

**TO:** MAYOR & COUNCILLORS

**FROM:** DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER

**SUBJECT:** **CA - CAMERON COMMUNITY CENTRE AND LIBRARY (CCCL) PROJECT – PHASE II**

**PURPOSE:** To obtain Council approval for a Contract Award (CA) to complete the construction work for the Cameron Community Centre and Library (CCCL) project – Phase II.

## **RECOMMENDATION**

**THAT** a contract award to Graham Construction & Engineering LP for a total cost of \$191,100,000 including GST in the amount of \$9,100,000 as outlined in the report titled “CA – Cameron Community Centre and Library (CCCL) Project - Phase II” dated for July 22, 2024, be approved;

**THAT** the allowance for anticipated contingency for a budget cost of \$10,500,000 including GST in the amount of \$500,000 be approved; and

**THAT** final payment will be based on the actual quantity of services delivered and unit prices as tendered.

## **EXECUTIVE SUMMARY**

Staff are recommending the contract award for the construction phase of the Project. The report provides a reminder of the overall Project scope and benefits along with operational impacts. The report also presents the financial considerations.

### **1.0 POLICY SECTION**

The City’s Procurement Policy requires that contracts for goods, services and construction with values over \$1,000,000 be approved by Council following a competitive procurement process.

### **2.0 BACKGROUND**

The existing Cameron Recreation and Library (the Complex) was built in 1980. With no major renovation or expansion since its development, the Complex is unable to adequately serve the growing needs of the community in the northeast quadrant of Burnaby, as confirmed by a Cameron Recreation Centre review in 2008. Issues include accessibility, inefficiencies without a centralized administrative area, a general lack of recreation space, code deficiencies and increased maintenance costs with the aging building.

In December 2019, Council approved the contract award to Diamond and Schmitt Architects Incorporated (DSAI) to undertake a needs assessment and to develop the functional program, schematic design, and preliminary costing. A public survey was conducted in July 2020 to gather feedback on the desired design and programs for the new complex, which received over 2,300 responses. Findings of the survey were summarized and then presented to the public in April 2021. Of the responses received, about 90% were satisfied with the future library, aquatics, recreation, fitness, and wellness programs.

In July 2021, Council approved the schematic design and authorized the next phase to design the facility, obtain development approvals, and prepare tender documents based on the key learnings of the needs assessment conducted in 2020.

In July 2023, Council approved the award of preconstruction services to Graham Construction & Engineering LP, to review constructability, tender the work, and confirm the project cost.

**3.0 GENERAL INFORMATION**

Following a cost review of the original design in September 2023, the project was estimated at \$297 million, significantly more than the \$227 million project budget, excluding GST. The project team explored opportunities to reduce the project cost while ensuring the initial program needs were still being met. Revised design drawings have been completed and the Construction Manager has been tendering the work to provide an updated cost estimate. The project team was able to reduce the cost by \$40 million to \$257 million, however have added contingency of \$10 million for a total project budget of \$267 million (excluding GST) GST is recoverable by the City and therefore is not included in the budget.

The table below provides a comparison of estimated unit costs of construction of recent community centre projects in the lower mainland.

Community Centre	Construction Cost (\$/sqft)	Comments (Construction Start)
Cameron Community Centre and Library	1,079	\$257M for 238,140 sqft (2024)
Burnaby Lake Recreation Complex	1,193	* \$205.5M for 172,195 sqft (2024)
North Van's Harry Jerome Recreation Centre	1,150	** \$230M for 200,000 sqft (2022)
New Westminster Community Centre	997	*** \$114.6M for 115,000 sqft (2021)

\* Construction cost of the Design-Build Contract (excl. Design)  
 \*\* Information Report to CNV Council HJCRC SH February 13, 2023  
 \*\*\* Project Update - temasewtxw Aquatic and Community Centre (TACC) - 2023-130  
 (Budget costing above does not include GST)

The new 238,140 square foot Complex will be four times the size of the existing Cameron Centre, developed on the existing site and will become the civic heart of Lougheed Town Centre. A three-story building, including a two-level underground parkade, will take advantage of the site's topography with a portion of the building being embedded into the slope to reduce the height.

