
Wednesday, July 24, 1996

Council Chamber
City Hall
14245 - 56 Avenue
Surrey, B.C.

Wednesday, July 24, 1996

Time: 7:13 p.m.

Present: Absent: Staff Present:

Mayor Bose - Chairperson: City Manager
Councillor Robinson Councillor McKinnon City Clerk
Councillor McCallum Councillor Huot W. Hyndman, Administrative Assistant
Councillor Lewin ___
Councillor Villeneuve ___

Councillors Entering the Meeting In
Progress:

Councillor Watkins
Councillor Higginbotham

A. ITEMS REFERRED BY COUNCIL

1. At the June 17, 1996 Special (Regular) Council meeting the question on the following motion was not called, rather Corporate Report R935 was referred to the next Council-in-Committee meeting for a thorough discussion.

"It was Moved by Councillor McCallum
 Seconded by Councillor Villeneuve

1. That City Council authorize and instruct staff to proceed with the development of a sports complex at Fleetwood, as envisioned in Concept Plan E providing amenities as outlined below, with a total capital cost not to exceed \$30 million:

1. An 8 lane 50 metre pool with a depth adjustable floor at one end and 2 moveable bulkheads (no dive tank)
2. A leisure pool
3. 2 NHL ice surfaces
4. A leisure ice surface
5. Retail, food court, weight room, sauna areas
6. Restaurant (licensed)
7. Gymnasium
8. Child care area
9. Multi-purpose room
10. Physio, health areas
11. Fitness/Aerobics room

2. That the capital costs be funded by the City as follows:

- (a) Borrow \$20 million from City Reserves, to be repaid over a term of 10 years, at a pre-determined interest rate.

PLUS

- (b) Borrow \$10 million under Section 344 of the *Municipal Act*, for a term of 5 years, at a pre-determined interest rate

- 3. That the City use a fast track construction strategy (design/build) for development of the facility."

At the July 2, 1996 Council-in-Committee meeting, a request for additional information was made, which is presented to Council as Corporate Report R935.1.

Item No. R935 Fleetwood Sports Complex

File: 8074-060; 8077-051; 8072-003

The General Manager, Parks & Recreation submitted a report in response to Council's motion at the May 13, 1996 Regular Council meeting for a report on cost estimates, time lines, financial options and the scope of the project by June 15, 1996.

The General Manager, Parks & Recreation was recommending That City Council authorize and instruct staff to proceed with development of a sports complex at Fleetwood, as envisioned in Concept Plan E providing amenities, as outlined in his report, with a total capital cost estimated to range between \$30 - 35 million (order of magnitude) based upon **preliminary** concept estimates.

Item No. R935.1 Fleetwood Sports Complex

File: 8074-060; 8077-051; 8072-003

The General Manager, Parks & Recreation submitted a report in response to Council's request of July 2, 1996 for staff to further consider financing options and delivery alternatives.

The General Manager, Parks & Recreation was recommending:

- 1. That City Council authorize and instruct staff to proceed with plans for development of a sports complex at Fleetwood as outlined below (Concept 1) with the most appropriate design:

<p>POOL COMPONENT (CITY DEVELOPED)</p>	<p>ICE COMPONENT (PARTNERSHIP PROPOSALS)</p>
--------------------------------------------	--------------------------------------------------

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> 1. An 8 lane 50 metre pool with a depth adjustable floor at one end and bulkheads (no dive tank) 1. A leisure pool | <ul style="list-style-type: none"> 1. 4 NHL ice surfaces 1. A leisure ice surface 3. Change rooms 4. Retail space - pro shop, physio |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

1. Change rooms/Admin. area 5. Family Restaurant (licensed)

1. Weight room, gymnasium 6. Lounge

2. Multi-Purpose space

3. Retail, foodcourt, sauna area

(The approximate size is 225,000 square feet)

2. That the City commence development of the Pool Component with a total capital cost estimated to range between \$16 - 18 million (order of magnitude). This would be funded by the City borrowing over 5 and 10 year terms approximately as follows:

FINANCING 1997 1998 1999

Borrow:

\$ 5 mil (S.344) Jan/97 5

\$12 mil (Reserves) yrs@8.00%

\$17 mil Sep/97 10 yrs@8.25%

Special Levies:

Fleetwood Capital/Debt

\$ 5 mil (S. 344) 1.2% = \$1,250,000 0% Nil

\$12 mil (Reserves) 0.6% = \$ 630,000 1.2% = Nil

Fleetwood Net Operating \$1,280,000 0.2% = \$ 210,000

(for both components) 0.2% = \$ 210,000

(part year)

TOTAL LEVY (each year) 1.8% = \$1,880,000 1.4% = \$1,490,000 0.2% = \$ 210,000

CUMULATIVE TAX LEVIES

1.8% 3.2% 3.4%

Repayment of debt and funding of operating impact would be achieved through introduction of the tax levies noted above.

