
TO: Oceanside Services Committee **MEETING:** June 25, 2020

FROM: Dean Banman
Manager, Recreation Services

SUBJECT: Ravensong Aquatic Centre Preferred Expansion Options

RECOMMENDATIONS

1. That preferred expansion Options 1 and 2 be brought to the public for comment in 2021 or when Stage 4 of the RDN and BC Provincial COVID-19 Restart Plans have been reached.
2. That Ravensong Aquatic Centre Five Year Financial Plan continue to include the planning for a borrowing referendum in 2021 and expansion in 2023.

SUMMARY

Ravensong Aquatic Centre Expansion Design and Feasibility project architect FaulknerBrowns presented four options and costing for expansion of Ravensong Aquatic Centre to the Oceanside Services Committee (OSC) at their regular meeting on February 13, 2020. As stated in that presentation future work would include further review and preferred design option(s) to be presented to the OSC in June of this year.

The two preferred design options presented (Attachment 1) reflect the input and direction provided by the OSC at the February 13th meeting while still including as much as possible preferred amenities and design features heard through the community engagement process as well as those typically seen in aquatic facilities built today.

As per OSC and Board direction Option 1 is an expansion that provides only an increase in change room areas and an additional four lane 25m tank. Total estimated project cost for Option 1 is \$17,479,500. The total estimated construction cost of this option is \$12,698,500. Option 2 includes the same new amenities as Option 1 plus a multi-purpose dry floor space and a “right-sized” leisure pool option. Total estimated project cost for Option 2 is \$20,009,500. Estimated construction cost for Option 2 is \$14,701,500. All costs are in 2020 dollars. The financial implications of both options are further discussed later in this report.

Approval of both report recommendations would provide the ability to continue determining the willingness and feasibility of expansion when COVID-19 concerns have significantly diminished. The approval of the recommendations also provides the best opportunity to meet the short timelines and strict criteria regarding project readiness of many grant funding requirements.

BACKGROUND

In May 2019 the RDN Board approved a concept design and project plan to expand Ravensong Aquatic Centre and instructed this work be given priority in 2019.

Project Goal: To plan for deliverable additional aquatic and wellness amenities that will meet the evolving needs and resources of the Oceanside community.

Since October 2019 work on identifying preferred amenities and design options for an expansion to Ravensong Aquatic Centre has been underway. This work has included gathering input through community surveys, focus group meetings, online engagement through a Get Involved RDN project page, tours with OSC members and staff of lower mainland aquatic facilities and community open houses. In addition, project architect FaulknerBrowns (FB) has reviewed and considered relevant long term RDN plans such as the 2019 - 2022 RDN Board Strategic Plan, 2019 - 2029 Oceanside Recreation Services Master Plan as well as relevant policies such as "Wood First Policy for RDN Facilities" and "Green Building Policy for RDN Facilities". FB has also reviewed population growth estimates for the Oceanside area and compared these estimates to projected future needs for indoor aquatics.

Four design options and costing for two of the options were presented by FaulknerBrowns to the Oceanside Services Committee (OSC) at their regular meeting on February 13, 2020. These design options included the majority of features heard during the rounds of the community engagement and included a water slide, multi-purpose space, larger gathering space for viewing, an increase in deck space and dedicated space for weight resistance and cardio exercising. The projected costing for the two most favoured options presented were \$23 million and \$28 million.

Input from the OSC at the same February meeting was the costs were too high and needed to be scaled back. The OSC provided the following recommendation that was also later endorsed by the Board;

It was moved and seconded that an option be provided to the Committee that outlines what the cost would be to the community for a basic addition to the pool that includes an additional lane tank and expanded change rooms.

Option 1 shown in Attachment 1 is the design and costing of an expansion that only increases the capacity of the facility's change rooms and adds an additional 4 lane 25m tank. The ability to expand to a second floor at a later date to accommodate fitness space has been included in this option. Total estimated project cost for Option 1 is \$17,479,500. The total estimated construction cost of this option is \$12,698,500.

