



Corporation of the Township of Brock

Staff Report to the Mayor and Members of Council

From: Joint Report from Ingrid Svelnis & Trena DeBruijn
Position: Chief Administrative Officer as well as the Director of Finance/Treasurer
Title / Subject: Current Arena Status Report and Sunderland Arena Renovation and Expansion Project
Date of Report: July 7, 2023
Date of Meeting: July 17, 2023
Report No: 2023-FI-017

1.0 Issue / Origin

This report aims to provide Council with an update on the issues surrounding the Sunderland Arena Renovation and Expansion Project and to seek direction from Council on next steps in advancing the project. The intent of the report is to provide an overview on the condition assessment of the current arena inventory, costs associated with future maintenance, cost recovery and finally the proposed Sunderland Arena renovation project.

Preamble

This report was requested by Council in 2021/2022 with the intention of gaining a better understanding of the future maintenance required at each facility and to address the long term capital needs. In drafting this report, significant references is made to the building condition assessment reports undertaken for each facility (a copy of each facility assessment is attached to this report).

This report will also provide history on the Sunderland Arena and Expansion Project, which is focused on the asset maintenance and expansion designed to increase the life of the facility and to address some of the major capital works associated with making ice. Staff would like to make Council and the public aware of a number of considerations to be cognizant of throughout consideration of this report.

Township of Brock

In 1974, as part of the municipal restructuring and creation of the Regional Municipality of Durham, Brock was amalgamated with Thorah Township and the villages of Sunderland, Beaverton and Cannington, to form The Township of Brock ("Township").

As a result, the Township is unique as the Township has multiple, similar facilities, spread across the entire Township. While not a comprehensive list, the following demonstrates some of the facilities owned and managed:

- Three fire halls located in Beaverton, Sunderland and Cannington
- Five community halls located in Beaverton, Cannington (also the library), Sunderland, Wilfrid and Manilla
- Three arenas in Beaverton, Sunderland and Cannington
- Two curling rinks in Cannington and Beaverton (both are leased)
- Three libraries in Beaverton, Sunderland and Cannington
- Two medical centres in Beaverton and Sunderland (both are leased)
- One municipal office located in Cannington
- One museum located in Sunderland (building is leased) and two additional museums throughout the Township
- Three public works depots located in Beaverton (main depot/yard), Cannington and Sunderland
- One animal shelter in Cannington
- Ten public parks (Beaverton Ball Park, Thorah Centennial Park, Beaverton Harbour Park, Beaverton King Street Park, Mill Gateway Park, Cannington Clair Hardy Baseball Fields, Cannington MacLeod Park, Manilla Park, Port Bolster Park and Brock Soccer Park, Sunderland Park). Each of the parks have specific assets (skatepark, playgrounds, ball diamonds, fairgrounds (with the exception of Cannington which does not have a fairground), etc.)
- One splash pad
- Five Hiking Trails (Beaver River Wetland Conservation Area, Lagoon Reserve Walk, MacLeod Park Nature Trail, Trans Canada Trail and Walking Trails in Beaverton and Sunderland)
- One Harbour (Thorah Island Harbour)

2022 Budget

In the 2022 Budget, Council has approved funds to complete a comprehensive review of the Township of Brock's ("Township") three community arenas. Half of the budgeted funds were spent on the comprehensive review, reviewing the eligible DC funds that could be used for the Sunderland project (not known when the 2019 DC study was completed). The comprehensive review resulted in completion of a Structural Condition Investigation on each arena and these were used to generate a list of future maintenance projects and, where possible, cost projections and a well defined percentage of DC eligibility that could be used for Sunderland. Arenas were reviewed and given an overall condition assessment as follows:

Beaverton

The Beaverton arena was built in 1972 and the recent structural condition report gave the structure a rating of fair to good condition, with some areas of deterioration noted and recommended repairs over the next two to five years were provided. The condition assessment rated the facility as fair to good (see Attachment #1, to this report). The Beaverton Arena has an ice surface of 180' x 80'.

Cannington

The Cannington arena was built in 1964 and last updated in 1976. The structural condition report indicated that a general review of the interior and exterior of the building identified several areas of concern which would need to be addressed to improve the long-term sustainability of the structure. The condition assessment rated the facility as fair to good (see Attachment #2, to this report). Cannington has an ice surface of 175' x 75'.

Sunderland

The Sunderland ice surface was built in 1948 and the structure was built in 1977 and has an ice surface of 170' x 70'. The structural condition report indicated that a general review of the interior and exterior of the building identified several areas of concern which would need to be addressed to improve the long-term sustainability of the structure, however, was rated fair to good. A summary of recommendations were provided.

The list of future maintenance projects and capital projects at each arena is included as an attachment to this report (see attachment #4). It is Important to note that capital project costs were updated in 2022 and there are significant increases in those costs in the capital from the 2021 forecasts. In some cases the costs have doubled.

While total costs were not known when this list was developed, it is fair to say that the work required is significant and not immaterial. These projects are work which need to be done to maintain the arena and are important considerations from an Asset Management perspective.

Asset Management Considerations

The Township completed an Asset Management Plan in 2019 and since then, it was updated in early 2023 to recognize that inflationary pressures continue to create fiscal challenges for the Township (see Attachment #7, attached to this report).

Asset Management is an important consideration in municipal operations as any asset that the Township owns and uses to provide a community service, needs to be properly maintained and replaced when required. Asset management planning is an on-going and long-term process that allows municipalities to make the best possible investment decisions for their infrastructure assets.

The Township is not alone in that it faces a significant infrastructure deficit in the future replacement of its assets over the funding that is currently being made available for this purpose.

The total value of the Township's assets is approximately \$451 million in 2022 as follows:

- Roads - \$285,260,000
- Buildings - \$78,984,000
- Bridge and Culverts - \$57,654,000,
- Vehicles and Machinery - \$11,492,000
- Land Improvement - \$9,195,000
- Stormwater Infrastructure - \$4,790,000
- Equipment & Furnishings - \$3,095,000
- Sidewalks & Pathways - \$604,000

From an Asset Management perspective, over the next 40 years, the Township needs to spend approximately \$655.1 million on asset management replacement and lifecycle maintenance activities. The bulk of this value or approximately \$550 million is for capital renewal and replacement and another approximate \$88 million on operating and maintenance costs.

An extrapolation of current annual spending, assuming no further increases, projects a funding shortfall (over the next 40 years) of approximately \$543 million. This is commonly referred to as the infrastructure deficit gap.

In order to close this gap, an increase in capital contributions of approximately \$590,000 per annum (compounded) would be required (over and above current annual spending) over the next 40 years.

Currently, in the 2023 budget, capital expenses approximated a total of \$5,519,700 funded as follows:

Source	\$
Capital Reserves (tax levy contributions)	\$2,606,500
Ontario Community Infrastructure Funds	\$1,175,500
Development Charges	\$953,500
Gas Tax (CCBF)	\$466,200
Modernization Grant	\$150,000
Tax Rate Stabilization	\$73,000
Other	\$95,000
Total	\$5,519,700

The table above illustrates that tax levy is funding approximately 47% of capital expenses and it is expected that this will need to be increased significantly in the coming years to address asset management requirements/needs (as it is unlikely that significant and consistent funding will be available from the other levels of government to assist with the infrastructure deficit).

