



## The Corporation of the Town of Tecumseh

Parks & Recreation Services

**To:** Mayor and Members of Council

**From:** Paul Anthony, Director Parks & Recreation Services

**Date to Council:** December 8, 2020

**Report Number:** PRS-2020-27

**Subject:** Tecumseh Multi-Use SportsPlex Updated Costing

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### Recommendations

It is recommended:

**That** Report PRS-2020-27 Tecumseh Multi-Use SportsPlex Updated Costing **be received.**

### Executive Summary

The purpose of this report is to provide Council with information regarding up to date costing for a phased approach to developing a Multi-Use SportsPlex. Options presented include:

1. Maintain the Multi-use SportsPlex project proposal in a state of readiness in anticipation of another grant opportunity from senior levels of government, with updated costing estimated at \$67M;
2. Undertake a design and cost analysis of a phased approach to the total project proposal, such that components would be built over time; with an estimated cost of \$29.2M for the first phase.
3. Undertake a design and cost analysis of a reduced project proposal; estimated cost is \$25.3M.

Under any of these three options, the Town can proceed with the Hôtel-Dieu Grace Healthcare (HDGH) project, subject to Council's approval of an agreement with HDGH.

The report does not provide a recommended funding proposal for the Multi-Use SportsPlex at this time but rather recommends deferral of Council direction to early 2021, where capital projects will be reviewed and prioritized by Council.

## Background

At the June 24, 2019 Regular Meeting of Council, Council considered the Multi-Use Sportsplex – Updated Design, Costing, Funding, and Fundraising in report PRS 2019-09 and passed the following motion (RCM-15/19):

**That** the Town of Tecumseh authorize staff to proceed with Multi-Use SportsPlex Option A, as presented by CS&P Architect and apply to the Investing in Canada Infrastructure Program (ICIP) grant program;

**And that** the project final design, construction documents, tendering and completion of the construction commence upon securing the following sources of funding:

- 27% from Municipal reserves, debt financing, proceeds from fundraising;
- 73% from senior levels of government through the ICIP grant program (application pending);

**And further that** fundraising as per Option 1, be established to create a fundraising program and commence fundraising for the project;

**And furthermore that** upon final project funding commitment and approval, a contract project manager be secured to oversee the project from final design, construction drawings, tendering award of construction contract and final completion of the project, with associated costs referred to the 2020 budget cycle;

**And further moreover that** administration be authorized to negotiate with Hôtel-Dieu Grace Healthcare (HDGH) an agreement for the construction of a cardio rehabilitation centre addition to the project, inclusive of exterior construction and services and interior finishes, fixtures and furnishings, at HDGH's cost, along with an annual operating lease agreement for Council's consideration.

As directed through a motion (RCM-15/19), Administration prepared and submitted an application to the ICIP Community, Culture and Recreation Stream on November 8, 2019, for the Multi-Use SportsPlex project for a total value including architect fees of \$54,615,208.

On July 14, 2020, through a motion (RCM – 212/20), Council authorized execution of the Letter of Intent between HDGH and the Town to construct a Cardiac Wellness and Pulmonary Rehab Satellite Facility attached to the arena facility.

On Friday, August 7, 2020, the Town of Tecumseh received correspondence from the Province of Ontario Ministry of Infrastructure office indicating that the Town's project was not nominated for federal review and approval (Attachment 1). Without the support of senior

government funding, Administration is reviewing alternative options for the SportsPlex for Council's consideration.

At the September 8, 2020 Regular Meeting of Council, Council considered the Tecumseh Multi-Use Sportsplex – Next Steps in report PRS 2020-20 and passed the following motion (RCM-269/25):

**That** Report PRS-2020-25 Tecumseh Multi-Use SportsPlex Next Steps, **be received;**

**And that** Council **authorize** Administration to engage the services of SportsPlex project architect, CS&P to undertake the analysis and costing for all three options as provided in this report and report back with applicable outcomes when they are known;

**And further that** Council **authorize** the use of the Infrastructure Reserve to fund the architectural services to undertake the analysis, estimated in the amount of \$65,000.

## Comments

As per Council's direction this past September, Administration requested CS&P to undertake the analysis and costing for all three options as outlined below;

1. Maintain the Multi-use SportsPlex project proposal in a state of readiness for another grant opportunity from senior levels of government; updated estimated costing is \$67M for the total project buildout.
2. Undertake a design and cost analysis of a phased in approach to the total project proposal, such that components would be built over time. As outlined in Option 2 in this report, the design in Attachment 2 allows for the future integration of all planned components in order to maintain the original total SportsPlex project outlined above, for an estimated cost of \$29.2M for the first phase.
3. Undertake a design and cost analysis of a reduced project proposal. The reduced scope is outlined in Option 3 in this report estimated at \$25.3M.

Under any of these three options, the Town can proceed with the HDGH project, subject to Council's approval of an agreement with HDGH.

## Option 1: Full Build-Out

The proposed SportsPlex project was designed inclusive of the following components:

- Renovations and expansion to the existing arena facility, including the HDGH Cardiac Rehab Centre, gymnasium, walking track, change rooms, new administration office space, and renovations to the canteen;

- Community programming expansion including multiple rooms for programming and rentals, change rooms for the indoor turf facility and greenspace between the existing arena and the expanding space;
- Upgrading the diamond at McAuliffe Park with artificial turf to compensate for the loss of Hebert Field due to the indoor soccer fieldhouse;
- Indoor FIFA sized soccer fieldhouse;
- Underground storm water management system and expansion of the parking lot.

