



VISION

A place for people to prosper -
alive with opportunity

MISSION

Working together
Committed to our values
Serving our community

VALUES

INTEGRITY
RESPECT
INCLUSIVENESS
SERVICE



Meeting Date: 03/20/2017

Report #: 17-005(CSD)

To: COUNCIL

Report Date: 01/16/2017

Report Author: Kent McVittie, Deputy City Manager – Community Services

Department: Community Services

Division: CSD Administration

Report Title: Cambridge Multiplex Project-Options and Next Steps

File No:

Ward No: All

RECOMMENDATION(S)

THAT Council receives Report Number 17-005(CSD) Cambridge Multiplex Project Options and Next Steps for information.

SUMMARY

In 2014, Community Services completed a recreational facilities master plan that recommended the establishment of a large scale multipurpose sport and recreational facility to meet current and future recreational needs.

Two Council-appointed task forces were formed to advance the concept. The first task force determined, through considerable public input, what components should be included in the final design of the facility. The original location approved for the facility received considerable opposition from community members. As a result, Council decided to suspend the original project in order to appoint a task force to take a more comprehensive look at location options.

The results of the task force commissioned to review the location options were presented to Council in December of 2016.

This report provides an historical overview of the multiplex process, summarizes the findings from both of the appointed task forces and identifies a number of options for Council to consider as next steps to realize the development of large scale sport and recreation facility for the City of Cambridge.

BACKGROUND

Evolution of the Multiplex Project

A multipurpose sport and recreation complex (multiplex) for the City of Cambridge has evolved over the past several years. The Multiplex project is included in the 2017 – 2026 ten Year Capital Budget Forecast at a budgeted construction amount of \$63,500,000. Site servicing (\$7,000,000) and land acquisition (\$6,000,000) funding is approved in the capital budget forecast.

This project was originally identified as a \$53,000,000 project (total including land cost) when it was introduced as part of the 2015 capital budget forecast with construction slated for 2018.

Upon approval of the original project, staff commenced a search for suitable properties to support the project. Through this process, Conestoga College emerged as a potential site that offered benefits from a timing, partnership and a financial perspective. Council provided direction to staff in 2015 to develop a long term lease agreement with Conestoga College.

Concurrent with the development of the lease, a task force was established by Council to develop a concept plan for the multiplex facility. The task force was charged with engaging the community in the development of the facility concept plan. Based on the work of the task force, a concept plan was presented to council suggesting that the facility could be built in phases with the second phase to include two additional ice pads to complement the two pads included in the first phase of the project.

In the spring of 2016, staff prepared a report to recommend the concept plan and a lease agreement for the facility, however there was considerable opposition within the community to the selected location. The result of this opposition was for Council to establish a separate task force that was commissioned to review and evaluate site options for the facility. Again, community engagement was specified as an integral component of the task force work.

The site evaluation task force conducted its work between May and November of 2016 and presented its findings to Council in December of 2016. Council received the task

force information and committed to reviewing and discussing next steps at the next multiplex Council meeting scheduled for March of 2017.

Through the 2017 budget process it was decided to defer the construction of the multiplex project to 2020; however the property acquisition and site preparation budgets noted earlier in the report have been established and have available funding. It should be noted that with a 2020 construction start, the facility would not likely be available for community use until late 2021 or early 2022.

Results from the Facility Concept Task Force

The facility concept plan task force was established to consult with the community and to recommend a concept plan for the facility. The task force presented its original concept plan to Council in November of 2015. The November concept plan as proposed by the task force represented an expanded vision for the facility, beyond what was considered affordable. Council asked staff to report back with a recommendation based on the concept plan and to identify all the financial implications associated with the recommended plan.

As a result, staff proposed the following elements as a recommendation for the facility in an April, 2016 report to Council:

- Double Gymnasium
- Four NHL Sized Ice Pads (Design 4 Pads, Construct 2 Pads in Phase 1)
- Aquatic Complex with a 25m – 8 lane pool, a warm water/therapeutic pool and a leisure pool.
- Fitness Room (treadmills, rowing machines, ellipticals (etc.))
- Fitness Track
- Activity Rooms
- Display Space (Hall of Fame)
- Exclusive College Space (Intended for the Conestoga location and to be funded solely by the College)

At its meeting of May 16, 2016, Council indicated its preference for an expanded version of the staff recommendation that would include 2 additional swimming lanes, an additional gymnasium and spectator seating in one arena pad and the competitive pool.

