Agenda – Council – June 17, 2015

Report – Standing Policy Committee on Property and Development – June 2, 2015

Item No. 5 Jonathan Toews Community Centre – Fieldhouse

STANDING COMMITTEE RECOMMENDATION:

On June 10, 2015, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That the attached "Business Case for Multi-Purpose Recreation Facility -Jonathan Toews Community Centre" (Appendix A), be approved.

2. That a grant to Dakota Community Centre Inc. ("Dakota") in the total amount of $6.7 million ($1.933 million plus the $4.767 million contribution referenced in Recommendation 1 of the February 27, 2013 Council decision with respect to this matter), be approved for the Jonathan Toews Community Centre Fieldhouse (the "Project"), less advance amounts as previously approved by Council of:

    A. $118,000 which has already been expended by the Planning, Property and Development Department ("the Department") for facility design, business plan development and preparation of capital cost estimates; and

    B. The portion of the $812,000 in grants that has been paid to Dakota for the procurement of design development services.

3. That subject to the approval of Recommendations 1 and 2, the 2013 capital budget entitled "Jonathan Toews Community Centre Fieldhouse" be revised to a capital grant of $13.7 million, representing contributions from the City ($6.7 million) and the Province ($7.0 million), with Dakota to finance the remaining $4.2 million of the total $17.9 million Project budget.

4. That as a result of the recent Provincial funding commitment to this project under the 2014 Manitoba Winnipeg Infrastructure Agreement ("MWIA"), previously approved 2014 debt financing be adjusted as follows, given all MWIA funds have been allocated to other projects in the 2014 capital budget:

    A. Additional tax-supported borrowing authority be approved in the amount of $2 million.

    B. The Chief Financial Officer be delegated the authority to reallocate financing sources, including debt financing, for approved 2014 capital projects consistent with the intent of Recommendation 4 A.

Report – Standing Policy Committee on Property and Development – June 2, 2015

C. The Director of Legal Services and City Solicitor be requested to submit the necessary borrowing by-law to Council.

5. That incremental operating costs; specifically, debt and financing charges and Universal Funding Formula impacts, be included beginning in the 2016 operating budget of the Community Services Department.

6. That the 2% interest overhead charges be waived in order to maximize funds available for the Fieldhouse project.

7. That a construction loan guarantee in favour of Dakota of up to $13.582 million, be approved, and that a condition of such construction loan guarantee be that upon Project completion the construction loan be converted to a fixed rate term loan not to exceed $4 million with the City's loan guarantee to be reduced to an equivalent amount.

8. That the City enter into a funding agreement with Dakota setting out the terms and conditions of the City's grant and that the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of the funding agreement in accordance with this report (including, without limitation, Recommendation 9 hereof) and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

9. That the funding agreement contain a provision that requires Dakota:

A. To adhere to the City's Sponsor Winnipeg Policy, which includes, but is not limited to, that all naming and sponsorship revenue generated be subject to City of Winnipeg legal agreements, and that funds received through naming rights and sponsorship from the City of Winnipeg be directly applied to the construction loan and/or the fixed rate term loan to be obtained by Dakota to finance its portion of the Project cost.

B. To set aside 50% of the annual operating surpluses from the Fieldhouse, as per the calculation to be defined in the Funding Agreement, in a Capital Reserve Fund to be used for annual accelerated repayments of the Bank Financing until it is fully repaid, and once repaid, to fund improvements to and refurbishments of the community centre as a whole, upon the written agreement of both the Director of Planning, Property and Development and the community centre.

10. That the Chief Financial Officer be authorized to approve the terms and conditions of the loan guarantee and all other documents deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

Report – Standing Policy Committee on Property and Development – June 2, 2015

11. That the bid solicitation documents and processes for the Construction Manager and the construction of Jonathan Toews Community Centre – Fieldhouse be developed by Dakota in consultation with the Public Service, and that the Public Service and Dakota jointly evaluate the submissions and endorse award of associated contract(s) as warranted.

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

Report – Standing Policy Committee on Property and Development – June 2, 2015

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 10, 2015, the Executive Policy Committee concurred in the recommendations of the Standing Policy Committee on Property and Development and the Winnipeg Public Service, and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On June 2, 2015, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Jonathan Toews Community Centre - Fieldhouse**

Critical Path: **Standing Policy Committee on Property and Development - Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
B. Erickson	M. Pittet	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That Council approves the attached "Business Case for Multi-Purpose Recreation Facility - Jonathan Toews Community Centre" (Appendix A).

2. That Council approves a grant to Dakota Community Centre Inc. ("Dakota") in the total amount of $6.7 million ($1.933 million plus the $4.767 million contribution referenced in Recommendation 1 of the February 27, 2013 Council decision with respect to this matter) for the Jonathan Toews Community Centre Fieldhouse (the "Project"), less advance amounts as previously approved by Council of:

    A. $118,000 which has already been expended by the Planning, Property and Development Department ("the Department") for facility design, business plan development and preparation of capital cost estimates; and
    B. The portion of the $812,000 in grants that has been paid to Dakota for the procurement of design development services.

3. Subject to approval of Recommendations 1 and 2, that the 2013 capital budget entitled "Jonathan Toews Community Centre Fieldhouse" be revised to a capital grant of $13.7 million, representing contributions from the City ($6.7 million) and the Province ($7.0 million), with Dakota to finance the remaining $4.2 million of the total $17.9 million Project budget.

4. That as a result of the recent Provincial funding commitment to this project under the 2014 Manitoba Winnipeg Infrastructure Agreement ("MWIA"), previously approved 2014 debt financing be adjusted as follows, given all MWIA funds have been allocated to other projects in the 2014 capital budget:

    A. Additional tax-supported borrowing authority be approved in the amount of $2 million.
    B. The Chief Financial Officer be delegated the authority to reallocate financing sources, including debt financing, for approved 2014 capital projects consistent with the intent of Recommendation 4 A.
    C. The Director of Legal Services and City Solicitor be requested to submit the necessary borrowing by-law to Council.

5. That incremental operating costs; specifically, debt and financing charges and Universal Funding Formula impacts, be included beginning in the 2016 operating budget of the Community Services Department.

6. That the 2% interest overhead charges be waived in order to maximize funds available for the Fieldhouse project.

7. That Council approves a construction loan guarantee in favour of Dakota of up to $13.582 million, and that a condition of such construction loan guarantee be that upon Project completion the construction loan be converted to a fixed rate term loan not to exceed $4 million with the City's loan guarantee to be reduced to an equivalent amount.

8. That the City enter into a funding agreement with Dakota setting out the terms and conditions of the City's grant and that the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of the funding agreement in accordance with this report (including, without limitation, Recommendation 9 hereof) and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

9. That the funding agreement contain provision that require Dakota:

    A. to adhere to the City's Sponsor Winnipeg Policy, which includes, but is not limited to, that all naming and sponsorship revenue generated be subject to City of Winnipeg legal agreements, and that funds received through naming rights and sponsorship from the City of Winnipeg be directly applied to the construction loan and/or the fixed rate term loan to be obtained by Dakota to finance its portion of the Project cost;

    B. to set aside 50% of the annual operating surpluses from the Fieldhouse, as per the calculation to be defined in the Funding Agreement, in a Capital Reserve Fund to be used for annual accelerated repayments of the Bank Financing until it is fully repaid, and once repaid, to fund improvements to and refurbishments of the community centre as a whole, upon the written agreement of both the Director of Planning, Property and Development and the community centre.

10. That the Chief Financial Officer be authorized to approve the terms and conditions of the loan guarantee and all other documents deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

11. That the bid solicitation documents and processes for the Construction Manager and the construction of Jonathan Toews Community Centre – Fieldhouse be developed by Dakota in consultation with the Public Service, and that the Public Service and Dakota jointly evaluate the submissions and endorse award of associated contract(s) as warranted.

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

REASON FOR THE REPORT

Council approval is required:

i. To increase a capital budget;
ii. To waive the 2% interest overhead charges;
iii. For the City to provide a grant for the Project and enter into a funding agreement with Dakota;
iv. To increase borrowing authority;
v. To adjust previously approved 2014 debt financing, and;
vi. For the City to provide a loan guarantee in favour of Dakota.

Proceeding with the Jonathan Toews Community Centre – Fieldhouse project is contingent on satisfying the requirements adopted by Council on February 27, 2013, namely:

- *That approval of this project be conditional upon the submission of a business plan from the Jonathan Toews Community Centre for the Fieldhouse Development project to the City of*

Winnipeg Public Service outlining the project description, capital cost estimates/cash flows, financing, construction timetable, class of estimates, projected operating costs, project management and procurement plans, etc., satisfactory to the City of Winnipeg Public Service, and that the Public Service report back to Council prior to commencement of construction to obtain approval for the project to proceed, approval of required borrowing authority, debt reallocation, and identifying any associated operating costs.

The Public Service, having assessed the project business plan and supporting information, is of the opinion that the requirements of Council have been satisfied. Specifically, facility design development to a minimum of 10% has been completed, a class C cost estimate has been developed as has a phased site plan with detailed costs and a completed business plan that supports the feasibility of the project has been reviewed. As such, the project may proceed subject to approval of Recommendation 2 above. The project business plan and capital cost estimates are referenced in the Appendices of this Report:

- *APPENDIX A: BUSINESS CASE FOR MULTI-PURPOSE RECREATION FACILITY -JONATHAN TOEWS (DAKOTA) COMMUNITY CENTRE*

- *APPENDIX B: JTCC (DAKOTA) FIELDHOUSE DEVELOPMENT - CLASS "C" CONSTRUCTION COST ESTIMATE (JUNE 30, 2014)*

- *APPENDIX C: JTCC (DAKOTA) FIELDHOUSE DEVELOPMENT – (REVISED) CLASS "3" CONSTRUCTION COST ESTIMATE (NOVEMBER 13, 2014)*

- *APPENDIX D: JTCC (DAKOTA) FIELDHOUSE DEVELOPMENT – CAPITAL DETAIL SHEET*

EXECUTIVE SUMMARY

Administrative Report Overview

- The purpose of the report contained herein is to obtain Council Approval for the following:

  A. The Business Case in support of the subject project.

  B. A grant to Dakota Community Centre Inc. (“Dakota”) in the total amount of $6.7 million and revise the associated 2013 capital project budget to a capital grant of $13.7 million consisting of contributions from the City ($6.7 million), the Province ($7.0 million), with Dakota to finance the remaining $4.2 million ($4 million debt and $200,000 sponsorship funding) of the total $17.9 million Project budget.

  C. A construction loan guarantee in favour of Dakota of up to $13.582 million that upon completion of the Project is to be converted to a fixed rate term loan not to exceed $4 million.

  D. The City enter into a funding agreement with Dakota setting out the terms and conditions of the City’s grant.

- Project approval is warranted to advance project development and ensure scheduling delays do not result/materialize as well as any associated implications to Dakota operations, business objectives and/or financial parameters.

- The Province of Manitoba and Dakota have identified interest in construction of the project advancing in 2015.

Project Description

The proposed project (Fieldhouse addition) will be a multi-use sports hall comprising three indoor fields of play and a mezzanine level running track capable of staging numerous sports programs/events. The Fieldhouse addition will enhance the Community Centre's ability to host for-hire events such as tradeshows, craft fairs, fundraisers and community-based programming.

Business Case

The business plan and supporting information (Appendix A) prepared by Stantec Consulting Ltd. ("Stantec") on behalf of Dakota, which spans the years 2016 through to 2025, projects operating surpluses in each year ranging from $3,600 to $93,800. The assumptions upon which the plan is based have been reviewed by the Public Service and are reasonable based on information/data available at the time of preparation.

Capital Cost Estimates

The capital cost estimates (Appendices B and C) prepared by Sever L Construction Cost Consultants Inc. ("Sever") on behalf of Stantec has been reviewed by the Public Service. The final (revised) cost estimate (Appendix C) is $15,064,494 (2014 dollars). The initial capital cost estimate (Appendix B) was $17,362,095 (2014 dollars) but was revised after the Public Service identified site development impacts that were misaddressed in the original schematic design. The Public Service is satisfied that all aspects of project development have been sufficiently evaluated and the current capital cost estimate is representative of the likely total development cost.

Capital Budget Implications

Council approved a project budget of $15.9 million contingent upon receipt of a business plan from Dakota that is satisfactory to the Public Service, which must report back to Council for approval prior to construction (i.e. the purpose of this report). To date, Council has authorized capital expenditures of only $932,000; $120,000 for facility design, business plan development and capital costs estimates and a grant of $812,000 for the procurement of design development services.

Subsequent to Council's approval of the contingent budget of $15.9 million, it was determined that a construction manager project delivery methodology will be employed. Using this methodology, Dakota will be responsible for project delivery. As such, the capital budget will be revised to $13.7 million with Dakota to finance the remaining $4.2 million. Upon completion of the Project, the City will recognize a contributed asset in the amount of $4.2 million that, when combined with the $13.7 million, will result in a total asset value of $17.9 million being recorded.

IMPLICATIONS OF THE RECOMMENDATIONS

- The authorization will increase from $0.932 million to $13.7 million (i.e. capital grant of $13.582 million plus $118,000 spent to date).

- Upon completion of the Project, the City will recognize a contributed asset in the amount of $4.2 million that, when combined with the $13.7 million capital grants budget, will result in a total asset value of $17.9 million being recorded.

- Additional annual mill rate support in 2017 of approximately $19,000 ($38,800 in 2018 increasing by an inflation factor of 2% thereafter) related to the Universal Funding Formula ("UFF") plus $112,800 related to debt & finance charges on an additional $2 million in external debt will be required in the operating budget of the Community Services Department.

- Revenues/recoveries in the Corporate Finance Department's operating budget totalling $134,000 over 2015 to 2017 may be foregone.

- The Public Service will provide project management expertise and advice to Dakota with respect to design and construction management service contracts to be administered by Dakota commensurate with the project procurement strategy.

- The Public Service will be required to prepare and execute a funding agreement with Dakota setting out the terms and conditions of the City's funding.

- The Public Service will be required to secure development agreements with area stakeholders (College Jeanne-Sauve, Louis Riel Library, Manitoba Indoor Lawn Bowling Centre, Norwood Outdoor Lawn Bowling Club) pertaining to site access and servicing for the Jonathan Toews Community Centre – Fieldhouse project.

HISTORY

On February 27, 2013, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

- *That a new 2013 capital project, "Jonathan Toews Community Centre Fieldhouse Development", be approved in the amount of $9.534 million to be financed through $4.767 million from the Province of Manitoba and $4.767 million from the City of Winnipeg share.*

- *That approval of this project be conditional upon the submission of a business plan from the Jonathan Toews Community Centre for the Fieldhouse Development project to the City of Winnipeg Public Service outlining the project description, capital cost estimates/cash flows, financing, construction timetable, class of estimates, projected operating costs, project management and procurement plans, etc., satisfactory to the City of Winnipeg Public Service, and that the Public Service report back to Council prior to commencement of construction to obtain approval for the project to proceed, approval of required borrowing authority, debt reallocation, and identifying any associated operating costs.*

On April 30, 2014, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

- *That the Winnipeg Public Service be directed to earmark up to $2 million of proceeds from the City/Qualico River Park South joint venture, as an additional City contribution to the Jonathan Toews Community Centre Fieldhouse Expansion.*

- *That up to an additional $2 million be earmarked for front ending the required Provincial Government contribution, which will be repaid through the current Manitoba Winnipeg Infrastructure Agreement.*

The City received written confirmation from the Province of the allocation to this project of $ 5 million in 2013 MWIA funding (on January 14, 2014) and $2 million in 2014 MWIA funding (on June 6, 2014) respectively.

On June 25, 2014, Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

- *That the 2013 capital project budget entitled "Jonathan Toews Community Centre Fieldhouse" ("the Project"), the approval of which is conditional upon the submission of a satisfactory business plan to Council prior to commencement of construction, be amended from $9.534 million to a total of $15.9 million.*

- *That prior to submission of a satisfactory business plan to Council, Council authorize $120,000 of the City's approved total contribution to the Project be authorized to undertake and complete*

additional facility design development to a minimum of 10%; a class C cost estimate; a phased site plan with detailed costs; and a completed business plan:

- *That a project management and procurement strategy be developed in collaboration with the Jonathan Toews Community Centre (JTCC).*

On March 25, 2015, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. *Prior to the submission of a satisfactory business plan to Council and subject to Recommendation 2, the Executive Policy Committee recommend that Council approve a grant of up to $812,000 to Dakota Community Centre Inc. ("Dakota") for the procurement of design development services for the Project and that the funding source be the City's contribution to the Project under the $15.9 million Jonathan Toews Community Centre Fieldhouse Development capital project budget.*

2. *That the City enter into a grant agreement with Dakota setting out the terms and conditions of the City's funding, and that the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of the grant agreement in accordance with this motion and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.*

Capital Budget

Notwithstanding Council's contingent approval of a $15.9 million capital budget on June 25, 2014, to date, Council has authorized capital expenditures of only $932,000. This consists of two items: one, $120,000 for additional facility design development to a minimum of 10%; a class C cost estimate; a phased site plan with detailed costs; and a completed business plan (authorized on June 25, 2014 as noted above) and; two, a grant of $812,000 for the procurement of design development services (authorized on March 25, 2015 as noted above). Of the $120,000, a total of $118,000 in services was procured by the City on behalf of Dakota, the cost of which has been charged to the Project budget. No grant amounts have yet been charged against the $812,000.

