
2004 BUDGET BRIEFING NOTE: Sources of Funding for Wabash /Sorauren Community Centre Site Preparation

Issue/Background:

At its meeting on March 8, 2004, the Budget Advisory Committee deferred consideration of a recommendation to add funds for site preparation for the Wabash/Sorauren Community Centre to the 2004 Parks and Recreation Capital Budget and requested that the Chief Financial Officer and Treasurer report to its final Wrap-up meeting on possible sources of funds.

During consideration of the 2004 Parks and Recreation Capital Budget on February 9, 2004, the Economic Development and Parks Committee requested the Commissioner of Economic Development Culture and Tourism, in consultation with other City staff, to report back by June 2004 on alternative funding opportunities for the development of the Wabash/Sorauren Community Centre through public/private partnerships under Section 100 of the Municipal Act.

Key Point(s):

A proposed new community centre for the Parkdale area at 40 Wabash Avenue is included in the list of five priority areas detailed in a report adopted by Council in September 1999 entitled "Recreation Needs Assessment and Feasibility Study Findings and Recommendations Respecting Five Study Areas." This site, including an existing building, is owned by the City. A new report, the "Parks and Recreation Facilities Directions Report" is planned for 2004 to provide a high level policy-based tool to guide the planning for Parks and Recreation facilities and the application of limited financial resources to these facilities.

A feasibility study and site assessment analysis was undertaken by EDCT staff in 2003 to explore the feasibility of developing a community centre and to develop alternative capital cost estimates and site remediation costs under three different scenarios. Three alternatives and their estimated capital costs in 2003 dollars were reported as follows: (1) renovation of the existing building and adding facilities, including an indoor pool (\$20.71M), (2) demolition of the existing building and construction of a new facility including an indoor pool (\$21.91M) and (3) renovation of the existing building only, resulting in a smaller facility not including a pool (\$12.68M).

Given the three options, a decision regarding the preferred option is required prior to proceeding with site remediation, as requirements would vary depending on the option chosen. A preliminary estimate for site remediation, under options (1) and (2) described above, is \$1.2 million.

As well, the outcome of the exploration of partnership opportunities could affect the future direction of this project. As the report from the Commissioner of Economic Development Culture and Tourism related to the most viable option is not expected until June, specific funding allocations cannot be finalized until Council's capital project approval decision.

Development charge funds are available, and can finance up to 19.4% of the project cost of any community centre project listed in the 1999 Development Charge Background Study to the extent of available funds. If Council was to consider project approval for the \$1.2 million estimated for site remediation, a combination of development charge funds of \$0.233 million and the balance of \$0.967 million in debt is the only existing option. During 2004, staff will be providing an analysis of reserve funds to Budget Advisory Committee, which could provide a possible source of funding.

Questions & Answers:

Q. What other information has been provided to the 2004 Budget process related to this issue?

- A. Two reports were provided to Budget Advisory Committee for its meeting on March 8, 2004:
- (1) Item 1.13(b) entitled "2004 Capital and Operating Budget – Response to Economic Development and Parks Committee Inquiries," including a discussion on site preparation for 40 Wabash on page 2.
 - (2) Item 1.17(h) entitled "Status Report on the Recreation Needs Assessment and Feasibility Study Respecting Five Study Areas.

Q. Is additional information anticipated in the coming months that might affect this funding decision?

- A. Yes, two reports are anticipated in the coming months related to this issue:
- (1) the report requested by Economic Development and Parks Committee on February 9, 2004 on alternative funding opportunities for the development of Wabash/Sorauren Community Centre through public/private partnerships under Section 100 of the Municipal Act; and
 - (2) the "Parks and Recreation Facilities Directions Report, which is scheduled to provide a high level policy-based tool to guide the planning for Parks and Recreation facilities, including the application of scarce financial resources.

Date: March 23, 2004