It is critically important for the Township to keep this infrastructure deficit in mind as decisions are made around infrastructure renewal, expansion, etc. In this regard, the Township has undertaken to complete a Core Services Review as well as a Parks and Recreation Master Plan (both of which are currently underway). These reviews and plans will likely highlight some concerns and/or further considerations from an ongoing asset management perspective.

Recreation Master Plan

In 2012, the Township undertook a Recreation Master Plan, prepared by Monteith Brown Planning Consultants, with the core of the plan being:

- Undertake a Needs Assessment for Parks, Recreation Facilities and Programs;
- Identification, Assessment and Recommendations Concerning Key Issues; and
- Provide a 10 year Implementation Strategy for Parks and Recreation Services.

From an arena perspective, the 2012 report identified that the Township is providing arena at a rate of 1 ice pad per 3,780 residents. Further, the report indicated that this is higher (on a per capita and a per user level) than other similar municipalities to the Township.

In more rural areas such as the Township, the typical rate of provision is one ice pad per 600 to 799 registered players, suggesting that a total of 1.6 to 1.8 ice pads would be sufficient to meet the Township's needs. In 2012, the Township was providing one ice pad per 367 registered players.

In addition, the report indicated that major arena users experienced a collective decline in their memberships. If this decline has continued, it would correlate that the Township is providing even more services than other neighbouring municipalities.

As a summary, the master plan indicated that only two ice pads were needed across the entire Township to sufficiently service the Township's population.

Alternatively, the report did indicate that a second alternative strategy would be to reduce the number of arenas down to one, twin pad arena only.

At the time, back in 2012, the report estimated the cost of a twin pad arena at around \$12 to \$15 million, however, experience shown recently by other municipalities indicate a cost of upwards of \$40 million for a twin pad arena project. Further, a new, single pad arena (based on other municipal awards, appears to be in the budget range of \$24 million and up.

Neither of these options are financially feasible for the Township, especially given our ongoing Asset Management concerns.

To put this into perspective, assuming the Township undertook borrowing of approximately \$40,000,000 to proceed with the construction of a twin pad arena versus borrowing of approximately \$24,000,000 for a single pad arena (assuming interest of 4% per annum, repayment monthly over 15 years and compounded annually)

	Twin Pad	Single Pad
Borrowing	\$40,000,000	\$24,000,000
Monthly Payment	\$294,444	\$176,666
Total Payments over 15 years	\$52,999,877	\$31,799,926
Total Interest Paid over 15 years	\$12,999,877	\$7,799,926

For comparison purposes, a 1% increase in the Township's tax levy (based on 2023 tax levy of \$10,531,591) is approximately \$105,316. The Township's total budget for 2023 is approximately \$14,130,626, of which, approximately 75% is funded by tax levy. Funding a twin pad or single pad area, would equate to a tax levy increase of around 20% to 34%.

It should also be noted that the Township's Annual Repayment Limit, as set by the Province for 2022, is \$1,778,237. This represents the maximum amount that the Township can commit to payments related to debt and financial obligations annually, without seeking approval to expand these parameters (approval from the Province). An annual repayment limit of \$1,778,237 (at a 5% interest rate) would support maximum borrowing of approximately \$18.45 million (which is below the funding required to build a new single pad arena). Further, the Township does have a debenture which is being repaid for the Sunderland Fire Hall project, of approximately \$840,000, which will not be repaid in full until 2030.

Based on our current ARL, the Township does not have the capacity or the ability to borrow sufficient funds required to do a single pad or a twin pad project.

Although it is a moot point, (as the Township does not have sufficient funds or capability to borrow) should the Township want to consider a new single pad or twin pad in the future, this would require demolition of a current facility or current facilities. Staff have not undertaken any formal discussions or costing around the potential elimination/demolition of an arena, it is important that, if this becomes a possibility in the future, that the following items are considered (this is not meant to be an exhaustive list but rather considerations for future discussions, if required):

- The Township would need to conduct a full Hazardous Substance Site Survey for each facility being demolished (which may impact demolition costs);
- Permits or licences required for demolition;
- Preliminary demolition costs are upwards of \$350,000 per facility or around \$1,050,000 for all three (including removal and disposal of debris);
- Demolition insurance costs;
- Site restoration plans and costing;
- Disruption to community and services during demolition period;
- Commitment to keep full time staff to be used in other facilities and potentially assist with year-round facility maintenance and reduce reliance on part-time staffing and potentially eliminating positions as natural staff attrition occurs.

The Township is in the process of updating its Parks and Recreation Master Plan and it is planned to be finalized by year-end.

Repurposing an Arena

In 2015, following completion of the Recreation Master Plan, Council created the Brock Arena Repurposing Feasibility Committee (“BARFC”), made up of members of both the community and Council, to research the feasibility of repurposing an arena for the 2016-2017 winter season. The mandate of the Committee was as follows:

- Identify “non-ice” activities which could be considered within the arena during the winter/summer seasons;
- To canvass external organizations as to their interest in participating in such activities;
- To identify building capital costs required to support “non-ice” recreations activities;
- To identify other capital costs to support “non-ice” recreational activities;
- To conduct a financial analysis of repurposed and non-repurposed options which shall address the following:
 - Capital & Operating Costs to maintain each arena
 - Capital & Operating Costs to maintain three (3) ice surfaces
 - Capital and Operating Costs to maintain one (1) “non-ice” surface
 - Ice-time usage and associated revenue
 - Potential non-ice time usages and associated revenue
- To review the financial sustainability of providing “non-ice” recreational activities in buildings not under Township ownership;
- To conduct public consultations at appropriate intervals as determined by the Committee;
- To visit repurposed facilities to obtain information with respect to their decision-making process, interactions with user groups and implementation; and
- Ensure that Council is provided with updates on the Committee’s activities.

To assist with this project, a consultant was hired to conduct a review of repurposing and to work with the Committee on making recommendations.

While it appears that there was a clear commitment and desire of Council to explore re-purposing in 2015, the decision was deferred until a later date and the BARFC was disbanded.

Future of Cannington Arena

It is understood that, back in 2015/2016, while the repurposing discussions were happening, that the Cannington Arena was a key factor in the analysis.

The Cannington Arena is a very old building, that is not insulated. This causes challenges with ice installation as the weather plays a big factor into the timing of ice preparation.

Per the structural condition reports (and from visual inspection), some of the building and structures, including ice plant maintenance equipment, is outdated and in poor condition. The building was built with a bow string truss roof which is all wood and the wood is quite old.

It is staff's recommendation that this arena should remain operational for the next 5—7 years while renovations are done to the Sunderland arena and as further discussions take place regarding the continued operations of both the Beaverton and Cannington arenas.