Subject to approval of Recommendation 2, the authorized budget will increase from the current amount of $932,000 to $13.7 million. This is compromised of the City's $6.7 million contribution of funding from the Land Operating Reserve Fund and $7 million in MWIA funding, for which the City is in receipt from the Province of a written commitment. An additional $4.2 million consisting of the principal amount of a $4.0 million loan, subject to approval by Council of a loan guarantee, and $0.2 million in sponsorship revenue will not be included in the Project budget but rather will be recorded as a contributed asset upon completion. The total budgeted funding of $13.7 million plus the aforementioned $4.2 million in contributed assets equates to the $17.9 million cost of the Project, the amount at which this asset will be recorded in the City's financial statements.

In accordance with the construction manager project delivery methodology, Dakota will secure a construction loan of up to $13.582 million (i.e. $13.7 million less $118,000 spent to date). Upon receiving sign-off from the Public Service, Dakota will remit payment to the applicable vendor(s) and submit to the City claims for reimbursement of capital costs incurred with the funds received reducing the outstanding balance of the construction loan. The total amount of these grants to be paid by the City to Dakota is $13.582 million comprised of the $7 million in MWIA contributions from the Province and $6.582 million contributed by the City (i.e. the $6.7 million City contribution less the $118,000 spent to date). Upon completion of construction, the balance of the construction loan, not to exceed $4 million is to be converted to a term loan, subject to Council approval of a related loan guarantee, the servicing of which will be the responsibility of Dakota. In addition, as the City's contribution is limited to its $6.7 million share of the $13.7 million in capital grants, Dakota will be responsible for financing any potential construction cost overruns.

Operating Budget

In accordance with the Universal Funding Formula ("UFF"), it is estimated that +/- $38,000 in additional mill rate support will be required in the operating budget of the Community Services Department. This estimate is based on the assumption that the increase in heated indoor space will be 9,700 square feet (plus a 15% contingency) to which a UFF rate of $3.41/square feet is applied. The actual area comprising additional heated indoor space is subject to change pending completion of design.

Subject to approval of Recommendation 6, the waiving the 2% interest overhead, which would be applied to the $6.7 million in City funding, will require additional mill rate support of $134,000 by the Corporate Finance Department.

As noted in Recommendation 4, additional tax-supported borrowing authority in the amount of $2 million will be required as the 2014 MWIA funding has been fully allocated in the 2014 adopted capital budget to other projects. As such, debt financing will be required to replace MWIA funding now allocated to this project. The incremental debt and finance charges, to be included in the Community Services Department operating budget, are estimated to be $112,800 (annualized) based on 30-year debt @ 4% and a sinking fund contribution of 4.50%.

Loan Guarantee

When the City guarantees a loan, it must disclose this potential liability in the financial statements. If the organization were in default of the loan agreement, the City would be obligated to make payments on the loan. The following is the policy criteria related to requests for loan guarantees as adopted by Council on June 17th, 1992:

A. Requests for loan guarantees shall be submitted to Corporate Finance for review to determine if the request meets the requirements of the policy.

   This report has been submitted to Corporate Finance for review.

B. The organization requesting the loan guarantee must provide a service, which, in whole or in part, falls within the mandate of the City of Winnipeg.

   The Dakota Community Centre provides recreation, sport and leisure activities and services for all ages and abilities and encourages, fosters and promotes community participation in leisure opportunities on a year round basis

C. The project for which the loan guarantee is being requested must not be in conflict with City policy.

   The project for which the loan guarantee is required does not conflict with any City policy.

D. The organization's services must be available to the community at large without restrictions based upon ethnicity, religion or race and without unreasonably restrictive membership or user fees.

   The services the Dakota Community Centre supplies are available to the community at large.

E. The organization must be non-profit.

   Dakota Community Centre is a not-for-profit organization.

F. The organization must produce financial records and a business plan that demonstrates the organization's long-term viability and capacity to meet the obligations of the loan that they are asking the City to guarantee.

   Dakota's unaudited (review engagement) 2014 financial statements, which reflect a strong balance sheet, positive results of operations as well as strong cash flow, have been reviewed by the Public Service and Dakota has provided the City with a business plan for the years 2016 through to 2025

(attached as Appendix A) that projects operating surpluses in each year. The assumptions upon which the plan is based have been reviewed by the Public Service and are reasonable based on information/data available at the time of preparation.

G. The organization structure and the principals of the organization must be judged by the City of Winnipeg as competent to independently implement the business plan of the organization.

Dakota has a demonstrated and proven history in facility operation and management.

H. Unless there are very special circumstances, the maximum amount of outstanding loan guarantees for any one organization will be $1,000,000.00.

A loan guarantee of up to $13.5 million is required to meet the cash flow needs of the project during construction and represents the maximum amount required. At construction completion, the loan guarantee is reduced to an amount up to $4 million. Council has granted loan guarantees in excess of the $1 million maximum amount in the past, where circumstances warrant.

I. The loan that the City is being asked to guarantee should not represent more than 50% of the total funding of the project. The organization requesting the loan guarantee must have raised at least 20% of the total project costs from non-City of Winnipeg sources as a down payment, i.e., if the organization is receiving a City grant for their project, the grant cannot be counted as part of the 20% down payment.

The loan guarantee amount represents approximately 22% of the total project cost. Dakota has secured $7 million in Provincial funding (2014 Manitoba Winnipeg Infrastructure Fund), representing 39% of the total project cost. In addition, Dakota has committed to securing an additional $200,000 through sponsorship funding. The City contribution amounts to $6.7 million.

J. The loan that the City is guaranteeing must be related to a capital asset.

The loan guarantee is related to the construction of a Fieldhouse.

K. The capital asset must be insured to the satisfaction of the Chief Financial Officer both during and after construction.

Dakota is responsible for ensuring that insurance coverage is in accordance with all agreements and contracts entered into between Dakota and the City of Winnipeg with respect to this project.

Debt Strategy

On June 22, 2011, Council adopted the Debt Strategy report for tax supported, utilities and total City borrowing. This Project requires an incremental $2 million in long-term debt financing.

The impact of this debt financing falls within the debt limits established in the Council report as outlined in the table below.

Tax Supported net debt as a percentage of revenue not to exceed	60%
Forecasted peak rate including proposed debt from this report	58.6%
Total City net debt as a percentage of revenue not to exceed	85%
Forecasted peak rate including proposed debt from this report	79.7%
Tax Supported debt servicing as a percent of revenue not to exceed	10%
Forecasted peak rate including proposed debt from this report	5.8%
Total City debt servicing as a percent of revenue not to exceed	11%
Forecasted peak rate including proposed debt from this report	6.6%
Tax Supported Debt per Capita not to exceed	$1,050
Forecasted peak rate including proposed debt from this report	$963
Total City Debt per Capita not to exceed	$2,400
Forecasted peak rate including proposed debt from this report	$2,171

FINANCIAL IMPACT

Financial Impact Statement

Date: May 15, 2015

Project Name:

Jonathan Toews Community Centre - Field House

First Year of Program **2015**

	2015	2016	2017	2018	2019
Capital					
Capital Expenditures Required	$ 13,700,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	932,000	-	-	-	-
Additional Capital Budget Required	$ 12,768,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal		$ -	$ -	$ -	$ -
Debt - External		-	-	-	-
Grants (MB-Wpg Infrastructure. Ageement)	7,000,000	-	-	-	-
Reserves, Equity, Surplus (Land Op Res)	5,768,000	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ 12,768,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 12,768,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 56,400	$ 131,800	$ 151,600	$ 152,400
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ 56,400	$ 131,800	$ 151,600	$ 152,400
Less: Existing Budget Amounts	(33,500)	(67,000)	(33,500)	-	-
Net Budget Adjustment Required	$ 33,500	$ 123,400	$ 165,300	$ 151,600	$ 152,400

Additional Comments: Capital expenditures represent total expenditures to be charged to the JTCC Fieldhouse project budget. This consists of $118,000 in expenditures incurred to date plus grants to Dakota of $13.582 million. Existing budget of $932,000 represents the portion of the City's $6.7 million contribution that Council has, to date, authorized to be spent. Subject to Council approval of the business case attached to this report (Appendix A), the authorized budget will increase to $13.7 million. The remaining $4.2 million, comprised of $4 million loan taken out by Dakota and $200,000 in sponsorship funding, will not flow through the capital budget. Rather, upon completion of the Project, a contributed asset of $4.2 million will be recorded such that a $17.9 million asset is reflected in the City's financial statements. Direct costs beginning in 2016 represents annual debt & finance charges of $112,800 on $2 million in external debt (to replace reallocated MWIA funding) pro-rated for an assumed commencement date of July 1, 2016. Direct costs from 2017 onward consist of the $112,800 debt & finance charges + a $19,000 increase in UFF payments (assumed to be effective July 1, 2017), that latter amount increasing to $38,800 in 2018 and by an assumed inflation factor of 2% per annum thereafter. Existing budget amounts represent foregone short-term financing revenues in the current budget of the Corporate Finance Department.

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

CONSULTATION

Community Services Department

Corporate Finance Department

Legal Services Department

Dakota Community Centre, Inc.

OURWINNIPEG POLICY ALIGNMENT

The City of Winnipeg delivers recreational services as a key component of building healthy communities. Recreation, active living, and leisure programs and services strengthen families, improve quality of life, support the healthy development of children, and provide an opportunity to develop leadership skills. Section 01-5 of OurWinnipeg, the City's development plan, provides policy guidance on the provision of recreational services. Supporting Directions and Enabling Strategies include:

- Promote and enable opportunities for all age groups to be active as part of their daily lives (Direction 1, Page 58)
    - Promote the inclusion of parks and recreation facilities in all communities to support active, healthy lifestyle choices.
- Plan for sustainable and connected recreation and leisure infrastructure (Direction 6, Page 60)
    - Maximize the use of existing facilities, including converting or consolidating to meet emerging community needs while minimizing operating costs.
    - Use population trends to properly fit recreation facilities to community needs, including potential multi-use and inter-generational needs.
    - Deliver community and neighbourhood-managed recreation services by maintaining ongoing support for developing community centres with public, not-for-profit and private partners.
    - Develop and maintain a system of regional sports fields in accordance with recognized needs.

SUBMITTED BY

Department: Planning, Property and Development
Division: Municipal Accommodations Division
Prepared by: B. Piniuta
Date: May 22, 2015
File No.: MA2015-094

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JTCC Fieldhouse FINAL.pdf


Dakota Community Centre, Class C, REV

APPENDIX A: BUSINESS CASE FOR MULTI-PURPOSE RECREATION FACILITY – JONATHAN TOEWS (DAKOTA) COMMUNITY CENTRE

Business Case for Multi-Purpose Recreation Facility

Jonathan Toews (Dakota)
Community Centre



Prepared for:
Mr. Jacques Levesque,
General Manager

Prepared by:
Warren Thompson,
Project Manager

June 20, 2014

Sign-off Sheet

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Prepared by _____
Warren Thompson

Reviewed by _____
Jeff Penner

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Executive Summary

1.1 BUSINESS CASE OBJECTIVES

The following Business Case aims to address the City of Winnipeg's need for multi-purpose space through a proposed addition to the Jonathan Toews (Dakota) Community Centre (JTCC). Winnipeg's demographics are changing and action is required to address the recreation and leisure needs of the entire community. These changes include population growth and a growing number of seniors, New Canadians, and aboriginal youth. Coupled with demographic changes, is a shift in the general recreational behaviours of Canadians. This shift is driven by busier lifestyles, reduced leisure time, and the rising cost of sport, ultimately leading to greater demand for informal and drop-in leisure facilities. Furthermore, many of Winnipeg's multi-purpose spaces are considered to be dated. These dated facilities raise concerns for accessibility, safety, and equity and do not meet the needs of the entire community. JTCC has demonstrated the ability to offer highly successful programming and is the most appropriate facility to accommodate the growing demand for multi-purpose space.

Based on current facility limitations, there is a recognized need for JTCC to adapt and expand their ability to provide recreation services that meet the needs of the entire community. JTCC management is well-aware of the community needs and is fully committed to providing services to a diverse and growing population. ***Simply put, the goal for JTCC is to provide recreation services for the entire community.*** A new for a multi-purpose recreation facility at JTCC will transform one of Winnipeg's most successful recreation complexes into a dynamic multi-use community hub that integrates the benefits of community-based health and wellness with sport development and high performance.

The proposed design aims to create an open and integrated feel that supports visual connections between all elements. In addition to the multi-purpose space, the design incorporates outdoor multi-use spaces, revised drop-off and parking, and re-development of two new outdoor rinks. The long-term design strategy allows for further expansion and site development, enabling JTCC to maintain facilities that are flexible to the community needs of tomorrow.

The primary objective for this project includes balancing financial constraints with the overall project vision. This will include highly efficient design concepts with a minimum Green Globes certification of 3 Globes to meet City policy. To support the proposed facility, Stantec Consulting Ltd. has been retained ***to provide a rational and objective business case that demonstrates community needs and validates JTCC as the optimal location for development.***

1.2 REVIEW OF THE EXTERNAL AND INTERNAL ENVIRONMENTS

The location of JTCC is well-suited to the Riel and south Winnipeg market and it is adjacent to compatible land uses and facilities that can foster strong clustering of recreation relationships. There are existing management strengths as well as a diverse array of programming options already available at the JTCC.

There are also facility limitations that create barriers associated with accessibility as well as programming options and use for all ages. These include training facilities in the basement, structural issues in the under-sized gymnasium, and scheduling demands that cannot be met.

The changing and growing market is placing demands and constraints on the JTCC and it also needs to see its facilities grow to provide the capacity to support the programming and recreational needs of the vibrant and active south Winnipeg marketplace. The access to the site is poor and parking is a chronic issue. There is tremendous opportunity to create a first class facility to meet the future demands of the community through the expansion of a multi-purpose recreation facility. There is also a threat that the community will go with inferior and aging facilities and the JTCC will lose possible engagement of community members and face growing financial challenges of declining interest and a changing demographic that it cannot meet.

1.3 THE PROGRAMMING AND CAPITAL COSTS

The ***capital program can be delivered for $16 million*** including contingencies, design fees and a contribution to the affiliated site development costs for a world-class facility. The allowances for equipment and kitchen items are costed but not incorporated into the construction costing as they are aspects of the overall project that may provide opportunity for supplemental funding. The project budget is assuming significant capital contributions to the project from the province ($6 million) and the City of Winnipeg ($5.7 million) and sponsorship revenues conservatively established at $200,000. This would require funding from the JTCC of $4.1 million, which is a realistic level of financing for this successful non-profit community group to manage. This would be achieved through a 25 year mortgage at commercially competitive rates.

The preliminary schematic design and associated construction costs are displayed as higher than this total related to a footprint that will require some modifications and value engineering to ensure the overall facility goals and financial framework are aligned. This would be completed immediately upon receiving preliminary project support. With this submission of the Schematic Design Report, the Business Case and Master Plan to the City of Winnipeg and JTCC (Dakota) Community Centre, we understand that the project is expected to continue on its course with adjustments and refinements as required to meet cost certainty and stakeholder needs.

While this is occurring, the JTCC will develop a fundraising campaign and commence the work of establishing partners and additional financial support (sponsorships, etc.). In addition, we anticipate that the JTCC will continue to evolve its programming through communication with the community and stakeholder/user groups. As with all recreation projects that we are working on, the involvement of community, corporate, and governmental partners will ensure sustainable outcomes. The timeline we have allowed is also directly tied into the budget and capital cost projections used in this document. We understand that the finalization of design and preparation of Tender ready documents will be from July 2014 to October 2014. Tender would occur from October to November 2014 and Construction would be completed in spring 2016 (14 to 18 months depending on a number of factors).

1.4 THE INCREMENTAL OPERATING MODEL AND ITS IMPACTS

Once constructed and with the capital funding support noted above, the JTCC can operate the new integrated multi-purpose recreation facility, including all its financing costs and capital renewal costs, in a sustained manner with limited additional staffing resources. The facility will expand programming and generate new revenue streams as well as improve the overall attractiveness of its complex for other rental opportunities that support the community. The proposed operating model and anticipated revenues also support a long-term capital renewal plan and accelerated loan payments, further enabling the project's long-term sustainability.

1.5 RECOMMENDATIONS

This project has been well thought out and the schematic design and site Master Plan are with the full involvement of the community and stakeholders and will serve the Riel and south Winnipeg market well in its recreation needs for many years to come.