**3.1 Library**

The library will be in the east wing of the building across two levels. The library will be almost four times its current size to address service demand, new services, expanded collections and a growing population. Select new features include community rooms for programs and meetings; specialized spaces for school age children, teens, and younger kids; a digital creation space; a sensory room; and an Indigenous storytelling room.

**3.2 Natatorium**

The Complex will house an aquatic facility in the west wing of the building, with a 6-lane 25-metre lap pool, leisure pool with lazy river, and hot tub including accessible ramps. The changing facilities will be universal, accessible, and inclusive.

At the December 11, 2023 Open Council meeting staff provided an update regarding the analysis of indoor aquatic facilities as part of the planning for the Burnaby Lake Recreation Complex (BLRC). This analysis indicated that based on the projected population, sport user trends and planned aquatic facilities, there was a risk that the City was overbuilding aquatic capacity for approximately 10 years. Between the additional capacity planned as part of both BLRC and this new Complex, staff anticipate a surplus of aquatic capacity, which is likely to result in less-than-optimal user volumes and higher operating costs. Based on these projections, staff estimate this facility will require a higher level of subsidy for upwards of 10 years while the surrounding population catches up to the oversupply of aquatic capacity. In the interim, staff will strategize and work with community and sport user groups to find creative ways to maximize the use of the aquatic capacity as much as possible.

**3.3 Community Recreation**

The Recreation area will house a double FIBA standard basketball court gymnasium and changerooms, strength training and cardio equipment area, a three-lane indoor walking and running track and various sized fitness and indoor cycle studios.

The following will also be available for community use: multipurpose rooms, banquet facilities, community teaching and catering kitchen, café with outdoor patio seating, preschool programs room with secure outdoor play area, childminding room and indoor play area, youth area, music lesson studios and seniors 55+ lounge with snooker room.

**3.4 Key Features**

The new Complex will offer features such as:

- A sustainable facility with net zero emissions including 147.6 kWp of rooftop solar PV panels for a cost of \$0.35M;
- A green roof that enhances rainwater management and reduces the need for storm water management and provides a more resilient and biodiverse environment for a cost of \$1.7M; and
- 288 underground parking stalls at a cost of \$23.4M (\$81,100 per stall).

**3.5 Furniture, Fixtures and Equipment Cost**

The estimated costs of the Furniture, Fixtures and Equipment (“FF&E”) is \$15M representing 6% of the construction cost. FF&E costs are not included as part of this budget and will be a separate project in the 2025-2029 Capital Plan.

**3.6 Operational Cost**

Staff have prepared a preliminary projection of annual operational costs as shown in the table below.

It should be noted that BLRC is scheduled for completion in 2028 at generally the same time as the new Cameron Complex. Opening two major recreational facilities at the same time represents a significant undertaking from an operational and financial perspective.

The Cameron natatorium is a new community pool and will provide mostly public swimming and various swimming lesson and fitness programming.

The new Complex will also include food services, which are not provided at the current centre and enhanced landscaping and public space outside of the building, which will also require additional costs to deliver and maintain.

High level revenue projections have also been completed and are reflected in the table below. This new facility is projected to generate approximately \$3.3 million in annual revenue, offsetting a portion of the operating expenses. As a comparison, the Edmonds Community Centre currently generates \$3.9 million in revenue. Staff would expect the revenues of the new Complex to increase as the population catches up with the aquatic capacity and eventually reduce the overall subsidy.

The 2023 budget for Cameron was used as currently this budget represents a complete normal operating year for Cameron. These numbers have been adjusted for inflation based on 3% per year.

<b>Expenses</b>	<b>2023 Current Budget</b>	<b>2028 Projected Budget</b>	<b>Projected Increase</b>
Total expenses (recreation, food services, maintenance, utilities etc.)	\$ 2.7M	\$ 12.1M	\$ 9.4M
Library Staffing	\$ 1.1M	\$ 1.9M	\$ 0.8M
<b>Total Expenses</b>	<b>\$ 3.8M</b>	<b>\$14M</b>	<b>\$ 10.2M</b>
Budgeted/Projected Revenues	\$(1.0M)	\$(3.9M)	\$(2.9M)
<b>Total Subsidy</b>	<b>\$ 2.8M</b>	<b>\$ 10.1M</b>	<b>\$ 7.3M</b>

**3.7 Next Steps**

Upon Contract Award approval from Council, construction activities are scheduled to start In September 2024. A report will be brought forward in the next months to the Executive Committee of Council to begin the process of determining a permanent name for the new facility.

