



Corporate NO: R183

Report COUNCIL DATE: July 24, 2000

REGULAR COUNCIL

TO: Mayor & Council **DATE: July 18, 2000**

FROM: General Manager, Engineering **FILE: 0541 - 001**
0550 - 004/1

SUBJECT: Lower Fraser Valley Exhibition Association - Building Maintenance Program

RECOMMENDATION

That this report be received for information.

INTENT

The intent of this report is to identify for Council the work that is proposed to be carried out between 2001 and 2005 as part of the ongoing maintenance program for the Lower Fraser Valley Exhibition Association.

BACKGROUND

The Lower Fraser Valley Exhibition Association (LFVEA), doing business as the Cloverdale Rodeo and Exhibition, occupy and use facilities at the city owned fairgrounds property in Cloverdale. The City owned buildings used by the Cloverdale Rodeo and Exhibition are: the Agriplex, the Products Building, Shannon Hall, the Repair Shop, the Showbarn, the Stetson Bowl, the First Aid Station, the Amphitheatre, and associated parking and RV lots. The Products Building, Shannon Hall, and the Amphitheatre Park front 176th street with the remainder of the facilities contained within the fairground site at various locations. These facilities host and support a variety of activities throughout the year such as: horseshows, dog shows, concerts, boxing events, trade shows, flea markets, beer gardens, weddings, dances, rodeo, and numerous social events.

Over the years there have been a number of lease agreements for the use of the fairground lands and facilities. In 1974 the City entered into a lease agreement with James Henry Keeling for the operation of a racetrack. In 1981 the City finalized a lease with LFVEA for all of the fairground lands. This was followed in 1983 with a lease arrangement and renewal to Orangeville Raceway (now Fraser Downs) with the LFVEA agreeing to assign to the City all rights over that portion of land leased to Orangeville. These leases both expire in 2005 with Fraser Downs having an additional 10 year renewal. The agreement with the LFVEA allows the Association to sublease buildings or lands

within their leased area. There are currently 2 subleases, Surrey Meat Packers Ltd. and the Cloverdale Horseshoe Club and a License agreement with 400596 BC Ltd. who operate the Swap Meet and Flea Market.

DISCUSSION

Annual Operation and Maintenance Costs

The Cloverdale Rodeo and Exhibition receives a grant of \$180,000 from the City each year towards their annual Operating budget. The average annual operating and maintenance expenses incurred by them for the last three years was \$455,000 per year. The grant assists them in covering these expenses each year.

Shared Maintenance Expenses

Concerning the City facilities occupied by the Cloverdale Rodeo and Exhibition, there is a shared relationship for the maintenance of these facilities. The Cloverdale Rodeo and Exhibition look after custodial and minor repairs to these facilities. The City provides preventive and corrective maintenance to the facilities. The scope of work covered by the City encompasses the exterior envelope of the building, the interior finishes, the mechanical and electrical systems; and associated parking lots. For the last few years the annual cost to the City for providing this service has been in the order of \$50,000 per year. This level of funding is considered adequate for maintaining operations only. It does not provide repairs to prevent the progressive deterioration of the overall building. In addition, in 1999 repairs were carried out by the City to the steel trusses of the Stetson Bowl. This work consisted of remedial welding and steel bracing, to strengthen the trusses, and final painting. The one time cost for this work was \$193,300 to rectify this structural fault.

Facilities Condition Assessment

In 1998, Morrison Hershfield Limited was retained by the City to provide a Facility Condition Assessment of major and more significant buildings in the City inventory. Included in this survey were the main buildings used and occupied by the Cloverdale Rodeo and Exhibition. The Amphitheatre was not included as it was constructed after the survey. The object of the survey was to:

- A) Assess the existing condition of these facilities and to identify apparent deficiencies.
- B) Provide a sound basis for the development of a five year capital budget forecast for the repair and replacement of buildings, equipment and systems.
- C) Provide a ten year capital budget forecast for building renewals and maintenance based on five year cycles.

The survey covered a general visual inspection of each building by qualified building professionals. Where deficiencies were found the appropriate remedial action was determined with preliminary cost estimates. Each deficiency was ranked against a priority system which established the urgency for action and determined funding levels required, over and above the current annual maintenance costs. Attached as Appendix 'A' is a description of the priority system used.

The survey did not address the condition or repair of the associated parking lots for each building. These parking lots are in need of repairs at an estimated total cost of \$135,000. This requirement and the funding is proposed to be addressed in the 2002 program year.

Five Year Capital Forecast

Appendix 'B' is a forecast of the additional funding levels required and the corresponding priorities to correct the deficiencies identified in the above survey to safeguard these facilities to a good standard of maintenance for the next five years. (The objective of a "good" standard is to achieve or maintain the as-built standard; to keep the facility structurally sound; to keep mechanical/electrical systems functioning effectively and meet contemporary comfort standards; and to keep interior and exterior finishes presentable within the limits of the normal painting cycle.) The funds for these needs will be sourced from the Capital Building Infrastructure Budget.

The scope of work will correct the deficiencies identified in the survey for priorities 1, 2 and 3 items. This measure provides for the repair or replacement of building components where required to protect the value and operational viability of these facilities. The total estimated cost for this facility maintenance improvement program is \$1,248,950 comprised of the following:

Year 1	\$ 576,650
Year 2	\$ 286,100
Year 3	\$ 219,100
Year 4	\$ 90,500
Year 5	\$ <u>76,600</u>
\$5 Year Total	\$1,250,000

(Rounded)

When the annual preventive and corrective maintenance costs of \$50,000 is added, the grand total for the next five years is \$1.5 million. It should be noted that there is a baseline annual Capital allocation of \$1.7 million for all civic building repairs. The above needs for the fairgrounds buildings will be prioritized along with all other City repair needs to determine if the baseline budget is adequate. If not adequate the repairs will be extended over a longer period. Should the overall City wide needs be determined to be critical an increase in budget will be brought forward for Council's consideration as part of the budget process.

CONCLUSION

Over the next five years, an estimated total expenditure of \$1.5 million has been identified to protect the value and operational viability of the City buildings occupied and used by the Cloverdale Rodeo and Exhibition. This is in addition to the \$180,000 annual City grant to the LFVEA. The funds are available in the Capital Building Infrastructure Budget and the Engineering Department will be proceeding with the first phase of these maintenance works, initially in 2000 the necessary contract preparation work then commencing in 2001 the actual construction work subject to confirmation of priorities.

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BC/MB/kjj General Manager, Engineering

Attachments

cc: General Manager, Finance