

# Coronation Community Recreation Centre

## Design Completion

### **Recommendation:**

That the November 28, 2018, Integrated Infrastructure Services report, CR\_6404, be received for information.

### **Previous Council/Committee Action**

At the August 27, 2018 Executive Committee meeting the following motion was passed:

That Administration prepare an updated capital budget profile for the design of Coronation Community Recreation Centre (capital profile 15-21-5801) for consideration during the 2019-2022 budget deliberations.

### **Executive Summary**

At the August 27, 2018, Executive Committee meeting Administration agreed to bring back a report outlining potential next steps should Council wish to advance the Coronation Community Recreation Centre project. This report outlines an approach that could be considered for design of the Coronation Community Recreation Centre and outlines the steps Administration would be required to take to advance the project to tender-ready status. The design for this facility is partially completed and was put on hold in 2014 due to a lack of partner funding.

To move this project forward, Administration would be required to carry out the following steps:

1. Resecure a design consultant through a single source agreement in order to maintain continuity and minimize rework and to engage a construction manager.
2. Use the approved tax-supported debt funding within profile 15-21-5801 to complete the preliminary and detailed design of the recommended scenario, and refine the project estimate to a pre-tender level of accuracy. The estimated cost to complete this work is \$6.2 million.
3. Undertake review of two design scenarios and report back to the Community and Public Services Committee in Q2 2019 on the results and recommendation:
  - Scenario 1: The facility design is determined based on the current budget, and the program delivery scope adjusted to fit within this budget.

- Scenario 2: The facility design is determined based on the current program, and the required budget adjusted to achieve the desired program.
- 4. Provide a project update report to Community and Public Services Committee and City Council in Q2 2020. This report will include the completed design, status of funding, and (if necessary), bring forward an amended capital profile for Council's consideration.

Given design was suspended in 2014, the previous design consultant would need to be re-engaged through a non-competitive procurement. Agreements over \$500,000 require approval from City Council or a Committee of Council.

### **Report**

#### **Background**

In 2007, City Council approved the Medium Term Recreation and Sports Field Plan, which identified Coronation District Park as a site for the development of a community recreation centre. This strategy was based on an extensive community needs assessment and public engagement.

In 2011, City Council supported exploring the opportunity to develop the Coronation Community Recreation Centre and potentially enter into a partnership with the private sector to incorporate an indoor cycling track in the facility. Administration created a detailed functional program to incorporate the cycling track. The proposed Coronation Community Recreation Centre is intended to include a fitness centre, gymnasium, multipurpose rooms and child play space. The primary funding partners were the Argyll Velodrome Association and the Society of the Edmonton Triathlon Academy, as well as indirectly the provincial and federal government.

In Spring 2012, City Council directed Administration to assess the feasibility of building the Coronation Community Recreation Centre in phases.

Reporting back in Fall 2012, City Council approved \$4.3 million to fund up to 60 percent design completion for Coronation Community Recreation Centre.

During the 2015-2018 Capital Budget deliberations, City Council approved the Coronation Community Recreation Centre to a total value of \$112.3 million. This funding approval predated the creation of the Capital Project Governance Policy (C591).

The construction phase was scheduled to take place between 2018 and 2020, pending confirmation of the partner funding commitment, with estimated completion in December 2020.

To date, the Argyll Velodrome Association and the Society of the Edmonton Triathlon Academy have committed \$4 million in funding; however the Association has been unable to secure the balance of the partner funding commitment from other orders of government. While the design for the proposed Coronation Community Recreation Centre has reached 60 percent completion of working drawings, design efforts were put on hold in June 2014, pending confirmation of the full \$20 million in partner funding. Since then, the consulting agreement with the designer has expired.

A proposal to re-initiate the design was developed in 2016, contingent on the partner and other orders of government providing \$1.45 million, as identified in the funding agreement approved by Council on March 22, 2016 (see CR\_3385 - Funding Agreement with the Argyll Velodrome Association and the Society of the Edmonton Triathlon Academy). The remaining funding of \$18.55 million was to be provided prior to the anticipated construction tendering process in December 2017. To date, the partner has not advanced the \$1.45 million required to recommence design.

Should Council wish to continue to move this project forward, Administration would be required to complete preliminary and detailed design and refine the project estimate to a pre-tender level of accuracy. An interim step in this process would be a report back to Community and Public Services Committee in Q2 of 2019 on the results of a high-level budget/functional analysis of two scenarios:

- Scenario 1: The facility design is constrained by the current budget and the program delivery scope will be dependent on budget limitations.
- Scenario 2: The facility design is constrained by the current program as described in the Business Case (Attachment 1) and the required budget will depend on achieving the desired program.

Administration anticipates that completing the design phase of the project will take 12 to 18 months (if approved as a single source) and would require \$6.2 million from the previously approved funds. Should Council direct Administration to re-engage the design consultant team, a new agreement would be required as, due to the lapse in time, the previous consulting agreement expired in June of 2014. A non-competitive procurement (single source) would be best suited to create the new professional service agreement with the previous design firm as commencing a new competitive process to acquire the additional consulting services would also raise technical and economic challenges, including potential significant duplication of work and resulting costs to the City. A non-competitive procurement over \$500,000 requires approval from City Council or a Committee of Council.

Another consideration in re-initiating the design is that, since the original design consultant agreement was closed prior to finalization of the building permit application, the City would need to complete a review of the current facility design and any impacts

the new Alberta building codes and current City policies and procedures will have on the final design. Possible risks arising from this process include:

- additional time and design fees to complete a thorough design review to ensure compliance with current provincial codes, City policies and related technical impacts of new materials and methods
- potential that redesign may be required to bring the building in alignment with updated code, policy, and construction standards, incurring additional design and construction costs not identified in previous cost estimates

Following completion of the design phase, Administration would bring forward change requests to the capital profile on the construction component of the project for Council's consideration.