Option 2 also shown in Attachment 1 includes the same new amenities as Option 1 plus a multi-purpose dry floor space and a "right-sized" leisure pool option. The ability to expand to a second floor at a later date to accommodate fitness space has been included in this option. Total estimated project cost for Option 2 is \$20,009,500. Estimated construction cost for Option 2 is \$14,701,500. The financial implications of both options are discussed later in this report.

The COVID-19 pandemic has affected the project timeline of completing the final community engagement on a preferred design and presenting these results and a final design recommendation by July of this year. In addition, the original project schedule allowed time for a borrowing referendum to be held in the Fall of 2020 should the Board choose. Mass gatherings such as those seen during a referendum are anticipated to be restricted for the remainder of 2020 and likely the first half of 2021.

ALTERNATIVES

1. That preferred expansion Options 1 and 2 be brought to the public for comment in 2021 or when Stage 4 of the RDN and BC Provincial COVID-19 Restart Plans have been reached.
2. That Ravensong Aquatic Centre Financial Plan continue to include the planning for a borrowing referendum in 2021 and expansion in 2023.
3. That alternate direction be provided.

FINANCIAL IMPLICATIONS

Ravensong Aquatic Centre was constructed in 1995 with final payment of the original debt being retired in 2015. As second debt payment required for the 2010 remediation was retired in 2016. Currently there is no debt on the facility.

Attachment 1 provides a breakdown of Class D estimated costing for both options as well as comparisons of changes to the footprint of Ravensong compared to its current size. Option 1 provides a 67% increase in water area and a 56% increase in overall facility space. Option 2 doubles the water area and increases the overall facility space by 78%.

Two RDN Board directives have financial relevance and have factored into the cost of design, project planning and both construction and annual operating costs. Board policy *B1.16 Green Building Policy for RDN Facilities* required an integrated design process be adhered to and completed. Through this integrated design approach building design and operating systems have been included in the Class D costing estimates and achieved both RDN goals of reducing GHG emission by 80% and significant energy savings to contribute to the RDN Board's Strategic Plan Goal 1.0 to be net zero by 2032. Just over \$890,000 has been included in the costing of both options to help the RDN achieve net zero carbon by 2032.

The costing within in each of the two options include facility upgrades due to building code requirements that would be required with an expansion project These include fire protection upgrades (sprinklers), seismic upgrades and electrical upgrades and amount to \$2,268,800.

Neither option includes dedicated weight nor cardio training space which was of high interest from the community and has typically been included in all aquatic facilities built since early 2000. Fitness amenities and space were also removed from the original construction of Ravensong as a cost costing measure. This type of space compliments an aquatic facility as well as local for-profit fitness businesses by catering to those not yet ready to join these types of fitness facilities. In time many users of aquatic fitness space migrate to more specialized private fitness facilities. Space dedicated to weight and cardio fitness also in many cases produce a positive revenue stream for facilities.

Over the past 10-20 years there has been a strong shift away from stand-alone, single purpose venues to multi-purpose recreation "hubs". This trend has been driven by an increasing realization of the synergistic relationships between different amenities that can provide opportunities for multiple ages and interests within a single venue,

Net annual operating projections for both options show increases to both revenues from operations (lessons, admissions, programs, rentals) and expenses related to the operation of a larger facility. Recovery rates of 29% for Option 1 and 31% for Option 2 compare to 31% of the existing facility.

Preferably recreation infrastructure capital projects of this scale are not funded solely by local government through their own debt and increases to tax requisitions. Infrastructure grants through Federal and/or Provincial programs that have the potential to fund up to 90% of eligible project costs are critical. One example is the Community Culture and Recreation (CCR) stream of the Investing in Canada Infrastructure Plan (ICIP). Securing funding from grant programs will be required to expand Ravensong Aquatic Centre in any capacity. The application window for many of these grant funding opportunities are relatively short. Not leaving time to complete feasibility studies or other funding support in place requires projects to be “shovel ready”. Grant funding of 50% towards project costs have been used in the projections shown in Attachment 2.

