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Item No. 10.1.2

Halifax Regional Council
December 16, 2008

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

Dan English, Chief Administrative Officer

Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: December 9, 2008

SUBJECT: Increase to Capital Budget CBG00720 - Prospect Community Centre

ORIGIN

- 2004 Indoor Recreation Facility Master Plan recommending a review of the needs and requirements in the Prospect area
- 2006 Needs Assessment Report completed by DMA Planning and Management Services
- July 4, 2006, Halifax Regional Council meeting approving funding for the conceptual design study for the Prospect Road Community Centre
- April 2007 MRIF (Municipal Rural Infrastructure Funding) approved in the amount of \$2,000,000
- April 2007 Regional Council approval of \$2,125,000 during the 2008/09 Capital Budget deliberations
- November 26, 2007, Western Region Community Council meeting approving a new area rate for funding the construction of the Prospect Road Community Centre \$2,438,000
- December 4, 2007, Regional Council approval of new area rate
- July 2008 Provincial Building Facility Infrastructure Together Funding (B-FIT) - \$250,000

RECOMMENDATION

It is recommended that Regional Council:

1. Authorize a transfer of \$1,000,000 from City Hall Stone Restoration CBX01046 to CRESPOOL;
2. Increase capital budget CBG00720 Prospect Community Centre account by \$1,000,000 from CRESPOOL.

BACKGROUND

The 2004 Indoor Recreation Facility Master Plan identified future recreation facility requirements within the municipality. During the public consultation process, residents in the Prospect Road area identified the lack of a recreation centre within their community as a major concern.

In June 2006, a Needs Assessment was undertaken by Community Development. The results of this study supported the need for a multipurpose community centre that would serve as the focal point for community events and activities.

The selected site is part of the Municipal land known as the Western Commons park area. The site is located along Prospect Road in the Hatchet Lake area just north-east of the Prospect Road Elementary School. It is envisioned that this facility will begin the development of the planned Western Common park area. The site presents the opportunity to locate the facility in a manner that will allow for future expansion of the building and have a complementary relationship to possible future outdoor recreation facilities and open space.

The facility is 22,720 sq. ft. in size and features include a full sized gymnasium, multi-purpose programming space, fitness room, arts and cultural room, meeting rooms and kitchen area to accommodate a wide range of programs and activities. This project will meet or exceed "LEED" Silver Rating.

The Prospect Road Steering Committee has worked collaboratively with HRM staff over the past several years on the needs assessment, design of the facility, management structure, and securing funding through the area rate, MRIF and Provincial B-FIT programs and communicating with the community. The Committee held two public meetings in the Fall of 2007 on the proposed plans at which time residents endorsed the plans and an increase to the recreation area rate to make the project a reality. The project has gained momentum through initiatives such as the Great Community Festival and an advertising campaign featuring local residents. The Resource Opportunities Centre, a 15 member volunteer Board, have been selected as the community management board for the facility and are working collaboratively with the Steering Committee and staff. A community fundraising campaign for the facility is currently underway and a Corporate Sponsorship package is being created.

DISCUSSION

While the scope of the project has remained the same, the estimated cost to build this facility has escalated significantly as compared to the original project budget estimate in 2005 which was based on the construction costs for the North Preston Community Centre (awarded November 2003). The increase in costs was due to costs associated with the site development and the dramatic increase in costs of construction over the past several years. Further, the 2008/09 Capital Budget anticipated an additional \$1,000,000 from the Building Facility Infrastructure Together (B-FIT) Program grant.

The amount of \$250,000 from this program was approved in July 2008. A facility redesign would mean increased design costs, a delay in construction start date, and a facility that would not meet the previously assessed needs of the local community.

With the recent Class "A" estimate, the total project cost is \$8,547,194, which results in a funding gap of \$1,000,000. In order to bridge the funding gap and proceed to tender, staff are recommending that funding in the amount of \$1,000,000 be transferred from the City Hall Stone Restoration project. The 2008/09 Capital Budget identified \$2,000,000 to begin the multi year process of restoration of the stone work at City Hall. The commencement of this project had been delayed due to the loss of a key project team member. That position has now been filled and the project is moving forward; however, it is not anticipated that all of the \$2,000,000 allocated to the project in the 2008/09 budget will now be required in this fiscal year and therefore, some of these funds can be allocated to the Prospect Community Centre to allow it to proceed to tender at the start of the fiscal year. Furthermore, the actual cost of the City Hall Stone Restoration project has not been finalized. Therefore, it is not certain whether additional funding will be required to make up this amount in future years.

BUDGET IMPLICATIONS

Transferring \$1,000,000 from Capital Project CBX01046, City Hall Stone Restoration, to CRESPOOL and then transferring it into Capital Account CBG00720, Prospect Community Centre, will increase the gross Capital Budget for the project but will not change the net Capital Budget for the Municipality. The transfer, as outlined in this report, will allow the project to proceed as per the project design. The budget availability has been confirmed by Financial Services

Budget Summary: Account No. CBG00720 - Prospect Community Centre

The total project cost for the new complex is estimated to be \$8,547,194

Approved Funding

HRM	\$2,516,194
The Municipal Rural Infrastructure Program:	
Federal Contribution	1,000,000
Provincial Contribution	1,000,000
*Province (B-FIT, NS Sport & Recreation)	250,000
Area Rate Funding	2,438,000
Community Fund Raising	<u>343,000</u>
Total approved funding	7,547,194

Additional Capital Funding Sources:

Transfer from City Hall Stone Restoration	1,000,000
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*Original budget anticipated \$1million from B-FIT

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. If approved, this report will increase the gross Capital Budget for this project but not the net Capital Budget for the Municipality.

ALTERNATIVES

Council could choose not to approve the additional funding for the Prospect Road Community Centre. This is not the recommended course of action as there will be insufficient funding to move the project to tender resulting in loss of community support and momentum. A facility redesign would mean increased design costs, loss of investment to date, a delay in construction start date, and a facility that would not meet the previously assessed needs of the local community.

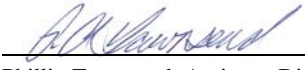
ATTACHMENTS

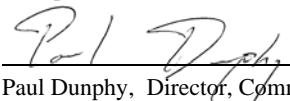
None.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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