The concept planning task force was positioned to initiate a detailed design process when Council determined to conduct a site evaluation process. The concept task force is considered to be “suspended” pending further direction from Council.

At various times throughout the site evaluation process, advocates of a 50m competitive pool suggested that the ultimate multiplex design incorporate a 50m pool. Previous reports (April 2016, 16-018 CSD) provided rationale against a 50m pool installation. A 50m competitive pool would provide an excellent training and competition facility for

competitive swimmers but is much more costly to operate and has limited additional value for the community beyond what is offered in the proposed aquatic portion of the multiplex. The following is a summary list of reasons to exclude a 50m pool from further consideration:

- 50m pools are much more costly to build and to operate than a 25m pool.
- The sport tourism business case for a 50m pool is often overstated. With the provincial inventory of 50m pools increasing by over 25% in the past five years, there is increasing competition for a limited number of events. High profile aquatic championships require venues to provide a 25m warm up pool in addition to the competition pool which further adds to the cost.
- More than 99% of the population is well-served by smaller aquatic facilities for lessons, leisure swimming, aquafit, etc. A very small percentage of the population is served by a larger pool. Investment in leisure components and a warm water therapy would provide a much better level of service to the community. A recreational aquatic complex is more consistent with the Community Services department mandate (participation over elite athlete development).
- Competition pools require additional infrastructure in terms of seating, washrooms, etc.

Should Council wish to continue to consider a 50m pool, it is recommended that staff be directed to retain a feasibility consultant to work with the aquatic advocates to prepare a feasibility analysis related to the construction and operation of a 50m pool.

Results from the Site Evaluation Task Force

The site evaluation task force met beginning in June of 2016 and concluding in December of 2016. The task force conducted an extensive public community consultation process to determine the most important criteria for a site. Once the criteria were identified, the task force established relative weighting for each and developed a framework through which potential sites could be assigned a relative score.

Through its terms of reference, the site evaluation task force was not constrained by whether or not a property was commercially available for acquisition or by any timing constraints. The task force reviewed over 30 locations that had been suggested through various channels. A short list of five sites was eventually agreed upon after properties were eliminated from consideration because they failed to meet one or more of the screening criteria that had been established.

The criteria established to evaluate the five short listed sites were as follows (in order of importance):

1. Community Impact (27% weighting)
2. Level of Cost (22% weighting)

3. Degree of Access (20% weighting)
4. Site Size (Potential to expand) (17% weighting)
5. Timing (14% weighting)

After applying the scoring system to the short listed sites, the task force reached consensus on the ranking of the sites as follows:

- T1. 261 Hespeler Road (71.8 points)
- T1. 220 Pinebush Road (71.8 points)
3. 112 Pinebush Road (67.2 points)
4. Franklin at Savage (north corner) (59.4 points)
5. Conestoga College (59.0 points)

The results and the methodology employed to produce them was presented to Council in December of 2016. In addition to the rankings, the task force also suggested that Council give consideration to dividing the facility and constructing separate facilities at two locations.

Next Steps

With the site evaluation task force work complete, Council is in a position to determine the next steps towards the fulfillment of a multiplex project for the City of Cambridge. There are a number of options for consideration and implications arising from each option that will need to be factored into the final direction. The remainder of this report is devoted to providing information and analysis related to the options.

ANALYSIS

Strategic Alignment:

PLACE: To take care of, celebrate and share the great features in Cambridge that we love and mean the most to us.

Goal #5 - Parks and Recreation

Objective 5.1 Work with the community to provide the right mix of recreational opportunities that meet the needs of a changing and diverse population.

The multiplex project will contribute significantly to the City's recreational landscape and represents the single largest recreation facility expenditure proposed to date. The project is consistent with the strategic goals related to creating significant places and promoting economic development as well as contributing to the sport and recreational aspirations of the community.

