

Report to Council



Date: December 2, 2015
File: 1310-30
To: City Manager
From: Terry Barton, Urban Planning Manager
Subject: Future Parkinson Recreation Centre - Feasibility Study

Recommendation:

THAT Council receive for information the Report of the Urban Planning Manager dated December 2, 2015 regarding the Future Parkinson Recreation Centre - Feasibility Study;

THAT Council endorse in principal 'Option 4' as the preferred direction for the future Parkinson Recreation Centre;

AND THAT Council support the further development of 'Option 4' to test the feasibility of a joint-use Recreation Centre and High School as one integrated building with School District 23 and for Staff to report back to Council with the findings.

Purpose:

To present Council with various options for the redevelopment of the future Parkinson Recreation Centre and determine a preferred direction for the facility.

Background:

This report represents the third in a series of workshops with Council regarding the future of the Parkinson Recreation Centre. The last workshop overviewed the specific space needs for the future of the facility in terms of types of rooms and their desired sizes (see Attachment 1). Potential partnership opportunities were discussed as well as specific community trends and issues within the sport, recreation and wellness areas. Several examples of community centres from other BC municipalities and across Canada were profiled to provide context in terms of the facilities and services other cities are providing.

Directional Development Principles were developed for the project to help inform and make future decisions. The principles are as follows:

- Meet today's needs while planning for the future
- Act as a "one-stop recreation and sport destination" for as many City residents as possible
- Differentiation by maximizing accessibility

- Be a community hub through the implementation of the neighbourhood engagement model
- Leverage partnerships to elevate facility profile and maximize utilization
- Amplify public value through “big picture thinking” and remaining focused on the long term perspective

Feasibility Study

A feasibility study has been recently completed that determined viable options for rebuilding the Parkinson Recreation Centre based on the approved Functional Space Program. The purpose of the study was to evaluate options available, consider their merits, identify any potential roadblocks to success and develop a rationale for the selection of a preferred direction. The intention is to provide the City assurance that all potential options have been examined and assessed based on sound knowledge, best practices, reasonable costs and community need. Staff assembled a cross-departmental team to complete the study including representatives from Active Living & Culture, Infrastructure Planning, Building Services and Financial Services. The group was supported by the City’s Recreation Consultant John Frittenburg, qualified architecture and engineering firms and a quantity surveyor to prepare cost estimates.

Four options were developed for Council’s consideration:

1. **Renovate** existing PRC with general **reconfiguration** (52,000 sf.)
2. **Renovate** a portion of PRC and a **newly constructed addition** including **all components** recommended in the functional space program (136,649 sf.)
3. **Construct new facility** with a **smaller space program** than the functional space plan (95,005 sf.)
4. **Construct new facility** with **all components** recommended in the functional space plan (136,649 sf.)

The four options were assessed through the application of criteria to evaluate their relative merits in four key areas of importance: (1) community service contribution; (2) operating and functional implications; (3) business case implications; and (4) capital cost.

Recommendation

Staff recommend to Council that Option 4 be selected as the preferred direction for the future Parkinson Recreation Centre. It best achieves the Direction Development Principles and Vision set out in the Space Program and Needs Assessment. Its merit lies in its ability to deliver the best long-term value for the public representing an investment for the next 50 years and beyond. Option 4 eliminates the significant risks associated with renovations and expansions and creates the opportunity to design the facility to respond to the specific needs of Kelowna residents. A new building in a different location on-site will allow the existing PRC to operate while the new facility is under construction minimizing disruption in service to the public.

Option 4 features a fitness area and triple gym complex that are sized to meet the specific needs of Kelowna and allow significant revenue generation. The projected revenue is important to help offset the on-going operating costs of the overall facility.

Sound financial planning is not just about the consideration of initial capital costs, or on-going operating costs, but also in finding a solution that best meets the needs of the community now and in the future. Considering the broad-level of appeal of the facility and the importance of sport, recreation and wellness to the community, staff suggest that the investment is well warranted in creating a premier full service community centre that contributes to improving the standard of living and quality of life of the City.

Next Steps

School District #23 presented to Council on September 14, 2015 their intention to make application to the Province for a new high school located at their Burtch Road site immediately adjacent to Parkinson Recreation Park. Council supported SD23 in their proposal acknowledging that the City needs to work in partnership with them to successfully achieve the school. SD23 officially made application for funding to the Province on November 2, 2015 and is waiting to hear back a response.

In discussions with SD23, the idea of a joint-use Recreation Centre and High School as one integrated building was discussed. While joint-use presents many potential operational challenges, both staff and SD23 thought there could be financial, programming as well as social and educational benefits. The more active children are, the healthier they will be now and when they grow up - a key strategy in preventative health care. Places matter since experts now know that where people live, work and play - the built environment itself - determines, to a large degree, whether people will be healthy throughout their lives. Both projects could be on similar timeframes for funding over the next few years and could be aligned to take advantage of the synergies. Potential merits of an integrated building include:

- Creates an innovative partnership on a large scale with regional significance.
- Maximizes the green space in the park (including the Burtch Road site) for outdoor amenities e.g. sports fields, public spaces, playgrounds, etc.
- Provides academic enrichment opportunities and helps engage youth in sport, recreation and wellness;
- Potentially reduces capital and operating costs in constructing one larger facility rather than 2 separate buildings - sharing space is cheaper and more efficient than duplicating the same facilities; and
- Delivers high utilization rates of spaces with both students and community centre users.