Attachment 2 provides the impacts either expansion option would have on Ravensong Aquatic Centre’s financial plan and show tax requisition increases averaging 6.5% but in most years are closer to 5% and in later years as low as 2%. Also shown in Attachment 2 are changes to the tax requisitions per \$100,000 assessment for each of the contributing partners for both Option 1 and Option 2.

The approval of the recommendations provides the best opportunity to meet the short timelines and strict criteria regarding project readiness of potential grant funding requirements.

Regional District of Nanaimo District 69 Swimming Pool Service Bylaw #899 provides the ability to annually fund RAC with contributions through tax requisition. The maximum requisition under the bylaw is the greater of \$770,000 or \$0.434 per \$1,000 of net taxable value land/improvements. Currently the requisition for RAC is \$0.217 per \$1,000. The 2020 land and improvement values on contributing members show that the maximum dollar value for contributions under the bylaw would be \$5.3 million annually. Attachment 2 shows the requisition to pay for both debt and annual operating of an expanded facility would continue to be under the maximum amount under Bylaw #899 (\$4.083 million dollars).

A borrowing bylaw via referendum would need to occur to obtain electoral consent if the Board desires to begin expansion prior to reserve amounts being reached that could finance the entire capital project. The 2020 Budget and approved 2020 - 2024 RDN Five Year Financial Plan include a service level increase in the amount of \$270,000 for community engagement leading up to a referendum and funds to carry one out:

\$150,000 - Design Work and Project Planning for Expansion
\$120,000 - Referendum

During the development of the 2019 - 2029 Oceanside Recreation Services Master Plan participant’s willingness to increase taxes was a question asked during community engagement. Revealed in the State of Recreation Report for District 69 Oceanside was that 53% of respondents would support an annual increase in taxation in order to improve or provide new or improved services.

Results by Area

Willingness to Increase	PV	QB	E	F	G	H
Yes	54%	60%	46%	47%	55%	54%
No	22%	20%	29%	26%	21%	25%
Unsure	24%	20%	25%	27%	25%	22%
Increase Amount	PV	QB	E	F	G	H
\$20 or less per year	22%	16%	24%	30%	19%	18%
\$21 – \$30 per year	24%	19%	17%	23%	19%	20%
\$31 – \$40 per year	11%	10%	10%	11%	11%	16%
\$41 – \$50 per year	21%	22%	23%	17%	21%	26%
\$51 – \$100 per year	14%	20%	19%	8%	19%	17%
Over \$100 annually	8%	13%	8%	11%	10%	3%

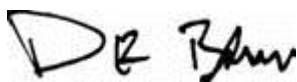
For comparison purposes a costing estimate for the construction of an aquatic facility the same size and amenities as Ravensong Aquatic Centre was completed and presented at the February 13, 2020 OSC meeting. The \$16.6 million plus land costs estimate allows for some comparison between an expansion to Ravensong and construction of new aquatic facility. However, the increase in annual operating costs and challenges associate with two separate facilities in a community the size of Oceanside needs to be considered. As well as the likelihood that any aquatic facility being constructed today the same size as Ravensong would be considered too small for a community.

STRATEGIC PLAN IMPLICATIONS

Social Wellbeing - Make the Region a safe and vibrant place for all, with a focus on children and families in programs and planning.

Growth Management - Provide effective regional land use planning and responsible asset management for both physical infrastructure and natural assets.

Climate Change - Be leaders in climate change adaptation and mitigation, and become net zero by 2032.



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June 22, 2020

Reviewed by:

- K. Fowler, Manager, Long Range Planning
- J. Bradburne, Director, Finance
- T. Osborne, General Manager, Recreation and Parks
- P. Carlyle, Chief Administrative Officer

Attachments

1. Preferred Options Summary - Expansion to Ravensong Aquatic Centre, FaulknerBrowns Architect
2. Financial Projections - Option 1 Expansion to Ravensong Aquatic Centre (with Grant Funding)
Financial Projections - Option 2 Expansion to Ravensong Aquatic Centre (with Grant Funding)