2.0 BACKGROUND INFORMATION

Jonathan Toews (Dakota) Community Centre (JTCC) is a significant facility shaping the City of Winnipeg's sport and recreation landscape. The facility, established in 1984, is arguably the most prominent facility in the southern portion of the city, providing considerable programming hours per capita while demonstrating efficient management and a strong volunteer base. JTCC's main features include twin pad ice arenas, a small gymnasium, high-performance training facility, nursery school, common areas, meeting rooms, a pro-shop, and office space. To date, JTCC's primary focus has been to offer ice sports through the facility's twin pad ice arenas, a service that has been highly successful. Meanwhile, the City of Winnipeg and the local community itself, have experienced significant population growth and a shift in socio-demographics. These fundamental changes have established a recognized need for JTCC to adapt and expand their ability to provide recreation services that meet the needs of the entire community. JTCC management is well-aware of the community needs and is fully committed to providing services to a diverse and growing population. To address these needs, Stantec Consulting Ltd. has been retained to provide a rational and objective business case to support the expansion of the JTCC with the addition of a new multi-purpose recreation facility.

3.0 PROJECT DESCRIPTION

It is widely accepted that there is strong demand for full-size gyms and multi-purpose space within the City of Winnipeg. Such facilities can offer a broad range of flexible programming on a year-round basis. Based on this understanding, JTCC has proposed the development of a multi-use sports hall capable of staging numerous sports programs, including volleyball, basketball, winter baseball, dodgeball, running, jogging, aerobics, and pickleball, among various other community sports and activities. Such a facility will transform one of Winnipeg's most successful recreation facilities into a dynamic multi-use community hub that integrates the benefits of community-based health and wellness with sport development and high performance. This will establish a new benchmark for sport, health, and wellness programming in the City of Winnipeg, for individuals of all ages and abilities.

Simply put, the goal for JTCC is to provide recreation services for the entire community. This can be accomplished efficiently and effectively with the addition of a multi-purpose facility to the existing recreation facilities, including twin pad ice arenas. The addition will include a renovated lobby that facilitates circulation and accessibility to better serve all users. The overall design aims to create an open and integrated feel that supports visual connections between all elements. In addition to the multi-purpose space, the design incorporates outdoor multi-use spaces, revised drop-off and parking, and re-development of two new outdoor rinks. The long-term design strategy allows for further expansion and site development, enabling JTCC to maintain facilities that are flexible to the community needs of tomorrow. The project is supported by an in-depth study of the existing site plan. It is respectful of the Dakota Park Forest and is compatible with adjacent users including the well-established lawn bowling organization, the Louis Riel Library, and College Jeanne-Sauve French Immersion High School.

Specific to the facility itself, the design incorporates a multi-level concept with field of play and mezzanine space that allows for maximum capacity and program flexibility. The field of play design enables JTCC to host multi-court basketball and volleyball tournaments simultaneously, while enabling the ability to host university and international calibre sporting events of up to 1500 spectators. As an added benefit, the facility's design can support a range of special events such as tradeshows, craft fairs, and fundraisers. Large basketball and volleyball tournaments will drive new revenues, as JTCC will have the ability to charge a premium by using its "spectator friendly" design as a key differentiator. Supporting this objective, Manitoba has a strong presence on the national volleyball stage. In fact, the University of Manitoba Bisons recently captured the CIS Women's Volleyball Championship, their 7th overall, tying them with the University of Winnipeg for 2nd most all-time. This strong competitive presence supports a contemporary facility that meets international standards and promotes the development of tomorrow's champions. Meanwhile, the facility's mezzanine level will provide the community with an indoor track and fitness space that support walking and running, while allowing for strength and agility training on the perimeter. The space will offer views of Dakota Park Forest, inspiring enhanced health and wellness for the general community. Primary objectives for the project include balancing financial constraints with the overall project vision. This will include highly efficient design concepts with a minimum Green Globes certification of 3 Globes to meet City policy.

4.0 STRATEGIC ALIGNMENT

As part of their mandate, Winnipeg community centres are to provide a broad range of recreation and leisure activities suited to the residents within their designated area (GCWCC, 2009). To better achieve this objective, facilities receive an operating grant from the City of Winnipeg, who also own and insure the facilities. Ultimately, this fiduciary relationship necessitates that JTCC's strategic direction and proposed development align with the principles and objectives that the City of Winnipeg holds for recreation and leisure facilities.

4.1 CITY OF WINNIPEG – STRATEGIC DIRECTION

The General Council of Winnipeg Community Centres (GCWCC) was formed in 1971 for the expressed purpose of encouraging cooperation and communication among community centres and with city administration. Since that time, their responsibilities have expanded to include leadership and policy development, as well as administration of Municipal and Provincial grant funding. In 2009, the GCWCC released Plan 2025 to serve as the principal planning document for Winnipeg community centres. The objective of Plan 2025 is to support and sustain a volunteer base for recreation services, guide the delivery of recreation programs, and direct the development of recreation facilities within the City of Winnipeg. The guiding principles behind the plan are:

Figure 1 – Plan 2025: Guiding Principles

- Healthy Living
- Community-led
- Volunteer-driven
- Affordable & Accessible
- Collaborative
- Safe & Respectful
- Equitable

(GCWCC, 2009)

With these principles in mind, the GCWCC has adopted a planning model that assumes the premise that "people drive programs and programs drive facilities". As such, it is essential that development plans for JTCC align with the above-mentioned principles and the programming needs of the community at large.

4.2 JTCC – STRATEGIC DIRECTION

The Jonathan Toews (Dakota) Community Centre has a long history of providing community-led, volunteer-driven, and collaborative programming. Strategically, they are seeking to expand their programming potential in an effort to encourage affordable access to healthy living for people of all ages and abilities, in turn establishing a more equitable community facility. The objectives behind developing a contemporary multi-use facility are in direct alignment with Plan 2025 and will drive community and city-wide benefits.

Figure 2 – Community Benefits of Multi-Purpose Facility

- Improved accessibility of health & wellness facilities
- Affordable access to contemporary facilities
- Collaborative with current users
- More diverse and equitable program offerings
- Improved safety with modern facilities and equipment

5.0 ENVIRONMENTAL ANALYSIS

The following environmental analysis examines JTCC's internal and external operating environments. It aims to distinguish those elements that make JTCC unique and justify the reasons that make the facility an appropriate priority for development. The external analysis has incorporated national trends as well as characteristics specific to the City of Winnipeg, Riel District, and the Winnipeg South catchment area (socio-demographic research based on available data). Collectively, this analysis will validate certain planning and design elements and help identify the strengths, weaknesses, opportunities, and threats (SWOT) specific to the project.

5.1 JTCC – INTERNAL ENVIRONMENT

"The Strengths & Weaknesses"

A major capital project, such as the addition of the proposed multi-purpose facility at JTCC, must be financially sustainable. From a microeconomic perspective, it is critical to ensure that management can adequately support the new facilities and adapt to any challenges that arise. Furthermore, the new facilities and associated programs must integrate with existing facilities and current programs to better meet user needs. Assessing the JTCC's suitability for development requires an understanding of management's ability and capacity to deliver new programming in conjunction with existing programs and the current facilities.

5.1.1 Management

JTCC is well-managed and can serve as a model of consistency to other community-based facilities. The centre is governed by a highly competent Board of Directors and led by an experienced General Manager, who has held the position for the past four years. Prior to becoming General Manager, he was the Club's president for eight years and Director of Hockey for three. This collective experience has established an acute knowledge of the facility's operations, allowing for a number of efficiencies. During this time there have been a number of significant changes and internal program revenue has nearly doubled. Through this evident leadership, JTCC has established a diversified revenue stream and generates a consistently strong net income (Appendix A). The strength of JTCC's operations has allowed them to establish a strong balance sheet (Appendix B) with significant liquid assets. Management is committed to maintaining the long-term condition of their facilities through a diligent maintenance schedule and the centre is always kept clean and safe. Based on past performance and dialogue with JTCC management, one can confidently assume they are capable of, and have the capacity to, undertake a major capital project that offers a broad range of new programs.

Beyond JTCC's Board and management, the centre is supported by a strong volunteer base in St. Vital South. According to Plan 2025, JTCC benefits from the most volunteer hours at 62,600 annually, followed by Southdale at 55,600 and Westridge at 46,200. This is a major internal strength for JTCC and supports their ability to manage a new multi-purpose recreation facility.

5.1.2 Programming

JTCC is a well-used facility, as evidenced by their high provision of programming hours. Based on figures provided in Plan 2025, JTCC offers a total of 15,588 program hours spread over 14 programs. Put in perspective, the nearest Winnipeg community centres, in terms of program hours, are Valour Community Club with 13,312 program hours spread over 29 programs and Southdale Community Centre with 12,226 program hours spread over 33 programs. Furthermore, at 0.57 program hours per capita, JTCC offers considerably more programming than the city average of 0.33 hours/person (GCWCC, 2009). Key to these statistics is the total number of programs offered. JTCC currently offers less than half of the programming variety of comparable facilities, yet still provides more programming hours. Based on the existing amenities that are centred on the twin-pad ice arenas, it is no surprise that ice sports are the main programming focus. In fact, JTCC is currently forced to rent ice from the St. Norbert Community Centre to meet community demand. Data from JTCC shows that $9600/month is spent renting external facilities during the 7-month hockey season and JTCC was forced to turn away 20 teams due to capacity constraints. Meanwhile, the current gymnasium lacks the capacity to support youth basketball practices and its size prevents JTCC from hosting league games. Furthermore, the gymnasium is facing structural problems that further restrict certain programs. These facts reinforce the strength of JTCC in delivering recreational programming despite limitations.

From a community perspective, the lack of program variety raises several concerns. Based on national sport trends, the focus on ice sports reinforces a gender gap in participation and does not accommodate a wide range of citizens, including a growing number of seniors. These concerns demonstrate the need for multi-purpose space that can be used for multiple sports, accommodate informal health and wellness activities such as jogging and aerobics, and cater to drop-in activities that conform to modern lifestyles. The City of Winnipeg has an expressed need for greater programming flexibility and multi-use recreational space, while JTCC has a demonstrated platform for delivering highly successful recreational programs. These fundamental elements further support JTCC's alignment with the City of Winnipeg's strategic direction.

5.1.3 Facilities and Infrastructure

JTCC is strategically located in a fast growing segment of Winnipeg. The site offers access to main transportation routes such as Bishop Grandin Blvd. (east-west) and St. Mary's Rd. (north-south), linking the facility to the various quadrants of Winnipeg South and other communities. The site also offers convenient access to public transportation, a key consideration for any community project.

The JTCC is a relatively large steel-frame facility with 31,001 ft² of heated floor space and an additional 16,633 ft² for the twin pad. The first phase of construction was completed in December 1987 and included outdoor rinks, dressing rooms, storage space, and an activity area, with funding from the City of Winnipeg. Phase 2 was completed in October 1990 and included the construction of the current gymnasium, kitchen, canteen, and common area. The most recent development took place in 1996, which saw the completion of the facility's twin pad ice arena. Although it is difficult to draw comparison, due to changes in federal electoral boundaries and Census data, there have been significant demographic

changes since the last phase of development and the City of Winnipeg would benefit by establishing a contemporary multi-use facility.

Today, the building provides a considerable amount of office and administrative space; however, the ability to meet the community's health and wellness needs is limited. The existing multi-purpose gymnasium is limited by constrained court space, small change rooms, low ceiling heights, and foundation issues affecting flooring. These issues not only limit programming but raise safety concerns. The existing multi-purpose space facilitates programming such as yoga, cribbage, line dancing, and crafting for the 55+ Lazers group as well as programs that include karate, mini soccer, dodgeball, and sports training. Several of these programs are well-suited to the space, however, the multi-purpose space is in high demand and users could benefit from the increased capacity of additional space. Furthermore, the existing fitness centre is in high demand and is experiencing capacity related issues. As a result, this well-used space has very focused program offerings and has limited demographic appeal. Beyond capacity constraints, the fitness centre's basement location offers limited accessibility. A multi-purpose fitness area would provide access to underserved segments of the population, while enabling the well-used existing space to better serve the needs of current users.

JTCC is located adjacent to Dakota Park Forest, College Jeanne Sauve, Louis Riel Library, and Bowls Manitoba lawn bowling facilities. Development plans for any community recreation centre must include consideration for parking. At present, JTCC's parking situation is adequate at best. Circulation and the one-way entry are somewhat uncoordinated due to existing site limitations. JTCC's on-going Master Planning endeavour aims to address parking among other long-term objectives.

5.2 JTCC – EXTERNAL ENVIRONMENT

"The Opportunities & Threats"

Understanding JTCC's role within the community requires an assessment of the forces shaping that environment. The following will address market forces affecting recreation and leisure, the social environment and demographic trends, the current political environment, as well as the economic environment and key financial considerations.

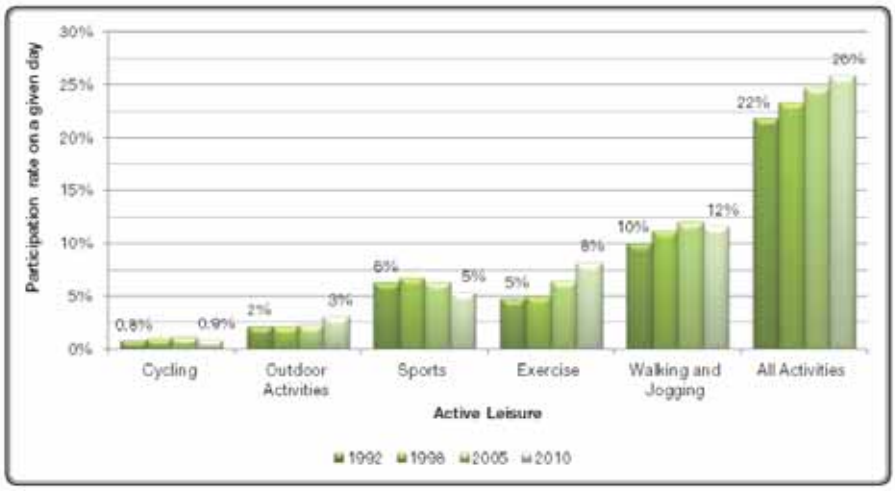
5.2.1 Market Environment

This section is intended to provide a macro level assessment of the recreation and leisure market in both Winnipeg and Canada. Recreation and leisure activities can take many forms based on individual values and preferences. As such, the Government of Canada recognizes both active and passive leisure. Passive leisure includes relaxing activities that take place at home; therefore, this assessment focuses on active leisure, which can be divided into three categories: social leisure, cognitive leisure, and physical leisure (Government of Canada, 2014). Community participation in active leisure has been linked to a number of social benefits, including improved health, community cohesion, reduced crime, and enhanced self-esteem among other benefits (Long & Sanderson, 2001). Subsequently, it is in a community's best interest to support and encourage active leisure participation by providing the necessary facilities. From a community centre programming perspective, social and cognitive leisure activities typically do not require

specialized facilities and can occur in general multi-purpose space. Physical leisure, on the other hand, can require more specialized features and is a key consideration in facility design.

Specific to physical leisure activities, there have been several key trends shaping the Canadian market. The first trend is a general transition from organized sport to informal sport. A 2013 study by Canadian Heritage, the federal department responsible for sport, reveals a fundamental shift in demand that has seen participation in organized sport, such as hockey and baseball, decline over the past two decades (Figure 3). This decline in organized sport participation corresponds with an increase in informal sports, such as aerobics, yoga, and jogging. These trends are the likely result of certain social developments, which include an aging population, decreased leisure time, changing demographics, and rising costs. Overall, the shift to informal active leisure validates a need to offer health and wellness facilities that include access to walking tracks, aerobics equipment, and other features on a drop-in basis. Walking tracks, for example, are very popular among seniors and offer affordable drop-in use with minimal maintenance or administration.

Figure 3 – Active Leisure Participation

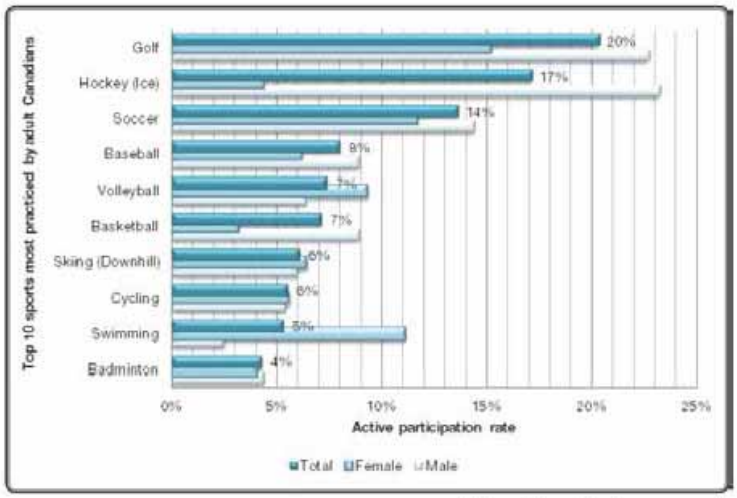


(Canadian Heritage, 2013)

Despite the declining trend in organized sport participation, these activities remain highly popular, particularly within the youth demographic. According to the Canadian Fitness and Lifestyle Research Institute (2010), 75% of youth between the ages of 5 and 17 participate in sport. This is an important consideration, as youth participation in organized sport has been linked to improved social skills, reduced shyness, and decreased anxiety (Findlay & Coplan, 2008). Furthermore, with rising concerns for childhood obesity, it is critical that communities offer program flexibility to appeal to the youth demographic. Further assessment of organized sport participation reveals key programming elements and validates the need to offer more diverse programming, along with a highly successful hockey program.