It is very costly for the Township to maintain three arenas and it is anticipated that the Core Services Review (which is currently underway) will provide further comment on the continued operations of all three in the future, especially in light of the current prime time ice utilization.

Further, it is expected that the Parks and Recreation Master plan, to be finalized for year-end, will speak to future Parks and Recreation needs across the Township. This may identify needs such as increased park facilities and/or another facility that might be recommended for the Cannington and Beaverton areas.

It is recommended that both the 2024 and 2029 Development Charge Studies be prepared in reference to the outcomes of the Parks and Recreation Master Study and that these be used to support the Township's decisions moving forward.

Utilization Rates – 2022-2023 Period

Over the 2022 to 2023 ice rental period, the three arenas were open and operational (i.e. less hours required for ice maintenance time) a total of approximately 312 hours per week (7 a.m. to 11 p.m. each day). Of this, approximately 140 hours (in total, between minor sport rentals, private ice rentals and Township programming) a combined ice utilization rate of 45%.

Of the 140 hours of ice rented per week, approximately 71 hours (or 51%) were for minor sport purposes, 38 hours (or 27% for Township purposes (public skating, mom and tot programming and stick and puck) and 31 hours (or 22%) for private/outside rentals.

The majority of user bookings are during prime time hours which are between the hours of 5 p.m. to 11 p.m., Monday to Friday and between 9 a.m. and 11 p.m., Saturdays and Sundays. An analysis of the average weekly prime time usage is as follows:

User	Beaverton	Cannington	Sunderland	Total
Private/Outside	5 hours (15%)	14 hours (41%)	10 hours (24%)	29 hours (26%)
Minor User Group	23.5 (70%)	18 hours (53%)	29 hours (67%)	70.5 hours (64%)
Township Purposes	5 hours (15%)	2 hours (6%)	4 hours (9%)	11 hours (10%)
Total Hours Rented	58 hours of prime time ice available per week and utilized approx. 58% of prime time hours	58 hours of prime time ice available per week and utilized approx. 57% of prime time hours	58 hours of prime time ice available per week and utilized approx. 74% of prime time hours	174 hours of prime time ice available per week and utilized approx. 64% of prime time hours

Overall, the prime time ice utilization across all three arenas is approximately 64%, meaning, the arena(s) are underutilized (the utilization results are worse if you consider the full hours of operation at each facility).

Utilization Rates - 2023-2024 Period

For the 2023 to 2024 ice rental period, it is proposed that the three arenas will be open and operational (i.e. less hours required for ice maintenance time) for a total of 312 hours per week. Of this, approximately 147 hours of ice is currently being rented per week, approximating a combined ice utilization rate of 47% (an projected increase of approximately 2% over the 2022/2023 period).

Of the projected 147 hours of ice rented per week, approximately 83.5 hours (or 56.8%) were for minor sports, 30 hours (or 20.41%) for Township purposes and 33.5 hours (or 22.79%) for private/outside rentals.

The majority of user bookings are during prime time hours which are between the hours of 5 p.m. to 11 p.m., Monday to Friday and between 9 a.m. and 11 p.m., Saturdays and Sundays.

An analysis of the average weekly **prime time** usage is as follows:

User	Beaverton	Cannington	Sunderland	Total
Private/Outside	5 hours (12%)	12.5 hours (39%)	9 hours (19%)	26.5 hours (22%)
Minor User Group	32.5 hours (78.3%)	17.5 hours (55%)	34 hours (72%)	84 hours (70%)
Township Purposes	4 hours (9.7%)	2 hours (6%)	4 hours (9%)	10 hours (8%)
Total Hours Rented	58 hours of prime time ice available per week and utilized approx.. 72% of prime time hours	58 hours of prime time ice available per week and utilized approx.. 55% of prime time hours	58 hours of prime time ice available per week and utilized approx.. 81% of prime time hours	174 hours of prime time ice available per week and utilized approx. 69% of prime time hours

Again, the prime time ice utilization appears to indicate that the ice times at all arenas are being underutilized.

BARFC Utilization Rates from 2015

From the findings of the BARFC analysis performed in 2015, it was determined that the prime time usage of the three arenas, at that time, were as followed:

- Beaverton – 48%
- Cannington – 50%
- Sunderland – 71%

It appears that overall, the prime time ice utilization has increased from the 2015 utilization rates for all three arenas, however, the BARFC analysis did indicate that the industry standard for prime time ice usage (from 2015) was 90%.

Financial Cost Analysis

A review of the 2023 budget as well as the 2019 to 2022 actuals, indicates that the operating expense recovery is approximately 21% for the Beaverton Arena, 19% for Cannington (2021 is removed from calculations as the facility was closed for a period of time in 2021) and 32% for Sunderland (see Attachment #'s 8, 9, and 10, to this report).

	2023 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	Average
Beaverton	21%	27%	16%	15%	22%	20%
Cannington	21%	19%	-	13%	21%	19% (removes 2021 from average as facility was closed for a period of time in 2021)
Sunderland	29%	28%	23%	27%	36%	29%

This means that the revenue the arena is generating is covering significantly less than 50% of the ongoing operating costs and therefore, the tax base (or reserves, which is traditionally funded from tax levy) is picking up the remainder.

This does not include capital revenue or capital costs as capital costs are primarily funded by transfers from the arena reserves and from grants (arena reserves are funded through the operating budget tax levy).

A five year analysis of the operating revenue and expenses for each arena is attached as an appendix to this report.

User Rate Review

In 2022, staff undertook a preliminary review of the Township's user rates for ice rental, in comparison with other local or like municipalities and the summary is as follows:

Municipality	Prime Time Rates	Non-Prime Rates	Minor Rates
Brock	\$153/hr	\$130/hr	\$130/hr
Orillia	Adult - \$194.76/hr	Adult \$120.36/hr	Prime - \$161.77/hr Non Prime - \$92.34/hr
West Gwillimbury	\$230/hr	\$145/hr	\$179/hr
Clearview	\$170.8/hr	\$117.7/hr	\$131.86/hr
King	Resident - \$310.75/hr Non-Resident - \$341.82/hr	Resident - \$154.81/hr Non-Resident - \$170.29/hr	-
Caldeon	Resident - \$249.52/hr Non-Resident - \$299.43/hr	Resident - \$137.24/hr Non-Resident - \$164.69/hr	-
Norfolk	\$190/hr	\$135/hr	\$125
Essa	\$220/hr	\$138/hr	\$170
Grant Valley	\$195/hr	\$80/hr	\$150
Milton	\$285.45/hr	\$200.20/hr	\$214.90
Scugog	Youth - \$182.83/hr Adult - \$235.19/hr	Youth - \$134.15/hr Adult - \$166.27/hr	\$201.62 (minor hockey)
Oshawa	\$206.04/hr	\$155.74/hr	Prime - \$157.80 Non Prime - \$124.08
Uxbridge	\$253/hr	\$148/hr	Prime - \$243/hr Non-Prime - \$142/hr
Georgina	Adult - \$253.67/hr Youth - \$162.67/hr	7 a.m. – 4 p.m. - \$140.89/hr After 11 p.m. - \$164.89/hr	\$162.67

The Township's ice rental user rates are significantly lower than other municipal comparators and historically has not been increased annually.

