Report "A" - Executive Policy Committee - February 27, 2008

Item No. 5 Fort Garry Community Centre Skatepark Funding Shortfall – $43 Million Recreation and Leisure Capital Program (Fort Rouge-East Fort Garry Ward) File PR-2(32)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 27, 2008, the Executive Policy Committee concurred in the recommendations of the City Centre Community Committee and the Winnipeg Public Service and submits the following to Council:

1. That an allocation of $150,000.00 be approved from the Skateboard Park Program approved in the 2008 Capital Budget - Recreation and Leisure Facilities program, to fund projected budget shortfalls associated with construction of the Fort Garry Community Centre Skatepark.

2. That an allocation of $50,000.00 be approved from the City Centre Land Dedication, to fund the project contingency required for the construction of the Fort Garry Community Centre Skatepark.

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

Report "A" - Executive Policy Committee - February 27, 2008

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 27, 2008, the Executive Policy Committee concurred in the recommendations of the City Centre Community Committee and the Winnipeg Public Service and submitted the matter to Council.

COMMUNITY COMMITTEE RECOMMENDATION:

On February 26, 2008, the City Centre Community Committee recommended to the Executive Policy Committee that funding in the amount of $50,000.00 be allocated from the City Centre Land Dedication Reserve to fund the project contingency required for the construction of the Fort Garry Community Centre Skatepark.

RE: FORT GARRY COMMUNITY CENTRE SKATEPARK FUNDING SHORTFALL
$43 MILLION RECREATION AND LEISURE CAPITAL PROGRAM

FOR SUBMISSION TO: **Executive Policy Committee**

ORIGINAL REPORT SIGNED BY: **Jim Paterson, FCSLA, Acting Director Planning, Property and Land Use Department**

REPORT DATE: **February 14, 2008**

RECOMMENDATION:

That Council approves an allocation of $150,000 from the Skateboard Park Program approved in the 2008 Capital Budget - Recreation and Leisure Facilities program, to fund projected budget shortfalls associated with construction of the Fort Garry Community Centre Skatepark.

Report Summary

Key Issues:

- In 2005, the $43 million Recreation and Leisure program identified skateboard parks as one of the projects of the program, with the Fort Garry Community designated for a park.
- In February 2006, Council approved the 2006 Capital Budget, which included Recreation and Leisure Facilities program funding in the amount of $950,000 for a series of skatepark projects.
- The Fort Garry project was tendered as a package twice in 2007, and on each occasion only one responsive bid was received. The bids received were in excess of the available funds and pre-tender estimates, therefore a contract was not awarded.
- The City of Winnipeg has concluded its negotiations for single sourcing with qualified skateboard park contractors.
- To achieve the community's expectations and complete the skatepark in summer of 2008 additional funds in the amount of $150,000 are required to address the budget shortfall on the project.
- Continued project delays will result in additional project price creep (i.e. inflation) as well as substantial political and community frustration.

Implications of the Recommendation(s):

General Implications

( ) None

(X) 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: Construction will not commence in May 2008 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

(X) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment: An increase in capital funding of $150,000 for this specific project is required. The requested funding source is an allocation from the $700,000 for Skateboard Parks included in the approved 2008 Capital Budget – Recreation and Leisure Facilities program.

Report

REASON FOR THE REPORT:

Council approval is required to allocate from the 2008 Capital Budget - Recreation and Leisure Facilities - Skateboard Parks program.

HISTORY:

In February 2006, Council approved the 2006 Capital Budget, which included Recreation and Leisure Facilities program funding in the amount of $950,000 for a series of Skatepark projects. $400,000 had been previously identified from these funds for a skateboard park in the Fort Garry Community.

On February 8, 2007, a selection committee comprised of civic employees and the Fort Garry Community Skateboard Park Committee selected, through a Request for Proposal, Hilderman Thomas Frank Cram and Spectrum Skateboard Parks to prepare a design through a community consultation process.

On two occasions during 2007, Bid Opportunities were issued for the construction of the Skatepark and associated site works, including land drainage, and landscape remediation work as designed.

