



Date: Wednesday, January 18, 2023

From: Niall Loble, Director, Community Services

Subject: Kemble Community Centre Renovation

Report: CSD-2023-01

Recommendation

That Council receive for information the Kemble Community Centre renovation design concept, an update on the process of developing the Community Centre plan and a revised budget; and

That Council defer the project until additional sources of funding are identified; and

That Council direct staff to withdraw the existing Infrastructure Canada Investing in Canada Community, Culture and Recreation stream (ICIP CCR) grant application and apply to Infrastructure Canada's Green and Inclusive Buildings (GICB) fund; and

That Council direct staff to bring back a report by fall 2023, providing an update on funding and proposed project implementation.

Background

The Kemble Arena was originally built in the 1970's as a natural ice arena. It now contains a dry-floor pad with two change rooms and a small meeting room. It has supported the Kemble Carpet Bowlers, Kemble Women's Institute, Local Lion's Club, local parent groups, and the general population.

During the development of the Township's Recreation and Trails Master Plan, it became clear from community feedback and site visits that the Kemble Arena is in an antiquated lifecycle state and is not responding to the needs of residents living in the surrounding settlement areas. A building condition assessment of the facility identified that many mechanical, electrical and structural components are at or near the end of their remaining useful life. The condition assessment also found that several building components are not compliant with modern accessibility standards.

Funding to support the revitalization of the Kemble Arena and to renovate the existing building into a multi-functional community space was secured through the Investing In Canada Infrastructure program (ICIP) and a budget of \$1.7M has been allocated to the renovation. Construction was anticipated to occur in 2023.

It has become clear through developing and costing the preferred concept design that the budget identified and against which the grant has been secured is significantly less than the funding required to renovate the existing facility to meet the requirements of the grant commitment and community need.

The deed for the land at Kemble is contingent on a 'Community Centre' being maintained on the property. If a Community Centre is not part of the property, the land will revert to the Grantor, their heirs or assigns. If the current project to renovate the existing facility should not proceed, staff would have to present a separate report to Council to consider options for the existing facility and site.

Analysis

A multi-phased approach to the renovation of the former arena into a new Community Centre has been adopted. (See Appendix 1). Masri O Architects have been engaged as the consultant team leading the development of a plan and implementing that plan through construction, supported at all stages by staff.

Project Budget

The initial project budget, defined through the grant application process, was driven by two estimated costs:

- 1) \$520,000 as identified in a 2019 Building Condition Assessment
- 2) \$1.356M identified for building electrical, mechanical, sustainability and accessibility upgrades.

It has become clear that these estimates, on which the grant application was based, are not reflective of the budget requirements for completing these elements in 2023.

The Building Condition Assessment (BCA) completed in 2018/19 included an order of magnitude estimate in 2018 dollars, for the works required to repair the building and complete major maintenance items. The BCA was not a comprehensive review of the building for a renewed level of community use, and the costing estimate provided was high level rather than exhaustive. This resulted in a conservative estimate of the budget required to effect repairs to the building, by 2019 standards. For example, the BCA indicates a replacement roof at \$378,000, the current estimate for this same item is \$888,000.

Between 2018 and 2023, construction prices have increased substantially with construction indexes indicating year over year inflation averaging 15%, with some areas of construction being much higher. Some materials have seen unprecedented

inflationary pressure, such as steel, on which much of the structural work at Kemble relies.

As the team worked on the design and concepts, further studies were undertaken. As a result, the 40-year-old existing septic system, has been identified as not suitable for the renewed building use, and will need to be replaced and modernised to contemporary standards. A new septic is estimated at a cost of \$250,000. Additionally, the grant application noted that a net metered solar system would be installed. The system is estimated at \$200,000.

As a result, based on costing prepared for the concept design a revised budget estimate has been developed:

1. The BCA driven improvements are now \$1.23M
2. Building electrical, mechanical, sustainability and accessibility upgrades are now \$2.315M
3. Consulting services, design and construction management: \$150,000
4. New septic system \$250,000
5. Solar net metering system \$200,000

Resulting in a revised budget estimate of \$4.97M, inclusive of a 20% contingency.