By reviewing trends unique to the top ten sports in terms of participation (Figure 4), the value of establishing a new multi-use facility becomes more apparent. Such a facility would significantly extend JTCC's ability to offer access to more equitable and respectful programming, as set-forth in the Guiding Principles of Plan 2025. Beginning with hockey, the most popular community centre sport, the gender gap in participation presents an obstacle to delivering equitable programming. As of 2010, more than 23% of male sport participants participated in hockey compared to just over 4% of females. When compared to other community centre sports, such as baseball, volleyball, and badminton, this gender gap becomes far less prevalent. Volleyball should be a key consideration when striving for gender equality in sport programming, as it is the only community sport in the top ten with higher female participation. Baseball, volleyball, basketball, and badminton are all popular sports that could be supported by the new multi-purpose facility on a year-round basis.

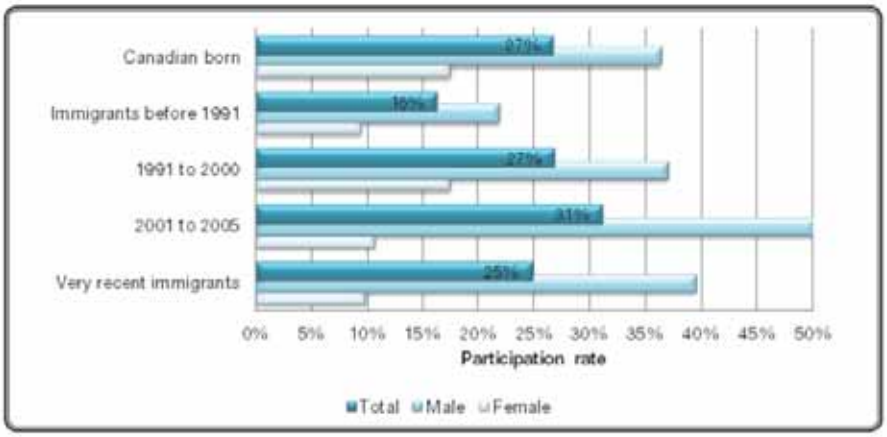
Figure 4 – Participation in the Top Ten Organized Sports



(Canadian Heritage, 2013)

Another important trend shaping the Canadian sport landscape is the strong participation of New Canadians, particularly males. Specifically, the Canadian Heritage study highlights the overall participation of New Canadians compared to Canadian born citizens (Figure 5). In general, immigrants arriving after 1991 participate in sport to the same extent or more than Canadian born citizens. Perhaps most significantly, New Canadian males arriving between 2001-2005 participate significantly more in sport than Canadian born males. This is a key consideration as many New Canadians are not accustomed to traditional Canadian ice sports and create demand for year-round multi-purpose space. Of note, soccer has seen significant growth in popularity and is now the third most popular sport in the country. Although soccer is highly popular, the city has several indoor soccer complexes to serve community needs, including facilities in Gateway, Seven Oaks, the University of Winnipeg, and at the nearby, multi-facility Winnipeg Indoor Soccer Complex. Due to the current lack of full-size gymnasiums within the City of Winnipeg, JTCC is better served to provide for these programming needs.

Figure 5 – Sport Participation by Year of Immigration



(Canadian Heritage, 2013)

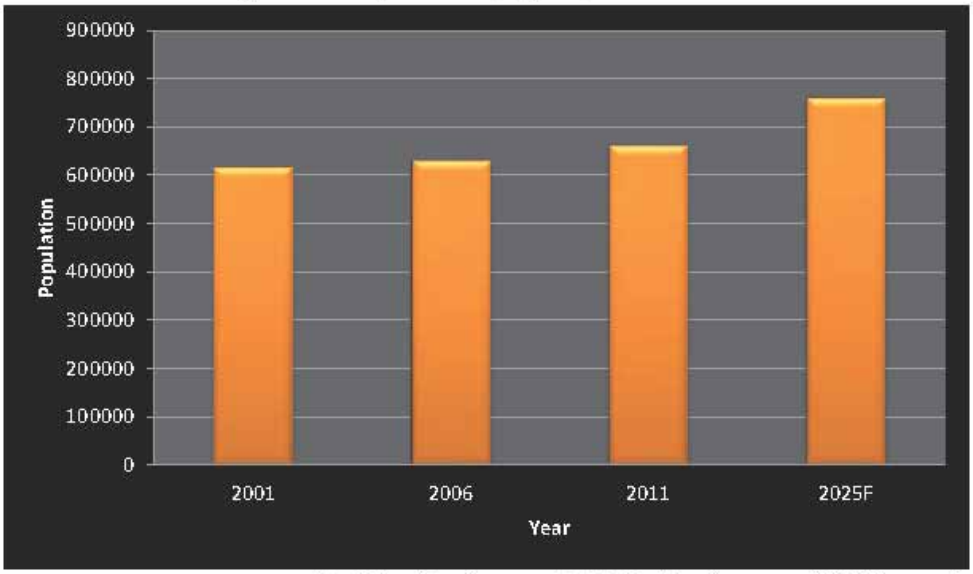
Overall, the trends shaping the recreation and leisure market demonstrate a need for multi-purpose space among several user groups. These facilities support equitable programming by offering informal drop-in programs, closing certain gender gaps, appealing to seniors, and meeting the demand of a growing population of New Canadians.

5.2.2 Social Environment

Due to the unique nature of the proposed facility, it will drive citywide benefits and must be considered within a greater context than the immediate community. As such, demographic information representative of the City of Winnipeg and Winnipeg South are also used as social indicators. The trends shaping Canadian recreation and leisure have demonstrated a need for multi-purpose space among several user groups. Further assessment of demographic trends within the City of Winnipeg will help justify the need to accommodate these user groups and an assessment of Winnipeg South's demographics will highlight JTCC as a suitable location for development. Plan 2025 identifies several common themes specific to Winnipeg community centres. The ability to meet the needs of a growing population and changing demographic is highlighted as a key to sustaining relevant programming. Specifically, Plan 2025 identifies New Canadians, young aboriginals, and seniors as key segments of the population.

As of 2011, the total population of Winnipeg was 663,617 individuals (Statistics Canada, 2012). This represents total growth of 4.8% from 2006 (Figure 6). Going forward, the City of Winnipeg is anticipated to grow at a rate of 1%/year through the year 2025 (GCWCC, 2009). The majority of population growth is expected to be the result of immigration, as opposed to natural growth, and is supported by the Province's Nominee Program.

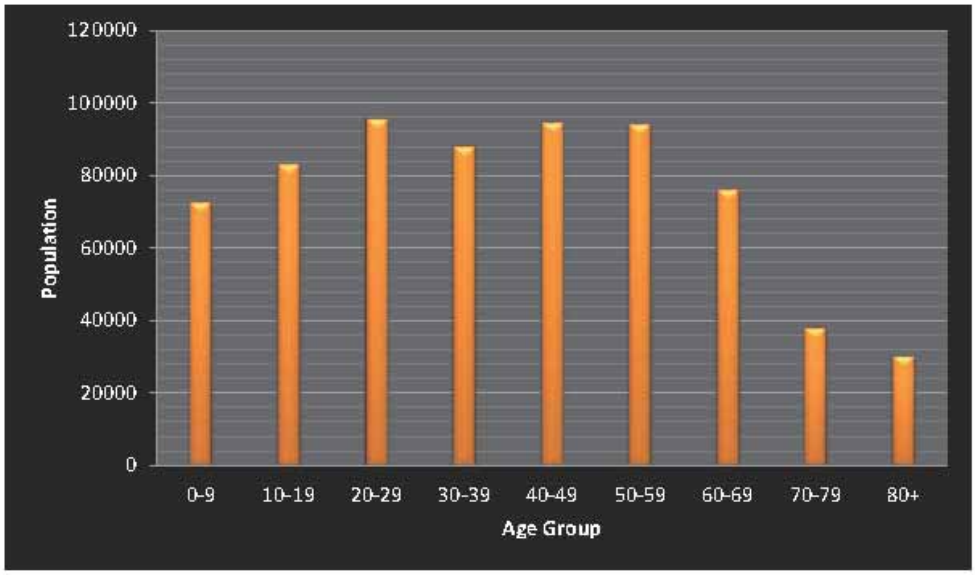
Figure 6 – City of Winnipeg Population Trend



(Statistics Canada, 2001; Statistics Canada, 2012; GCWCC, 2009)

Along with population growth and the steady arrival of New Canadians, Winnipeg has a large aboriginal youth population and a growing number of seniors. Of Canada's major cities, the City of Winnipeg has the largest Aboriginal population in the country, with approximately 64,000 individuals or roughly 10% of the population (City of Winnipeg, 2012). Of particular interest, the Aboriginal population is much younger than the non-Aboriginal population, with approximately 50% of Aboriginal people under the age of 25 (City of Winnipeg, 2014). It is expected that this younger demographic will contribute to a growing Aboriginal population for the foreseeable future. On the other hand, the median age in Winnipeg has risen from 37.3 in 2001, to 38.7 in 2006, and 39.0 in 2011. Combined with a large proportion of individuals between the ages of 40-59 (Figure 7), Winnipeg's demographics support the effects of the baby-boomer generation and a growing number of seniors.

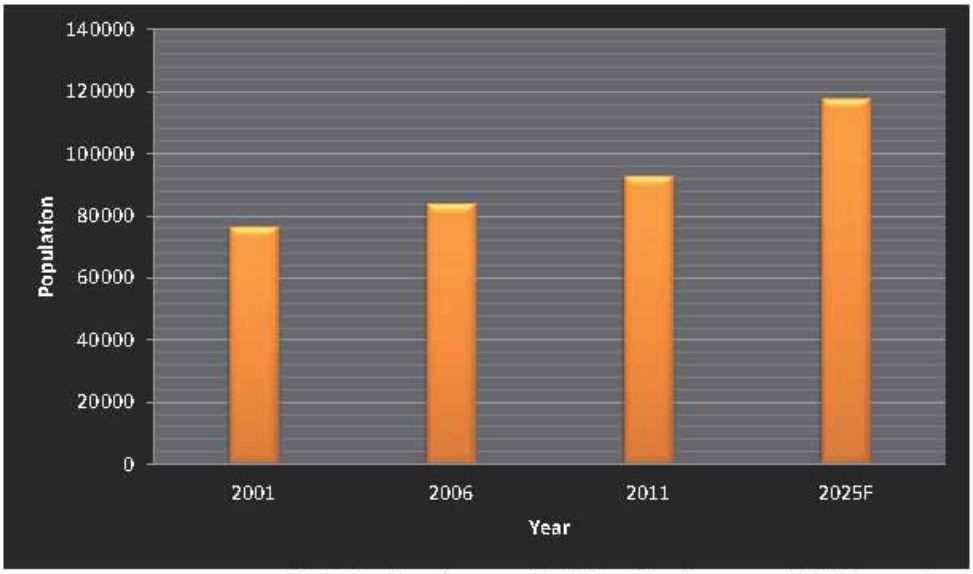
Figure 7 – City of Winnipeg Age Demographics



(Statistics Canada, 2012)

The overall demographic trends taking shape in Winnipeg are also present in Winnipeg South, some of which are more dramatic. Population growth is perhaps the most prominent trend shaping Winnipeg South, with growth of 10.5% between 2006 and 2011, far greater than the city's growth of 4.8% (Figure 8). Looking ahead, long-term development is anticipated to proceed south of the Perimeter Highway. This is a large area that could accommodate all of the 20,000 - 25,000 individuals identified in population growth projections (GCWCC, 2009). Influential to this growth will be the growing senior, aboriginal, and New Canadian populations, along with a number of young families. Adding 25,000 individuals to a population of approximately 93,000 equates to nearly 27% growth and would add significant pressure to recreation and leisure facilities within the district.

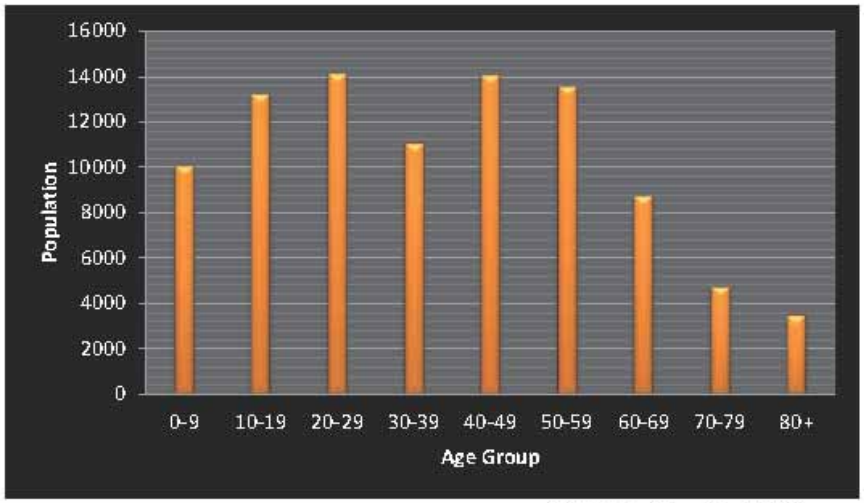
Figure 8 – Winnipeg South Population Trend



(Statistics Canada, 2001; Statistics Canada, 2012; GCWCC, 2009)

Along with total population growth, it is important to consider the key influential segments. Population growth among seniors has been identified as a key trend to meeting community needs. Although the median age of Winnipeg South is slightly lower than the city average, 38.4 years versus 39.0 years, the overall population trend is very similar (Figure 9). Both the City of Winnipeg and Winnipeg South have a high proportion of individuals between the ages of 40-59 at 28% and 30% respectively, indicative of future growth in the senior demographic.

Figure 9 – Winnipeg South Age Demographics



(Statistics Canada, 2012)

Within the context of Plan 2025 and the Riel Planning District, further demographic trends relevant to JTCC can be deduced. As per 2006 Census data, the district can be described as more homogenous when compared to City averages, however, aboriginal and immigrant populations within Riel District continue to grow in proportion to the overall population. In particular, Riel District reflected a total aboriginal population of 7.54% in 2006 compared to 6.12% in 2001. Meanwhile, the New Canadian population grew from 13.65% to 14.28% over the same period (derived from GCWCC, 2009).

In summary, Winnipeg is in need of more full-size gymnasiums and the demographics of Winnipeg South further support the JTCC as a suitable location for development. A new multi-purpose facility will help accommodate the significant population growth taking place in this portion of the city, meanwhile providing greater access to an aging population and growing number of seniors. Furthermore, a multi-purpose facility better serves growth among New Canadian and aboriginal populations. Ultimately, this project has the potential to bring together people of different cultures and generations, to promote healthy living, and inspire community engagement.

5.2.3 Political Environment

From a policy standpoint, the City of Winnipeg's Recreation, Leisure, and Library Facilities Policy (RLLF) is the most relevant consideration. The planned outcome of this policy is to reconfigure facilities in a manner that is responsive to local needs, leading to a contemporary and financially sustainable mix of community facilities. The policy states that the square footage of heated recreational space per capita cannot be increased beyond 2005 levels of 1.88 heated square feet per person. Currently, St. Vital South has a space to population ratio (SPR) of 1.84, and Riel District, as defined in Plan 2025, has a combined space to population ratio of 1.71. Based on population projections and the current imbalance, it is

estimated that Riel District can add a total of 125,000 ft² of community centre space until the year 2025 (Figure 10). As such, adding approximately 61,500 ft², as proposed in the facility design, will align with the City's planning objectives and allow for further development within the district.

Figure 8 – Projected RLLF Planning Space

	Current Combined SPR	Space to Plan for	Resulting SPR	Allotted CC Space	Allotted City-Run Space
District 1: City Centre	1.74	46,000	1.88	36,000	10,000
District 2: Assiniboia	2.42	1,500	1.88	1,500	0
District 3: Lord Selkirk West Kildonan	1.74	44,000	1.88	35,000	9,000
District 4: East Kildonan Transcona	2.01	10,500	1.88	8,500	2,000
District 5: Riel	1.71	156,000	1.88	125,000	31,000
City Total	**1.88**	**258,000 sf**	**1.88**	206,000 sf	52,000 sf

(GCWCC, 2009)

As for facility design, the City of Winnipeg's Green Building Policy has been adopted to ensure that new City-owned facilities achieve a high standard of performance in environmental, economic, and social sustainability. This policy requires new facilities achieve minimum certification of LEED® Silver or Green Globes Design™ at 3 Globes. Further to facility design, the addition must comply with the City of Winnipeg Accessibility Design Standards. These requirements include standards for general access and circulation, information and communication systems, general amenities such as drinking fountains, telephones, and vending machines, loading zones, washrooms, and safety equipment among others. The proposed facility would meet all of these requirements and further allow JTCC to improve accessibility within the context of the existing facility.

Beyond the RLLF and facility design, it should be noted that the City of Winnipeg is approaching a Municipal election in the fall of 2014. Although the impacts of a municipal election are considered minimal at this point, it is an important consideration that will be further discussed as part of the project risk assessment.

5.2.4 Economic Environment

Funding a significant community project, such as the proposed multi-purpose facility, requires a strong internal commitment, government support, collaboration among involved parties, consideration for new and innovative sources of capital, and an operating model that is sustainable over the long-term. This economic assessment will address JTCC's ability to fund this capital project, partnership opportunities, and operational best practices for consideration.

