REPORTS

Minute No. 587 **Michael Komenda Memorial Skateboard Park and Skatepark West – Additional Funds**
File PR-1

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the administrative recommendation and recommends to Council:

1. That $150,000.00 from the Skateboard Park Investment Fund be advanced from the 2008 to the 2006 Capital Budget to increase the funding for the Skatepark West 2006 capital budget by $42,000.00 and Michael Komenda Memorial Skateboard Park capital budget by $108,000.00.

2. That the 2007 Capital Budget and 2008 to 2012 Five Year Capital Budget be revised to reflect the funding reallocation accordingly.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Minutes – Executive Policy Committee – July 26, 2006

DECISION MAKING HISTORY:

Moved by Councillor Clement,
That the administrative recommendation be concurred in and forwarded to Council.

Carried

RE: APPROVAL OF ADDITIONAL FUNDS TO CONSTRUCT MICHAEL KOMENDA MEMORIAL SKATEPARK AND SKATEWEST PARK

FOR SUBMISSION TO: **Executive Policy Committee**

ORIGINAL REPORT SIGNED BY: **L.S.W. Larkin, P. Eng, Director**
Public Works Department

REPORT DATE: **July 25, 2006**

RECOMMENDATION:

It is recommended that:

1) $150,000 of the Skateboard Park Investment Fund be advanced from 2008 to the 2006 Capital Budget to increase the funding for the Skatewest Skate Park 2006 Capital budget by $42,000 and Komenda Skate Park Capital budget by $108,000; and
2) the 2007 Capital Budget and 2008 – 2012 Five Year Capital Budget be revised to reflect the funding reallocation accordingly.

Report Summary

Key Issues:

- The approved 2006 Capital Budget funding earmarked for the Komenda Skatepark ($100,000) in Charleswood, and the Skatewest Park ($150,000) in St. James will augment funds raised by the community and other sources.

- No offers were received when Tenders were issued in March of 2006 due to the current level of local construction activity and the relative complexity of the work.

- The City of Winnipeg is pursuing the option to single source the work to New Line Skateparks Inc., a recognized Canadian leader in design, development and construction of cast-in-place concrete skate parks. However, there is $150,000 funding shortfall to complete the projects for the price quoted by New Line Skateparks Inc.

- Additional project price creep, inflation and substantial community frustration will result from further delays. The ability of community groups involved to continue sourcing funding opportunities and to sustain their projects is exhausted.

- This report provides three alternatives to fund the budget shortfall.

Implications of the Recommendation(s):

General Implications

( ) None

( ) For the organization overall and/or for other departments

(X) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s): The project construction will not commence in 2006 if funding arrangements are not approved. This will impact the community's use of the facilities.

Policy Implications

(X) No

( ) Yes

Comment(s):

Regulatory Implications

(X) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(x) No

( ) Yes

Comment(s):

Human Resources Implications

(X) No

( ) Yes

Comment(s):

Financial Implications

( ) Within approved current and/or capital budget

(X) Current and/or capital budget adjustment required

Comment(s): Approval is required to increase funding in the Capital Budget if this report's recommendations are approved.

Report

REASON FOR THE REPORT:

Council approval is required in order to make changes to Capital Budgets.

HISTORY:

In 2004, teachers, students and parents in the St. James, Assiniboia and St. Charles communities combined their resources to organize the Skatewest Park Committee. This committee's goal was to build a skate park adjacent to Heritage Victoria Community Centre, specifically at the southwest inter-section of Sturgeon Road and Silver Avenue. In support of this community initiative, City Council approved funding in the total amount of $250,000 from the Recreation and Leisure Facility Program and Community Incentive Grant Program. The Skatewest Park Committee has raised additional funding in the approximate amount of $53,000.

In memory of the accidental death of Michael Komenda, in April 2002 his family and friends organized a community group committed to the development of the Michael Komenda Memorial Skatepark to be located at Marj Edey Park in Charleswood. In support of this community initiative, City Council approved funding in the total amount of $380,000 from the Land Dedication Reserve Fund, Recreation and Leisure Facility Program and Community Incentive Grant Program. The Michael Komenda Memorial Skatepark Committee has raised additional funding in the approximate amount of $130,000.

