 1.1 million would be required to be funded by the tax levy or other sources in 2023. This is solely for the capital costs of the facility and is approximately equivalent to a 2% increase in the tax levy.
- 4.14 In 2021, the Municipality approved approximately \$300,000 additional contribution to Community Services reserve funds to fund arena needs. These funds could be used to fund the non-development charges portion of the capital costs or could be used for repairs on the other facilities that are forthcoming in the next few years.

5. Operating Budget for Both Locations

- 5.1 A large multi-purpose facility, as is proposed for either the Garnet Rickard or South Bowmanville location, will expand onto an existing facility and existing operating budgets. By providing a wide range of programs and services under one roof, we can take advantage of operating efficiencies that will help control costs while optimizing revenue opportunities. This approach should be taken for all future recreation facility expansion programs.

- 5.2 Recreation facilities are taxpayer subsidized; they do not break even. Ice pads are less subsidized than aquatic facilities; however, when the total life-cycle cost is considered, there is a taxpayer subsidy for all recreation facilities. Development charges only support capital costs, any start-up operating costs are not included.
- 5.3 At this stage it is difficult to estimate accurate operating revenues and expenditures for either location. A preliminary operating budget overview estimates the annual net levy impact would be approximately \$800,000 (excluding debt financing costs). This is based on estimated revenues of \$1,300,000 and expenditures of \$2,100,000. Should this project, at either location proceed, it is estimated the facility will be open to the public in 2025 and a detailed operating budget will be prepared in September 2024. Based on 2021 budget figures this represents an increase in the tax levy of approximately 1 per cent.

6. Project Methodology

- 6.1 Based on previous discussions surrounding this project and additional investigation into project development options, staff would consider the Design-Build approach as an effective method to achieve a good quality recreation facility while providing good value for the investment.
- 6.2 This methodology requires the Municipality to issue a detailed Statement of Owner's Requirements. This information will be included in a Request for Proposal to general contractors who will provide a bid for both the design and construction for the project. As part of their project team, a general contractor will engage a design/engineering team to work with them to prepare design documents for the contractor to complete the construction.
- 6.3 The Statement of Owner's Requirements represents the Municipality's essential project requirements, intended to provide adequate information upon which Contractors can prepare technical and price proposals. The scope should clearly define our needs and expectations in a final product, without rigidly controlling the means and methods to be used to meet those needs and expectations. Where applicable, the scope will also identify commonly accepted standards, codes, and specifications.
- 6.4 In a Design-Build project, the Municipality would have no direct relationship with the architects and engineers involved in the design of the facility, as they are retained by and responsible to the Contractor. In addition to putting the Municipality at a disadvantage, the normal checks and balances between design and construction may not exist.
- 6.5 If we are to consider this as an option, the Municipality would need to retain the services of an independent project management firm to prepare the Owner's Statement of

Requirements that would be issued with the tender. They would also assist in the prequalification of design-build firms to ensure adequate prior experience with designing and constructing similar projects. Staff would also recommend retaining this team to represent the Municipality throughout the duration of the design and construction stages. The skills and knowledge they would provide would be beneficial and they would be there to “advocate” on behalf of the Municipality.

- 6.6 Following Council approval of the construction tender, the stipulated cost of the design-build is set, and the Municipality would execute a contract with the successful Contractor (CCDC 14). Although a benefit of this methodology is the fixed price, any necessary changes, at the request of the Municipality, during the design and/or construction can be costly. As the Contractor is bound by their approved price for the project, changes to performance requirements and standards, if not clearly articulated in the Scope of Work, could result in design change or material substitutions that may negatively affect the result.

7. Concurrence

- 7.1 This report has been reviewed by the Director of Financial Services who concurs with the recommendations.

8. Conclusion

- 8.1 It is respectfully recommended that Council provide direction to staff on the future for the expansion of indoor recreation facilities in Bowmanville. With residential growth across Clarington expected to continue, the demand for quality indoor recreation and leisure facilities and programs will increase proportionately.
- 8.2 The Indoor Facilities Development Strategy will continue to inform staff on the future development of facilities and provide the basis for recommendations to Council in the mid and long-term.

Staff Contact: George Acorn, Director of Community Services, 905-623-3379 ext. 2502 or gacorn@clarington.net .

Attachments:

Attachment 1 – Conceptual Plan for the Expanded Recreation Facility at the Garnet B. Rickard Recreation Complex Site

Interested Parties:

There are no interested parties to be notified of Council's decision.