The design and costing for a complete buildout inclusive all of the above components of the SportsPlex and architect fees was estimated at \$54.6M in 2019.

Under this option, the architects have provided the Town with an updated estimated costing of \$67M for the total project buildout.

For information purposes, it is estimated that if the full project outlined above was phased in two stages, the estimated total cost would rise to \$73M.

## **Option 2: Phased Approach**

Under this option, a phased approach to the total project was analyzed, with the design providing for future integration of all original planned components to maintain the original total SportsPlex project outlined above.

In this option, the SportsPlex Project was redesigned to reflect the following components as set out in Attachment 1:

- Renovations and expansion to the existing arena facility, including the HDGH Cardiac Rehab Centre, gymnasium, walking track, change rooms, new administration office space, and renovations to the canteen;
- Reduction of community programming expansion space from the original design and elimination of the greenspace between the existing arena and the original new build;
- Outdoor FIFA sized artificial turf soccer field, located on the same site as the proposed indoor soccer fieldhouse;
- Upgrading the diamond at McAuliffe Park with artificial turf to compensate for the loss of Hebert Field due to the outdoor artificial turf soccer field;
- Underground storm water management system and expansion of the parking lot.

In this redesigned floor plan, the architect has allowed for the future expansion of the remainder of the program space and build-out of the indoor FIFA sized soccer fieldhouse as per the original approved design.

The estimated costing for this initial phase is \$29.2M, which includes build-out, inclusive of architect fees.

### **Option 3: Reduced Project Scope**

The architects were requested to undertake a design and cost analysis of a reduced project.

Under this option, as shown on Attachment 1, the SportsPlex Project was redesigned to include only the following components:

- Renovations and expansion to the existing arena facility, including the HDGH Cardiac Rehab Centre, gymnasium, walking track, change rooms, new administration office space, and renovations to the canteen;
- Removal of community programming expansion space;
- Outdoor FIFA sized artificial turf soccer field, located on the same site as the proposed indoor soccer fieldhouse;
- Upgrading the diamond at McAuliffe Park with artificial turf to compensate for the loss of Hebert Field due to the outdoor artificial turf soccer field;
- Underground storm water management system and expansion of the parking lot.

In this redesigned floor plan, the architect has allowed for the future expansion of the program space and buildout of the indoor FIFA sized soccer fieldhouse, as per the original SportsPlex design. With no proposed date to complete an expansion to this design, no costing is provided.

The estimated costing for this option is \$25.3M, which includes build-out, inclusive of architect fees. Additionally, the outdoor artificial FIFA soccer field could be removed from the project, for an additional savings of approximately \$1M.

It must also be noted that included in all of the options is the site development at a cost of \$5.8M. This includes underground stormwater management facilities, underground services relocation, site grading, parking surfaces/curbs, site lighting and landscaping.

The information and costing provided for all three options are for Council's information and future consideration of the scope of the project. The report does not provide a recommended funding proposal for the Multi-Use SportsPlex at this time but rather recommends deferral of Council direction to the early 2021, where capital projects will be reviewed and prioritized by Council.

### **Consultations**

Chief Administrative Officer  
Financial Services  
Parks & Recreation Services  
CS&P Architect

## Financial Implications

Project costs incurred to date include:

<b>Project Component</b>	<b>Funding Source</b>	<b>Budget</b>	<b>Actual to Date</b>	<b>Variance</b>
Feasibility study	Infrastructure Reserve	\$150,000	\$105,164	\$44,836
Architectural design	Tax Rate Stabilization and Infrastructure Reserve	\$566,262	\$580,010	\$(13,748)
Architect construction	Infrastructure Reserve	\$114,690	\$11,229	\$103,461
Cost update	Infrastructure Reserve	\$65,000	\$34,125	\$30,875
Total	Tax Rate Stabilization and Infrastructure Reserve	\$895,952	\$730,528	\$165,424

Funding for additional architectural costs, if desired by Council, is recommended to come from the Infrastructure Reserve. The Infrastructure Reserve is primarily used to fund new capital assets.

The New Infrastructure Levy (NIL), which commenced in 2015 as an annual budgetary funding allocation towards the Infrastructure Reserve, is \$1,550,000 for 2020 with an annual target allocation of \$2,350,000.

The NIL annual target allocation is based on projects identified in the Town's 2019 Development Charge Study plus an allocation to fund debt-servicing costs of the Sportsplex. Of the \$2,350,000 annual target allocation, \$550,000 is for Sportsplex debt servicing costs.

A summary of the scenario cost estimates is found in Attachment 2.

## Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input checked="" type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input checked="" type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

## Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Paul Anthony, RRFA  
Director Parks & Recreation Services

Reviewed by:

Tom Kitsos, CPA, CMA, BComm  
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

<b>Attachment Number</b>	<b>Attachment Name</b>
1	Updated Multi-Use SportsPlex Floor Plan
2	Project Scenarios Updated Pricing