5.2.4.1 Capital Funding

Government contributions will play a significant role in funding this community initiative, including contributions from the Province of Manitoba and the City of Winnipeg. There are specific program elements with the potential to receive funding support from the federal government, such as improvements to accessibility and essential equipment. Although federal government contributions could play a valuable role, they are not seen as part of the core project funding. Based on communication with provincial officials, it is anticipated that the Province could contribute up to $6 million to finance the project's capital costs. Further government funding is available through the City of Winnipeg's *Community Infrastructure Program*. This program is intended to provide grants that support the rehabilitation, improvement, or expansion of existing not-for-profit or City-owned recreation facilities. Funding is application based and it is anticipated that JTCC could receive $5.7 million to assist with capital funding. It is also worth noting that the project may qualify for a number of financial incentives offered by Manitoba Hydro. These incentives are based on energy efficient design features and subject to prescribed formulas to be determined upon project completion. Due to the uncertainty associated with the timing and magnitude of these incentives, they are not assumed in this proposal.

Fundraising and sponsorship activities can be used to acquire capital from individuals, businesses, and non-profit organizations among other interest groups. The fundraising process is a key component to driving grassroots support for the project. By recognizing key contributors, JTCC can also create an incentive for community members to offer financial support. Given the high family income in St. Vital South, relative to City averages, fundraising efforts are anticipated to be highly successful. Sponsorship can take a number of different forms, from scoreboard advertising to signage, and pop pouring rights. Most sponsorship agreements are adopted as marketing initiatives, and many of these will require an operational facility to be realized. Although not included as part of the project's capital funding, naming rights can produce highly successful sponsorship results and are recommended as an additional source of diversified operating revenues.

Remaining capital requirements, which cannot be acquired through the sources previously discussed, would be financed through mortgage debt from a financial institution. It is assumed that mortgage financing could be reasonably secured at market rates of 3.09% with a 25 year amortization.

5.2.4.2 Operational Funding

To support sustainable long-term operations, the facility's revenue model must align with market trends and the level of service offerings. The primary sources of revenue for the proposed multi-purpose facility include regular facility rentals, special events, advertising, and naming rights. Regular facility rentals should incorporate a fee structure that is affordable to users and competitive with other facilities. This fee structure should be subject to prime and non-prime times to reflect demand. An appropriate facility for comparison is the Gateway Recreation Centre, which currently charges $147/hour for prime-time. Through conversation with JTCC management, prime-time has been defined from 6-10pm on weekdays and 8am-10pm on weekends, which is generous given many comparable facilities. Given the unique service offerings and strong local demand, it is assumed that JTCC will have the ability to charge a premium for facility rental.

Special events, such as tradeshows and fundraisers, will also be supported by the multi-purpose facility. To accommodate these events, which typically require significant set-up and configuration, the facility can be rented on a daily basis from JTCC. Daily rental will be offered based on the opportunity cost of regular rents. Advertising and naming rights will be offered at market rates and contracts will be dependent on negotiations with suitable purchasers.

Beyond the general operating revenues discussed, Winnipeg community centres receive subsidization from the City of Winnipeg based on a Universal Funding Formula (UFF). The UFF is intended to cover utilities, maintenance, janitorial supplies, and basic custodial staffing. This funding ensures that a safe and clean environment is maintained for community users.

5.2.4.3 Partnerships

As noted in Plan 2025, the City's lack of full-size gyms and the ability to coordinate with high schools are major considerations. With this in mind, the neighbouring high school should be considered for partnership opportunities. Currently, high school gyms are considered by many to be insufficient for high performance competition. By establishing an international quality facility, opportunities could exist that would benefit both College Jeanne Sauve and JTCC.

The private sector also presents beneficial partnership opportunities. Specifically, it is recommended that private sector companies are offered advertising space and the opportunity to purchase naming rights to the facility. These initiatives have proven to be highly successful in a number of communities and could provide new revenue opportunities to JTCC. Furthermore, opportunities exist to seek compatible tenants, such as physiotherapists, to occupy retail space within the facility. Establishing long-term leases with 3rd party tenants would provide additional revenue, while providing beneficial services to the community.

Further partnership opportunities exist with sport associations and governing bodies. Three primary targets have been identified for partnership opportunities with JTCC and the proposed development, Volleyball Manitoba, Basketball Manitoba, and Winnipeg Rec League. Volleyball Manitoba and Basketball Manitoba are influential in determining the location of playoff games and development of their elite programs. Volleyball Manitoba has previously expressed a sincere interest in access to a premier facility and is a likely future partner. Also, the Winnipeg Rec League has an established relationship with JTCC and has staged highly successful dodgeball programs at the existing facility. With a new multi-purpose facility, JTCC could capture other Winnipeg Rec League programming including sports such as basketball, volleyball, badminton, and floor hockey.

Figure 9 – Environmental SWOT Analysis

INTERNAL	
STRENGTHS	**WEAKNESSES**
• Internal Management • Diverse Revenues • Strong Balance Sheet • Effective Programming Platform • Volunteerism • Ice Sports • Location • Access to Public Transportation	• Limited Programming Capacity • Undersized Gymnasium • Lack of Program Diversity • Lack of Drop-in Programming • Parking
EXTERNAL	
OPPORTUNITIES	**THREATS**
• Population Growth • Partnerships/Shared-Use Agreements • Shift to Informal Sport • Growing Senior Population • New Canadians • External Funding • Creative Revenue Opportunities • Improved Accessibility	• Gender Gap in Sport • Declining Participation in Organized Sport • Decreased Leisure Time • Rising Costs of Sport

6.0 CAPITAL FINANCING

With a strong understanding of the proposed multi-purpose facility design, its strategic alignment with City of Winnipeg initiatives, and the operating environment of the facility, a detailed financial assessment of the project is possible. This section aims to address detailed project costs, including contingencies, taxes, and fees, as well as the impacts on JTCC's cash flows, financial position, and operating models.

At this point, it is critical to address the Class C cost estimate (see Appendix 10.4 in Schematic Design Report) in relation to the preliminary design and the capital plan. Due to a condensed schedule, the necessary design adjustments were not included in the Class C cost estimate. As a result, certain adjustments have been assumed to balance the project's capital requirements with the projected budget. Upon thorough review of the preliminary cost estimate, it can be confidently assumed that through adjustments to the facility's footprint, and with the effective application of value engineering, that the required capital savings can be achieved. This exercise includes a 4,000 ft² reduction to both the facility's main level and mezzanine space. The reductions will be targeted at the generous lobby and exit space and will not affect accessibility or field of play. Ultimately, these size reductions will require detailed meetings with JTCC and relevant user groups to ensure suitability. Further capital savings are anticipated through

value engineering and adjustments to the facility's mechanical and electrical systems, including the geothermal system described in the outline specifications.

6.1 CAPITAL COSTS

Based on the anticipated design revisions and through effective value engineering, the project has a total estimated cost of **$16,016,665** (Figure 10). This includes a contingency of 10%, which is deemed sufficient due to the added detail of the Class C. Further cash allowances have been established for roof inspections, concrete testing, and MTS and Manitoba Hydro requirements. Due to anticipated changes in federal funding, equipment costs are not included in the capital budget and project financing requirements. Specific to the capital requirements of the multi-purpose facility, a budget of $500,000 has been established for landscaping and site preparation. This budget is required to support necessary access and to facilitate collaboration with the high school.

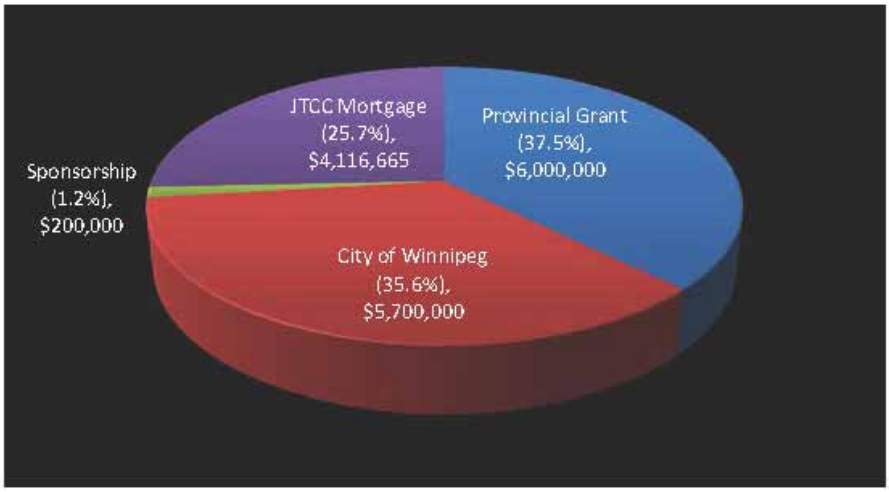
Figure 10 – Detailed Capital Cost Summary

Summary of Class C Estimate	
Item	**Cost**
Construction Costs	$15,256,450
Design Contingency (10%)	$1,525,645
Consultant Fees (to be finalized)	$920,570
Cash Allowances	$130,000
Contribution to Site Master Plan	$500,000
Sub-Total	$18,332,665
Area Reductions	$1,816,000
System Savings	$500,000
Total Facility Cost	$16,016,665

6.2 SOURCES OF CAPITAL

Funding for the proposed multi-purpose facility is assumed to be generated through four (4) primary sources. Based on community need and the significant benefits that will be achieved, government funding is significant (Figure 11). The Province of Manitoba is anticipated to contribute a total of $6 million to the project, with a further $5.7 million from the City of Winnipeg. This equates to nearly 74% of the total capital costs. Further funding of $200,000 is expected through sponsorship initiatives driven by JTCC management, while the remaining capital requirements of $4,116,665 million will be funded through a mortgage assumed by Dakota Community Centre Inc. and guaranteed by the City.

Figure 11 – Breakdown of Capital Funding



6.3 FINANCING

Based on the anticipated capital provisions, it is possible to assess the financing implications of the proposed development. From a cash flow perspective, the annualized mortgage payments are the most significant financing consideration (Figure 12). With a loan-to-value ratio of roughly 25% and JTCC's ability to support debt through strong revenues, it is reasonable to expect that financing with favourable terms can be secured.

Figure 12 – Mortgage Terms

Mortgage	$4,116,665
Mortgage Rate	3.09%
Amortization (Years)	25
Payment	($231,631)

The JTCC mortgage is assumed to be the final source of funding, or "last in", devoted to project financing. This will allow for adjustments to the capital requirements based on construction to date and will delay payments until the facility is operational or very near completion, allowing new revenues to support the debt. For planning purposes, April 2016 has been established as the target Grand Opening to align with the new programming season. Also, due to anticipated changes in the Model National Energy Code for Buildings (MNECB) and the negative effects of price escalation, it is recommended that the project commence no later than November 2014. Based on this schedule and external funding of $11.9 million, the first mortgage advance is projected to occur in December 2015 (Appendix D). The mortgage is projected to be fully advanced by May 2016 to account for construction holdback requirements (Figure 13). Once fully advanced, monthly mortgage payments of $19,303 will commence. The cash flows

attributed to financing are based on standard construction advance mortgage terms, which assume interest-only payments until the loan is fully advanced.

Figure 13 – Cash Flows Attributed to Financing

Month	12/15	01/16	02/16	03/16	04/16	05/16	06/16	07/16	08/16
Mortgage Draw	$523,514	$836,065	$836,065	$836,065	$0	$1,084,957	$0	$0	$0
Mortgage Balance	$523,514	$1,359,579	$2,195,644	$3,031,709	$3,031,709	$4,116,666	$4,107,985	$4,099,283	$4,090,558
Payment	$0	$1,348	$3,501	$5,654	$7,807	$7,807	$19,303	$19,303	$19,303

In Year 1 of operations, three monthly principal and interest payments will reduce the mortgage balance to approximately $4.09 million. Years 2-10 are projected to support a routine mortgage amortization schedule (Figure 14) with total annual payments of $231,631. After 10 years of operations the outstanding balance is projected to be roughly $3.02 million (Figure 14).

Figure 14 – 10-Year Mortgage Amortization Schedule

Long-Term Debt	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Opening Mortgage	$4,116,665	$4,090,558	$3,985,326	$3,876,841	$3,765,005	$3,649,712	$3,530,857	$3,408,330	$3,282,016	$3,151,800
Interest Expense	$31,801	$126,398	$123,147	$119,794	$116,339	$112,776	$109,103	$105,317	$101,414	$97,391
Principal Repayment	$26,107	$105,233	$108,484	$111,837	$115,292	$118,855	$122,528	$126,314	$130,217	$134,240
Closing Mortgage	$4,090,558	$3,985,326	$3,876,841	$3,765,005	$3,649,712	$3,530,857	$3,408,330	$3,282,016	$3,151,800	$3,017,559

Overall, the anticipated funding for the proposed multi-purpose facility is very strong. With considerable contributions from the City of Winnipeg and the Province of Manitoba, the financing requirements for JTCC are well within reason. Based on the strength of this model, it is assumed that JTCC can secure favourable financing and, ultimately, generate revenues that will allow the facility to be self-sufficient.

7.0 OPERATIONAL FINANCING

Ensuring the long-term financial sustainability of a major capital project, such as the proposed multi-purpose facility, requires an effective operating model that achieves consistent and diversified revenues to cover the fixed costs of overhead and the variable operating costs. The financial performance of the new facility should contribute to the overall success of JTCC, while considering future requirements by planning for facility renewal and contingencies.

7.1 OPERATING FORECASTS

To independently assess the financial implications of operating a new multi-purpose facility at JTCC, an incremental Statement of Operations has been established (Figure 15). The model assumes a Grand Opening of April 2016 to align with seasonal programming changes. Based on expressed demand, rental uptake for the facility is anticipated to be very strong and JTCC will begin to formulate a schedule well in advance of the facility's opening to ensure a seamless transition. Based on the operating assumptions guiding this assessment (Appendix D), the first 2 years of operations will establish surplus revenues driven by strong rental income and low maintenance costs.

Figure 15 – Incremental Statement of Operations

Revenues[1]	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Field Rental[2]	$176,667	$436,720	$449,822	$463,316	$477,216	$491,532	$506,278	$521,467	$537,111	$553,224
Track Rental[3]	$1,000	$1,600	$2,290	$3,084	$3,996	$5,045	$6,252	$7,640	$9,236	$11,072
UFF[4]	$25,203	$25,203	$25,203	$25,203	$25,203	$25,203	$25,203	$25,203	$25,203	$25,203
Special Events[5]	$0	$25,450	$26,214	$27,000	$27,810	$28,644	$29,504	$30,389	$31,300	$32,239
Expansion of Existing Programs[6]	$15,625	$37,815	$38,949	$40,118	$41,321	$42,561	$43,838	$45,153	$46,508	$47,903
Concession Sales[7]	$4,099	$10,638	$10,971	$11,315	$11,672	$12,042	$12,425	$12,824	$13,237	$13,667
Advertising[8]	$5,000	$12,360	$12,731	$13,113	$13,506	$13,911	$14,329	$14,758	$15,201	$15,657
Naming Rights[9]	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Total Revenues	$252,594	$574,786	$591,179	$608,148	$625,724	$643,939	$662,829	$682,433	$702,796	$723,965
Expenses										
Salaries and Wages[10]	$43,333	$107,120	$110,334	$113,644	$117,053	$120,565	$124,181	$127,907	$131,744	$135,696
Utilities and Operations[11]	$29,725	$73,480	$75,685	$77,955	$80,294	$82,703	$85,184	$87,739	$90,371	$93,083
Annual Mortgage Expense[12]	$100,691	$231,631	$231,631	$231,631	$231,631	$231,631	$231,631	$231,631	$231,631	$231,631
Capital Renewal[13]	/	$68,738	$169,921	$175,018	$180,269	$185,677	$191,247	$196,985	$202,894	$208,981
Total Expenses	$173,749	$480,969	$587,570	$598,248	$609,247	$620,575	$632,243	$644,262	$656,641	$669,391
Net Surplus	$78,845	$93,816	$3,609	$9,900	$16,477	$23,364	$30,585	$38,172	$46,155	$54,574

In an effort to highlight the reduced financial risk associated with this project, the projected Statement of Operations is intended to be highly conservative. The projected field rental income incorporates several elements to ensure the results are not over-estimated. These assumptions include a 40-week operating season to account for shutdowns due to maintenance and holidays among other contingencies. Also included, is a 20% non-revenue time allowance for facility configuration and the division of the field of play. This is a considerable allowance that permits administration to adapt to the new facilities. Over time, configuration is likely to play a less significant role as the configuration process becomes more efficient and scheduling efficiencies effectively reduce configuration requirements. Track rentals are based solely on the senior demographic, an existing membership of 250, and annual growth of 15%. By year 10, track rental fees account for a membership base of only 704 individuals. With a population of 17,040 individuals 60 years of age and older living in Winnipeg South, and given population growth within the senior demographic along with the popularity of facilities such as the Reh-Fit Centre, the associated revenues are considered to be quite conservative.

