Agenda - Executive Policy Committee - January 16, 2008

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

ADDENDUM REPORTS

Item No. 4 Revision of the Kildonan Park Urban Oasis Project identified under the $43 Million Recreation and Leisure Program (Mynarski Ward) File PR-2(34)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. Approval be given to reallocate the $9.0 million contained in the approved 2007 and 2008 Capital Budget Recreation and Leisure Facilities - Kildonan Park Urban Oasis program as follows:

    a. Up to a $7.0 million contribution towards the development of a private sector/publicly accessible destination Waterpark facility within the City of Winnipeg.

    b. A $2.0 million contribution to redevelop the outdoor pool at Kildonan Park.

2. Approval be given to allocate up to $813,000 for the development of a spray park component to the Kildonan Park outdoor pool project from the Spray Park/Pads Investment Fund identified in the 2008 Capital Budget $43 million Recreation and Leisure Program.

3. Approval be given to allocate a further $2.0 million identified within the program for the Kildonan Park and Peguis Pavilion Upgrading project as identified in the 2007 and 2008 Parks – Improvements Capital Budget to the Kildonan Park outdoor pool redevelopment.

RE: PROPOSED REVISION OF THE KILDONAN PARK URBAN OASIS PROJECT IDENTIFIED UNDER THE $43 MILLION RECREATION AND LEISURE PROGRAM

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Jim Paterson, FCSLA, Acting Director,
Planning, Property, and Development Department

Clive Wightman, Director,
Community Services Department

REPORT DATE: January 14, 2008

RECOMMENDATION:

It is recommended that:

1. Approval be given to reallocate the $9.0 million contained in the approved 2007 and 2008 Capital Budget Recreation and Leisure Facilities - Kildonan Park Urban Oasis program as follows
    a. Up to a $7.0 million contribution towards the development of a private sector/publicly accessible destination Waterpark facility within the City of Winnipeg.
    b. A $2.0 million contribution to redevelop the outdoor pool at Kildonan Park.
2. Approval be given to allocate up to $813,000 for the development of a spray park component to the Kildonan Park outdoor pool project from the Spray Park/Pads Investment Fund identified in the 2008 Capital Budget $43 million Recreation and Leisure Program
3. Approval be given to allocate a further $2.0 million identified within the program for the Kildonan Park and Peguis Pavilion Upgrading project as identified in the 2007 and 2008 Parks – Improvements Capital Budget to the Kildonan Park outdoor pool redevelopment.

Report Summary

Key Issues:

- The Public Service has determined that the Kildonan Park Urban Oasis concept developed by the project team and consultants was not feasible based on the available funding of $9.0 million. The facility would have been undersized and not functional for its intended purpose.
- The Public Service has prepared an alternative recommendation for the $9.0 million previously identified for the Kildonan Park Urban Oasis.
- Revision to the project program requires approval by Council as well as from the Canada Manitoba Infrastructure Secretariat.

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 will provide a significant new Waterpark opportunity for the City of Winnipeg as well as provide for an enhanced Waterpark facility at Kildonan Park.

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

(**x**) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s): Capital funding referred to within this report has been identified within the approved 2007 and 2008 Capital Budgets.
Approval to reallocate/allocate capital as outlined in the recommendations is being sought.

Report

REASON FOR THE REPORT:

This report recommends the reallocation of funding contained in the approved 2007 and 2008 Capital Budget for Recreation and Leisure Facilities. This Report also recommends a Capital Grant allocation of upwards of $7.0 million towards the development of a privately owned and operated destination Waterpark facility. Council approval is required to revise the project program and the funding approved in Capital Budgets as well as for the proposed Capital Grant.

HISTORY:

In May 2005, The Kildonan Park Urban Oasis was identified as one of the projects to be included in the tri-party $43 million Recreation and Leisure Program.

In March 2006 Council approved in the 2006 Capital and 2007 – 2011 Five Year Forecast funding in the amount of $43 million for the Recreation and Leisure Program. Within this program, $9.0 million was allocated for the project over the course of three years from 2008-2010 as follows:

- 2008 - $0.275 million
- 2009 - $0.625 million
- 2010 - $8.1 million

On January 25, 2007, Council approved the 2007 Capital and 2008 – 2012 Five Year Forecast in which funding for the Kildonan Park Urban Oasis Project was advancement as follows:

- 2007 - $0.9 million
- 2008 - $8.1 million

In April 2007, Number Ten Architectural Group was selected as the design consultants for the project.

