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Town of Aurora

General Committee Report

No. CMS22-036

Subject: SARC gymnasium addition – final design and budget update

Prepared by: Lisa Warth, Manager, Recreation Services

Department: Community Services

Date: June 21, 2022

Recommendation

1. That Report No. CMS22-036 be received; and
2. That total capital budget authority for capital project No. 72410 – SARC Gymnasium of \$11,125,000 be approved, representing an increase of \$2,925,000 to be funded from \$1,692,100 in additional Parks & Recreation DCs and \$1,232,900 from the Growth & New reserve; and
3. That in accordance with the Town of Aurora's Official Plan, 1% of the total estimated project cost contribution to the Public Art reserve fund be approved; and
4. That staff be authorized to proceed to tender and award for this project in accordance with procurement procedures; and
5. That the draft operating budget be approved and included in a future year

Executive Summary

This report summarizes the work done on project # 72410 – SARC gymnasium addition since it was last before Council in February 2022. At that time, Council approved proceeding to detailed design for a single gymnasium, multipurpose space and renovated customer service and administrative space and to report back with an updated design and cost estimate prior to tender issuance. Council also directed staff to mitigate the cost of the project as much as possible.

- Further consultation with the project team and the consultants has refined the detailed design for this project.

- A value engineering exercise with the consultants resulted in savings of approximately \$250,000
- A review of the SARC Gymnasium's estimated operating budget requirements has identified an annual incremental need of \$99,000
- Next steps include preparation of tender documents and award of contract

Background

In February 2022, Council approved continuing with the next steps in the planning and design for this project. With their approval of a single gymnasium with multi purpose spaces and renovations to the customer service and administration areas, staff continued with the schematic design of the addition, proceeded with the required studies, and developed a proposed operating budget.

Analysis

Further consultation with the project team and the consultants has refined the detailed design for this project.

From Council's approval in February 2022 to proceed to detailed design, the project team and consultants have met regularly to discuss, analyze, and refine the design to ensure it meets Code requirements, functional needs and the desires of the user groups as determined through consultation.

The renovation includes a standard single (high school size) gymnasium at 8000 sq. ft., dry changerooms at 620 sq. ft., (for male and female), gymnasium storage at 280 sq. ft., an administration and customer service space renovation at 2100 sq. ft., a new multipurpose room at 730 sq. ft., and a renovation of the existing preschool/toddler room to include a dividing wall to provide flexibility and make it more of a multi purpose space.

Extensive consideration and design reviews were completed to abut the gymnasium addition to the existing pool corridor. The reviews concluded that if the gymnasium addition was abutted to the existing pool corridor it would result in considerable snow load demands on the existing single storey roof structure. As future snow loading was not factored into the original design, this additional loading would require significant reinforcement to the existing steel roof structure in the north lobby and pool corridor

and change rooms. This new reinforcement would require destructive removals of finishes and lengthy shutdowns of the impacted areas.

To avoid the shut down of the pool facility, considerable cost and schedule risks inherent in an invasive structural reinforcement plan, it was determined that the gym tall volume should be separated by lower height buffer spaces to eliminate new snow loads on the existing roof. The amount of buffer space required was calculated by the project engineers, and the design now reflects these setbacks. In addition, the setbacks also created a larger than anticipated viewing area that will be a welcome space for community user groups, public and staff.

A value engineering exercise with the consultants resulted in savings of approximately \$250,000.

Staff and the consultants from CS&P undertook a value engineering exercise to find savings within the project without jeopardizing the functionality of the space. The items considered during this exercise included:

- Changing wood doors to hollow metal
- Changing glazing on the façade to diffused glass
- Removal of clerestory and replacing with corrugated metal siding on parts of the building
- Changing tiled washrooms walls with painted block
- Move the transformer supporting solar panels as part of owner cost
- Build flat gym roof vs angled
- Removed bleacher seating

All these items combined result in a savings of approximately \$250,000 and have been reflected in the current capital budget ask. Had these savings not been identified, the new CBA would be \$250,000 higher than the current amount.

A review of the SARC Gymnasium's estimated operating budget requirements has identified an annual incremental need of \$99,000.

Staff have developed an annual operating budget that includes all anticipated revenues along with associated expenses for operating the new spaces. Table 1 presents a summary of the estimated net operating requirements.

Revenues include all new anticipated external rental and program revenues that will be realized from these new spaces.

External rental revenues include permit fees for sport user groups, tournaments, special events and individual rentals. New programs will include activities such as fitness classes, drop-in programs (volleyball, basketball, etc.), registered programs for all ages (playball, badminton, pickleball), summer camp, sport leagues, lessons and more.

Operating expenses include utilities including electric, water/sanitary, recycling/waste disposal services, maintenance, cleaning, HVAC, general repairs, supplies, contracted services, and staff costs.

Staffing costs are part time and are necessary for the operation of the space. The staff costs include facility staff as well as program staff required to run new programs and activities that will take place in the space.