Special events present a significant source of revenue as events such Folklorama, convocations, and regional tradeshows would benefit from access to this contemporary facility. In fact, the management of JTCC has already engaged in conversation with several of these parties, including Folklorama, who have expressed a sincere interest in renting the facility to host their functions. Despite this interest, management understands the importance of meeting community needs and having the facility available to their regular users and, as such, special events are not a priority. To reflect this, the projections attribute a mere four days of revenue to special events. It is believed that with experience, JTCC management will acquire the ability to balance special events with periods of reduced demand for the facility and see this revenue line grow.

Finally, revenues from facility naming rights and advertising are highly achievable. Naming rights offer the potential for long-term contracts and guaranteed revenues. A 10-year contract for $250,000 is very

conservative based on existing contracts for comparable facilities, such as the Portage La Prairie's PCU Centre. As for advertising, JTCC intends to employ a model similar to facilities such as the MTS Centre and Investor's Group Field. By placing digital signs in choice locations within the facility, JTCC can secure long-term contracts from a smaller number of advertisers, while maintaining a certain aesthetic appeal to the facility. For perspective, the twin pad ice arenas currently generate over $25,000 annually based on rental rates of $650/year.

Beyond the facility's revenue generating potential, the forecasted expenses are also intended to be conservative, accounting for all associated expenses and addressing unforeseen needs. In particular, the forecasts include significant capital renewal expenses to be incurred in Year 2021. It is unlikely that a new facility will require such intensive maintenance, however, its inclusion ensures the capacity to address any unforeseen issues. As a best practice, it is further recommended that JTCC establish a policy that funds from its operating surplus be split 50% to accelerated debt repayment and 50% to capital reserve funds. This capital planning best practice will help ensure the long-term sustainability of this dynamic facility.

7.2 FINANCIAL POSITION

In the context of JTCC's overall operations, the proposed multi-purpose facility is anticipated to be a net contributor to the overall financial success (Figure 16). Not only will the facility improve programming and access to health and wellness facilities for the general population, the facility will be financially self-sufficient and enhance JTCC's ability to improve programming. This begins with the accumulation of reserve funds driven by operating revenues. Furthermore, JTCC's balance sheet has been improved through significant capital contributions and the resulting equity.

Figure 16 – Incremental Statement of Financial Position

Assets	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash and Investments	$78,845	$172,661	$176,270	$186,170	$202,648	$226,011	$256,597	$294,768	$340,924	$395,498
Capital Assets	$16,016,665	$16,016,665	$16,016,665	$16,016,665	$16,016,665	$16,016,665	$16,016,665	$16,016,665	$16,016,665	$16,016,665
Total Assets	$16,095,510	$16,189,326	$16,192,935	$16,202,835	$16,219,313	$16,242,676	$16,273,262	$16,311,433	$16,357,589	$16,412,163
Liabilities & Equity										
Mortgage Payable	$4,090,558	$3,985,326	$3,876,841	$3,766,006	$3,649,712	$3,530,857	$3,408,330	$3,282,016	$3,151,800	$3,017,559
Equity in Capital Assets	$11,926,107	$12,031,339	$12,139,824	$12,251,660	$12,366,953	$12,485,808	$12,608,335	$12,734,649	$12,864,865	$12,999,106
Cumulative Deficit/Reserv	$78,845	$172,661	$176,270	$186,170	$202,648	$226,011	$256,597	$294,768	$340,924	$395,498
Total Liabilities & Equity	$16,095,510	$16,189,326	$16,192,935	$16,202,835	$16,219,313	$16,242,676	$16,273,262	$16,311,433	$16,357,589	$16,412,163

As part of the City's Sustainable Funding Principles, it is required that 50% of the annual operating surplus forms a Capital Reserve Fund (Figure 17). This fund is intended to support lump sum loan payments or accelerated payments on the community centre's loan. The remainder of the operating surplus will be contributed to JTCC's long-term savings. Upon pay-out of the loan, 50% of the operating surplus will continue to form a Capital Reserve to support facility improvements.

Figure 17 – Capital Reserve Balance

Capital Reserve Balance	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Opening Reserves	$0	$39,422	$86,331	$88,135	$93,085	$101,324	$113,006	$128,298	$147,384	$170,462
Reserve Allocation	$39,422	$46,908	$1,804	$4,950	$8,239	$11,682	$15,293	$19,086	$23,078	$27,287
Closing Reserves	$39,422	$86,331	$88,135	$93,085	$101,324	$113,006	$128,298	$147,384	$170,462	$197,749

Based on forecasts, JTCC is anticipated to establish a growing balance within the Capital Reserve Fund. By applying this to the loan, interest expenses and the effective amortization period will be effectively reduced. With a strong commitment to facility improvements already assumed in the JTCC operating model, the on-going Capital Reserve Fund contributions of 50% will support long-term contingencies and serve to reduce capital risk.

8.0 PROJECT RISK ASSESSMENT

Risk identification is an essential element of any capital intensive project and is a recommended best practice for business cases. The process facilitates a probability and impact assessment of identified risks and allows for the proactive development of mitigation strategies. Potential risks to consider include:

1) **Design Risk**: The risk that the design cannot deliver the services at the required performance or quality standards.

2) **Construction Risk**: The risk that construction of physical assets is not completed on time, to budget, or to specification.

3) **Environmental Risk**: The risk that the project could have an adverse environmental impact, affecting project costs.

4) **Demand Risk**: The risk that demand for the service is lower than anticipated.

5) **Financial Risk**: Risks include reduced project funding and interest rate risk.

6) **Policy Risk**: The risk of changes in policy that affect project design or project cost.

7) **Maintenance Risk**: The risk that the costs of keeping assets in good condition vary from budget.

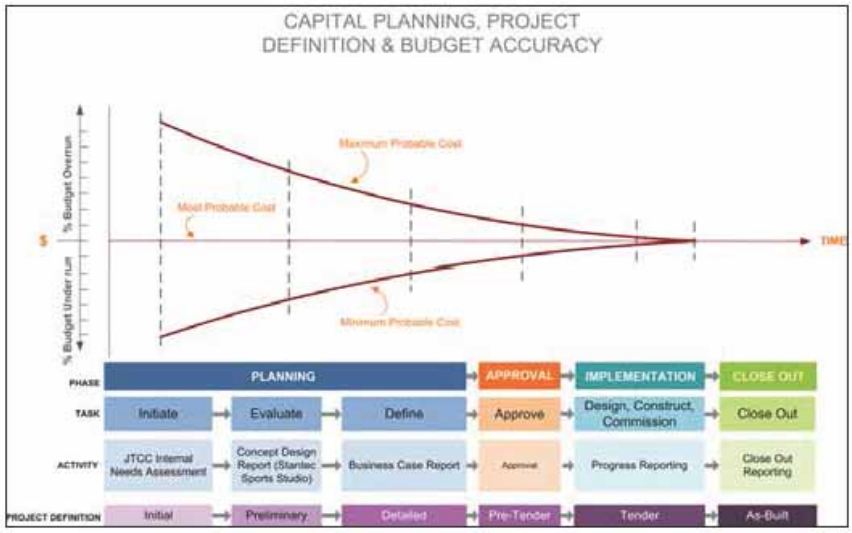
8) **Operational Risk**: The risk that operating costs vary from budget, that performance standards slip, or services cannot be provided.

9) **Technology Risk**: The risk that changes in technology result in less than optimal services.

Many of the risks identified have been addressed through the project planning phase (Figure 18). By conducting a thorough needs assessment and site evaluation, while engaging all relevant stakeholders, JTCC has addressed major risks associated with design, environment, policy, and technology. There are still unforeseen risks; however, the probability of occurrence has been reduced through effective planning. Furthermore, the business case evaluation has adopted very conservative assumptions in an effort to address the risks associated with demand, funding, maintenance, and operations. Although the current interest rate environment is favourable to borrowing, JTCC must be aware of inflation and potential interest rate hikes. This has been mitigated through significant capital funding and reduced borrowing costs. Interest rate risk can be further mitigated through a strategy that makes debt reduction a priority.

Construction risk is perhaps the project's most significant risk and can be mitigated through an effective tendering process and expert project management.

Figure 18 – Project Methodology



9.0 RECOMMENDATIONS

1) **Commit to the Projected Budget:** The project can be delivered for a total cost of $16 million and will drive significant community benefits.

2) **Ensure timely project delivery:** To avoid the effects of changes to the MNECB and inflation, tendering should commence in the Fall of 2014.

3) **Engage the Federal Government:** With potential grants to enhance accessibility and improve recreation equipment, the Federal Government should be approached to offer financial support.

4) **Incorporate the Business Case with Master Planning initiatives:** By aligning the Business Case for the multi-purpose facility with on-going Master Planning initiatives, efficiencies can be achieved for site development. This includes landscaping plans and shared-use agreements with neighbouring facilities.

5) **Seek private sector partnerships:** The private sector can offer significant support for the proposed project and will drive diversified revenues through naming rights and advertising.

6) **Initiate fundraising activities:** These should be initiated in the Fall of 2014 to align with JTCC's busy season.

7) **Secure Financing:** With a strong business case that includes private sector partners and an approved guarantee from the City of Winnipeg, JTCC should secure mortgage financing at competitive rates.

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APPENDIX A CURRENT OPERATIONS (JTCC)

Statement of Financial Operations

Aug. 31, 2013 (Unaudited)

INCOME	2013	2012
Ordinary Income		
Programs - Youth (Fall)	$43,447	$39,661
Programs - Youth (Spring)	$31,437	$19,864
Adult Hockey Leagues	$116,320	$110,650
Youth Camps	$80,917	$71,962
Programming	$59,490	$56,032
Special Events	$8,419	$8,781
Canteen	$32,347	$35,519
Bingo	/	$2,365
Nursery School	$3,910	($64)
Capital Fundraising	/	/
Advertising	$25,382	$23,143
Fitness Centre	$4,765	$3,790
Rentals - Hall	$39,901	$45,243
Ice Rentals	$1,081,460	$1,018,411
Facility Rentals	$63,809	$76,456
Interest Income	$20,469	$17,039
Fee Revenue	$89,624	$89,925
Grant Funding	$356,257	$187,274
Other Income		
Gain/Loss on Disposal of Assets	/	$1,975
Grants - Special	$27,500	$26,500
Amortization of Deferred Contributions	$29,851	$34,859
Sport Reserve Fund Income	$21,603	$17,711
Scholarship Fund Income	$2,126	$2,002
Total Income	$2,139,034	$1,889,098
Expense		
Amortization and Mortgage Interest	$204,876	$216,095
Bank Fees and Commission	$40,204	$34,741
Office and Administration	$16,587	$21,218
Professional Fees	$63,226	$6,115
Equipment Leases	$50,728	$47,674
Telephone	$4,999	$4,863
Internet	$1,040	$971
Wages & Benefits	$645,740	$605,515
Equipment Rentals and Misc.	$4,783	$4,569
Scholarship Awards	$1,500	$1,500
Fuel	$5,369	$5,304
R & M	$115,470	$149,522
Supplies	$19,714	$19,740
Outdoor Rinks	$1,189	$3,759
Utilities	$169,086	$166,780
Other Expense		
Scholarship Fund Contribution	$926	$1,002
Sport Reserve Fund Contribution/Expense	$27,283	$21,320
Contingency Expenses	/	/
Total Expense	$1,372,720	$1,310,688
NET INCOME	$766,314	$578,407

APPENDIX B CURRENT FINANCIAL POSITION (JTCC)

Statement of Financial Position		
Aug. 31, 2013 *(unaudited)*		
ASSETS	Aug. 2013	Aug. 2012
Current Assets		
Roya Bank - Operating Account	$825,713	$1,709,920
Royal Bank - Fundraising Account	$58,299	$33,247
Royal Bank - Lotteries Account	$12,869	$15,296
Royal Bank - Savings Account	$1,502,494	/
Accounts Receivable	$77,982	$54,921
Accrued Revenue	/	/
Prepaid Expenses & Deposits	$7,760	$8,979
Construction in Progress	/	/
Fixed Assets	$2,972,624	$2,993,352
Total Assets	$5,457,741	$4,815,715
LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$121,441	$128,851
Accrued Mortgage Interest	$4,220	$4,220
Unearned Revenue	$93,756	$75,587
Deferred Grant Revenue	$64,825	$64,825
Fitness Centre Card Deposits	$5,400	$4,340
Deposits from Members	$12,400	$14,000
GST Payable	$5,741	$5,266
Long-Term Liabilities		
Mortgage Payable	$1,507,088	$1,664,077
Deferred Contributions Related to Future Site Development		
Scholarship Fund	$2,858	$2,858
Sport Fund Reserve	$94,201	$94,201
Capital Fundraising Deposits	$159,935	$134,877
Deferred Contributions Related to Capital Assets	$517,493	$547,344
Deferred Contributions Related to Capital Assets	$179,800	$153,000
Equity		
Opening Balance Equity	($104,395)	($104,395)
Retained Earnings	$2,026,665	$1,448,258
Net Income	$766,314	$578,407
Total Liabilities & Equity	$5,457,741	$4,815,715

APPENDIX C FINANCING SCHEDULE

Month	11/14	12/14	1/15	2/15	3/15	4/15	5/15	6/15	7/15	8/15
Construction Costs	$715,569	$715,569	$715,569	$715,569	$715,569	$715,569	$715,569	$715,569	$715,569	$715,569
Contingency (10%)	$71,557	$71,557	$71,557	$71,557	$71,557	$71,557	$71,557	$71,557	$71,557	$71,557
Consultant Fees (7%)	$230,142	$230,142	$230,142	$16,439	$16,439	$16,439	$16,439	$16,439	$16,439	$16,439
Cash Allowances	$2,321	$2,321	$2,321	$2,321	$2,321	$2,321	$2,321	$2,321	$2,321	$2,321
Contributions to M.P.	$0	$0	$0	$0	$0	$0	$0	$0	$0	$166,667
Total	**$1,019,590**	**$1,019,590**	**$1,019,590**	**$805,886**	**$805,886**	**$805,886**	**$805,886**	**$805,886**	**$805,886**	**$972,553**
Cumulative Funding Requirements	$1,019,590	$2,039,179	$3,058,769	$3,864,655	$4,670,541	$5,476,427	$6,282,313	$7,088,198	$7,894,084	$8,866,637
Mortgage Draws	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mortgage Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mortgage Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2016 Cost of Borrowing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

9/15	10/15	11/15	12/15	01/16	02/16	03/16	04/16	05/16	06/16	07/16	08/16
$715,569	$715,569	$715,569	$715,569	$715,569	$715,569	$715,569	n/a	$986,325	$ -	$ -	$ -
$71,557	$71,557	$71,557	$71,557	$71,557	$71,557	$71,557	n/a	$98,632	$ -	$ -	$ -
$16,439	$16,439	$16,439	$16,439	$16,439	$16,439	$16,439	n/a	$0	$ -	$ -	$ -
$2,321	$2,321	$2,321	$2,321	$32,500	$32,500	$32,500	n/a	$0	$ -	$ -	$ -
$166,667	$166,667	$0	$0	$0	$0	$0	n/a	$0	$ -	$ -	$ -
$972,553	**$972,553**	**$805,886**	**$805,886**	**$836,065**	**$836,065**	**$836,065**	**$0**	**$1,084,957**	$ -	$ -	$ -
$9,839,190	$10,811,742	$11,617,628	$12,423,514	$13,259,579	$14,095,643	$14,931,708	$14,931,708	$16,016,665	$ -	$ -	$ -
$ -	$ -	$ -	$523,514	$836,065	$836,065	$836,065	$0	$1,084,957	$ -	$ -	$ -
$ -	$ -	$ -	$523,514	$1,359,579	$2,195,643	$3,031,708	$3,031,708	$4,116,665	$4,107,985	$4,099,283	$4,090,558
$ -	$ -	$ -	$0	$1,348	$3,501	$5,654	$7,807	$7,807	$19,303	$19,303	$19,303
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$84,024