In comparison, the Township of Uxbridge's rate is significantly higher than the rate charged by the Township and we understand that the fees are increased annually. For the 2023/2024 season, the Township of Uxbridge has recently posted their ice rates as follows:

User	Rate	% Increase for Period
Adult – Prime	\$269	3%
Adult – Prime (Stat Holiday Premium)	\$323	New
Adult – Non Prime	\$157	3%
Youth – Prime	\$257	3%
Youth – Prime (Stat Holiday Premium)	\$308	
Youth – Non Prime	\$150	3%
Summer Ice	\$318	3%

For the 2024/2025 season, the Township of Uxbridge have posted their ice rates as follows:

User	Rate	% Increase for Period
Adult – Prime	\$277	3%
Adult – Prime (Stat Holiday Premium)	\$333	3%
Adult – Non Prime	\$162	3%
Youth – Prime	\$265	3%
Youth – Prime (Stat Holiday Premium)	\$317	3%
Youth – Non Prime	\$155	3%
Summer Ice	\$328	3%

It is recommended that staff undertake a full user rate review in 2023, in advance of 2024 budget preparation.

Sunderland Arena Expansion and Renovation

2.0 Background- Pre Grant Application – Sunderland Arena History

In 2017, the Township of Brock (“Township”) began working with Barry Bryant Architects (“BBA”) on expansion and renovation plans for the Sunderland Arena (“Arena”). In conjunction with the Township and the Sunderland Lions Club (“Lions”), BBA had developed conceptual plans for improvements and expansion of the arena. This work was the impetus which led to a subsequent grant submission for the arena expansion and renovation project and successfully cemented the future ongoing operations of the Sunderland Arena. At the time, the proposed renovations budget was approximately \$3,890,000 and the work plan/phases were as follows:

- Phase 1 – Current rink slab replacement and ice surface expansion at estimated cost of \$1,650,000.
- Phase 2 – Addition for new dressing rooms at an estimated cost of \$1,290,000.
- Phase 3 – Renovations to main entrance and lobby at an estimated cost of \$950,000.

Since 2017, the renovation and expansion project has undergone several revisions and a condensed summary of changes is below.

2019 Update

In early 2019, the Lions presented Council with an updated proposal and budget of \$3,900,000 as follows:

- Phase 1 – Expansion of the building envelope to include an expanded ice surface, refrigeration updates and dasher board changes at an estimated cost of \$2,100,000;
- Phase 2 – Addition for new dressing rooms, an ice surfacer room and storage room(s) at an estimated cost of \$1,300,000
- Phase 3 – Renovations to main entrance and lobby at an estimated cost of \$500,000.

Based on this proposal, the Township entered into a Preliminary Design stage and a Class C cost estimate was prepared to determine an appropriate cost estimate that is used to make asset investment decisions (a Class C cost estimate is prepared based upon a comprehensive list of requirements and assumption, including a description of the preferred schematic design options, construction/design experience and market conditions; however exemptions are noted in proposal which includes soft costs, etc.).

2019 Class C Estimate

Class C estimates are prepared when a project is at the preliminary design stage. Currently the drawings for the Sunderland Arena project are 60% complete. Class C estimates are generally prepared to form the basis for budget allocation and/or funding.

The Class C cost estimate was compiled in March 2019, and the budget outlined, at that time, was approximately \$6,900,000 and included at contingency of approximately \$329,000 (Note: This estimate did not include soft costs such as drawings, contract administration and contract oversight expenses).

Staff understand that following the March estimate, there were discussions with Council, the Lions and staff and a second Class C estimate was completed.

A revised Class C estimate was prepared in May 2019 and the cost estimate at the time, with a few changes in project scope to reduce construction costs, and suggested a revised budget of approximately \$6,499,500, including a contingency of approximately \$309,500 (Note: this estimate did not include soft costs such as drawings, contract administration and contract oversight expenses).

In the 2020 budget deliberations, Council approved a budget of \$7,500,000 and committed a total of \$910,000 from Development Charges.

Subsequent to these estimates, staff understand that many discussions were undertaken and this lead to the Township submitting a grant, in 2019, to the Investing in Canada Infrastructure Program (“ICIP”) as well as completing an updated Development Charge Background Study which included plans and budget estimates for the Arena expansion, in case the grant application was not successful and to assist with future expansion.

In 2019, Council made the decision to proceed with an ICIP Grant application and to add the Sunderland Arena to the DC Study in the event that the grant application was not successful. The end result of these decisions (i.e. grant application submission and inclusion in DC study), has ensured that the Sunderland Arena was going to be the facility that will stay open in the future and forces the decision of whether to maintain two additional ice surfaces in the future between the Beaverton and Cannington arenas. Further, the decision to renovate and expand the Sunderland area has eliminated or at the least deferred future discussions the Township might undertake regarding a potential future twin pad facility.

ICIP Grant Application Scope of the Arena Renovation and Expansion Project

The initial scope of the Sunderland arena Renovation and Expansion project, as outlined in the ICIP grant, was as follows:

- Expansion of the building to include: 6 new dressing rooms, community use room and ice re-surfacer room.
- Replacement of concrete ice pad, expansion of ice surface to regulation size, updated refrigeration system and reconfigured seating around the rink.

- Renovation of the existing lobby area and dressing rooms to create a larger lobby and new food booth.
- Renovation of second floor auditorium to create heating viewing space.
- All works to make building fully accessible to accommodate sledge hockey.

It was estimated that approximately 60 to 65% of the arena building would be addressed with the expansion and renovation project, at an estimated cost of approximately \$7,480,000.

Funds Spent in Preparation for Sunderland Expansion Project

In 2018, the Township began working with Barry Bryan Architects, to inform the budget and funding application process. On March 8, 2021 the ICIP funding application was approved. Costs incurred prior to March 8, 2021 of approximately \$182,182 cannot be claimed through the ICIP grant. These costs were funded through general levy, capital reserve fund and development charge reserve draws.

ICIP Grant Approval

As mentioned above, on March 8, 2021, the Township received word that the ICIP Grant was approved, with funding being provided from the Federal and Provincial Governments of approximately \$5,485,084. The ICIP Grant is only for the Sunderland Arena Renovation and Expansion Project.

At the time the grant submission was made, the budget for the proposed work of \$7,480,000 was prepared as follows:

Funding Source	\$
Federal Government Grant	\$2,992,000
Provincial Government Grant	\$2,493,084
Township Contribution	\$918,916
Lions Fundraising	\$500,000
Kaitlin Contribution **	\$576,000
Total	\$7,480,000

**The Kaitlin contribution was to be provided, following the outcome of an appeal in 2019 to the enactment of zoning bylaw 2780-2018 PL., between the Concerned Citizens of Sunderland and Kaitlin Development. A settlement to this matter was achieved that stipulated that Kaitlin Development would enter into a private agreement with the Sunderland Lions club to do the following:

- Contribute \$1,000/unit to the Sunderland Lions Club to be paid on issuance of Building Permit for 268 units in Phase 2 of the Sunderland Meadows Project;
- Contribute \$2,000 per unit to the Sunderland Lions Club for the next 154 units in Phase 3 of the same development.