The total estimated contract value will be \$267,000,000.

<b>Contract History</b>	<b>Date</b>	<b>Cumulative Total Change</b>
Original Contract Award - Phase I (\$78,750,000 less GST of 3,750,000)	July 2023	\$75,000,000
Award - Phase II Contract (\$191,100,000 less GST of \$9,100,000)	Pending	182,000,000
Allowance for Anticipated Contingency Phase II (\$10,500,000 less GST of \$500,000)	Pending	\$10,000,000
<b>Subtotal</b>		<b>\$267,000,000</b>
GST		\$13,350,000
<b>Total</b>		<b>\$280,350,000</b>

The General Manager Lands and Facilities, General Manager Parks, Recreation and Culture, and Chief Librarian concur with this recommendation.

**4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT**

The RFP#22-01-23 Construction Manager and Construction Cameron Community Centre and Library (Attachment 1) was publicly advertised. Upon closing, the City received a total of two submissions.

As construction of the new Complex moves forward regular updates will be provided to users and the community. Staff will continue to work closely with any impacted users to accommodate programs and services through the temporary Cameron Community Centre and Library space located at Lougheed Town Centre and other recreation facilities in the City.

**5.0 FINANCIAL CONSIDERATIONS**

The Cameron Community Centre and Library project is planned to open in 2028 with an increase in net (after taking into account additional revenues and current base budget funding) operating expenditures of \$7.3M as noted above. This will result in an estimated tax rate increase of 2.09% alone. In addition, a contribution to capital will need to be determined to ensure sufficient funding will be available for the future replacement of the facility. Furthermore, as mentioned above, BLRC is also anticipated to begin operations in the same timeframe, which would put further pressure on the tax rate. These additional operational requirements will require further examination during budget discussions in the fall.

The Cameron Community Centre and Library project was planned for construction costs only (does not include Project Management, Internal Staff Costs and Furniture & Fixtures) at \$261 million in the 2024 – 2028 Financial Plan to be funded from the Community Benefit Bonus Reserve. Adjustments were made to the plan amounts earlier this year whereby funding was moved to other projects (i.e. Fire Hall #4, Fire Hall #8 and Burnaby Lake Recreation Centre), leaving \$229 million for this project. As a result, a plan reallocation, from the City Hall Redevelopment project which is currently under review, of \$38 million has been made to ensure there is sufficient funding for Phase II of this project. Therefore the plan amount for the construction portion of the project only will be \$267 million. Any additional budget requirements for Project Management, Internal Staff Costs and Furniture & Fixtures will be requested through the 2025-2029 capital planning process.

Future density bonus contributions will be affected by the Provincial Legislation on Development Financing; however, with the projected deferred density receivables and potentially other funding sources, staff have identified that there may be sufficient funding to cover the costs of the committed projects to date, including the Cameron Community Centre and Library. After this project, the Community Benefit Bonus Reserve is fully committed.

Community Benefit Bonus Reserve Current Committed Projects:

Fire Hall #4
Fire Hall #8
Rowen Childcare
Covered Sports Boxes (North & South)
Active Transportation Projects
Burnaby RCMP Detachment
James Cowen Theatre
Burnaby Lake Recreation Centre
SFU Alternate Access Route
Cameron Community Centre & Library

Funding sources will need to be reviewed for any other future projects.

This contract award will be accommodated under WBS element: BAX.0020 (\$182,000,000 + \$10,000,000, excluding GST).

Respectfully submitted,

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

**ATTACHMENTS**

- Attachment 1 – RFP#22-01-23
- Attachment 2 – Projected Timeline

**REPORT CONTRIBUTORS**

This report was prepared by Sonny Dherari, Senior Buyer, Cindy Calancie, Manager Recreation, Eric Bientjes, Director PRC Special Projects, Carmen Gonzalez, Deputy GM PRC, Desiree Baron, Cameron Branch Manager, BPL, and reviewed by Sophan Lum, Senior Manager Purchasing – Capital