

TO: MAYOR & COUNCIL

FROM: GENERAL MANAGER LANDS AND FACILITIES AND GENERAL MANAGER PARKS, RECREATION AND CULTURE

SUBJECT: **BURNABY LAKE RECREATION COMPLEX PROJECT UPDATE**

PURPOSE: To provide two design options and costing (capital and operating) for the Burnaby Lake Recreation Complex (BLRC) project and to obtain Council approval to proceed with Option 1 as recommended in this report.

RECOMMENDATION

THAT Option 1 for the Burnaby Lake Recreation Centre, as outlined in the report titled “Burnaby Lake Recreation Complex Project Update” dated December 11, 2023 with a design and construction cost estimate of \$240,900,000 (excluding GST), be approved.

CHIEF ADMINISTRATIVE OFFICER’S COMMENTS

I concur with the recommendation of the General Manager Lands and Facilities and the General Manager Parks, Recreation and Culture.

EXECUTIVE SUMMARY

This report proposes two design and cost options for the new Burnaby Lake Recreation Complex. Staff are working with Ventana Construction Corporation (VCC) and Architecture 49 Incorporated (A49) as the new Design-Build team to develop options that will best serve present and future community needs within an acceptable budget. The recommended Option 1 design captures all the program elements to support the sport and recreational activities of the previous Burnaby Lake Aquatic and Arena (BLAA) concept, while optimizing efficiencies in both form and function. A “Class D” operating budget estimate for the facility is also presented for Council’s information. The operating budget for this facility will be further refined as the design of the facility progresses. Staff are seeking Council approval to proceed with further design development and costing of this option.

1.0 POLICY SECTION

The advancement of this project aligns with the following Council-adopted policies: Corporate Strategic Plan (2017), Regional Context Statement (2013), Official Community Plan (1998), Economic Development Strategy (2007), Social Sustainability Strategy (2011), the Environmental Sustainability Strategy (2016), and the Benefits Based Approach (2023).

2.0 BACKGROUND

On March 25, 2019, Council authorized architectural design firm HCMA, along with their sub-consultants and City staff, to commence the design of the BLAA Project.

On November 21, 2022, the City awarded a Construction Management contract for this project to VCC as the Construction Manager under a CCDC5B contract. The project advanced through detailed design, City development approvals, preliminary site and off-site servicing design, and tender documents.

During the Council meeting on August 28, 2023, staff reported that the project, as currently designed, cannot be constructed for the approved budget, and has decided to abandon the current project and terminate the agreement with architect HCMA. Council authorized staff to retain VCC and transition the existing Construction Management contract into a Progressive Design Build contract. VCC has since established the new Design-Build team in collaboration with architectural firm, A49, for the new BLRC.

Below is a summary of previous Council Resolutions related to BLAA/BLRC project:

- On March 25, 2019, Council authorized an award of contract in the amount of \$950,000, inclusive of GST, in order to retain HCMA to undertake the phase one scope of work for the Burnaby Lake Aquatic and Arena Centre project.
- On February 24, 2020, Council authorized staff to advance the Burnaby Lake Aquatic and Arena Facility project into detailed design, subject to funding and award of contract approval for the phase two scope of work. Council also authorized the use of Community Benefit Bonus Reserves in the amount of \$18,000,000 to finance detailed design, City development approvals, tender documents, and preliminary site servicing and offsite costs for the Burnaby Lake Aquatic and Arena Facility project.
- On November 21, 2022, Council approved: a contract award to Ventana Construction Corporation for an estimated total cost of \$84,000,000 including GST in the amount of \$4,000,000.
- On August 28, 2023, Council authorized staff to migrate the existing Construction Management contract with Ventana Construction Corporation to a Design-Build contract in the amount of \$73,152,601.00 (incl. GST).

3.0 GENERAL INFORMATION

The vision for this project is to provide a destination recreation facility capable of drawing regional participation in leisure and competitive sport activities, being welcoming to all, and meeting a wide variety of recreation needs of residents and visitors.

Staff, in collaboration with the Design-Build Team, re-evaluated the scope of the project and explored a variety of scenarios with the intention of prioritizing the former BLAA recreation program elements.

VCC and A49 have developed a design that incorporates all the program elements of the original scope of BLAA, while maximizing operational efficiency and delivering a facility that will be enjoyed by both families and athletes for the next 50+ years.

The main considerations in defining the recommended design option are facility programming and amenity provisions based on current and projected future community needs, operating costs and revenues, and project capital budget.