Existing Policy/By-Law:

Zoning By-law

Cambridge Official Plan

Financial Impact:

The current capital forecast includes \$76.5 million in capital funding for the multiplex project commencing construction in 2020. Previously, staff had estimated an annual operating impact of approximately \$4.3 million including borrowing costs and contributions to facility renewal.

Financial impact will be largely influenced by the direction that Council determines to pursue related to this project. Estimated financial impacts for each acquisition option are included in the Comments/Analysis section of this report.

Public Input:

Community engagement has been an integral part of the multiplex task force processes. Additional input from the community was not solicited for this report.

Internal/External Consultation:

Staff in Finance, Economic Development, Legal and Planning contributed to the content of this report.

The City retained the services of Deloitte to provide an objective assessment of opportunity costs associated, primarily in the form of potentially foregone tax revenue from alternative uses, with each of the identified acquisition sites as well as an estimated range of potential acquisition costs. Having been engaged to facilitate the site evaluation task force analysis, Deloitte provided a sound understanding and knowledge of the subject sites and the issues being addressed by Council.

Comments/Analysis:

Analysis of Options

Essentially, there are three streams for Council to consider in determining next steps. It is important to note that any of these options could include provisions for establishing partnership relationships.

It is suggested that Council would consider the analysis contained within this report and schedule an additional meeting in two to four weeks' time in order to provide direction to staff related to next steps. Based on the information and discussion generated by this report, Council may wish to direct staff to report back with additional information to assist with the decision making process.

1. Acquisition and development of one of the properties short listed by the task force.

This option would involve the acquisition of one of the properties through a negotiation process and subsequent development of the site. Each site that was identified could present unique issues to be addressed from an environmental, servicing or rehabilitation perspective and each would have an opportunity cost associated with its development for a municipal recreation facility (i.e. taxation revenue from alternative uses would not be realized).

Should Council direct staff to pursue one or more properties as an acquisition, staff recommends that properties be acquired through a negotiated process. While the City can use expropriation to acquire property for the facility, it is not recommended. Expropriation is lengthy and an expensive process. In the end expropriation is much more costly than a negotiated purchase because factors such as:

- the valuation methodology used
- the delay involved in the acquisition due to the process to be followed under the Expropriations Act
- delay and cost as a result of a valuation hearing before the Ontario Municipal Board, etc.

2. Divide the facility into component amenities and build on two locations.

This option arose through the site evaluation process and was suggested by several community members as a viable option. While this option reflects an alternative to the original community vision espoused by the Sportsplex4Cambridge movement and confirmed through the needs analysis study, it nevertheless provides a more flexible alternative with respect to providing the community with desired facilities and changes the landscape of potential site locations.

Should Council direct staff to pursue this option, a wider range of potential sites would be available for consideration. It is anticipated that staff would be directed to prepare a further report for Council identifying the most viable locations and their associated implications related to timing, impact on existing facilities, partnership opportunities, etc.

3. Pursue the long-term lease agreement with Conestoga.

This option generated the largest number of negative responses throughout the site evaluation process. “Anywhere but Conestoga” was a consistent message shared through the open houses, surveys and comment cards received.

The Conestoga location, although not centrally located, does provide an affordable long term lease option and provides opportunities for operating efficiencies through a synergistic partnership with the College.

Summary Comments

Official Plan and Zoning

Although the sites which were short listed by the task force have different Official Plan designations and Zoning classifications applying to each of them, the multiplex would be permitted on each of the properties under the existing Official Plan designations and Zoning classifications for the reasons explained below.

If the proposed multiplex structure meets all of the required Zoning standards such as: setbacks and yards; lot coverage; number of parking spaces; and lot coverage; etc., the use is permitted. The only type of planning application that would be required for the multiplex facility on any of the short listed sites is a site plan. If additional setbacks are required from environmental features, those will be addressed through the Site Plan Review Process as well.