During the course of 2004 and early 2005, civic personnel and local politicians worked in collaboration with these separate skate park committees to finalize the site selections, identify possible funding sources and prepare conceptual layout plans.

In January 2005, the Skatewest Park Committee retained the services of Van Der Zalm & Associates Inc. for the provision of professional skate park design and contract administration services for the implementation of their specific concept plan.

On behalf of the Michael Komenda Memorial Skatepark Committee, Van Der Zalm & Associates Inc. was retained by the Planning, Property and Development Department on August 29, 2005 for the provision of professional design and contract administration services in conjunction with this Committee's specific concept plan.

In March 2006, Council approved the 2006 Capital Budget and the 2007 – 2011 Five Year Capital Budget. Included in this approval was the $ 43 million Recreation and Leisure Facilities Fund. This program in turn earmarked partial contributions to the Komenda Skatepark ($100,000) in Charleswood, and the Skatewest Park ($150,000) in St. James in 2006.

Based upon the consultant supplied estimated cost of these two projects, Tenders were issued in March of 2006. Due to the lack of response from the local construction industry, the Tender bid period was extended three times. Industry representatives indicated that the current level of local construction activity and the relative complexity of the work were the reasons for their lack of response.

Subsequent to the Tenders closing, the Administration informally contacted the only major construction company in Winnipeg with direct skateboard construction experience to determine if they were interested. They were not.

DISCUSSION:

All attempts to engage Winnipeg construction firms have failed. There is currently no local or regional interest in this relatively complex type of concrete formwork.

Having exhausted the competitive bidding process, the City of Winnipeg has an option to enter into a single source negotiated price with qualified contractors.

A proposal has been solicited from New Line Skateparks Inc., a recognized Canadian leader in the design, development and construction of cast-in-place concrete skateparks. The New Line proposal represents the one realistic opportunity to deliver or commence the skatepark construction this year. The proposal highlights are as follows:

Timing – New Line Skateparks' proposal indicates that construction of both skate parks would start this August. It is not certain if one or both projects can be completed by the end of the 2006 construction season. A decision would have to be made in late September regarding whether or not the parks could be completed or left in a reasonably safe condition until spring 2007.

Safety – The termination of work on site this fall would be of a discretionary nature to ensure that the parks would be either substantially complete or construction stopped at a stage where the park was <u>not</u> skateable. That is to ensure that unsafe riding and use of the park cannot be undertaken due to exposed rebar, partial concrete pours, shapes without landing areas, etc.

Budget – There is $150,000 shortfall in available budget to complete the projects for the price quoted by New Line Skateparks Inc. as indicated below:

	Skatewest In St James	Komenda Skate Park In Charleswood
a) Pre-tender estimate (February 2006)	$ 371,000	$ 507,000
b) Construction Budget (March 2006 – See note 1)	$ 303,000	$ 510,000
c) New Line Proposal Phase 1 only (July, 2006 - See note 2)	$ 331, 500	$ 593,000
d) Other Costs (see note 3)	$ 13.500	$ 25,000
Funding Shortfall (b – c – d)	**($ 42,000)**	**($108,000) → $150,000 shortfall**

Note 1 – Final community contributions are to be verified, as last efforts at fund raising including foundation grants, etc. are now concluded. Minor adjustments may be required to the construction budget.

Note 2 – New Line Skateparks Inc. included all costs associated with the parks including previously deleted or phased items. New Line provided a price for both Phase 1 and 2 of the Skatewest. The project scope has been reduced to only Phase 1(70% of the overall project).

Note 3 – Additional costs include site inspections, contingencies and bonding costs.

These two skatepark projects are at a major crossroads threatening their construction. Continued project delays will result in additional project price creep, inflation and substantial community frustration. The ability of the community groups involved to continue to source funding opportunities and their energy level to sustain their projects is exhausted.