3.1 The New BLRC, 2 Options:

Staff and the Design-Build team have worked on two options for Council's consideration:

3.1.1 Option 1: Cost Estimate \$240.9M (staff recommended)

The facility design under Option 1 satisfies recreation service needs. It meets provincial requirements to host provincial swimming championships and incorporates all the program elements to support the sport and recreational activities of the previous design scope, with the exception of stand-alone leisure and 6-lane 25m. pools. The Option 1 design includes:

- 50m. pool with 10 lanes
- Diving tower and boards
- Combined leisure and 6-lane 25m. pool
- NHL sized arena (ice/dry floor)
- Combined surface and underground parking
- At grade pedestrian crossing to connect to the Christine Sinclair Community Centre site
- Allowance for green energy for pool heating
- Space allocation for a future outdoor pool (covered or partially covered) if required

3.1.2 Option 2: Cost Estimate \$187M

The Option 2 design is the same as Option 1 with a "phasing in" of the NHL sized arena (ice/dry floor) at a future date.

3.2 Programming Adjustments & Cost Savings:

The proposed modification in design, combining the leisure and 6-lane 25m. pool, allows for efficient delivery of a wide range of recreation programs, while at the same time satisfying the facility requirements for provincial level competitions. It reduces the building footprint and eliminates the need for a third pool mechanical system which lowers capital as well as long-term operating costs. In contrast to the original stand-alone 25m. pool and leisure pool design, this results in an estimated cost savings of \$5 million.

This new approach also substantially reduced the project cost by incorporating simpler and more functional architectural design principles and building features. This represents an estimated cost savings of \$16 million.

For a comparison table of the BLRC Options and the original BLAA scope of work, see **Attachment 1**.

An expanded description of the core recreation program elements is provided in **Attachment 2**.

Table.1 below compares the cost and the total area of the original BLAA design against the 2 Options:

Table. 1 DESIGN COMPARISON			
	Original BLAA Design	Proposed BLRC Design (Option 1)	Proposed BLRC Design (Option 2)
Total Area (SF)	244,881	169,600 ⁽¹⁾	126,300 ⁽¹⁾
Design Cost (\$M)	13.1	14.3	11.2
Construction Cost incl.10% Contingency (\$M)	324.5 ⁽²⁾	226.6	175.8
[A] Subtotal Project Cost (\$M)	337.6	240.9	187
Construction Cost (\$/sq.ft)	1,325	1,336	1,392

(1) Bill Copeland Sports Centre is not included in the square footage.

(2) Price Obtained July 2023

Table.2 below shows the Furniture, Fixtures and Equipment Cost representing 5% of the Construction Cost:

Table.2 FURNITURE, FIXTURES AND EQUIPMENT (FF&E)			
	Original BLAA Design	Proposed BLRC Design (Option 1)	Proposed BLRC Design (Option 2)
[B] FF&E Cost (\$M)	16.2	11.3	8.8
[A+B] Total Project Cost (\$M)	353.8	252.2	195.8

Note: All costs in the tables are excluding GST.

3.2.1 Differences in Service Delivery between Option 1 and Option 2

Option 1: (staff recommended)

With this option, the City increases its ice/dry floor supply from three to five ice sheets (with the NHL sized arena replacing the Burnaby Lake Arena in addition to the two sheets of ice/dry floor at Rosemary Brown Arena). This 40% growth in ice sheet provision will significantly increase the availability of ice in prime time. However, there will also be a significant increase in under-utilized non-prime time that is difficult to fill. With a twinned facility at this site, the City maintains its capacity to host tournaments and to attract events in the Kensington Precinct. This option also offers the possibility for year-round access to dry floor and potentially the provision of year-round ice.

Option 2:

In this option, there is a space allocation for a future NHL sized arena identified in the design with the potential construction deferred to a later phase.

By deferring the NHL sized arena, the City operates with four sheets of ice/dry floor. These four surfaces reflect an increase of 25% from the current inventory. While reducing the capital cost, Option 2 does not offer a dual sheet amenity in the Kensington Precinct in the interim of the approval for a future arena capital project. Furthermore, the NHL sized arena was identified as a core program element in the former (BLAA).

3.3 Site Plan

The preliminary schematic Site Plan shows the layout of the proposed new design, see **Attachment 3**.