APPENDIX D MASTER ASSUMPTIONS LIST

Central Assumptions
1. Grand Opening - April 2016 to align with new programming period
2. Construction to commence in November 2014 to avoid changes to Building Code and effects of escalation
3. August fiscal year-end
4. 50% of operating surplus contributed to Capital Reserve Fund for accelerated loan repayment
5. GST to be reimbursed and is excluded from forecasts
Statement of Operations
1. Inflation forecasted at 3% for years 2-10
2. Field rental - Weekday prime = 6-10pm based on comparables; Weekend prime = 8am-10pm; Weekday non-prime = 3-6pm
2a. Prime rental = $200/hour for full facility; $67 for 1/3 section
2b. Non-prime rental = $150/hour for full facility; $50 for 1/3 section
2c. 20% allowance for facility configuration time
2d. 40 week operating season allows for maintenance, special events, and holidays
3. Walking track access charged as incremental annual fee ($5) to seniors group membership.
3a. Current membership of 250 individuals; 90% uptake in year 1 and 15% annual growth with awareness; New members to pay $15 annual membership fee
4. Universal Funding Formula applies to new dressing rooms (3034 ft^2), washrooms (1052 ft^2), foyers (2990 ft^2), office space (505 ft^2), and canteen space (549 ft^2)
5. Current craft show (November) to expand in year 2 with increased capacity;
5a. 4 events/year beginning in Year 2 @ $2500/day based on opportunity cost; minimal focus to balance needs of primary users
6. Existing programs will expand with increased capacity
6a. Sports camps current revenue $48,000 (included in Youth Camps line in 2013 financial statements) to expand 30%
6b. 55 Plus Lazers current revenue $6,000 (included in programming lines of 2013 financial statements) to expand 50%
6c. Specialized training current revenue $32,000 (programming from 2013 financial statements) to expand 30%
6d. Other leagues current revenue $35,000 (programming lines from 2013 financial statements) to expand 30%
7. Concession sales to increase based on current sales in proportion to programming income
8. 12 indoor signs rented for $1000 annually; Based on current annual rate of $650 for arena advertising and digital platform
9. JTCC can conservatively secure facility naming rights at $250,000 for a ten year period
10. Wages include 2 full-time maintenance @ $40,000/year and 2 part-time @ $12,000/year on hourly basis; Management has capacity to assume scheduling and administration
11. Utilities and Operations based on cost/square foot of comparable facilities ($1.16/$ft^2$ includes - Cleaning supplies, Security, Hydro, Servicing, Gas)
12. $4 million mortgage @ 3.09% with 25 year amortization
13. 1 year grace period (5/7 months) on capital renewal given new facilities and available warranties; Annual renewal costs 1% of total construction value
Statement of Financial Position
1. Amortization expense is excluded in lieu of annual capital renewal allocations
Financing Schedule
1. 45 day holdback from point of significant completion (March 2016) @ 7.5%
2. Construction costs and contingency spread evenly over estimated construction period
3. 75% of consultant fees in first 3 months; 25% spread evenly over remaining period
4. 75% of cash allowances incurred in final 3 months
5. Contributions to Site Master Plan incurred in during August-October period to align with seasonal demands
6. Interest only payments on loan until fully-advanced; incurred as deferred annuity payments

APPENDIX B: JTCC DAKOTA COMMUNITY CENTRE FIELD HOUSE DEVELOPMENT - CLASS "C" CONSTRUCTION COST ESTIMATE (JUNE 30, 2014)

Prepared For:

Stantec

Winnipeg, Manitoba
Canada R3B 0G5

JTCC Dakota Community Centre Field House Development
Winnipeg, Manitoba

CLASS "C" CONSTRUCTION COST ESTIMATE

Prepared By:

Sever L Construction Cost Consultants Inc.
1 - 1140 Waverley Street
Winnipeg, Manitoba
Canada R3t-0P4
Phone: 204 229-9240
Email : severlupu@gmail.com
Fax 204.925.1155

June 30, 2014

FILE NO. 14433

JTCC Dakota Community Centre Field House Development June 2014
WINNIPEG, MANITOBA

MAIN SUMMARY - CLASS "C" ESTIMATE - New 67,000 sq.ft. 67,000

				$	
1.	Architectural			$4,183,700	
	A.	Roof Finish	850,000		
	B.	Exterior Walls	689,100		
	C.	Exterior Windows	707,800		
	D.	Exterior Doors	35,000		
	E.	Interior Partitions	461,200		
	F.	Interior Doors	50,000		
	G.	Stairs	150,000		
	H.	ELEVATORS	65,000.00		
	J.	Floor Finishes	901,500		
	I.	Ceiling Finishes	24,500		
	K.	Walls Finishes	124,600		
	L.	Millwork	125,000		
	M.	AthleticEquipment	included in cash		
		Kitchen Equipment	allowances		
3.	Structural			$4,276,500	
4.	Building Services:-				
	A.	- Mechanical (see Appendix for Criteria)		3,306,600	
	B.	- Electrical (see Appendix for Criteria)		2,102,700	
				$13,869,500	
5.	G.C.'s General Requirements & Fee (@10%)			1,386,950	
		NET BUILDING CONSTRUCTION COST		$15,256,450	Per SQ.FT.
6.	SUB-TOTAL NET CONSTRUCTION COST			$15,256,450	$227.71
9.	TOTAL NET CONSTRUCTION COST in Summer 2014 Dollars			$15,256,450	
10.	Design Contingency @ 10%			$1,525,645	
				$16,782,095	$250.48
11.	Existing Conditions and Market Contingency Contingency (@ 10%)			Excluded	
12.		TOTAL CONSTRUCTION COST in Summer 2014 $'s		$16,782,095	
13.	CASH ALLOWANCES (including Athletic Equipment and Kitchen Equipment			ADD $580,000	
14.	SITE WORK (per Consultant) - UNDER SEPARATE COTRACT			EXCLDED	
15.	TOTAL CONSTRUCTION COST in SUMMER 2014 DOLLARS			$17,362,095	$259.14

Notes:
1. - Escalation beyond Summer 2014 assume 0.5-1.0% per month

INTRODUCTORY NOTES

SCOPE OF PROJECT — **Project Comprises :**

- Main and 2nd Floors :
  TOTAL GFA : (67,000 s.f.)
- Parking Areas, Sidewalks, Landscaping, Etc.

CONSTRUCTION COST — **The cost in Summer 2014 Current Dollars**

DESIGN INFORMATION — This cost estimate was based on design development stage working drawings and specifications prepared by **Stantec and their Consultants**

METHODOLOGY — Elemental quantity take-offs were prepared and priced using current market rates.
Unit Rates include Labour and Material & Equipment, subcontractor's overheads and fees.

CONTINGENCIES — **Design Contingency is Included**
Construction Contingency is Included.Market Conditions are Included

CONTRACT — It is assumed the project will be tendered in its entirety on a **"Stipulated Sum"** basis

TAXES — Provincial Sales Taxes are included. GST is excluded

MARKET CONDITIONS — At the present time Canadian Economy is on the way to recovery and Manitoba & Saskatchewan show signs of strong growth. The prices of materials and labour are steadly increasing.

MARKET CONDITIONS EXLUDED

TENDERING PROCESS — **It is assumed the project will be tendered in its entirety on a "Stipulated Sum" basis based on competitive 6 (six) G.C.'s BIDS and at least 4 (four) subcontractor bids for each trade**

Should any other tendering systems be used (i.e. Construction Management , Etc.) then the estimate will require adjusting.

INTRODUCTORY NOTES (Cont'd)

EXCLUSIONS **The following items have been excluded from this estimate:**

- Consultant/Management fees and disbursements
- Financing, legal & administration costs
- Furniture, Furnishings and Equipment
- Surveys and commissioning
- Changes/Addenda subsequent to the date of this report
- Escalation beyond Summer 2014
- GST (PST & RST included)
- **Etc.**
- **VALUE ENGINEERING**

INTRODUCTORY NOTES (Cont'd)

ESTIMATE CLASSES : AN EXPLANATION

CLASS "D" ESTIMATE" (Conceptual Stage)	Based upon a statement of requirements, and an outline potential solutions, this estimate is strictly an indication (rough order of magnitude) of the final project cost, and should be sufficient to provide an indication of cost and allow for making all the options being considered.
CLASS "C" ESTIMATE" (Schematic Stage)	Based on a full description of the preferred option, construction/design experience, and market conditions, this estimate should be sufficient for making the correct investment decision, and obtaining preliminary project approval
CLASS "B" ESTIMATE" (Design Development Stage)	Based on design/preliminary drawings and outline specifications for the project, which include the design of all major systems and sub-systems, as well as the results of all site/installation investigations, this estimate should provide for the establishment of realistic cost objectives and be sufficient to obtain effective project approval
CLASS "A" ESTIMATE" (Pre-Tender Stage)	Based on complete working drawings and specifications, and prepared prior to calling competitive tenders, this estimate should be sufficient to allow a detailed reconciliation/negotiation with any contractors proffered tender

TECHNICAL CRITERIA

JTCC Dakota Community Centre Field House Development **June 2014**
WINNIPEG, MANITOBA

1.01	FOUNDATIONS	QUANTITY	UNIT	RATE	TOTAL
1.	Excavation, Backfill, remove surplus off-site		Sum		25,000
2.	HEX Driven Piles (300-400 mm diameter)	180	No.	3,800.00	684,000
3.	C.I.P. concrete piles, 9.0 m long	205	No.	1,500.00	307,500
4.	Concrete Grade Beams/Foundation walls complete with damproofing		Sum		150,000
5.	Concrete in Pile Caps		Sum		80,000
6.	Miscellaneous metals and carpentry		Sum		55,000
					1,301,500
	TOTAL				**$1,301,500**

JTCC Dakota Community Centre Field House Development June 2014
WINNIPEG, MANITOBA

2.01	FLOOR CONSTRUCTION	QUANTITY	UNIT	RATE	TOTAL
	Main Floor				
1.	-6" structural concrete slab on 10 mil poly vapour barrieron 7/16" OSB sheathing		Sum		750,000
2.	2nd floor and Track		Sum		425,000
3.	Roof Construction comprising structural steel trusses, beams, OWSJoists, connections, plates, steel metal deck, etc.		Sum		1,700,000
4.	Miscellaneous metals and carpentry		Sum		100,000
					2,975,000
	TOTAL				**$2,975,000**

JTCC Dakota Community Centre Field House Development **June 2014**
WINNIPEG, MANITOBA

3.01	ROOF FINISH	QUANTITY	UNIT	RATE	TOTAL
1.	2 ply SBS modified bitumen membrane over ice and water shield including parapets, finish, etc.				
2.	Structural steel roof (see Structural)				
3.	200 mm polyiso (R45) ,expanded insulation insulation to drains c/w galvanized dual Z-bars Support system (Soprema Sopral ISO)				
4.	Fibreglass matt faced GWB		Sum		825,000
5.	Primer (for fibreglaass mat faced Board Sheathing)				
6.	Air vapour barrier membrane (self-adhesive)				
7.	18 ga. Prefinished steel eavestrough and rain leaders				
8.	Roof Drainage				
9.	Roof ladders,hatches etc.				
10.	Splashpads				
11.	Miscellaneous metals and carpentry		Sum		25,000
					850,000
	TOTAL				**$850,000**

3.02	WALLS ABOVE GROUND FLOOR	QUANTITY	UNIT	RATE	TOTAL
1.	Phenolic Panels comprising insulation, Vapour Barrier Membrane, Z-girts supports, Steel Studs, Exterior GWB Sheathing and Interior GWB finish, Etc.	229	sq.m.	700.00	160,300
2.	Metal Panels (Panelized horizontal corrugated) Comprising Z-girts, Vapor barrier membrane, Steel Studs, Exterior sheathing and Interior GWB finish, etc.	1741	sq.m.	275.00	478,775
3.	Archtectural block work				
4.	Miscellaneous metals and carpentry		Sum		50,000
					689,075
	TOTAL				**$689,100**

JTCC Dakota Community Centre Field House Development June 2014
WINNIPEG, MANITOBA

3.04	CURTAIN WALLS/WINDOWS	QUANTITY	UNIT	RATE	TOTAL
1.	Curtain walls, 1600 Kawneer window frame Triple Glazed Panes	745	sq.m.	950.00	707,750
					707,750
	TOTAL				**$707,800**

3.05	EXTERIOR DOORS	QUANTITY	UNIT	RATE	TOTAL
1.	Single leaf aluminum glazed door in aluminum frames complete with weatherstripping,hardware and finish				
2.	Overhead steel panel doors complete with electronics controls (Storage and Loading)		Sum		35,000
3.	Double leaf sliding aluminumglazed doors complete with electronic controls (Vestibule 100, Exterior and Interior Doors)				
					35,000
	TOTAL				**$35,000**

4.01	PERMANENT PARTITIONS	QUANTITY	UNIT	RATE	TOTAL
1.	38x92 mm steel studs @ 400 mm o.c.				
2.	Ditto, 152 mm				
3.	Concrete block 140mm and 190mm walls				
			Sum		352,000
4.	Mineral wool batt insulation				
5.	16 mm GWB taped and filled, painted				
6.	Interior glazing	138	sq.m.	465.00	64,170
7.	Interior toilet Partitions		Sum		30,000
9.	Miscellaneous metals and carpentry		Sum		15,000
					461,170
	TOTAL				**$461,200**

4.03	INTERIOR DOORS	QUANTITY	UNIT	RATE	TOTAL
1.	Single/ double leaf solid core wood/hollow metals with hardwood veneer finish in welded steel frames & Hollow metal doors		Sum		45,000
2.	Miscellaneous work, metals and carpentry		Sum		5,000
					50,000
	TOTAL				**$50,000**

5.01	STAIRS	QUANTITY	UNIT	RATE	TOTAL
1.	Steel Pan Stairs		Sum		25,000
2.	Safety glass Balustrade for 2nd Floor running track		Sum		125,000
					150,000
	TOTAL				**$150,000**
3.	**ELEVATORS (5000 pounds capacity)**				
	- 1 Elevators to serve 2 Floors		Sum		65,000
					$65,000

JTCC Dakota Community Centre Field House Development June 2014
WINNIPEG, MANITOBA

6.01	FLOOR FINISHES	QUANTITY	UNIT	RATE	TOTAL
1.	Carpet tiling and rubber base	806	sq.m.	65.00	52,390
2.	Sport Floor (for Courts)	2996	sq.m.	225.00	674,100
3.	Upper level running track	1022	sq.m.	120.00	122,640
4.	Rest of the floor concrete hardener/sealer	806	sq.m.	65.00	52,390
					901,520
	TOTAL				**$901,500**

6.02	CEILING FINISHES	QUANTITY	UNIT	RATE	TOTAL
1.	Acoustic suspended tile ceilings		Sum		18,000
2.	Ceilings Exposed				
3.	Miscellaneous items,etc.		Sum		6,500
					24,500
	TOTAL				**$24,500**

JTCC Dakota Community Centre Field House Development June 2014
WINNIPEG, MANITOBA

6.03	WALL FINISHES	QUANTITY	UNIT	RATE	TOTAL
1.	Paint/epoxy on drywall included in walls and GWB partitions unit costs				
2.	Ceramic tiles on walls		Sum		65,000
3.	Corner guards		Sum		1,600
4.	Acoustic wall treatment (Allowance)		Allowance		50,000
5.	Miscellaneous finishes,etc.		Sum		8,000
					124,600
	TOTAL				**$124,600**

JTCC Dakota Community Centre Field House Development **June 2014**
WINNIPEG, MANITOBA

7.01	MILLWORK,SPECIALTIES,ETC.	QUANTITY UNIT	RATE	TOTAL
1.	Millwork Work Allowance			125,000
				125,000
	TOTAL			**$125,000**

7.02	EQUIPMENT	QUANTITY	UNIT	RATE	TOTAL
1.	Gym Equipment	Included in Cash Allowances			
2.	Kitchen Equipment				

JTCC Dakota Community Centre Field House Development **June 2014**
WINNIPEG, MANITOBA

8.00(a) **MECHANICAL INSTALLATIONS - PER CONSULTANT**

	SUMMARY	**TOTAL**
Hydronic heating and Cooling		
HVAC		
Plumbing		
Fire Protection		
Services		3,306,600
Controls		
Insulation		
Miscellaneous		
TOTAL(MECHANICAL)		**$3,306,600**

See Appendix for Criteria

JTCC Dakota Community Centre Field House Development **June 2014**
WINNIPEG, MANITOBA

8.00(b) **ELECTRICAL INSTALLATIONS - PER CONSULTANT**

		SUMMARY	TOTAL
1.	Site services, site works		
2.	Main Electrical services and Distribution		
3.	Emergency Power generation and Distribution		
4.	Lighting		2,102,700
5.	Fire Alarm and fire safety systems		
6.	Nurse call, wandering patient, door control systems		
7.	Communication systems		
	TOTAL(ELECTRICAL)		**$2,102,700**

See Appendix for Criteria

9.00	G.C.'s OVERHEADS AND FEE	QUANTITY UNIT	RATE	TOTAL
	General Contractor's site and head office overheads and profit including such items as:			
	- site supervision			
	- temporary offices and washrooms			
	- temporary power, water,etc.			
	- permits,bonds,insurance,etc.			
	- safety			
	- site vehicles,telephone,etc.			
	- General Contractor's head office overhead			
	- fee			
1.	Building			1,386,950
2.	Site			Included in Site Works
	TOTAL			**$1,386,950**

JTCC Dakota Community Centre Field House Development June 2014
WINNIPEG, MANITOBA

10.01	SITE WORK	QUANTITY	UNIT	RATE	TOTAL
	PER CONSULTANT				
	Asphalt paving parking, Sidewalks, Trees, Lanscaping, ETC.		SUM		**EXCLDED**

12.04	CASH ALLOWANCES	QUANTITY	UNIT	RATE	TOTAL
1.	Manitoba Hydro		Allowance		50,000
2.	MTS		Allowance		20,000
4.	Roof Inspection		Allowance		20,000
5.	Concrete Testing		Allowance		40,000
	Equipment Allowance :				
	- Athletic Equipment		Allowance		300,000
	- Kitchen Equipment		Allowance		150,000
	TOTAL				**$580,000**

APPENDIX C: JTCC DAKOTA COMMUNITY CENTRE FIELD HOUSE DEVELOPMENT – (REVISED) CLASS "3" CONSTRUCTION COST ESTIMATE (NOVEMBER 13, 2014)

Prepared For:

Stantec
905 Waverley Street
Winnipeg, Manitoba
Canada

JTCC Dakota Community Centre Field House Development
Winnipeg, Manitoba

CLASS "3" CONSTRUCTION COST ESTIMATE

REVISED CLASS '3' ESTIMATE BASED ON PROPOSED COST SAVINGS, NOVEMBER 13, 2014

Prepared By:

Sever L Construction Cost Consultants Inc.
1 - 1140 Waverley Street
Winnipeg, Manitoba
Canada R3t-0P4
Phone: 204 229-9240
Email : severlupu@gmail.com
Fax 204.925.1155

November 13, 2014

FILE NO. 14433-R

JTCC Dakota Community Centre Field House Development — November 2014
WINNIPEG, MANITOBA

MAIN SUMMARY - CLASS "3" ESTIMATE - New 67,000 sq.ft.