The Consultant team completed a schematic report outlining the various program and planning options along with cost estimates for each option in the fall of 2007.

On December 18, 2007, Council approved the 2008 Annual Capital Budget and the 2009 to 2013 Five Year Capital Forecast.

DISCUSSION:

The concept of the Kildonan Park Urban Oasis was initially put forward in 2005. Since that time, all of Western Canada including Manitoba and Winnipeg has experienced a heated economy – especially within the construction industry. Cost escalations in the order of 1% per month as well as premiums for the availability of contracting forces have been experienced locally. As such, the funding originally estimated for the Kildonan Park Urban Oasis has escalated as well.

The conclusion of the consultants schematic design report were that the viable planning options for the Kildonan Park Urban Oasis were no longer feasible based on the allocated $9.0 million in funding. To construct a facility based on the approved funding would result in an undersized facility which would not be able to function for its intended purpose.

After due consideration of alternatives, the Public Service has determined that an Urban Oasis in Kildonan Park as originally envisioned is not possible.

However, the Public Service believes that the desired benefits intended for the citizens overall can be achieved with the available funding. Towards this end, it is proposed to reallocate the approved $9.0 million in funding as follows:

1. Contributing a Capital Grant of upwards of $7.0 million towards a private sector/publicly accessible destination Waterpark facility within the City of Winnipeg
2. A $2.0 million allocation to significantly redevelop the Kildonan Park Outdoor Pool as an attraction to provide a renewed focus for the Park

1) <u>Proposed Destination Waterpark Facility Within the City of Winnipeg</u>

Proposed – Expression of Interest (EOI) for the Design, Construction and Operation of an Indoor Waterpark

In Winnipeg as well as within surrounding areas, there has been a growing interest in the concept of an indoor Waterpark. The recreational amenities offered by a destination indoor Waterpark are quickly being adopted by many progressive communities eager to attract tourist dollars and satisfy their residents' needs to temporarily escape the realities of our long, cold winters and hot summers. It is projected that the interest in this type of facility for Winnipeg will only grow in the future.

A previously conducted study prepared in 2004 assessed the feasibility as well as the size and components of an Indoor Waterpark facility in the City of Winnipeg. Coupled with the findings from the consultant schematic report for the Kildonan Park Urban Oasis, this has provided the background for the Public Service proposal as herein outlined.

Recognizing the somewhat limited Capital funding available for the Kildonan Park Urban Oasis as well as the knowledge that the private sector has been actively assessing the feasibility of developing such a destination Waterpark Facility similar to that recently developed in Grand

Forks North Dakota, the Public Service is recommending that the City of Winnipeg participate with the private sector to develop a state of the art publicly accessible Waterpark within the City of Winnipeg. In order to do this, the City would issue an Expression of Interest and Qualifications (EOI & Q) for the development of privately owned and operated facility. The EOI & Q would outline that the City of Winnipeg will make a maximum contribution of up to $7.0 million to enable the development of a significant destination Waterpark facility.

A requirement of the City's funding would be for the successful Proponent to enter into a satisfactory Public Access Agreement with the City of Winnipeg guaranteeing public access to the facility for a period of twenty-five (25) years, amongst other conditions.

The proposed schedule would be to issue the EOI&Q following Council approval in January 2008 and to select a proponent by spring 2008. The intention is have the Waterpark operational by late fall 2009.

2) Redevelopment of the Kildonan Park Outdoor Pool and Peguis Pavilion

The outdoor pool at Kildonan Park and the adjoining change building are over 40 years old and are nearing the end of their life cycle. Major repairs to each are required over the next few years to simply address the current maintenance level.

Similarly, the Peguis Pavilion is at the end of its life cycle and has been slated by the Public Works Department for extensive renovations or replacement.

Given the need to address both of these facilities, their physical relationship to one another, as well as the fact that Kildonan Park was identified as the location for the original Urban Oasis project, the Public Service is recommending the following:

Kildonan Outdoor Pool Redevelopment

It is proposed that the scope for the outdoor pool redevelopment is as follows:

- Demolish the existing pool and replace with a new leisure pool and amenities.
- Replace the existing change building to be replaced with a new building.
- Replace the existing play structure to be replaced with a new contemporary structure.
- Improved site and landscape modifications to accommodate the new project.

New Spraypark

The Recreation and Leisure Program contains a Spraypark Investment Fund with a $1.1 million allocation for the development of Spraypark/Pads in the City. The intention of the fund is to replace either existing wading pools with or build new Spraypark/pads

As a part of the Kildonan Park project scope, it is proposed to include $813,000 for a new Spraypark to replace the existing outdoor wading pool.