3.4 Operational Elements and Cost Considerations

When planning new recreation facilities, opening timelines are crucial to successful operations and minimizing the tax impact to residents. Public aquatic facilities and recreation centres are expensive to operate; consideration must be given to operating them as efficiently as possible. The main operating costs of a recreation facility include staffing, utilities, and building maintenance. Based on the Benefits Based Approach, these costs are offset by user fees and through City tax revenues. Typical tax-payer subsidy of a facility with these amenities will range from 70-80%.

Staff undertook further analysis to understand the future operating impacts of this facility (**Attachment 4**). The consultant group RC Strategies used the projected population growth to year 2035 and sport user group membership trends and have identified a risk that Burnaby is overbuilding aquatic capacity for approximately 10 years with the proposed BLRC project scope.

The RC Strategies report suggests that with the two new pool projects (Cameron and Burnaby Lake), Burnaby is overbuilding aquatic capacity. This will result in less-than-optimal swimmer volumes, and consequently, higher operating costs. Staff estimate that these higher operating costs will continue for a decade after the facility opens, while Burnaby's population catches up to the oversupply of aquatic capacity.

With the early expansion of pool and arena inventory, staff will strategize and work with community and sport user groups to find creative ways to maximize the use of this state-of-the-art recreation amenity for the immediate future, until population growth needs catch up. For instance, ways to increase school district access during the day (non-prime time), will be explored. Staff will also assess the recreation opportunities and needs of the City as a whole to optimally utilize all City recreation amenities. One consideration is to extend the floor season of one sheet of ice/dry floor to prolong seasonal opportunities for high demand activities or to introduce new activities and to condense ice/dry floor usage on the other four sheets.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The 2019 feedback for the BLAA Facility collected through community engagement surveys and public events has been shared with the new Design-Build team. Staff will continue to work closely with stakeholders throughout the design phase of the new Burnaby Lake Recreation Complex to gather feedback and ensure core recreation and sport needs are met.

The project team will continue to work with the Design-Build team to ensure that the new BLRC satisfies this vision within the estimated project budget. The team anticipates bringing a follow up report to Council, recommending the Design-Build Contract award in early spring 2024.

5.0 FINANCIAL CONSIDERATIONS

Funding for this capital work will be provided in the Draft 2024 - 2028 Financial Plan under Lands & Facilities – Civic Projects, Burnaby Lake Recreation Complex with a capital plan of \$223,000,000. This project is supported by Community Benefit Bonus Reserve funding.

The current CCDC 5B contract with Ventana is under review with Legal and Purchasing staff and will be converted into a Progressive Design Build contract pending approval from Council.

Operating Cost Estimates:

Staff prepared a preliminary Annual Staffing Costs Projection for Option 1 and 2 as shown in Table.3 below. This estimation does not include utilities, insurance, maintenance and other operating costs. For comparison, the 2022 staffing costs to operate Bill Copeland Arena and the former CG Brown Pool was \$3.09M. As the design is further refined, staff will be able to provide increased accuracy on the operating expenses. For reference, the Options are compared against Burnaby’s largest facility, Edmonds Community Centre (2024 Draft Operating Budget).

The aquatic staffing needs of the BLRC will make up an estimated \$3M of the “Staff operating (\$M)” noted in the table below.

Table. 3 ANNUAL STAFFING COSTS PROJECTION

	Option 1	Option 2 (no NHL sized arena)	Edmonds Community Centre
Gross area (SF)	169,600 ⁽¹⁾	126,300 ⁽¹⁾	155,000
Staff operating (\$M) [2024 rate]	8.3 ⁽²⁾	7.8 ⁽²⁾	7.5
Full-Time Equivalent (#)	98	92	81

(1) Bill Copeland Sports Centre is not included in the square footage.

(2) Bill Copeland Sports Centre was used to project the Annual Staffing Cost Projection. There are administrative and operational cost efficiencies when operating a twinned ice/dry floor facility. Adding an additional rink only requires a small increase in operation staff.

Respectfully submitted,

James Lota, General Manager Lands and Facilities and Mary Morrison-Clark, General Manager Parks, Recreation and Culture

ATTACHMENTS

- Attachment 1 – Comparison Table Original Scope and 2 Options
- Attachment 2 – Description of the Core Recreation Elements
- Attachment 3 – Preliminary Schematic Site Plan
- Attachment 4 – Assessment of Future Needs for Indoor Public Pool Capacity in Burnaby

REPORT CONTRIBUTORS

This report was prepared by Raymond Afan, Senior Project Manager, Civic buildings, and Isabelle Taillon, Manager Recreation and reviewed by Lori Bowie, Major Capital Project Consultant for PRC