Table 1
New Space Net Operating Requirements

	Facilities	Programs	Total
Operating Expenses	\$164,000	\$37,000	201,000
Revenues	(60,000)	(42,000)	(102,000)
Net Operating Cost	\$104,000	(\$5,000)	99,000

A full assessment can be made following the first year of operation and adjustments made to reflect actuals.

Next steps include preparation of tender documents and award of contract

Upon approval of this project, the consultants will prepare the tender documents to be issued in November 2022, with a contract award anticipated in March 2023 and substantial completion anticipated in March 2024.

Advisory Committee Review

This project was presented to the Accessibility Advisory Committee on February 8, 2022, and to the Community Advisory Committee on February 17, 2022.

Both committees were in favour of the project and indicated they were in support of seeing it move forward. The committees also noted that limited disruptions and shutdowns to other parts of the building during construction would be preferable.

Legal Considerations

Pursuant to the Town's Procurement By-law, Town staff is authorized to initiate and conduct any procurement process, and to award and execute any related agreement with respect to any procurement, if budget for such project has been approved by Council. If the proposed budget is approved by Council as required by this report, staff will be authorized to conduct the procurement process and award the project contract to a compliant bidder within the approved budget.

Financial Implications

Upon completion of the Class 'C' cost estimate for this project, its total costs are estimated to be \$11,125,000 after the application of the noted value engineering identified savings of \$250,000. This cost estimate includes consulting, construction, furniture fixtures & equipment, project management, unrecoverable HST and design & construction contingencies. A public art contribution is also included in this cost estimate as required under s.4.4 of the Town's Official Plan.

In consideration of this project's existing approved capital budget authority of \$8,200,000, it is proposed that this project's total capital budget authority be increased to \$11,125,000, representing a total increase of \$2,925,000. Further, it is proposed that this increased authority be funded by \$1,692,100 in additional Parks & Recreation DCs and \$1,232,900 from the Growth & New reserve. The updated detail capital page for this project can be found under Attachment #1.

Funding of \$1,232,900 is required from the Growth & New reserve to fund the Administrative and Customer Service space component of this project as space of this nature is ineligible for recovery through development charges as per the Development Charges Act. The current balance of this reserve is \$2,950,700 but is projected to fall into a deficit position by the end of 2031 based upon currently identified ten-year capital costs. This unplanned need may impact future planned capital projects; however, the needs of this reserve are to be reviewed as part of the Town's fiscal strategy driven reserve management review scheduled to take place over the next few years.

The current balance of the Parks & Recreation development charges reserve is \$1,974,000 but is projected to conclude the end of 2031 in a deficit position based upon

the currently identified funding needs over this period. The unplanned additional need of \$1,692,100 will need to be accommodated within the Town's future capital plan.

The Town has previously received total debt authority of \$8,200,000 in support of this project. Within this authority a construction line of credit totaling \$8,200,000 has been secured through Infrastructure Ontario. Under the terms of the line of credit, any outstanding balances must be paid off within 120 days of substantial project completion. As per the current debt strategy for this project, up to a maximum of \$8,200,000 of any remaining line of credit principal will be converted into a 20-year debenture to be repaid through Parks & Recreation development charges.

It is proposed that no further debt authority be requested for this project. Rather, should insufficient Parks & Recreation development charge funds be available at the time of substantial project completion, that any short-fall be internally financed through other available development charge reserve balances. The Town will need to ensure that sufficient Growth & New reserve funds are available to fund the full planned \$1,232,900 contribution in support of this project upon its substantial completion.

All incremental net operating costs for these newly constructed spaces will be included in the appropriate draft operating for Council's consideration.

Communications Considerations

The Town will continue to inform the community about updates on this project.

Climate Change Considerations

The recommendations from this report will increase greenhouse gas emissions by creating a space that will require heating, cooling and electricity usage.

However, there are strategies to offset these emissions such as the pursuit of highly efficient and low carbon building materials and operating systems

Link to Strategic Plan

This project supports Objective #4 – Encouraging an active and healthy lifestyle under the Goal of:

Supporting an exceptional quality of life for all

Alternative(s) to the Recommendation

1. Council may decide not to proceed with the project at this time, however this will have a detrimental impact to the community as space for activities will continue to be scarce and as result, participation will be limited.

Conclusions

This project continues to be of a high need in the community. It was first identified during the initial construction of the SARC in 2006 and the need has only become stronger since then. The Parks and Recreation Master Plan (January 2016), also recommended the construction of an additional gymnasium for community use. Current Town owned gymnasium space at the Aurora Family Leisure Complex is well used and school gymnasiums available for community use present challenges with limited access.

This addition will enable the Town and user groups to provide activities and events for all ages in the growing community and ensure that Aurora remains a vibrant and active community.

Attachments

Attachment #1 – Updated Project No. 72410 – SARC Gymnasium Detail Capital Project Sheet

Previous Reports

CMS22-006 – SARC Gymnasium Addition – Project Update

Pre-submission Review

Agenda Management Team review on June 2, 2022

Approvals

Approved by Robin McDougall, Director, Community Services

Approved by Doug Nadorozny, Chief Administrative Officer