



COMMUNITY AND CORPORATE SERVICES MEMORANDUM

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TO: CITY BUILDING COMMITTEE

FROM: D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES, EXT. 4421

NOTED: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: STATUS UPDATE – STRATEGY TO ADVANCE HEWITT’S COMMUNITY CENTRE AND LIBRARY PROJECT

DATE: JUNE 11, 2019

The purpose of this Memorandum is to provide members of the City Building Committee with an update regarding the status of the strategy to advance the Hewitt’s Community Centre and Library project, as directed as part of the 2019 Business Plan motion.

Background

In 2017 a conceptualization study was undertaken to determine recreation and library needs to support growth within the Hewitt’s and Salem growth areas. The conceptualization study included developing a detailed functional programming along with a conceptual design for each facility to ensure site fit.

Through analysis of neighbourhood demographics, broad trends in recreation participation, and the assessed recreation needs of the City of Barrie, the Hewitt and Salem Mixed-Use Recreation Conceptualization Study recommended that the Hewitt Recreation Centre and Library be sized with a gross floor area (GFA) of 239,946 sf. (Recreation: 224,554 sf.; Library: 15,392 sf.). The Complex would include:

- a twin ice pad arena
- a 10 lane, 25 metre pool as well as a leisure pool and therapy pool
- fitness centre
- gymnasium
- library
- multi-purpose rooms
- rental or partner space
- support and amenity spaces
- outdoor space (soccer field, tennis/pickleball courts, basketball courts, splash pad, playground and skate park).

On November 20, 2017, City Council endorsed in principle the recommended locations, programs and facility concepts for the Hewitt and Salem Mixed-Use Recreation Centres and Libraries as set out in the Conceptualization Study for these facilities.

To address the delay in the timing of growth in the Hewitt’s and Salem lands and the City’s financial constraints, as part of the 2019 Business Planning process and capital plan prioritization, the timing for both facilities was deferred. Based on the 2019 to 2028 Capital Plan, the Hewitt Recreation Centre and Library construction timeline was adjusted to a 2023 start and 2025 for completion.



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The Hewitt's Community Centre and Hewitt's Branch Library were identified as a multi-year projects (FC1085 and FC1086) in the 2019 to 2028 Capital Plan with cost estimates, funding sources and timing as follows:

Total Project - Community Centre + Library					
Funding	2016	2023	2024	2025	Total
Debenture Proceeds - DCs	\$ -	\$ 8,127,000	\$ 46,575,000	\$ 46,125,000	\$ 100,827,000
Debenture Proceeds - Tax	\$ -	\$ 300,000	\$ 5,175,000	\$ 5,125,000	\$ 10,600,000
Land Dedication	\$ -	\$ 2,970,000	\$ -	\$ -	\$ 2,970,000
Contribution from Development Charge Reserves	\$ 144,000	\$ -	\$ -	\$ -	\$ 144,000
Contribution from Cash-In-Lieu Parkland Reserve	\$ -	\$ 603,000	\$ -	\$ -	\$ 603,000
Contribution from Tax Capital Reserve	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000
Total - Funding	\$ 160,000	\$ 12,000,000	\$ 51,750,000	\$ 51,250,000	\$ 115,160,000
Expenditures					
Pre-design	\$ 160,000	\$ -	\$ -	\$ -	\$ 160,000
Property	\$ -	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000
Design	\$ -	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000
Construction	\$ -	\$ -	\$ 51,750,000	\$ 51,250,000	\$ 103,000,000
Total - Expenditures	\$ 160,000	\$ 12,000,000	\$ 51,750,000	\$ 51,250,000	\$ 115,160,000

On January 28, 2019, City Council adopted motion 19-G-016 as amended concerning the 2019 Business Plan. Paragraph 28 of the motion directed the following:

"28. That staff in the Finance, Corporate Facilities Department and the Recreation Services Departments develop a strategy to advance the new Hewitt's Community Centre and report back to the City Building Committee."

Subsequently, on March 25, 2019 City Council adopted motion 19-G-065 concerning the approval in principle of the Outdoor Recreation Facility and 2017 Update to the Parks and Recreation Growth Strategy, with an amendment to the Growth Study to include provision for a 50 metre pool in one of the proposed new community centres.

Advancing the Capital Project

The largest challenge associated with advancing the Hewitt's Recreation Centre and Library Project is one of financing, given its \$106M design and construction cost. This cost doesn't include the acquisition of any of the land required for the Centre and Library.

A portion of the necessary land for the Community Centre and Library was anticipated to be dedicated from the development community. Any required lands that were not dedicated would need to be acquired through a purchase funded from a reserve or combination of reserves and debt financing. Currently, the reserve balances are not as healthy as would be desirable based on the City's Long Range Financial Plan and Policies.

The majority of the design and construction costs associated with the project were proposed to be debt financed with debt servicing costs ultimately funded from Development Charge revenues. As new development within the growth lands has been slower than anticipated, the City does not currently have sufficient Development Charge revenues available to construct the facility without debt financing.



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In addition to the capital costs, there will be operating costs associated with the facility. As with any of the City's community centres, the operating costs will not be offset in their entirety by revenues. As identified in the 2019 to 2028 Capital Plan, the net operating cost for the facility is currently anticipated to be approximately \$2M. Due to the slower than anticipated development within the growth lands, the City does not currently have the additional tax base that would provide the revenues to offset this impact to the tax rate.

To address these obstacles, a team of staff from Corporate Facilities, Engineering, Finance, and Recreation was initially formed to discuss strategies to advance the project. As various strategies were developed, further insights from Engineering and Roads, Parks and Fleet were incorporated into the discussions. The team has developed an outline of a recommended strategy that it was preparing for presentation to the City Building Committee for discussion purposes and to obtain direction on whether the strategy was worthy of further exploration.

On May 2, 2019, the Minister of Municipal Affairs and Housing announced the Province's Housing Supply Action Plan and introduced Bill 108 (More Homes, More Choices Act) in the Legislature. The Bill proposes to amend 13 statutes including the Development Charges Act. The Bill is expected to be debated over the coming weeks and/or months.

Although details regarding the implementation of the Bill have not been released, if the Bill is passed as written, it would have a significant impact on the City's financial condition, the ability to ensure that "growth pays for growth" and the provision of community facilities (parks, recreation centres, libraries, etc). It would also impact the City's ability to secure parkland, *Planning Act* application processes and matters related to heritage conservation.

Due to the uncertainty created by the introduction of Bill 108 with respect to the dedication of lands and the collection of development charges or other revenues for the growth related costs associated with "soft services" such as recreation centres and libraries, staff will be deferring the presentation of its report regarding the recommended strategy for advancing the Hewitt's Community Centre and Library. The recommended strategy will be presented once additional details related to Bill 108 are known.