City of Cambridge Official Plan 2012

The multiplex is permitted on each of the short listed sites because section 8.1.2a) of the Official Plan - Uses Permitted in All Designations, (highlighting added for reference) permits any City use, which the multiplex would be:

8.1.2 Certain land uses are permitted within all land use designations in the city, subject to the provision of adequate *infrastructure*, including potable water and wastewater treatment where needed. The exception would be the Natural Open Space System designation, where the particular land use would cause significant environmental damage or would be subject to dangerous conditions, as determined through the environmental analysis and Grand River Conservation Authority (GRCA) regulations. The uses generally permitted in all land use designations are:

- a) any use by the **City**, the *Region*, the *Province* and the Government of Canada. This includes any department, agency, board or commission of the various levels of government, including utilities for the generation and distribution of electricity.

City of Cambridge Zoning By-law 150-85

The multiplex is permitted on each of the short listed sites because in the City's Zoning By-law Section 2.1.1 (Uses Permitted in All Zones) sets out in part:

2.1.1 Notwithstanding the provisions of section 3 of this by-law, nothing in this by-law shall apply to prevent the use of land or the erection, location or use of any building or structure, in any zone,

1. for any purpose of the City, the Regional Municipality of Waterloo, Government of Ontario or Government of Canada or any department, agency, board of commission thereof including Ontario Hydro and the Hydro-Electric Commission of Cambridge and North Dumfries, or, any privately owned or other public service utility, pipeline company or broadcasting company or for any facility, other than administrative offices, sales outlets, studios, garages, depots or yards of a privately owned company; provided, however, that

- a) the requirements of section 3 of this by-law for maximum lot coverage, minimum setbacks and minimum yards for the zone in which such lands are located are not contravened;
- b) the minimum parking, loading and landscaping requirements of sections 2.2, 2.3 and 2.4 of this by-law are complied with;

Applicable Law under the Ontario Building Code Act

In Ontario, if a proposed use on a property is permitted by the zoning by-law and the proposed use meets all of the required zoning regulations such as setbacks from property lines, required parking, lot coverage, etc., then the proposed use is eligible for a building permit. This is because under the Building Code, zoning is considered applicable law.

Even though there is an Official Plan in place affecting all properties in the City, the Official Plan is not applicable law under the Building Code. Therefore in such cases, zoning overrides the Official Plan. As explained above, in the case of the proposed multiplex which is considered a City use, the use is permitted on all of the short listed properties and therefore a building permit could be issued by the Chief Building Official after a site plan application is reviewed and approved by applicable City departments and agencies.

Previous Request for Planning Studies/Planning Justification

During previous Task Force considerations, some public comments called for planning justification studies to be completed prior to considering developing an industrial site for a non-industrial use to demonstrate that it is appropriate to remove the land from the industrial land supply in the City. That type of analysis would be required in cases where a proposed use requires an Official Plan amendment and/or Zoning By-law amendment application. The need for a planning application (excluding site plan applications) triggers the need justifying the proposed use under the Official Plan.

As noted above, because of the current permissions for any city use to be established in any designation in the Official Plan (except the natural open space designation) and in any zone classification in the City's Zoning By-law, an Official Plan amendment and/or zoning amendment is not required for the proposed multiplex.

It should be noted that the general permission of city uses in any Official Plan designation and any zone is not unique to the City of Cambridge, other Ontario municipalities include these types of permissions.

Land Value Estimate Calculations

An estimated range of potential land values has been provided by Deloitte based on a high-level analysis and review of comparable transactional evidence as opposed to a detailed property-by-property appraisal and formal opinion of value which typically concludes with a single number. A formal opinion or valuation for transaction purposes has not been prepared and would need to be subject to more detailed analysis and relevant appraisal standards.

The report therefore is not intended to represent a formal opinion of value and has not been undertaken in conformity with the full Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) requirements. Such an analysis may, however, be required as part of next steps depending on Council direction.

When considering property acquisition cost estimates, Council is reminded to consider that the total budget for the facility in the current capital forecast is \$76.5 Million including property acquisition.

Opportunity Cost Estimate Calculations

“Opportunity Cost” for the purpose of this analysis, is defined generally as tax revenue that the community might forego once the subject sites are developed according to their permitted and likely future uses.

Site Preparation and Cost Estimates

From a site preparation and cost estimate perspective, the focus is on potential remediation costs and necessary servicing upgrades. The Site Evaluation Task Force screened out a large number of potential locations that were known or anticipated to have major development constraints such as significant floodplains, extreme topography or woodlots as part of the task force process.