67,000

				$	
1.	Architectural			$4,183,700	
A.		Roof Finish	850,000		
B.		Exterior Walls	689,100		
C.		Exterior Windows	707,800		
D.		Exterior Doors	35,000		
E.		Interior Partitions	461,200		
F.		Interior Doors	50,000		
G.		Stairs	150,000		
H.		ELEVATORS	65,000.00		
J.		Floor Finishes	901,500		
I.		Ceiling Finishes	24,500		
K.		Walls Finishes	124,600		
L.		Millwork	125,000		
M.		AthleticEquipment	included in cash		
		Kitchen Equipment	allowances		
1A.	PROPOSED REDUCTION IN FLOOR AREA : 7,635 SQ.FT. @ $225.00 per SQ.FT.			(1,527,800)	
	NEW PRODUCT OF SPORT FLOOR THROUGH 'CENTAUR PRODUCTS'			(250,000)	
3.	Structural			$4,276,500	
4.	Building Services:-				
A.	- Mechanical (see Appendix for Criteria), proposed cost savings of 15%			2,811,000	
B.	- Electrical (see Appendix for Criteria), proposed cost savings of 15%			1,788,000	
			SUB-TOTAL	$11,281,400	
5.	G.C.'s General Requirements & Fee (@10%)			1,128,140	
	NET BUILDING CONSTRUCTION COST			$12,409,540	Per SQ.FT.
6.	SUB-TOTAL NET CONSTRUCTION COST			$12,409,540	$185.22
9.	TOTAL NET CONSTRUCTION COST in Fall 2014 Dollars			$12,409,540	
10.	Design Contingency @ 10%			$1,240,954	
				$13,650,494	
11.	Existing Conditions and Market Contingency Contingency (@ 10%)			Excluded	SHOULD BE INCLUDE IN SOFT COSTS
12.	TOTAL CONSTRUCTION COST in Fall 2014 $'s			$13,650,494	
13.	CASH ALLOWANCES (including Athletic Equipment and Kitchen Equi		ADD	$580,000	
14.	SITE WORK (per Consultant), base on new proposed cost savings - BASE OPTION			$834,000	
					Per SQ.FT.
15.	TOTAL CONSTRUCTION COST in Fall 2014 DOLLARS			$15,064,494	$224.84

Notes:
1. - Escalation beyond Fall 2014 assume 0.5-1.0% per month

INTRODUCTORY NOTES

SCOPE OF PROJECT **Project Comprises :**

- Main and 2nd Floors :
  TOTAL GFA : (67,000 s.f.)
- Parking Areas, Sidewalks, Landscaping, Etc.

CONSTRUCTION COST **The cost in Fall 2014 Current Dollars**

DESIGN INFORMATION This cost estimate was based on design development stage working drawings and specifications prepared by **Stantec and their Consultants**

METHODOLOGY Elemental quantity take-offs were prepared and priced using current market rates.

CONTINGENCIES **Design Contingency is Included**
Construction Contingency is Included.Market Conditions are Included

CONTRACT It is assumed the project will be tendered in its entirety on a **"Stipulated Sum"** basis

TAXES Provincial Sales Taxes are included. GST is excluded

MARKET CONDITIONS At the present time Canadian Economy is on the way to recovery and Manitoba & Saskatchewan show signs of strong growth. The prices of materials and labour are steadly increasing.

MARKET CONDITIONS EXLUDED **EXISTING CONDITIONS EXCLUDED**

TENDERING PROCESS **It is assumed the project will be tendered in its entirety on a "Stipulated Sum" basis based on competitive 6 (six) G.C.'s BIDS and at least 4 (four) subcontractor bids for each trade**

Sever Lupu , C.E.C. , Construction Cost Consultants Inc.

INTRODUCTORY NOTES (Cont'd)

EXCLUSIONS **The following items have been excluded from this estimate:**

- Consultant/Management fees and disbursements
- Financing, legal & administration costs
- Furniture, Furnishings and Equipment
- Surveys and commissioning
- Changes/Addenda subsequent to the date of this report
- **Civil Works**
- Escalation beyond Fall 2014
- GST (PST & RST included)
- **Etc.**

- VALUE ENGINEERING

INTRODUCTORY NOTES (Cont'd)

ESTIMATE CLASSES : AN EXPLANATION

CLASS "D" ESTIMATE" (Conceptual Stage)	Based upon a statement of requirements, and an outline potential solutions, this estimate is strictly an indication (rough order of magnitude) of the final project cost, and should be sufficient to provide an indication of cost and allow for making all the options being considered.
CLASS "C" ESTIMATE" (Schematic Stage)	Based on a full description of the preferred option, construction/design experience, and market conditions, this estimate should be sufficient for making the correct investment decision, and obtaining preliminary project approval
CLASS "B" ESTIMATE" (Design Development Stage)	Based on design/preliminary drawings and outline specifications for the project, which include the design of all major systems and sub-systems, as well as the results of all site/installation investigations, this estimate should provide for the establishment of realistic cost objectives and be sufficient to obtain effective project approval
CLASS "A" ESTIMATE" (Pre-Tender Stage)	Based on complete working drawings and specifications, and prepared prior to calling competitive tenders, this estimate should be sufficient to allow a detailed reconciliation/negotiation with any contractors proffered tender

Sever Lupu , C.E.C. , Construction Cost Consultants Inc.

TECHNICAL CRITERIA

1.01	FOUNDATIONS	QUANTITY	UNIT	RATE	TOTAL
	Excavation, Backfill, remove surplus off-site		Sum		25,000
	HEX Driven Piles (300-400 mm diameter)	180	No.	3,800.00	684,000
	C.I.P. concrete piles, 9.0 m long	205	No.	1,500.00	307,500
	Concrete Grade Beams/Foundation walls complete with damproofing		Sum		150,000
	Concrete in Pile Caps		Sum		80,000
	Miscellaneous metals and carpentry		Sum		55,000
					1,301,500
	TOTAL				**$1,301,500**

2.01	FLOOR CONSTRUCTION	QUANTITY	UNIT	RATE	TOTAL
	Main Floor				
2.	6" structural concrete slab on 10 mil poly vapour barrieron 7/16" OSB sheathing		Sum		750,000
	2nd floor and Track		Sum		425,000
	Roof Construction comprising structural steel trusses, beams, OWSJoists, connections, plates, steel metal deck, etc.		Sum		1,700,000
	Miscellaneous metals and carpentry		Sum		100,000
					2,975,000
	TOTAL				**$2,975,000**

3.01	ROOF FINISH	QUANTITY	UNIT	RATE	TOTAL
1.	2 ply SBS modified bitumen membrane over ice and water shield including parapets, finish, etc.				
2.	Structural steel roof (see Structural)				
3.	200 mm polyiso (R45) ,expanded insulation insulation to drains c/w galvanized dual Z-bars Support system (Soprema Sopral ISO)				
4.	Fibreglass matt faced GWB		Sum		825,000
5.	Primer (for fibreglaass mat faced Board Sheathing)				
7.	Air vapour barrier membrane (self-adhesive)				
8.	18 ga. Prefinished steel eavestrough and rain leaders				
10.	Roof Drainage				
11.	Roof ladders,hatches etc.				
12.	Splashpads				
13.	Miscellaneous metals and carpentry		Sum		25,000
					850,000
	TOTAL				**$850,000**

3.02	WALLS ABOVE GROUND FLOOR	QUANTITY	UNIT	RATE	TOTAL
	Phenolic Panels comprising insulation, Vapour Barrier Membrane, Z-girts supports, Steel Studs, Exterior GWB Sheathing and Interior GWB finish, Etc.	229	sq.m.	700.00	160,300
	Metal Panels (Panelized horizontal corrugated) Comprising Z-girts, Vapor barrier membrane, Steel Studs, Exterior sheathing and Interior GWB finish, etc.	1741	sq.m.	275.00	478,775
	Archtectural block work				
	Miscellaneous metals and carpentry		Sum		50,000
					689,075
	TOTAL				**$689,100**

3.04	CURTAIN WALLS/WINDOWS	QUANTITY	UNIT	RATE	TOTAL
2.	Curtain walls, 1600 Kawneer window frame Triple Glazed Panes	745	sq.m.	950.00	707,750
					707,750
	TOTAL				**$707,800**

3.05	EXTERIOR DOORS	QUANTITY	UNIT	RATE	TOTAL
1.	Single leaf aluminum glazed door in aluminum frames complete with weatherstripping,hardware and finish				
2.	Overhead steel panel doors complete with electronics controls (Storage and Loading)		Sum		35,000
3.	Double leaf sliding aluminumglazed doors complete with electronic controls (Vestibule 100, Exterior and Interior Doors)				
					35,000
	TOTAL				**$35,000**

4.01	PERMANENT PARTITIONS	QUANTITY	UNIT	RATE	TOTAL
1.	38x92 mm steel studs @ 400 mm o.c.				
2.	Ditto, 152 mm				
3.	Concrete block 140mm and 190mm walls				
			Sum		352,000
4.	Mineral wool batt insulation				
5.	16 mm GWB taped and filled, painted				
6.	Interior glazing	138	sq.m.	465.00	64,170
	Interior toilet Partitions		Sum		30,000
9.	Miscellaneous metals and carpentry		Sum		15,000
					461,170
	TOTAL				**$461,200**

4.03	INTERIOR DOORS	QUANTITY	UNIT	RATE	TOTAL
1.	Single/ double leaf solid core wood/hollow metals with hardwood veneer finish in welded steel frames & Hollow metal doors		Sum		45,000
2.	Miscellaneous work, metals and carpentry		Sum		5,000
					50,000
	TOTAL				**$50,000**

5.01	STAIRS	QUANTITY	UNIT	RATE	TOTAL
1.	Steel Pan Stairs		Sum		25,000
	Safety glass Balustrade for 2nd Floor running track		Sum		125,000
					150,000
	TOTAL				**$150,000**
	ELEVATORS (5000 pounds capacity)				
	- 1 Elevators to serve 2 Floors		Sum		65,000
					$65,000

6.01	FLOOR FINISHES	QUANTITY	UNIT	RATE	TOTAL
1.	Carpet tiling and rubber base	806	sq.m.	65.00	52,390
	Sport Floor (for Courts)	2996	sq.m.	225.00	674,100
	Upper level running track	1022	sq.m.	120.00	122,640
	Rest of the floor concrete hardener/sealer	806	sq.m.	65.00	52,390
					901,520
	TOTAL				**$901,500**

6.02	CEILING FINISHES	QUANTITY	UNIT	RATE	TOTAL
2.	Acoustic suspended tile ceilings		Sum		18,000
	Ceilings Exposed				
5.	Miscellaneous items,etc.		Sum		6,500
					24,500
	TOTAL				**$24,500**

6.03	WALL FINISHES	QUANTITY	UNIT	RATE	TOTAL
1.	Paint/epoxy on drywall included in walls and GWB partitions unit costs				
2.	Ceramic tiles on walls		Sum		65,000
3.	Corner guards		Sum		1,600
	Acoustic wall treatment (Allowance)		Allowance		50,000
12.	Miscellaneous finishes,etc.		Sum		8,000
					124,600
	TOTAL				**$124,600**

7.01	MILLWORK,SPECIALTIES,ETC.	QUANTITY	UNIT	RATE	TOTAL
	Millwork Work Allowance				125,000
					125,000
	TOTAL				**$125,000**

7.02	EQUIPMENT	QUANTITY	UNIT	RATE	TOTAL
1.	Gym Equipment			Included in Cash Allowances	
2.	Kitchen Equipment				

8.00(a) **MECHANICAL INSTALLATIONS - PER CONSULTANT**

SUMMARY	TOTAL
Hydronic heating and Cooling	
HVAC	
Plumbing	
Fire Protection	
Services	3,306,600
Controls	
Insulation	
Miscellaneous	
TOTAL(MECHANICAL)	**$3,306,600**

See Appendix for Criteria

8.00(b) **ELECTRICAL INSTALLATIONS - PER CONSULTANT**

		SUMMARY	TOTAL
1.	Site services, site works		
2.	Main Electrical services and Distribution		
3.	Emergency Power generation and Distribution		
4.	Lighting		2,102,700
5.	Fire Alarm and fire safety systems		
6.	Nurse call, wandering patient, door control systems		
7.	Communication systems		
	TOTAL(ELECTRICAL)		**$2,102,700**

See Appendix for Criteria

9.00	G.C.'s OVERHEADS AND FEE	QUANTITY	UNIT	RATE	TOTAL
	General Contractor's site and head office overheads and profit including such items as:				
	- site supervision				
	- temporary offices and washrooms				
	- temporary power, water,etc.				
	- permits,bonds,insurance,etc.				
	- safety				
	- site vehicles,telephone,etc.				
	- General Contractor's head office overhead				
	- fee				
1.	Building				1,128,140
2.	Site				109,000
	TOTAL				**$1,237,140**

10.01	SITE WORK	QUANTITY	UNIT	RATE	TOTAL
	Asphalt paving parking, Sidewalks, Trees, Lanscaping, ETC.		Allowance		**$900,000**

TOTAL

JTCC Dakota Community Centre Field House Development **November 2014**
WINNIPEG, MANITOBA

12.04	CASH ALLOWANCES	QUANTITY	UNIT	RATE	TOTAL
1.	Piling Inspection		Allowance		5,500
2.	Concrete testing		Allowance		8,500
3.	Mortar Strength Testing		Allowance		7,500
4.	Roof Inspection		Allowance		12,500
5.	Air/vapour barrier membrane testing and Inspection		Allowance		14,000
6.	Window Testing		Allowance		11,000
7.	Hydro		Allowance		TBD
8.	MTS		Allowance		TBD
9.	Generator Fuel		Allowance		5,000
10.	Soil Testing		Allowance		25,000

TOTAL **$89,000**

APPENDICES

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APPENDIX D: JTCC (DAKOTA) FIELDHOUSE DEVELOPMENT – CAPITAL DETAIL SHEET

COMMUNITY SERVICES DEPARTMENT

Project Name: **Jonathan Toews Community Centre - Fieldhouse**

Dept ID:	630675		
Department:	Municipal Accommodations	Service:	Recreation
Project:	6399000313	**OurWinnipeg:**	Prosperity

AUTHORIZATION	Previous Budgets	2013 Estimate	FORECAST 2014	2015	2016	2017	2018	Five-Year Forecast Total	Six-Year Total
Project Costs ($000's)	N/A *	13,700	-	-	-	-	-	-	13,700
Financed by:									
Land Operating Reserve Fund		6,700						-	6,700
Manitoba-Winnipeg Infrastructure Agreement		7,000							7,000

CASH FLOW	2013	2014	2015	2016	2017	2018	Beyond 2020	Total
Project Costs ($000's)	-	118	10,000	3,582	-	-	-	13,700
Financed by:								
Land Operating Reserve Fund		118	6,582					6,700
Manitoba-Winnipeg Infrastructure Agreement			3,418	3,582				7,000

NET OPERATING IMPACT ($000's)	2013	2014	2015
Operating costs			
External debt and finance charges			
Transfer to General Capital Fund			
Total Direct Costs	-	-	-
Less: Incremental Revenue/Recovery			34
Net Cost/(Benefit)	-	-	(34)

Class Estimate:

The proposed Jonathan Toews Community Centre Fieldhouse addition will enable Dakota Community Centre Inc. ("Dakota") to expand current programming and provide needed recreational and sport facilities for St. Vital and the City of Winnipeg. The new facility will be a multi-use sports hall comprising three indoor fields of play and a mezzanine level running track, capable of staging numerous sports programs/events with a primary focus on volleyball and basketball. The Fieldhouse addition will enhance the Community Centre's ability to host for-hire events such as tradeshows, craft fairs, fundraisers and community-based programming.

The overall project cost is estimated at $17.9 million of which $13.7 million is comprised of City and Provincial funding. The remaining $4.2 million in required funding is to be provided by external debt taken out by Dakota, subject to Council approval of a loan guarantee, and $0.2 million in sponsorship revenue secured by Dakota. Dakota will be required to adhere to the City's Sponsor Winnipeg Policy adopted by Council on November 21, 2007.

Dakota will be responsible for servicing the $4 million in debt from incremental operating revenue or such other source as determined by Dakota. In addition, as the City's contribution is limited to the $13.7 million in capital grants, Dakota will be responsible for financing any potential construction cost overruns.