These costs would be outlined in more detail in the funding request in Q2 2020. Following successful completion of this Design phase and pending Council approval of construction funding, construction of the Coronation Community Recreation Centre could begin in 2021, with a target opening by Q2 2024.

### **Legal**

As per City Administration Bylaw 16620, agreements over \$500,000 that do not arise from a competitive procurement process must be approved by the appropriate Committee of Council.

The New West Partnership Trade Agreement and the Canadian Free Trade Agreement require public tendering of construction contracts with a value of greater than \$200,000 and \$250,000, respectively, unless an exemption exists.

In the situation described in this report, it is likely that no exemption exists. An approval of this single source to the same consultant to provide additional services to complete or advance the work that was contemplated in the initial procurement may entail non-compliance with the above-referenced trade agreements. However, commencing a new competitive process to acquire the additional consulting services would also raise technical and economic challenges, including potential significant duplication of work and resulting costs to the City.

### **Budget/Financial**

\$4.2 million from profile 12-21-5801, Coronation Community Recreation Centre has been disbursed to fund the design to date.

The Argyll Velodrome Association and the Society of the Edmonton Triathlon Academy have committed \$4 million; however they have been unable to secure funding from other orders of government. Based on this information, the profile is short \$16 million

of funding in the approved budget of \$112.3 million. Additional project costs due to inflation adjustments, the costs of any design updates that may be required to bring the building in alignment with updated code, policy, and construction standards can also be expected because of the four year lapse in time since design activities ceased.

Completion of design work to a tender ready status is anticipated to cost an additional \$6.2 million. With Council's direction, these costs could be funded through the use of tax-supported debt previously approved under profile 15-21-5801. Contrary to the March 16, 2016 funding agreement with the Argyll Velodrome Association and the Society of the Edmonton Triathlon Academy, the approach outlined in this report does not consider any partner funds being made available to complete design. Should the project not proceed into construction the design would be held for future use. Depending on how long the project is suspended, the design and cost estimates would need to be updated. If a significant delay or decision to not ever proceed was made, any part of the design that was funded by debt may need to be reimbursed through Pay-As-You-Go funding. The operating impacts of capital for this project would need to be updated to reflect the potential opening date and programming of this facility. This information would be provided to Council as part of a Capital Profile amendment in Q2 of 2020. Currently the proposed 2019-2022 Operating Budget includes forecasted debt servicing costs but does not include any other potential operational impacts related to this project.

### **Public Engagement**

Extensive public consultation occurred during the development of the Medium Term Recreation Facility and Sports Field Plan; the Coronation Indoor Cycling Track Feasibility Study; and development of the Coronation Park Master Plan and Coronation Community Recreation Centre design development. Through each of these concept and design phases, the City has conducted telephone, written and online surveys and open house sessions with surrounding residents and stakeholders to explore the current use and future recreation needs of the park and facility.

In 2013, Administration established the Coronation Park and Facility Advisory Committee with key stakeholders, including the Argyll Velodrome Association, the Society of the Edmonton Triathlon Academy, Woodcroft Community League, TELUS World of Science - Edmonton, Royal Astronomical Society, Light Efficient Community Coalition and Edmonton Public Schools. The purpose of this committee is to support the development and implementation of the public involvement plan and provide feedback at key points during the design process for the facility and park. This committee has met regularly throughout the design process and has been instrumental in the development and delivery of an inclusive public consultation process that has resulted in the majority of respondents supporting both the facility design and park master plan.

On October 31, 2018, Administration met with representatives from the Argyll Velodrome Association and the Society of the Edmonton Triathlon Academy to discuss the information contained in this report. The representatives expressed two concerns with the information outlined, specifically the assessment of a scenario that would limit the scope of the project to the funding currently available and the possibility that a firm funding commitment would not be available until Q2, 2020. They indicated that a lack of a firm project commitment would hinder their private fundraising activities because donors are less likely to pledge funds without project certainty.

### Corporate Outcomes and Performance Management

<b>Corporate Outcome(s): Edmonton is attractive and compact</b>			
<b>Outcome(s)</b>	<b>Measure(s)</b>	<b>Result(s)</b>	<b>Target(s)</b>
Edmonton is attractive and compact	Edmontonians' Assessment: Well-designed attractive city (percent of survey respondents who agree/strongly agree)	53% (2017)	55% (2018)

<b>Corporate Outcome(s): The City of Edmonton has sustainable and accessible infrastructure</b>			
<b>Outcome(s)</b>	<b>Measure(s)</b>	<b>Result(s)</b>	<b>Target(s)</b>
The City of Edmonton has sustainable and accessible infrastructure	Edmontonians' Assessment: Access to Infrastructure, Amenities and Services that Improve Quality of Life (percent of survey respondents who agree/strongly agree)	68% (2017)	70% (2018)

<b>Corporate Outcome(s): Edmontonians use facilities and services that promote healthy living</b>			
<b>Outcome(s)</b>	<b>Measure(s)</b>	<b>Result(s)</b>	<b>Target(s)</b>
Edmontonians use facilities and services that promote healthy living	City park usage (percent of survey respondents who report using a City Park in the past 12 months)	89% (2017)	83% (2018)
	Recreation facility and library attendance (number of visits per capita)	11.8	>=12

**Attachments**

1. Coronation Community Recreation Centre - Business Case

**Others Reviewing this Report**

- T. Burge, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- G. Cebryk, Deputy City Manager, City Operations
- C. Owen, Deputy City Manager, Communications and Engagement
- R. Smyth, Deputy City Manager, Citizen Services