As a result, commentary on municipal servicing considerations is provided in this report, based on information provided by staff as part of the original Task Force evaluation.

Estimates of remediation costs will require the expertise of a third party consultant to perform an Environmental Record Review that will summarize actual and potential sources of contamination through record reviews and site visits. Staff is in receipt of a project proposal to undertake a project of this nature and will undertake to have this work completed once a Council decision is made to continue to pursue a specific site or sites.

Specific Site Analysis and Information

1. 261 Hespeler Road

261 Hespeler Road is commonly referred to as the “flea market site”. It was ranked, with 220 Pinebush, as the highest scoring of the five sites short listed by the site evaluation task force.

a) Official Plan and Zoning

This property is designated Commercial and Open Space in the City’s Official Plan and is zoned C4M3 (Commercial) and (Industrial) and OS2 (Open Space) with site specific permissions S.4.1.140 in the City’s Zoning By-law.

This property is located within the Hespeler Road regeneration area and Hespeler Road and Can-Amera Community Node in the City’s Official Plan. This area has services and community infrastructure for future growth and redevelopment opportunities. The development of a multiplex in this location could serve as a future catalyst for growth and redevelopment in this general area.

As noted above, since city uses are permitted as of right on any property through the Official Plan and Zoning By-law, provided that all of the zoning requirements such as setbacks from property lines, required parking, lot coverage, etc., only a site plan application would be required for the multiplex on this site from a planning perspective.

It is important to note that this site is directly opposite to the YMCA facility that the City invested significant capital dollars to augment the recreational opportunities available to the community. It is expected that establishment of a recreational facility with duplicate amenities in close proximity would impact the YMCA operation.

b) Estimated Land Value

The potential value range for the Hespeler Road site is \$1.2 to \$1.8 million per acre. At 8.2 acres, the estimated value of this property is \$9.8 million to \$14.8 million. This estimate is for the Flea Market parcel only. Development on this location was also dependent on the City using the former landfill property that is under City ownership and currently leased to Wedges and Woods.

c) Municipal Servicing Considerations

According to preliminary work prepared by City staff, the existing site is serviced for sanitary and water on Hespeler Road. There are currently two water connections on the property and current City by-laws only permit one connection per property to any redevelopment of the site would need to bring the servicing into compliance. There is no sanitary sewer or water main on Can-Amera parkway.

There do not appear to be any existing storm water management controls on the site so future development would be required to direct flows to the existing storm pipes nearby. Additional capacity review would be required to confirm that the available service has sufficient capacity for current flows. There may also be a need to implement quality controls to improve the quality of discharge to the downstream outlook, Groff Mill Creek. Additional analysis is required to confirm the anticipated cost of the necessary servicing upgrades.

d) Opportunity Costs

A mix of medium and high density residential combined with retail was used to calculate the opportunity cost at this location. The potential tax payable to the City of Cambridge is estimated to be between \$430,000 and \$610,000 range on an annual basis.

2. 220 Pinebush Road

220 Pinebush is located on the northeast corner of Franklin and Pinebush and is bounded by the 401 on the north. It scored the highest (with 261 Hespeler Road) in the task force site evaluation process.

a) Official Plan and Zoning

This site is designated Employment Corridor in the City's Official Plan and is zoned Industrial Type 1 (M1) with site specific permissions S. 4.1.233, and S. 4.1.12.

As noted above, since City uses are permitted as of right on any property through the Official Plan and Zoning By-law, provided that all of the zoning requirements such as setbacks from property lines, required parking, lot coverage, etc., only a site plan application would be required for the multiplex on this site from a planning perspective.

b) Estimated land value

The estimated value per acre for this site is \$350,000 to \$450,000. At 23.4 acres, the value of the entire parcel is estimated to be between \$8.2 million and \$10.5 million.

c) Municipal Servicing Considerations

According to preliminary work prepared by staff, the existing site is serviced for sanitary and water on Pinebush Road. On-site storm water management controls for quantity and quality treatment would be required. It is unclear where runoff discharges under current site conditions, with the available storm sewers on Franklin Blvd and Pinebush road primarily convey road runoff. Region of Waterloo and Ministry of Transportation approval may also be required to bring

servicing into compliance. Additional analysis is required to confirm the anticipated cost of the necessary servicing upgrades.

d). Opportunity Costs

A mix of industrial and office space was used to calculate the opportunity cost estimate for this site. Potential tax revenue payable to the City each year is estimated to be in the \$268,000 to \$532,000 range on an annual basis.