- In the case of Bid Opportunity 415-2007 (issued May 25, 2007), there was only one responsive bidder. The project was not awarded as the bid was far in excess of the available funds and the pre-tender estimates.
- Following consultation with the construction industry and through further meetings with the Manager of Materials, the project was downscaled into two projects to attract bidders.
- On July 13, 2007, Bid Opportunity 543-2007 was issued for the construction of the revised drawings for just the skateboard park with one responsive bid and again no award was made as the bid exceeded available funds.

On August 13, 2007, the Manager of Materials permitted the Planning, Property and Development Department to initiate single source negotiations with qualified contractors with experience in skatepark construction. Those negotiations have now concluded.

On December 18, 2007, Council approved the 2008 Capital Budget, which included $700,000 in the Recreation and Leisure Facilities – Skateboard Parks. This fund is to be used to construct skateboard parks at locations designated by Council.

DISCUSSION:

The shortfall for the project is attributed to:

- Construction cost escalation since the project was initially conceived.
- The work is specialized with a limited number of contractors interested in these projects.

The option to further reduce the scope of the projects to meet the budget has been explored and found not advisable as both the definition and the usability for the patrons of the skateboard park would not be achieved. The Community Group supporting this project has been actively promoting a 10,000 to 15,000 square foot skateboard park for over three years.

Based on this scope, the Public Service has concluded its negotiations for single sourcing with three qualified skateboard contractors. The prices quoted were reviewed and compared to costs to construct similar skateboard parks at other locations in the city (Skatepark West, Komenda Skatepark and Sargent Park Skatepark).

An additional $150,000 is required beyond the approved funding in order to meet even the reduced scope of the project and community expectations.

Project Estimate:

Construction Budget	$500,000
Contingency 10%	50,000
Total Funding Required	**$550,000**

Available Funding:

2006 Capital Funds Remaining (RLALF)	$350,000*
Land Dedication Reserve – City Centre (proposed)	50,000†
Total Available Funding	**$400,000**

Shortfall:	**$150,000**

Costs are based on a spring 2008 construction start with completion before the end of July. Cost escalation beyond this timeframe would need to be added if the project is delayed.

Specific skateboard park projects were not identified in the $700,000 approved in the 2008 Capital Budget - Recreation and Leisure Facilities - Skateboard Parks program. As such, it is proposed that $150,000 be allocated to the Fort Garry Skateboard Park in order to fund the project. The remaining $550,000 for the 2008 Skateboard Parks program will be allocated to a new skatepark project once a site has been selected.

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* Original Funding RLALF (estimate 2005)

- Approved 2006 Capital $400,000
- Committed (Consulting Fees HTFC/Spectrum) - 45,000
- Geotechnical disbursements - 5,000
- Remaining 2006 Capital Funds $350,000

† The Area Councillor has committed to submitting $50,000 from Land Dedication Reserve – City Centre Account for approval at the February 26th City Centre Community Committee meeting and for final approval at the March 19th Council Meeting.

Financial Impact Statement Date: January 21, 2008

Project Name:

APPROVAL OF ADDITIONAL FUNDS TO CONSTRUCT FORT GARRY COMMUNITY CENTRE SKATEPARK

COMMENTS:

The recommendation contained in this report is that Council approves the allocation of $150,000 from the Skateboard Park Program approved in the 2008 Capital Budget - Recreation and Leisure Facilities program to fund projected budget shortfalls associated with construction of the Fort Garry Community Centre Skatepark. Approval of this recommendation will not require any budget adjustment. The financial impact is that the $150,000, if allocated to the Fort Garry Skatepark, will not be available for other skatepark projects.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Public Works Department
Community Services Department
Corporate Finance Department

External Consultation With:
Fort Garry Community Centre
Hildermann Thomas Frank Cram
Fort Garry Skateboard Park Committee
Manitoba/Canada Infrastructure Secretariat

THIS REPORT SUBMITTED BY:

Department: Planning, Property and Development
Division: Planning and Land Use
Prepared by: John Kiernan, Coordinator
PPD File No.