3. Concurrently, that the City prepare Requests for Expressions of Interest (RFEI) in partnership opportunities to develop and finance the capital cost of the Ice Component of the complex and:

(a) operate the entire facility; that is, both components, for lease terms not to exceed 25 - 30 years

OR

(b) operate only the ice rinks component of the facility, for lease terms not to exceed 25 - 30 years, with the city continuing to operate the pool component.

Prior to the presentation by the General Manager, Parks & Recreation, concern was expressed by members of Council as to the additional options now being suggested for consideration. They

questioned why some of their earlier suggestions had not been addressed in the new Corporate Report.

The General Manager of Parks & Recreation then presented three options to Council, as outlined in Corporate Report R935.1, advising that staff recommend support of Concept 1, as follows:

Concept Plan 1

Consisting of an eight lane, 50 metre pool, with depth adjustable floor, two moveable bulkheads, a leisure pool, change rooms, administration area, weight room, gym, multi-purpose space, retail area, foodcourt and sauna. This portion would be developed by the City. The cost of this component is estimated at \$16 - \$18 million with financing proposed as follows:

- \$5 million borrowed externally
- \$12 million borrowed from the Reserves

Repayment is proposed through special levies being imposed for a cumulative increase of 3.4% over the next three years.

Councillor McCallum requested that a chart be made available showing the escalation of the levy.

In addition, a second component, to be developed in conjunction with a partner, is proposed as follows:

4 NHL ice surfaces; leisure ice surface; change rooms, retail space; a licenses family restaurant and lounge.

Councillor Higginbotham joined the meeting at 7:17 p.m.

Requests for Expressions of Interest will be called to determine a suitable partner for the ice rink component. It is expected that the partner will build the ice component with a 25-30 year lease agreement. As well, the partner can either operate only the ice component or the entire facility.

Discussion ensued as to whether current Labour Laws would permit a private partner operating a City built facility.

During the course of the presentation, Councillors offered the following comments and questions

- If the facility were to be built with a pool and two ice surfaces, will the surfaces be built in such a manner that would allow them to be twinned at a later date. The General Manager of Parks & Recreation advised that the concept for two rinks would allow for future twinning.
- Would it be feasible to finance the facility by borrowing \$15 million from the Reserves with no pay back, and borrow an additional \$15 million from Reserves to be paid back over 10 years at \$1.5 million per year. The General Manager of Finance recommended against this, noting that it would deplete the Reserve accounts. The General Manager of Parks & Recreation added that each of the financing proposals include total repayment.
- The community supports the two rink proposal, noting that the area is already congested. The

community has expressed a preference for twinning the existing ice arenas in Cloverdale and North Surrey. A suggestion was made that the four rinks facility be developed in conjunction with a partner but located in an Industrial area. The General Manager Parks & Recreation commented that a four rinks facility is the most cost effective in terms of operation.

Councillor Watkins joined the meeting at 7:31 p.m.

- The land proposed for this facility was purchased in order to provide facilities for the community.
- The General Manager of Parks & Recreation agreed to submit to Council, a list of potential partners for the ice component.
- It was suggested that design of the 50 metre pool should commence; however the design should be flexible enough to include either a two rink or four rink ice surface. Requests for Expression of Interest should ask that applicants respond to both a two rink and four rink option.

At 8:38 p.m., Mayor Bose left the meeting and Acting Mayor Watkins assumed the Chair.

- If a two rink facility is approved, then it has to be a public funded facility in order to allow ice time for younger teams.

Mayor Bose returned to the meeting and resumed the Chair at 8:40 p.m.

- It was suggested that the City proceed with the design of the facility in accordance with Concept E, and at the same time call for Expressions of Interest for a two rink facility.

Councillor Watkins left the meeting at 8:43 p.m. and did not return.

- The licensed restaurant/lounge facility is a vital component and is proposed in each of the Options, regardless of who builds the facilities.
- Financing the facility is likely to be a decision of a future Council and should be left to them.
- The cost of a 50 metre pool is roughly double the cost of a 25 metre pool.

Members of Council expressed frustration that it has taken so long just to get just to this stage. They also expressed support for the City controlling the design of any component of the facility that would be built with a partner.

COMMITTEE RECOMMENDATION

It was Moved by Councillor Robinson
Seconded by Councillor Villeneuve

That Council approve Concept Plan E, as shown on Appendix 1, Page 12 and Page 13 of Corporate Report R935, and direct that staff proceed to the design stage, on a design build proposal, and further that financing and any parallel process be referred to the Finance Committee.

Carried with Councillor Lewin against.

B. ADJOURNMENT

It was Moved by Councillor Robinson
Seconded by Councillor Higginbotham
That the Council-in-Committee meeting do now adjourn.

Carried

The Council-in-Committee adjourned at 9:10 p.m.