The spray park would complement the proposed replacement of the outdoor pool and maximize the outdoor Waterpark value for patrons.

Peguis Pavilion Redevelopment

Consideration had been given to include the redevelopment of the Peguis Pavilion as a part of the Kildonan Urban Oasis Project schematic design and programming. The Parks and Open Space Division of Public Works became one of the stakeholders in the project. It was evident that there was merit to include the functions of the Peguis Pavilion into the proposed new proposed aquatic centre.

With the understanding that the Kildonan Park Urban Oasis Project is no longer feasible, the Public Service recommends that the Peguis Pavilion redevelopment now be considered as a part of the program for the Kildonan Park Outdoor Pool redevelopment.

The similar schedules for delivery and the close proximity between project sites further support the idea for developing the projects jointly to enable a facility that accommodates both functions.

The Parks and Open Space Division has reconfirmed the intention to begin the planning for the redevelopment of the Peguis Pavilion in 2008 and the desire to be part of this new proposed project for Kildonan Park. Public Works would commit funding up to an amount of $2.0 million out of $3.0 million available in capital funding for Kildonan Park for their portion of the Peguis Pavilion redevelopment. The remaining $1.0 million of capital would be used to address a host of other priorities at Kildonan Park including pathway/ roadway upgrades, pond repairs, landscaping, maintenance facility renovations, irrigation and lighting.

Combining both the Peguis Pavilion and the outdoor proposed Waterpark projects would allow the consultants to address a variety of planning issues including potential cost efficiencies of a jointly developed facility. Public consultation is also required in order to expedite the overall schedule for the project.

The schedule for the redevelopment of the proposed project is as follows:

- Approval to proceed with the described scope direction as outlined. (January 2008)
- Engage consultants to begin work on project. (February 2008)
- Provide schematic report. (mid March 2008)
- Public Consultation. (April 2008)

- Begin Construction of project. (Fall 2008)
- All Project phases to be complete. (Fall 2009)

To achieve the goals expressed previously, it is proposed that the City reallocate the $9.0 million funding contained in the approved 2007 and 2008 Capital Budget for Recreation and Leisure Facilities - Kildonan Park Urban Oasis program as well as other approved capital to:

a) Allocate upwards of $7.0 million towards a Capital Grant for a private sector/publicly accessible destination Waterpark facility within the City of Winnipeg.
b) Allocate $2.0 million towards the redevelopment of the outdoor pool at Kildonan Park. Redevelop the Peguis Pavilion and outdoor pool into a combined recreation feature as described above.
c) Allocate a further $2.0 million from approved 2007 and 2008 Capital Programs to redevelop the Peguis Pavilion jointly in association with the proposed Outdoor Pool redevelopment.

Financial Impact Statement **Date:** January 14, 2008

Project Name: **First Year of Program 2008**

REVISION OF THE KILDONAN PARK URBAN OASIS PROJECT IDENTIFIED UNDER THE $43MILLION RECREATION AND LEISURE PROGRAM

	2008	2009	2010	2011	2012
Capital					
Capital Expenditures Required	$ 8,231,956	$ 1,726,434	$ -	$ -	$ -
Less: Existing Budgeted Costs	8,231,956	1,726,434	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 435,807	$ 498,355	$ 498,355	$ 498,355
Less: Incremental Revenue/Recovery	106,756	38,634	-	-	-
Net Cost/(Benefit)	$ (106,756)	$ 397,173	$ 498,355	$ 498,355	$ 498,355
Less: Existing Budget Amounts	(106,756)	397,173	498,355	498,355	498,355
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Total capital expenditures consist of the $7.0 million grant for the indoor water park, $2.0 million + $0.813 million for the redevelopment of the outdoor pool and construction of a spray park/pad at Kildonan Park, $117,260 in short term financing costs on the internal debt portion of City funding and $28,130 in admin fees, the latter two amounts being offset by corporate recoveries. For this FIS, it is assumed the grant will be paid out in 2008 while the remaining $2.813M in capital expenditures will occur over 2008/2009 on a 40%/60% basis. Direct costs beginning in 2009 consist of debt and finance charges on the related capital expenditures and will be charged to the current budget of the Planning, Property and Development and Public Works Departments.

"Original signed by"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Public Works
Community Services

External Consultation With:
N/A

THIS REPORT SUBMITTED BY:

Department: Planning, Property and Development
Division: Building Services
Prepared by: John D'Ignazio / Jim Paterson
PPD File No.