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RECOMMENDATION:

That City Centre Community Committee approves an allocation of $50,000 from the City Center Land Dedication, to fund the project contingency required for the construction of the Fort Garry Community Centre Skatepark.

Key Issues;

- In 2005, the $43 million Recreation and Leisure program identified skateboard parks as one of the projects of the program, with the Fort Garry Community designated for a park.

- The Fort Garry project was tendered as a package twice in 2007, and on each occasion only one responsive bid was received. The bids received were in excess of the available funds and pre-tender estimates therefore no contract was awarded.

- The City of Winnipeg has concluded its negotiations for single sourcing with qualified skateboard park contractors.

- To achieve the community's expectations and complete the skatepark in summer of 2008 additional funds in the amount of $50,000 are required to act as project contingency for the project.

HISTORY:

In February 2006, Council approved the 2006 Capital Budget, which included Recreation and Leisure Facilities program funding in the amount of $950,000 for a series of Skatepark projects. $400,000 had been previously identified from these funds for a skateboard park in the Fort Garry Community.

On February 8, 2007, a selection committee comprised of civic employees and the Fort Garry Community Skateboard Park Committee selected, through a Request for Proposal, Hilderman Thomas Frank Cram and Spectrum Skateboard Parks to prepare a design through a community consultation process.

On two occasions during 2007, (May 25, 2007 and July 13, 2007) Bid Opportunities were issued for the construction of the Skatepark and associated site works, including land drainage, and landscape remediation work as designed. The project was not awarded as the bids and solicitations of offer were far in excess of the available funds and the pre-tender estimates despite the project being downscaled into two projects to attract bidders.

DISCUSSION:

The shortfall for the project is attributed to:

- Construction cost escalation since the project was initially conceived.
- The work is specialized with a limited number of contractors interested in these projects.

The option to further reduce the scope of the projects to meet the budget has been explored and found not advisable as both the definition and the usability for the patrons of the skateboard park would not be achieved. The Community Group supporting this project has been actively promoting a 10,000 to 15,000 square foot skateboard park for over three years.

Based on this scope, the Public Service has concluded its negotiations for single sourcing with three qualified skateboard contractors. The prices quoted were reviewed and compared to costs to construct similar skateboard parks at other locations in the city (Skatepark West, Komenda Skatepark and Sargent Park Skatepark).

An additional $ 50,000 is required beyond the approved funding in order to meet even the scope of the project and community expectations.

Project Estimate:	
Construction Budget	$ 500,000
Contingency 10%	50,000
Total Funding Required	**$ 550,000**

Available Funding:	
2006 Capital Funds (Remaining RLALF)	$ 350,000‡
2008 Skatepark Investment Fund (Request of Council - pending)	$ 150,000**
Total Available Funding	**$ 500,000**

Shortfall:	**$ 50,000**

Proposed City Centre Land Dedication request	**$ 50,000**

Costs are based on a spring 2008 construction start with completion before the end of July. Cost escalation beyond this timeframe would need to be added if the project is delayed.

In preparing this request there was consultation with:

Consultation with and concurrence by:
Public Works Department
Community Services Department
Corporate Finance Department

Consultation with:
Fort Garry Community Centre
Hildermann Thomas Frank Cram
Fort Garry Skateboard Park Committee
Manitoba/Canada Infrastructure Secretariat

* Original funding RLALF (estimate 2005)

• Approved 2006 Capital	$400,000
• Committed (Consulting Fees HTFC/Spectrum)	- 45,000
• Geotechnical disbursements	- 5,000
• Remaining 2006 Capital Funds	$350,000

**Specific skateboard park projects were not identified in the $700,000 approved in the 2008 Capital Budget - Recreation and Leisure Facilities - Skateboard Parks program. As such, it is proposed that $150,000 be allocated to the Fort Garry Skateboard Park in order to fully fund the Fort Garry project leaving a matching amount of $550,000 in the reserve fund for one additional skatepark to be constructed.

Submitted by: John Kiernan, Coordinator,
Planning and Land Use, Planning, Property and Development