To-date, this agreement between both parties (the Sunderland Lions Club and Kaitlin Development) has not been signed, however, the Sunderland Lions Club is continuing efforts to make this happen.

The major issue with agreement completion is that development is currently stalled as servicing is not available for this development. It is assumed that once the servicing issues are resolved, a formal agreement will be signed, however, the funding estimated of \$576,000 will not be available immediately to assist with the Sunderland Arena renovation and expansion project.

In the meantime, this proposed allocation from Kaitlin Development will need to be funded in another manner or bridge financing be provided by the Township (until such time as the funds are received).

Development Charges Study – Sunderland Arena

During the 2019 Development Charge study, the Sunderland Arena project was added to the study in the event that grant funding wasn't approved. This project was added to help ensure that the project would proceed.

Engineering details on the project were not fully available at the time the DC study was concluded and the amount of \$6,500,000 was the DC charge that was added to the study.

Extensive discussions have taken place with Hemson Consulting Ltd. (who completed the 2019 DC Study) in conjunction with the engineer who completed the preliminary design to confirm the percentage eligible. Following these discussions, it has been determined that the Development Charges eligible for this project are estimated at 65% of the cost (after reduction for the Federal and Provincial grant funding) based on the scale of the project as it currently exists.

If this project proceeds, staff recommends that the DC's to be used come from the current DC balance and that the next Development Charge Study to be completed for 2024 (and 2029) reference the updated Parks and Recreation Master Plan to determine priorities across the Township.

Staff have attached, to this report, a copy of the Hemson Consulting, Development Charge presentation, presented to Council on April 3, 2023. It is important to note that recent Bill 23 changes will affect the timing and collection of development charges in the future. As a result, it is important to be cautious about what goes in the Development Charge study in the future as there will be a delay in collecting funds required, due to phasing (the reality is that the collection of the full funds required as part of the Development Charge Study may be uncertain, or at a minimum, the expected timing of collection may be uncertain). In addition, the legislation requires greater clarity around the projects that the Township can collect DC's for.

Design and Investigative Work Undertaken Following ICIP Funding Announcement since the Project was approved for funding announcement April 2021

Additional engineering investigation to proceed with the project took place in the fall of 2021 and included the following:

1. Deploy camera to review the existing sanitary piping to confirm:
 - General inverts at clean out locations
 - General routing through the facility
2. Conduct a flow test of the water system. This is required to be completed for verification of pressure for both the added building area and sprinklers that will be required on the addition.
3. Remove the Interior liner panel at the rink to confirm the existing wall assembly where the siding will be removed.
4. Conduct interior utility locate scans around the rink where we will be removing the apron slab to confirm interferences that may be encountered during removal of the slab.
5. Conduct exterior building locates to consider the additional change rooms/storage/ice expansion.

This work was concluded in September 2021 and will assist with the design work required if a decision is made to proceed through a traditional tender approach (i.e. this means that construction/renovation drawings would be finished and a formal tender issued).

A further Class C Cost Estimate, performed by AJ Hooker, completed October 20, 2021, estimates the update cost of the project to be approximately \$8,400,000. This estimate does not include soft costs for items such as design services, drawings, project management and building permits. A project contingency of approximately 8% is included.

The contingencies are based on standard market conditions and past project reference. It is noted in all three Class C estimates that the contingency can easily be consumed in the event unforeseen conditions are encountered that greatly effect the project scope of work. It is also important to note that unforeseen conditions are more likely at the Sunderland Arena where original reference drawing information does not exist.

Given current market conditions and given that we are in unprecedented times with material and labour shortages which could affect the construction budget makes this project challenging. We also note that the septic tank and tile bed removal may lead to possible site remediation if it is found that contaminated soil is present. If this is the case, this will add to further increased costs for this project.

We are also aware of mastic (a type of caulking which often contains designated substances) around the units on the roof which and this has been identified by a consultant, Golder, who performed a review of the facility for designated harmful substances. The scope of this remediation will be identified in advance and addressed in the tender to ensure that this does not become an extra charge.

In addition to this, we are also aware that there may be damage that could occur to the siding of the building with the work and contingency funds should be retained to cover this cost if need be.

While we do have the structural condition report for the arena, there were a number of areas noted that require further investigation. It is recommended that staff undertake further investigation of these items, so as to better inform the RFP process and to obtain reasonable estimates of the cost of the project. Some of the items identified for further investigation include:

- Due to the presence and condition of the existing liner systems within the arena, the existing pre-finished metal roof and deck and the cold formed z-purlins could not be confirmed. As a result, further investigation is required to confirm the structural composition and assess the existing condition of the roof deck/purlins throughout the Arena.
- The inspection noted staining on the suspended ceiling in the community room. Further investigation is required to determine the source and severity.
- Outside grade issues as well as staining and moisture on the north end of the building need to be re-visited.
- Mechanical platforms need to be assessed from an engineering perspective.
- The second floor framing was not checked and the condition needs to be reviewed.
- The front entrance needs to be addressed in the renovation/expansion project. New exterior bollards, plus repairs to the canopy are required.
- The roof on the re-surfacer room is damaged.

Given the additional considerations outlined above, staff estimate an appropriate budget projection for this project be set at a minimum of \$9,400,000 to a maximum of \$10,000,000 to allow for enhanced contingencies that may arise and to address soft cost items.

Proposed Project Scope Change

As Council is aware, the construction industry is continuing to face challenges which are causing increases across the board. The recent non-residential construction price index, used for indexation of development charges, pegged construction related increases over the period from April 1, 2022 to March 31, 2023 at 12.3%. This is on top of the increase experienced over 2021 to 2022.

After discussions with our engineer and contractors involved in this type of work, staff feel that the entire scope of the project, as initially planned, cannot proceed with a budget of \$9,400,000. To complete the entire project would require increased Township contributions.

As part of the due diligence on addressing increased costs, staff reached out to the Province to find out if additional funding could be made available for this project. From discussions with the Province, we understand that other municipalities are also facing the same challenges as the Township and potential around scope changes were discussed.

In conversations with the Province, we understand that no additional funds will be forthcoming from the other levels of government and that we have to work within the funding parameters provided. This being said, the Province indicated that we can submit a formal scope change to revise the proposed work, provided key areas such as accessibility enhancements (i.e. accessible changerooms) and viewing rooms were maintained as part of the project.

Staff suggest that a formal project scope reduction may be required. We understand that the approval process for a scope reduction could take upwards of four (4) to six (6) months and it is suggested that if we decide to go this route, that we only submit one de-scope request (doing additional de-scope requests will add time to this project and the project needs to be completed by 2027).