3. 112 Pinebush Road

112 Pinebush Road ranked third among the properties shortlisted by the task force and is located on the north side of Pinebush just east of the Smart Centre shopping complex. Recently, the Ministry of transportation initiated an expropriation process for a small irregularly shaped parcel of this property along the northern limits. At approximately 0.65 acres, the expropriation is not considered to have a major impact on the ability to develop the property.

a) Official Plan and Zoning

This site is designated Class 5 (Regional Power Centre) Commercial within the City's Official Plan. A large portion of the property is designated "Natural Open Space System" which accounts for the Regional core environmental feature on site. The property is zoned Holding – Commercial Type 6 [(H)C6] with site specific permissions s.4.72.

As noted above, since City uses are permitted as of right on any property through the Official Plan and Zoning By-law, provided that all of the zoning requirements such as setbacks from property lines, required parking, lot coverage, etc., only a site plan application would be required for the multiplex on this site from a planning perspective. If additional setbacks are required from environmental features, those will be addressed through the site plan review process as well.

b). Estimated land value

The estimated value per acre for this site is \$1.1 million to \$1.5 million per acre. At 24.2 acres, the value of the entire parcel is estimated to be between \$26.6 million and \$36.3 million.

c). Municipal Servicing Considerations

According to preliminary work prepared by City staff, there is sanitary servicing available on Pinebush road. However, because the site is significantly lower than the road and sewer elevations a gravity connection to the sanitary sewer is not feasible. There may be an opportunity to provide services through private sanitary sewers on the adjacent commercial site, which is at a similar ground elevation, but this would need to be explored further.

Water servicing is also feasible however, as per the Region of Waterloo, a pressure reducing valve may be required depending on the final site elevations. On-site storm water management controls for quantity and quality treatment will be required however additional capacity review is needed to determine specific flows and the available capacity and status of existing storm connections to service the site. Additional analysis is required to confirm the anticipated costs of the necessary servicing upgrades.

d). Opportunity Costs

Opportunity cost has been estimated based on a mix of mid- and high-rise residential unit developments. Accordingly, overall potential taxes payable to the City of Cambridge ranges from \$380,000 to \$500,000 on an annual basis.

4. Franklin at Savage (northeast corner)

The Franklin and Savage location scored fourth of the properties shortlisted by the site evaluation task force. It is a vacant parcel located on the northeast corner of Franklin and Savage.

a). Official Plan and Zoning

This property is designated Business Corridor in the City's Official Plan and is zoned Industrial Type 2 (M2) in the City's Zoning By-law.

As noted above, since City uses are permitted as of right on any property through the Official Plan and Zoning By-law, provided that all of the zoning requirements such as setbacks from property lines, required parking, lot coverage, etc., only a site plan application would be required for the multiplex on this site from a planning perspective.

b). Estimated land value

The estimated value per acre for this site is \$250,000 to \$350,000 per acre. At 20.7 acres, the value of the entire parcel is estimated to be between \$5.2 million and \$7.2 million.

c). Municipal Servicing Considerations

According to preliminary work prepared by City staff, there is existing sanitary and water services to the site along Savage Drive and Franklin Boulevard. On-site storm water management controls will be required for quantity and quality treatment. There is a storm sewer that extends from Franklin Boulevard to the northwest corner of the site, however it is unclear if it is the outlet for the site. Based on the size of the sewer and the allowable discharge range, the site may be higher than existing un-developed flows, however additional analysis will be required to confirm this situation, and to confirm the anticipated costs of the necessary servicing upgrades.

d). Opportunity Cost

Assessments for a range of industrial and commercial retail uses were used to estimate the future potential City of Cambridge tax revenues on this site. They range from \$207,000 to \$303,000 per year.