The Administration has reviewed a number of alternate scenarios to construct Skatewest and Komenda Skate Parks commence in August 2006. These include:

Alternative 1 – Advance Funds from the Skateboard Park Investment Fund.

Under this alternative, the funding to construct the full project in 2006 would be made available by advancing $150,000 of the Skateboard Park Investment Fund from 2008 to the 2006 Capital Budget. This would increase the funding for the Skatewest Skateboard Park 2006 Capital budget by $42,000 and Komenda Skateboard Park Capital budget by $108,000.

The 2008 Skateboard Park Investment Fund would be reduced from $475,000 to $325,000 for distribution to other projects. Adjustments would be made to reflect this change during the 2007 Capital Budget process.

Alternative 2 – Project Phasing Over Two Years

The construction of Skatewest and Komenda would be phased over 2006 and 2007. Site grading and other work would be undertaken in 2006 to a point where the sites would be safely left over the winter. Work would commence again in the spring of 2007. Under this alternative, neither project would be completed in 2006 even if conditions were favourable to do so.

This alternative advances $150,000 of the Skateboard Park Investment Fund from 2008 to the 2007 Capital Budget to complete the Skatewest and Komenda Skate Parks. The 2008 Investment Fund would be reduced from $475,000 to $325,000 for distribution to other projects.

During the 2007 Capital Budget process, adjustments would be made to move an equivalent sum from another 2007 project to 2008 at Council's discretion.

Alternative 3 – Reduced Project Scope

This alternative would involve reducing the scope of the projects to meet the available budget.

Skatewest is a phased project. Phase 1 (approximately 70% of the overall project) is currently included in the cost estimate to be built now. Phase 2 will proceed at some future date when funds are available. It is not feasible to further reduce Phase 1.

The Michael Komenda Skatepark was originally designed based on a specific spacial requirement and a skate circuit flow. Any alteration to this design to reduce construction costs will have a direct impact on skateability, user safety and require substantial redesign resulting in further delays and design costs.

As such, it is not considered possible to reduce the scope of the project to allow completion of the two projects in 2006.

Recommended Alternative

The Administration recommends Alternative #1 as it allows construction to begin on both projects in 2006 and depending upon weather and other factors, one or possibly both projects may be completed in 2006.

Upon approval of funding by Council, the Administration will finalize terms and conditions of all agreement(s) for the sequential work required to construct the Komenda and Skatewest Skateboard Parks.

The 2007 Capital Budget and 2008 – 2012 Five Year Capital Budget will be revised to reflect the funding reallocation in Alternative #1.

Financial Impact Statement

Date: July 24, 2006

Project Name: APPROVAL OF ADDITIONAL FUNDS TO CONSTRUCT MICHAEL KOMENDA MEMORIAL SKATEPARK AND SKATEWEST PARK

First Year of Program 2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ 154,500	$ -	$ (154,500)	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 154,500	$ -	$ (154,500)	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	154,500	-	(154,500)	-	-
Other -	-	-	-	-	-
Total Funding	$ 154,500	$ -	$ (154,500)	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	4,500	-	(4,500)	-	-
Net Cost/(Benefit)	$ (4,500)	$ -	$ 4,500	$ -	$ -
Less: Existing Budget Amounts	(4,500)	-	4,500	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Selection of Alternative 1 will require $150,000 of additional capital for the Skatewest and Komenda projects. The Skateboard Park Investment Fund will be decrease by $150,000 the 2008 Capital Budget to replace the funding reallocated.

Orginal signed by Darcy Stewart, CA'
Manager of Finance & Administration

Approved by Supervisor of Financial Services: ✔

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Corporate Services Department, Materials Management Division (as to purchasing issues)

Property Planning and Development

External Consultation With: N/A

THIS REPORT SUBMITTED BY:

Department	Public Works Department
Division	Building Services
Prepared by:	B. Evenson. P. Eng., Manager 986-3790

File No.