Assuming that it will not be possible to secure additional funding, tender, award and construct in 2023, it is recommended that this price be escalated by 15% to account for continued inflationary pressures between late 2022 (the date of estimate) and 2024 when a revised construction might be possible, subject to funding. Therefore, staff recommend that the new budget be considered at \$5.72M, inclusive of a 20% contingency.

While the cost estimate is contemporary and does include a contingency and inflation, the estimator advises that the construction industry continues to see significant price volatility based on labour and materials, as well as costs in sectors such as fuel. As such, the price estimate provided could yet change beyond the contingency built in. In a subsequent report, staff will update Council on the confidence level of the cost estimate.

This estimate has been compiled from the concept design and has been informed by a third-party professional cost estimating company. Changes to reduce cost would require significant scope changes to the project and would significantly compromise the community informed design and would no longer meet the requirements of the Infrastructure Canada Grant. Staff will continue to work to review potential for cost savings and efficiencies if and as the project proceeds.

Grant Funding

Staff has spoken with Infrastructure Canada staff with respect to the existing application, submitted under the Investing in Canada Infrastructure Program (ICIP), Communities, Culture and Recreation (CCR) for \$1.696 million. The amount of funding applied for cannot be increased from either a Federal or Provincial grant source.

The project team has reviewed the scope to confirm whether any elements can be removed without compromising the intent of the project or the requirements of the grant. Some elements, such as accessibility works, cannot be removed due to the legislative requirements associated with these, and no meaningful improvements can be achieved associated with the initial project scope with \$1.696 million. Staff are recommending withdrawing the Township's application for the ICIP funding and pursue new funding program(s).

Infrastructure Canada are currently accepting applications for the second and final intake of the Green and Inclusive Community Buildings (GICB) program. This program funds new building and retrofits in communities that support inclusive use and achieve environmental enhancements. This program funds retrofits and new builds up to \$25 million, with a requirement that new builds are fully net zero. Retrofits (such as being considered at Kemble) are subject to a minimum improvement in energy consumption of a 10% reduction, a target considered very achievable at Kemble. The fund is distributing \$1.5 billion in infrastructure investments, is targeted at communities at need and rural communities as well as Indigenous communities. The initial intake was highly competitive, and Infrastructure Canada anticipate all funds will be allocated by the closure of the next funding round. Projects must be completed no later than spring, 2026.

If Council so direct, staff will apply to GICB for a Kemble Community Centre for \$5.72 million. The program will fund up to 80% of costs leaving \$1.144 million to be funded elsewhere.

- \$453,056.50 is already allocated in the Townships budget.
- \$690,943.50 would need to be identified from municipal budgets (2023 or 2024) or other sources of funding.
- The balance, \$4.576M would come from the GICB fund, if successful

The deadline for submissions is February 27th, 2023. The Township, and the Kemble Community Centre are well aligned with this funding. To apply, the project cannot be in receipt of any other Federal or Provincial grant, so the existing grant would need to be withdrawn as a precursor to applying to the GICB program. There is no guarantee that the Township would be successful in securing funds through this program.

Community Engagement and Concept Design

The first phase of work included an extensive community engagement and consultation phase to develop the design concept. This work has resulted in a final design that is responsive to the needs of the whole community, finalized in this report and through Council discussion.

Engagement connected with more than 6,000 people, and generated more than 200 direct comments and responses:

- Social media posts reached more than 5,000 residents
- More than 1000 postcards were direct mailed to residents
- Engagement activities were widely promoted by other means, such as posters, electronic signage, and local print and broadcast media
- 200 people provided direct feedback via online surveys and through attending in person events, and
- More than 650 unique visits were made to the project page on the Township website.

Based on this input a final, preferred concept design has been developed (See Appendix 2).

