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Report To: General Government Committee

Date of Meeting: September 8, 2025

Report Number: PUB-012-25

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Submitted By: Lee-Ann Reck, Deputy CAO, Public Services
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Reviewed By: Mary-Anne Dempster, CAO

By-law Number:

Resolution Number:

File Number:

Report Subject: South Bowmanville Recreation Centre – Budget Update

Recommendations:

1. That Report PUB-012-25, and any related delegations or communication items, be received;
2. That Council approve additional project budget of \$16,560,000, reflecting current construction costs and estimates, and to facilitate the successful delivery of the South Bowmanville Recreation Centre project to completion;
3. That the amount of up to \$16,560,000 is financed through grants, applicable reserves and the remaining through debenture at the Treasurer's discretion; and
4. That the Deputy CAO/Treasurer is authorized to split the debenture into phases at their discretion and in consultation with the Region of Durham.

Report Overview

The South Bowmanville Recreation Centre expansion is a large-scale infrastructure project aimed at enhancing community recreation facilities. The project has made significant progress this year and remains a key priority in achieving delivery of the initial components by August 2026.

To date, a Total Project Budget of \$105,245,000 has been approved by Council to deliver this project. Contracts have been awarded to professional consultants and contractors within the existing budget. The Total Project Budget includes a 4% contingency, whereas a project contingency of 10% is considered best practice for the successful delivery of a project of this size and complexity.

Recent estimates for the Aquatic Facility, combined with a requirement for an additional 6% in project contingency, indicate that overall project costs are expected to exceed the current approved budget by \$16,560,000.

The purpose of this report is to request Council's approval for additional budgeted funds of \$16,560,000, inclusive of HST, to support the completion of the South Bowmanville Recreation Centre and Aquatic Facility.

1. Background

- 1.1 The current total approved budget for the South Bowmanville Recreation Centre (SBRC) is \$105,245,000, which carried an overall project contingency of only 4%.
- 1.2 At the September 25, 2023, General Government Committee meeting, staff requested direction on the preferred Option to develop South Bowmanville Recreation Centre in Report [FSD-035-23](#). Council approved Option 4 and as per Resolution #GG-072-22, \$65,000,000 to be financed through debenture.
- 1.3 At the September 16, 2024, Special General Government Committee meeting, Council approved Report [PUB-011-24](#) (GG-142-24) regarding the South Bowmanville Recreation Centre Aquatic Facility Expansion with a proposed budget of \$37,050,000.
- 1.4 At the January 13, 2025 Special Council meeting, Council approved the amendments to the [2025 Budget Update](#) that includes \$3,120,000 for the extension of West Side Drive and \$75,000 for the design of a playground and splash pad at the South Bowmanville Recreation Centre site.

2. Updates to Construction Costs

- 2.1 Project cost estimates for the Recreation Centre and Aquatic Facility components were prepared at the Conceptual/Planning Stage of the project. These estimates were the best information available at the time the original budget requests were made to Council in 2023 and 2024. Since that time, the design has matured to a construction ready stage which means the accuracy of the design, quantities, and construction cost estimation have been refined. Throughout the project's design stages, staff have worked diligently with the Architectural and Engineering Consultant Team to reduce costs without compromising on quality and functionality. As an example, through collaborating with the Consultant Team, staff were able to reduce the overall square footage of the Aquatic Facility from 35,000 square feet to 30,000 square feet.
- 2.2 Project contingency is an important and required part of a project budget. Large construction projects involve inherent uncertainties and risks such as fluctuating material and labour costs, design errors, and unforeseen site conditions. Having a proper project contingency provides financial stability to the project, and aids in ensuring proper quality assurance of the overall project. It also mitigates potential schedule delays in allowing the project team to address challenges and cover unforeseen, yet legitimate, costs that arise during construction.
- 2.3 In Council Report FSD-035-23 the budget for the Recreation Centre, included a 2.5% construction contingency and in Council Report PUB-011-24, the budget for the Aquatic Facility included a contingency of 10%, which when combined, results in an overall project contingency of 4%. Staff are recommending that due to the complexity, scale, and delivery timeline of this project, an overall project contingency of 10% is carried which would be considered standard best practice.

3. Financial Considerations

- 3.1 The approved Total Project Budget of \$105,245,000 is comprised of estimated construction and project costs that were developed at the Conceptual/Planning Stage. At this time, the design has matured, and construction ready drawings have been prepared, resulting in more accurate construction estimates.
- 3.2 The table below outlines the current Council approved Total Project Budget and commitments made to date, along with the estimated cost to deliver the Aquatic Facility inclusive of an additional 6% in overall project contingency, which would bring the total contingency to 10%. As can be seen in this table, an additional \$16,560,000 is required to deliver the project. Therefore, staff are requesting that \$16,560,000 be approved and financed through grants, applicable reserves and the remaining through debenture at the Treasurer's discretion. If approved by Council, the revised Total Project Budget would be \$121,805,000.

Item	Value	Identifier	Equation
Approved Total Project Budget	\$ 105,245,000	A	
Total Costs and Commitments to Date	\$ 76,255,801	B	
Remaining Project Budget Available for Aquatic Facility	\$ 28,989,199	C	$C=A-B$
Estimated Construction Cost for Aquatic Facility and Additional Overall Project Contingency Required (6%)	\$ 45,541,513	D	
Total Required Additional Budget to Deliver the Project	\$ 16,552,315	E	$E=D-C$
Request to Council for Additional Budget	\$ 16,560,000	F	$F= E$ as a rounded value
If approved by Council, new revised Total Project Budget	\$ 121,805,000	G	$G=A+F$

4. Strategic Plan

- 4.1 The South Bowmanville Recreation Centre is identified in Clarington's Strategic Plan in section C.4. *Arts, culture and recreation are prioritized.*

The Parks, Recreation and Culture Master Plan identify several actions that are being addressed through the project including:

- Inclusion of an indoor aquatic centre;
- Converting the existing facility to include a double gymnasium;
- Provide additional multi-purpose spaces to accommodate community programs, rentals, and arts and cultural activities for all ages including youth and older adults; and
- Proceed with the development of a new full size indoor artificial turf field.

5. Climate Change

Application of sustainable design principles have been applied throughout the project to support the Clarington Sustainable Design Principles.

6. Concurrence

The Deputy CAO/Treasurer, Finance and Technology has reviewed this report and concurs with the recommendations.

7. Conclusion

Throughout the design and construction of the South Bowmanville Recreation Centre project, staff have actively pursued cost saving measures while maintaining functionality and quality for the new facility. Initial project estimates performed early in project planning have been refined as the design has matured resulting in required additional funding of \$16,560,000. Approval of this additional funding will aid in ensuring the project is delivered to the expected standards and within the required timeframe, while also maintaining fiscal responsibility. Therefore, staff recommend that Council approve additional funding of \$16,560,000, inclusive of HST.

Staff Contact: Kaela Esseghaier, Director of Infrastructure, kesseghaier@clarington.net.

Attachments:

Not Applicable

Interested Parties:

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