TO: Chair and Members  
Audit and Administration Committee

WARD(S) AFFECTED: WARD 15

COMMITTEE DATE: June 16, 2010

SUBJECT/REPORT NO: 
Capital Budget Increase – Flamborough Twin Pad Arena (FCS10052) (Ward 15)

SUBMITTED BY: 
Roberto Rossini, General Manager 
Finance & Corporate Services

PREPARED BY: 
Joseph Spiler (905) 546-2424 ext. 4519

SIGNATURE:

RECOMMENDATION:

(a) That capital project #7100554707, the Flamborough Twin Pad Arena, be increased by $850,000 to $18.735 million (refer to Table 1 of report FCS10052); and

(b) That the additional $850,000 be funded from the existing OPA 28 development levy generated from growth within the Flamborough area.

EXECUTIVE SUMMARY

On May 16, 2007, Council approved Motion 7.2 to prepare an RFP to build a new Twin Pad Arena on the present site of the North Wentworth Arena (Clappisons Corners) in Flamborough. The tender for the project closed on May 16, 2010, with the lowest quoted price of $16,298,000. Upon initial review of the tender submissions it was initially believed that the project would require an additional $1,500,000 to cover the construction cost. Staff have reviewed the project details and were able to reduce the construction contingency by $650,000. These actions have reduced the over-all increase to the Capital Budget to $850,000.00 (refer to Table 1 of report FCS10052).
Table 1

<table>
<thead>
<tr>
<th>Flamborough Twin Pad Arena - Funding Sources</th>
<th>Original</th>
<th>Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Charges Residential</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Program Reserves</td>
<td>485</td>
<td>485</td>
</tr>
<tr>
<td><strong>OPA 28 Growth Revenues</strong></td>
<td>5,000</td>
<td>5,850</td>
</tr>
<tr>
<td>Provincial Subsidies (Investing in Ontario - $48m)</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Sale of Land</td>
<td>450</td>
<td>450</td>
</tr>
<tr>
<td>Tax Levy - Debt</td>
<td>5,950</td>
<td>5,950</td>
</tr>
<tr>
<td><strong>Total Capital Budget</strong></td>
<td>17,885</td>
<td>18,735</td>
</tr>
</tbody>
</table>

Also refer to Table 2 of report FCS10052.

Table 2

<table>
<thead>
<tr>
<th>Flamborough Twin Pad Arena - Budgeted Expenditures</th>
<th>Original</th>
<th>Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction Tender</strong></td>
<td>15,448</td>
<td>16,298</td>
</tr>
<tr>
<td>Contingency</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Consulting - Design</td>
<td>1,320</td>
<td>1,320</td>
</tr>
<tr>
<td>Building/Development Fees</td>
<td>196</td>
<td>196</td>
</tr>
<tr>
<td>Project Management</td>
<td>340</td>
<td>340</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td><strong>Total Capital Budget</strong></td>
<td>17,885</td>
<td>18,735</td>
</tr>
</tbody>
</table>

The above-noted OPA 28 charge is part of a signed agreement (Province, former Flamborough and the City of Burlington – Minutes of Settlement) and is in recognition of the fact that residential development growth revenues do not cover the full cost of growth (refer to former Flamborough CN Watson study). The charge is currently $1,206 per Single Detached Unit and will be indexed July 6, 2010. The unit potential is approximately 5,500 depending on secondary plan densities which would potentially generate approximately $6.6 million, therefore staff are being conservative by limiting the exposure of this revenue to $5.85 million. The amount collected as at April 30, 2010, is $797,000 and it should also be noted that the majority of the development from which the OPA 28 development levy will be collected has yet to occur. The 5,500 units is based on development to be approved over the next 5 to 10 years. As a result, the City would have to front-end a significant portion of this funding before being reimbursed through future OPA28 levies. Any incurred interest costs as a result of front-ending the OPA28 levies will be recovered through higher than expected OPA28 revenues and/or development charges.

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Values: Honest, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial:

Staff would now consider that the potential growth revenue associated with the OPA 28 development levy to be 100% maximized and will not consider these revenues as funding sources for any further capital projects until actual revenues exceed the $5.85 million currently budgeted.

Staffing: N/A.

Legal: N/A.

HISTORICAL BACKGROUND (Chronology of events)

The Flamborough Twin Pad Arena project initiated with the completion of the Indoor Ice Pad Feasibility Study for the North Wentworth Community Centre in October 2000. The study identified the need for an additional ice pad within the community. The facility components were determined through a series of public consultation sessions with the user and community groups which occurred in 2005 and 2006. The project construction requirements were comprised and in May 2008, a Request for Proposals was issued for Prime Consultant Services (Architect). Upon completion of the design, the construction tender was issued by the Purchasing Division and closed on May 16, 2010. The lowest bid received for the construction of the facility was $16,298,000.

POLICY IMPLICATIONS

N/A.

RELEVANT CONSULTATION

Community Services Department, Recreation Division.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

N/A.

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ALTERNATIVES FOR CONSIDERATION:
(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

N/A.

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)


Financial Sustainability
• Generate assessment growth/non-tax revenues

Growing Our Economy
• A visitor and convention destination

Healthy Community
• An engaged Citizenry

APPENDICES / SCHEDULES

N/A.