The design for Kemble Community Centre is a flexible venue and community space with a capacity of 300 people, incorporating:

- **A multi use community hall.** There will be a concrete floor with a non-slip multi use flooring over laid, on which various lines will be included to support a range of sports uses such as pickleball and volleyball. The community hall will be soundproofed and will have new lighting and a sound system. A portable stage can be erected at the front, or elsewhere in the room, to enable a flexible performance venue. A screen will be installed to provide opportunity for screenings and presentations. A room divider will be available to enable different sports uses to occur within the hall at the same time without stray balls or equipment interfering. Seating and tables will be included to provide for a wide number of room layout options for meetings, conferences, events or performances.
- **A large multi purpose community room.** With polished concrete floors and a room divider, this flexible space can be used as a single large room or two smaller rooms. With a screen at one end, the space will be able to be used for meetings, functions and social activities such as card games, bingo and social events.
- **Multiple storage areas and office.** A small office to support staff running the community centre and multiple storage areas will be incorporated. These will allow the storage of chairs and furniture to enable the community centre to be set up for a wide range of programming.

- **Gender neutral wash and changing rooms**, including fully accessible washrooms, and facilities to include adult changing tables.
- **A large foyer area**, which could be used as event space or as a flexible space supporting uses in either or both of the two community spaces. This area is directly off the kitchen and will provide space and seating to support refreshments or to host community members while activities are occurring in other rooms, such as parents and guardians of children participating in activities.
- **The kitchen** will be set up so that it can be used for catering to small scale events and activities with a stove, fridge and washing up facilities. Larger events requiring external catering support will be able to use the kitchen as a serving area.

As well as the extensive renovations to the interior spaces of the building, the following upgrades are included in the design to meet the buildings renewed needs and the requirements of the grant commitment:

- A new roof
- A new septic system
- New, accessible walkways will lead to a new entry way, from the east side of the building
- New windows will let in light from all areas, notably a new glass wall on the eastern foyer and southern gable will maximise natural light into the building
- Exterior upgrades will address all identified building envelope needs such as painting of steel, replacement of loose, or missing fixtures and fittings, repointing and repair of block work and addressing other general maintenance needs.
- Energy and environmental efficiency is considered throughout the design with renewed and extensively increased insulation throughout, a new HVAC system to enable efficient heating and cooling, new LED lights providing bright functional lighting in the building at maximum efficiency, energy efficient appliance and hand dryers, and efficient, low water toilets
- The building will feature low touch technology wherever possible and will be fully accessible with doors that are push button activated.
- It is noted that the parking lot will be regraded and improved; however, wider landscape improvements are not being considered at this time as it is suspected that the majority of greenspace on the property will be required for the new septic field and cannot support secondary landscape elements.

Staff and consultants have developed a plan that is directed by extensive community engagement and that provides a modern, flexible, efficient and accessible facility to support a very wide range of community events and activities for many years to come.

Financial Impact

Initial Budget

A total budget of \$1.696M was identified for the project, consisting of:

- \$564,943.50 from the Province, \$678,000 from the Federal Government, provided jointly through an Infrastructure Canada Grant (73.3%) and
- \$453,056.50 (26.7%) from the Township

Expenses to Date

- \$150,000 allocated for background work, investigations, contract administration and architect costs to facilitate the engagement and design process.
- Approximately \$30,000 has been spent.

Revised budget

- \$5,720,000 Total Budget
 - \$453,056.50 is already allocated in the Townships budget.
 - \$690,943.50 additional Township contribution
 - \$4.576M GICB fund, if application is successful

Strategic Priorities

Increase Available Community, Recreational and Social Opportunities

Conclusion

Following extensive community engagement and consultation, a preferred concept design meeting the needs of community and the aspirations of the grant commitment has been developed. Through this process, the basis on which the initial budget used for the grant application, was not comprehensive enough or inclusive of all costs associated with the scope committed to in the grant application. Further, the period between which the grant was submitted, and the project can be delivered has seen unprecedented levels of inflation in construction prices. Together, these result in a revised budget estimate of \$5.72M. Given the significant escalation in cost, staff are recommending that the project be deferred, and alternative funding sources secured. Staff intent to provide an update report on the Kemble project funding by fall 2023.

Respectfully Submitted: Niall Loble, Director, Community Services

Report Approval Details

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This report and all of its attachments were approved and signed as outlined below:

Cynthia Fletcher, Chief Administrative Officer