In addition, the initial grant application indicated that the ice surface would be expanded to regulation size. Full regulation size ice surface is considered to be 200 x 85 feet, and unfortunately, it has been determined to date that this size is not achievable. If a scope change is submitted, the application will be changed to “expansion of ice surface”, without including a specific size, however, it is the Township’s intent to work towards an ice surface size as close as possible to regulation.

Once a formal de-scope submission is made, the Province will review and if they agree with the recommendations, the submission will then move to the Federal Government for their sign off and approval. Approval from both levels of government is required as the funding is being provided jointly from the Federal and Provincial governments.

Project Procurement

As the Township does not have staff resources in-house to oversee a project of this nature or size, staff recommend that a project management firm be hired to oversee the entire project, including the procurement of a construction services manager (either on an Agency or Principal basis).

We have recommended an increase to the project budget to cover the costs of managing the project. Additional details will be available when this report comes back as we work to refine our recommendation on the procurement and project oversight.

When hiring a project management firm, the Township can choose their level of risk and involvement in the project and the cost of each will vary.

The first is called an Agency capacity in that the project manager represents the Township and the Township is involved in the project, however, the Township carries all project risk.

A Principal capacity means that the project manager will take on the project for the Township, make decisions related to the project (with some Township involvement) and will carry all project risk.

Analysis

Based on the foregoing, a summary of the steps involved in the Sunderland Expansion/Renovation project include the following:

- That Council set a firm budget, in the range of \$9,400,000 to \$10,000,000 for this project and provide authority to an internal staff team, consisting of the CAO, the Director of Finance and the Manager of Facilities to undertake the steps required for project completion;
- That an RFP for Project Management Services be prepared and released after staff further refine this request.
- That staff undertake communications with local user groups to gauge their priorities for this project and to set expectations around what can be achieved with the funding available. Priorities will need to be set as the funding is limited.
- That the project team, consisting of the CAO, Treasurer and the Manager of Facilities, in conjunction with the Project Manager, complete an RFP for Construction Management.

Staff will commit to keeping Council and the public updated on the progress of this project, however, if a formal de-scope submission is made to the Province, the Township is very limited on further changes that can be made to the project.

The Sunderland Arena will be out of commission for a period of time to complete the renovation and expansion work. Beaverton and Cannington Arenas will accommodate our user groups and ice will be allocated through the use of the Ice Allocation Policy (see Attachment # 6, to this report).

At the present time, staff believes that a formal de-scope submission, if required, will possibly include (Note – this is what staff currently anticipates, however, a formal de-scope, if required, will follow once a design build process has commenced):

- Removal of the word “regulation” ice size in the ICIP grant submission but will commit to an expansion of the ice surface (our intent is to work towards an ice surface of a minimum of 200 feet x 80 feet, however, we recognize that there may be factors that might limit this and will keep everyone informed if this is in fact the case. We understand that full regulation size is not achievable, however, it is out intention is to work towards a ice surface size as close as possible to regulation).
- Consider reducing the number of dressing rooms from six (6) to four (4), but keep a minimum of two (2) dressing rooms as accessible dressing rooms; and

- Limit front lobby renovations to matters concerning accessibility only at the present time.

Community Fundraising

The Sunderland Lions Club (“Lions”) has been an active partner with the Township for many years on various numerous projects and is keenly interested in seeing the Sunderland Arena Renovation and Expansion project commence.

The Lions have expressed that they would like the Sunderland project to be undertaken to address long overdue improvements needed to the Sunderland Arena and to ensure it continues to serve the Sunderland and broader Brock Township communities well into the future.

Back in the 1960’s, the Lions successfully fundraised to install artificial ice and build a new structure to the front of the building to include four (4) dressing rooms, a washroom, a food booth and a second floor auditorium. Further, in the 1970’s, the Lions conducted additional fundraising to build a new concrete and steel structure over the ice pad, replacing the old wooden structure build many years before and in 2010, funded the creation of concept plans required for a facility upgrade. This history demonstrates the importance of the Sunderland Arena to the Sunderland community and to the Lions Club.

Attached to this report, is a letter from the Sunderland Lions Club which outlines their desires for the Sunderland Arena and predicates their funding support on the following (see Attachment # 5, to this report):

- Expansion of the ice surface to regulation size, however, should this not be possible (or financially feasible), an expansion to the ice surface to incorporate 80 feet x 200 feet (with seating areas provided);
- Construction of four new dressing rooms, including two fully accessible for sledge hockey;
- Storage space to replace existing storage area under the seats;
- Accessibility enhancements to ensure the building is fully accessible, including new double accessible doors between the lobby and the ice pad viewing area, automatic sliding doors at the main building entrance and the installation of viewing windows in the second-floor auditorium.

While it is acknowledged that improvements to the lobby area and front exterior façade are needed, these will likely be required to be deferred until additional funds are available.

With a budget of \$9,400,000, the Lions Club have committed a sizeable contribution of \$500,000 to this project, however, if the budget is set at \$10,000,000, the Lions have advised that they will increase their funding commitment to a total of \$800,000.

In their letter, the Lions have also indicated that when and IF, the eventual funds are received from Kaitlin Developments, that these funds will be provided to the Township for additional Sunderland Arena improvements.

The Lions have also asked that Council consider keeping the Sunderland Arena in the 2024 Development Charge Background Study and that funds be allocated to complete an additional two further dressing rooms (the original concept submitted had contemplated adding six new dressing rooms (two of which would be fully accessible), however, due to cost constraints, they are suggesting that it may only be possible to complete four dressing rooms as part of the expansion and renovation project.

No decision has been made on the final scope of this project and therefore no decisions have been made on reducing the number of dressing rooms from the original design. This exercise will take place as we work through the process.

Financing

The proposed budget of \$10,000,000 would be all inclusive. This means that soft costs such as project managers, consultants, financing costs, contingency, etc. will be incurred as part of the approved budget. To be clear, the budget of \$10,000,000 will not be used solely for “brick and mortar” items but will also have to fund the soft cost items mentioned above. Staff do not recommend adding any further funding to the proposed budget to cover these soft costs and they must be absorbed within the proposed budget.

If Council approves the staff recommended budget of \$10,000,000, a tentative, proposed financing strategy could be as follows (to be finalized once full budget is approved):

	\$
Proposed Budget	\$10,000,000
Less:	
ICIP Grant	\$5,485,084
Sub-total	\$4,514,916
Development Charges (Township Funding)	\$2,934,695
Sub-total	\$1,580,221
Less: Sunderland Lions Contribution	\$500,000
Sub-total	\$1,080,221
Less: Arena Reserve Fund Draw (Township Funding)	\$300,000
Sub-total	\$780,221
*Less: Additional Sunderland Lions Contribution	\$300,000
** Additional Township Contribution Required	\$480,221

The total proposed Township contribution to this project, not including the \$182k previously incurred on this project, is approximately \$3,714,916 (and not including the \$175k spent in 2023 budget on, the Sunderland Arena). Development Charges are collected and to be used on projects across the entire Township, therefore, by allocating a significant portion of DC's to the Sunderland Arena, takes away from other equally important required projects across the entire Township. While the funds were placed in the last DC study for the Sunderland Arena purposes, by allocating significant funds to this project, this does re-allocate from other needed projects across the entire Township that are of equal importance.