Staff recommend conducting further feasibility work to determine whether the City's preferred option for PRC could be effectively integrated with SD23's space program for the high school. Staff will assess the opportunities as well as the challenges, including both upfront capital and on-going operating implications and report back to Council with a workshop in the new year.

Financial/Budgetary Considerations

Cost Estimates were prepared by SSA Quantity Surveyors and based on the space program developed by John Frittenburg and typical design and construction values from similar projects in BC. At this early stage in the planning process, the numbers are 'order of magnitude' for planning and comparison purposes and not intended to set the actual budget for the project.

Capital Cost Comparison

	Option One	Option Two	Option Three	Option Four
Direct Building Cost	\$8,955,694	\$34,394,946	\$24,418,698	\$33,262,266
Site Development Cost - Inc. O/Head and Fee	\$767,000	\$3,358,469	\$5,123,500	\$4,805,500
Construction Contingency	\$486,135	\$1,887,671	\$1,477,110	\$1,903,388
Sub-Total Construction Cost	\$10,208,828	\$39,641,086	\$31,019,308	\$39,971,154
Soft Cost – Inc. Design, Administration, City Fees, Off site Cost and FF&E	\$2,912,172	\$11,267,914	\$7,986,692	\$10,201,846
TOTAL COST (EXCL. GST)	\$13,121,000	\$50,909,000	\$39,006,000	\$50,173,000

In consideration of the preferred option, the City will need to position the project within the capacity of the Long-term Capital Plan. Due to the significant costs, the primary funding source will most likely need to be long-term debt with repayment over 20 years. Any long-term debt funding strategy will need both Council and electoral approval.

Should a collaborative partnership with SD23, Interior Health, Pacific Sport, UBCO, Okanagan College and/or other community groups come to fruition, it would likely elevate the status and profile of the project and potentially open funding avenues with senior level governments. Further planning work in 2016 will concentrate on further developing these opportunities.

A request for funding has been included in the 2016 Capital Budget for Council's consideration to continue the planning for the future of the Parkinson Recreation Centre for next year.

Internal Circulation:

Divisional Director, Active Living & Culture
Divisional Director, Infrastructure
Divisional Director, Civic Operations
Divisional Director, Corporate & Protective Services
Director, Financial Services
Manager, Building Services
Grants & Partnership Manager, Active Living & Culture

Manager, Infrastructure Planning

Considerations not applicable to this report:

Existing Policy

External Agency/Public Comments:

Legal/Statutory Authority

Legal/Statutory Procedural Requirements

Personnel Implications

Communications Comments

Alternate Recommendation

Submitted by:

T. Barton, Urban Planning Manager

Approved for inclusion:



A. Newcombe, Division Director, Infrastructure

Attachment 1: Functional Space Program

Attachment 2: Condition Assessment

Attachment 3: Feasibility Study

Attachment 4: PRC Options Feasibility Study

cc: Divisional Director, Active Living & Culture
 Divisional Director, Corporate & Protective Services
 Divisional Director, Infrastructure
 Divisional Director, Civic Operations
 Director, Financial Services
 Manager, Infrastructure Planning
 Manager, Building Services
 Grants & Partnership Manager, Active Living & Culture

Attachment 1: Functional Space Program

Component	Net Square Feet	Description
Athletic Program	48,713	Triple gymnasium (1 competition gym + 2 recreation gyms)
Aquatic Program	16,200	Based on an 8 lane pool + wellness/therapy pool
Athletic/Aquatic Support	8,500	Change rooms, washrooms, equipment storage
General Program	12,075	Community rooms, general program spaces
Customer Service	6,845	Entry, reception, public corridors/gathering areas
Administration	2,576	Staff offices and administration areas
Building Operations	1,450	Operations, mechanical and electrical spaces
Total	96,359	

*Note: a gross-up factor will need to be applied to the Net Square Feet to accommodate building circulation and structural elements typically estimated at 30% for community buildings at the planning phase. This represents a total Square Footage of 136,649.

The Parkinson Recreation Center is an aging facility that has a number of significant operating and maintenance issues. A summary of the key issues are as follows:

- The facility is tired and dated; this negatively affects user comfort and desirability of the facility as a city-wide destination.
- The mechanical (e.g. plumbing and HVAC) and electrical systems are at the end of their service life and require significant investment to bring up to standards.
- The overall building envelope (walls, windows, doors and roof) is at the end of its service life and in poor condition. The area of greatest concern is the exterior cladding and pool roof (membrane and vapour barrier).
- Hazardous materials (e.g. asbestos & vermiculite) have been found in many parts of the building which requires removal of, or extensive management to perform basic maintenance and repair activities.
- High annual operational costs (e.g. energy) due to inefficient building systems.
- The layout of the facility makes it difficult to monitor from a security perspective and creates CPTED issues. The layout and changes in finish floor elevations also poses challenges in providing universal accessibility.
- End of Service Life and Deferred Maintenance backlog representing 32% of the value of the overall building; this represents a building in poor condition.

Addressing these issues through upgrades will be further complicated by the following:

- Ad-hoc additions to the facility over the years have created problems for updating as all were built under different building codes, standards and construction methods.
- The structural capacity of the building and the requirements to meet current BC Building Code do not allow for building expansions without major upgrades to the existing building.

Considering the magnitude and complexity of the maintenance and operation issues in relation to the relatively low value of the building, estimated at \$12.7m (insured valued) a decision is required on the future of the facility before spending significant amounts of public funds.