5. Conestoga College

The Conestoga site was scored the lowest of the five sites analysed by the task force. The Conestoga site is not included in the analysis of land value and opportunity cost because it is a land lease and, as such, would not necessarily result in a loss of potential tax revenue for other uses. From a servicing perspective, however, it is important to note that City staff has identified a need for more detailed review and analysis, particularly related to the capacity of the Blair Pumping Station.

a) Official Plan and Zoning

This property is designated Employment Corridor in the City of Cambridge Official Plan with a site specific Official Plan Amendment which permits this site to be used for post-secondary education facility and associated accessory uses. The property is zoned Universities and Colleges and Industrial Type 1 (UCM1) with site specific permissions S.4.1.247 and OS1 (Open Space). As noted above, since City uses are permitted as of right on any property through the Official Plan and Zoning By-law, provided that all of the zoning requirements such as setbacks from property lines, required parking, lot coverage, etc., only a site plan application would be required for the multiplex on this site from a planning

Develop Facilities at Two Locations

Throughout the site evaluation task force process, suggestions were made for the City to consider dividing the facility into component parts (e.g. Arenas and Aquatics/Gymnasia) and to locate the facilities at separate locations.

This option is contrary to the original vision and mission for the multiplex project but it does inject added flexibility into the project's implementation. The advantages of this approach include the following:

- Allows for a staggered approach to facility development. The City may choose to construct one facility in the short term with a second to follow.
- Allows for more options related to land acquisition. Smaller facilities require less land per facility and corresponding parking needs would also be reduced.
- Allows for a flexible approach to partnership options. The City may be successful negotiating a partnership arrangement for one of the facilities or the other or both.

Besides being an alternative to the stated vision and mission for the project, this option also presents some disadvantages which include:

- Loss of economies of scale in construction and operational efficiency (e.g. use of ice heat generated by ice compressors to heat the pool water)
- Excludes the one stop shop philosophy that appeals to families with multiple facility users/recreational preferences.

Should Council decide to pursue this option, staff would prepare a report further exploring the feasibility and implications of implementing this approach.

Other Considerations

1. Existing Facilities

Originally, it was expected that construction would occur in 2018 and that some existing ice pads would be decommissioned as arena venues. With the delay to 2020 for the start of construction, staff will need to evaluate the existing arena facilities and recommend a capital program to maintain them until the proposed completion date. Future decommissioning strategies should also be reviewed and confirmed through this process.

2. Partnerships

Staff has identified a number of partnership options related to the construction and operation of the facility. To ensure fairness in the allocation of facility time among the various user groups and individual users, the City would wish to retain a high level of control over the uses of the facility; however the construction, maintenance and operation of the facility could be achieved through various partnership options. The partnership options could be applied to any of the site options contained in this report and staff will provide information for Council related to partnership opportunities throughout the project process no matter which site option Council selects.

Table 1. Summary of Options

Option	OP and Zoning	Land Value (est.)	Remediation servicing	Opportunity Cost (est.) (City taxes)	Other Comments
Acquire and Develop 261 Hespeler Road	Permitted use	\$9.8 to \$14.8 Million	Additional study required	\$430K to \$610K	Requires development in conjunction with Wedges and Woods property. Region may have concerns with more transit supportive development at this

Option	OP and Zoning	Land Value (est.)	Remediation servicing	Opportunity Cost (est.) (City taxes)	Other Comments
					location. Land values likely at higher end of range and concerns over impact of existing YMCA facility.
Acquire and Develop 220 Pinebush Road	Permitted use	\$8.2 to \$10.5 Million	Additional study required	\$268K to \$532K	City needs to consider limited supply of sites to accommodate prestige industrial and potentially office uses
Acquire and Develop 112 Pinebush Road	Permitted use*	\$26.6 to \$36.3 Million	Additional study required	\$380K to \$500K	
Acquire and Develop Franklin at Savage (north corner)	Permitted use*	\$5.2 to \$7.2 Million	Additional study required	\$207K to \$303K	
Lease and Development Arrangement with Conestoga College	Permitted use	N/A Lease Cost over 50 years \$2.5 Million	Additional study required	NA	
Develop Facilities at Two Locations	Permitted use	TBA	TBA	TBA	

SIGNATURE

Prepared by:

Let W. Ho

City Manager Approval:

[Handwritten signature]

ATTACHMENTS