If the budget for this project is set at \$10,000,000, the Lions have graciously agreed to continue fundraising for an additional \$300,000 contribution towards this project. Staff recommend increasing the budget to ensure that the project is managed appropriately by a third party consultant who manages these types of projects. The Lions have advised that they currently have \$500,000 available to contribute to this project and believe it would take them approximately two (2) years to raise an additional \$300,000.

*The Township would be required to bridge finance these funds while fundraising efforts continue, however, once the funds are raised, they will be provided to the Township (see the Letter from the Sunderland Lions Club, attached).

**The Township's proposed additional contribution to this project (over and above the funds already expended) is approximately \$480,221 and it is staff's recommendation that this be funded from rate stabilization (addressed later in this report).

Based on preliminary analysis, the Township's 2022 surplus is approximately \$886,703 (this is subject to year-end finalization and audit). Once finalized, the 2022 surplus will be closed into the Township's rate stabilization reserve.

To reduce borrowing requirements for this project, staff suggest that a possible source to be used to fund the Township's additional funding contribution of \$480,000 include a withdrawal from the Tax Rate Stabilization Fund. The Tax Rate Stabilization balance, including the contribution from the 2022 estimated surplus is included below in this report.

Staff are currently working on finalizing the 2022 surplus balance and this will be updated with the next report to Council on this project.

If sufficient funds are available within the Tax Rate Stabilization Reserve, staff suggest that Council give consideration to directing funds from the reserve to address capital and maintenance requirements in both the Beaverton and Cannington arenas. This will be proposed in the 2024 budget process for Council consideration.

Based on the timing of expenses and receipt of reimbursement of grant funds (and to assist with the bridge required for the additional Lions Fundraising), it is likely that the Township will be required to increase its operating line of credit from \$1,000,000 to \$4,000,000. These funds will only be used as required, therefore, it is difficult at present time to estimate the interest costs that might be incurred, however, assuming that the full \$4,000,000 is required immediately and will be repaid within two and a half years, interest expense would be approximately \$210,000 (4% interest, 2 year term, compounded monthly). It is suggested that a placeholder for interest expenses be included as part of the overall project cost and that

It is not likely that the full \$4,000,000 will be required immediately and it is likely that payments will be made as funds are received (from the other levels of government), therefore, the interest expense will likely be significantly less.

Bridge of Lions Club Fundraising

As previously mentioned, the Lions have offered to continue additional fundraising of \$300,000 (assuming project budget is set at \$10,000,000) over the next two years. As these funds are not available immediately, the Township will be required to bridge finance this contribution.

The Township could either borrow the funds externally through the bank or use Tax Rate Stabilization or another reserve, until such time as the funds are repaid.

The cost of borrowing versus the lost investment (interest) revenue to the Township from a tax rate stabilization reserve draw is illustrated as follows:

	Borrowing	Tax Rate Stabilization
Amount	\$300,000	\$300,000
Term	2 Years	2 Years
Interest Rate	4%	2.8% (approx. return)
Compounded	Annually	Annually
Total Interest Cost	\$24,480	\$17,035

If the Township were to borrow \$300,000 for 2 years (at an interest rate of 4%), the cost of borrowing would be approximately \$24,480.

If the Township was to use Tax Rate Stabilization to bridge finance the fundraising efforts, the Township would forgo investment interest (assuming investment rate of 2.8%), of approximately \$17,035.

As the Lions are fundraising for enhancements to a community asset (and providing the funds to the Township), Council may decide to forgo the repayment of any interest on these funds (from the Lions). It is staff's recommendation that no interest on the bridge financing be charged back to the Lions as they have been an active partner in this project and are making a sizeable investment in the Township's community asset.

Development Charge Reserve Balance

In the 2019 Development Charge Background Study, the Sunderland Memorial Arena Expansion Project was included at a project cost of \$7,000,000. This assumed that there would be no grant funding eligible for this project and assumed total eligible DC costs of \$5,850,000.

However, since the preparation of the 2019 Background Study, the project did receive ICIP Grant Funding and the work originally planned has changed.

Based on discussions with our Development Charge consultant, the maximum Development Charges that could be allocated to this project is 65% of the net project costs (after reduction for the ICIP grant). Accordingly, the maximum Development Charge withdrawal is \$2,934,695.

As of year-end 2022, the Parks and Recreation component of the Development Charge Reserve balance was approximately \$4,294,021.

Assuming no Development Charges are collected throughout the year, it is estimated the balance as of December 31, 2023, will be approximately \$4,012,211.

Given the above, there are sufficient funds within the Parks and Recreation Development Charge Reserve component to fund the estimated withdrawal for the Sunderland Expansion and Renovation project of \$2,934,695. A withdrawal of this amount would estimate the balance at year-end (assuming no development charges are collected throughout 2023) of approximately \$1,077,516.

As previously mentioned, the Sunderland Arena project was put into the Development Charge Background Study a safeguard in case the ICIP grant was not approved. A total of \$6,500,000 was included in the Development Charge Background Study, however, at the time of grant submission, a full project scope had not been completed.

If the grant had not been approved, it is envisioned that the project financing (at the time) would have been as follows:

	\$
Project Cost	7,400,000
Development Charge Draw	(\$6,500,000)
Lions Club Contribution	(\$500,000)
Kaitlin Contribution	(\$576,000)
Net Township Contribution	\$nil

Since that time, it has been determined that the maximum Development Charge allocation for this project is limited to 65%. Based on this, the revised project funding would have been as follows:

	\$
Project Cost	7,400,000
Max Development Charge Draw	(\$4,810,000)
Lions Club Contribution	(\$500,000)
Kaitlin Contribution	(\$576,000)
Net Township Contribution	\$1,514,000

As the Development Charges Draw is limited, the net Township contribution, without the grant, would have been higher.

Subsequently, the grant was approved, however, the project plans have been expanded and as the cost escalation continues, the Township is committing approximately \$2.9 million to this project from Development Charges. Staff do not recommend a phased approach to accomplish this project. The project should be based upon an established budget and the scope should be based on Community and Council priorities.

Staff are recommending that the 2024 DC study be prepared in reference to the Parks and Recreation Master Plan which is currently ongoing, however, Council should be aware that there is a possibility that the Parks and Recreation Master Plan may not suggest additional funding towards the Sunderland Arena given that there is a long list of recreational needs across the Township that require funding.

Arena Reserve Fund

For the past couple of years, an allocation of \$300,000 per year has been made to an arena reserve, to address work that is needed and identified in the structural condition reports. While not specifically allocated, the idea was that each arena would have approximately \$100,000 per year to be used for capital related upgrades/replacement.

As of year-end 2022, the estimated balance in the arena reserve was \$1,586,650 and the balance is estimated to be approximately \$1,545,650 at year-end 2023. Assuming that the arena reserves are to support all three arenas, equally, there is approximately \$500,000 in reserve for each arena.

The Sunderland expansion/renovation project will address a number of needed improvements at the facility (including the ice plant technology which is at end of life and could be deemed unsafe by TSSA at any time in the future), however, the entire building is not being renovated and it is estimated that approximately 40% of the original building will be untouched. These areas will still require ongoing attention in the coming years; therefore, it is recommended that only \$300,000 be used for the Sunderland expansion/renovation project and that the remaining funds be retained to address upcoming repairs in other parts of the facility.

The Beaverton and Cannington arenas also require ongoing maintenance and capital improvements, therefore, it is recommended that funds be retained in the arena reserve to assist with these projects as well. Currently, there are plans in the works for a smaller renovation to the auditorium at the Beaverton arena and while the Township is working with the Beaverton Lions Club on a Trillium grant, it is anticipated that additional Township contributions may be required towards this project.

Attached to this report is a list of capital projects required for each arena in the next 10 years. Each arena continues to require significant capital contributions and it is recommended that the annual arena reserve contributions be increased by an additional \$50,000 in each of the 2024 (total \$350,000 contribution for 2024) and 2025 budget (total \$400,000 contribution for 2025) to assist with these projects.

Tax Rate Stabilization Reserve

The Tax Rate Stabilization Reserve is a discretionary reserve (meaning that Council can direct how funds and where are used from the reserve) that is typically funded by prior year surpluses and is generally used to fund specific one off projects, rather than funding the project from further tax levy.

The estimated balance in the tax rate stabilization reserve, before any withdrawals for the Sunderland Arena project and assuming the transfer of 2022 year-end surplus into the stabilization reserve is as follows:

	\$
Opening Balance	\$1,907,840
Add: 2022 Surplus	\$886,703
Sub-total	\$2,794,543
Less 2023 Budget Items:	
2023 Transfer to Roads Capital Reserve	(\$1,080,000)
CAO Recruitment	(\$40,000)
Core Services Review	(\$50,000)
Strategic Plan	(\$10,000)
Manilla Hall Flooring	(\$10,000)
Gamebridge Hall Sign	(\$3,000)
Asset Retirement Obligations	(\$15,000)
New Council Training	(\$7,000)
Ash Tree Remediation	(\$25,000)
Street Calming Initiatives	(\$50,000)
Double Surface Treatment	(\$10,000)
Fire Certification Training	(\$36,000)
Contract Planning Technician	(\$39,400)

Estimated Balance Year-End 2023	\$1,419,143
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If the staff suggestion to use tax rate stabilization towards the Sunderland project is approved in the amount of \$480,221, it is estimated that that the reserve balance will be approximately \$938,922.

3.0 Climate Change Impacts

The updated facility will be more energy efficient as we will replace outdated compressors, arena refrigeration equipment with the best we can find based on energy saving. Low flow toilets, showers and sink taps with timers to reduce water use will also be considered. Design considerations around maintenance requirements will also be considered as we will strive to use materials and design to help streamline our operation. The design build exercise will also look at the overall project through the energy efficient lens designed to minimize environmental impacts.

4.0 Communications

As the facility will be closed to the public, regular updates along with photos will be shared on the Townships website. We are proposing to have a dedicated section on the website that is specific to this project.

5.0 Conclusion

Undertaking the renovation and expansion at the Sunderland arena will extend the life of the arena and provide for a greater user experience. As both grant funding, development charge funding and community fundraising is available for the renovation and expansion project, staff recommends that the Township proceeds to the stage of issuing an RFP for Project Management Consulting Services.

Keeping both the Beaverton and Cannington arenas open during the Sunderland expansion and renovation will assist the Township in continuing and maintaining operations during the time required to close and complete the Sunderland arena renovations (which is estimated to be approximately 12 to 18 months).

In order to ensure that ice is evenly distributed, staff will continue to use the ice allocation policy to distribute the ice as per the policy.

In keeping with the Recreation and Master Plan recommendations, staff suggest that, once the Sunderland project is complete, that Council give consideration towards the ongoing operations of both the Beaverton and Cannington arenas and that the review consider such factors as ice utilization and ongoing renovation and operational costs.

The Beaverton area is projected to become the largest growth area within the Township and it is estimated that Beaverton could build out at a population around 14,000 persons. Growth projections are forecasting a build-out of 4,300 residents for Sunderland and 5,400 residents for Cannington. This growth would rely on servicing upgrades to be completed by the Region.

In light of this, staff suggest that, with the next Development Charge Background Study that is completed, that consideration be given to the recreation needs identified in the Parks and Recreation Master Plan.

6.0 Attachments to Report

The following list of attachments have been referenced in this report and are appended as additional context for review in consideration of this report:

Attachment #1 – Beaverton-Thorah Community Centre, Structural Investigation and Report

Attachment #2 – Rick MacLeish Memorial Community Centre (Cannington), Structural Condition Investigation Report

Attachment #3 – Sunderland Brock Memorial Arena, Structural Condition Investigation Report

Attachment #4 – Township of Brock, Forecasted Arena Maintenance Expenses

Attachment #5 – Letter from the Sunderland Lions Club

Attachment #6 – Ice Allocation Policy

Attachment #7 – Memorandum from Hemson Consulting, dated March 23, 2023, regarding the Review of 2018 Township of Brock Asset Management Plan

Attachment #8 – Summary of Beaverton Arena Operating Revenue and Expenses, 2019 to Budget 2023

Attachment #9 – Summary of Cannington Arena Operating Revenue and Expenses 2019 to Budget 2023

Attachment #10 – Summary of Sunderland Arena Operating Revenue and Expenses 2019 to Budget 2023

Attachment #11 – Hemson Consulting Inc., Development Charges 101 Presentation, dated April 3, 2023.

6.0 Recommendation

BE IT RESOLVED THAT Report FI-017, dated July 17, 2023, titled "Current Arena Status Report and Sunderland Arena Renovation and Expansion Project

That Council provide direction on any additional opportunities for input they wish to hear prior to making a final decision on the budget for the Sunderland Arena Expansion and Renovation Project; and

That Council direct staff to conduct a user group survey to assess user group priorities within the project scope for the Sunderland Arena Renovation and Expansion Project; and

That Council direct staff to report back in Q3 following additional input received from Council as well as input received from the public and user groups; and

That the arena reserve budget be increased by a further \$50,000 per year in each of 2024 and 2025, to be shared equally amongst all three of the arena project reserves;

That an Arena Rehabilitation project of \$200,000 be included in the 2024 budget, to be funded from the Arena Capital Project Reserve, to address necessary repairs to each arena, including the hiring of engineers and contractors as required. These funds are to be allocated equally amongst all three arenas;

THAT Council direct staff to conduct an arena user rate review to be completed in 2023, in preparation for the 2024 budget; and

THAT Council direct staff to bring back a formal budget request in the amount of \$10,000,000 including funding as discussed within Report 2023-FI-017, Current Arena Status Report and Sunderland Arena Renovation and Expansion Project, as well as a request to engage Project Management Services to oversee the Sunderland Arena Expansion Project