



Date: January 15, 2004

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation

SUBJECT: Financial Support Request for the Millennium Sport Facility

RECOMMENDATION

- A. THAT the Board endorse the attached Council report**
- B. That the Board direct staff to include the following additional clause in the MOU with the Millennium Sport Facility Society ... “that staff will monitor expenditures and be involved in the project management decisions and directions to the satisfaction of the General Manager.”**

BACKGROUND

The Board has previously supported the Millennium Sport Facility Society (MSFS) through the allocation of a portion of the park site adjacent to Clancey Loranger Way and Midlothian Blvd for the proposed new facility and entered into a Memorandum of Understanding with the Society defining responsibilities before, during and after construction. The Board has also set aside \$250,000 from the 1987 -1990 Capital Plan for the relocation of the Pacific Indoor Bowls Club to the new facility.

The cost of the new Millennium Sport Facility Society Project (MSFS) has increased to \$4.75 million because of a substantial escalation of construction costs, the introduction and subsequent increase of DCL charges and changes to the facility as a result of the Urban Design Panel and Development permit reviews. While MSFS have raised over \$1.6 million in donations from the community and leveraged those contributions to receive a grant of \$1.7 million from the Canada/BC Infrastructure Program, there remains a funding shortfall of \$1.18 million before this project can be constructed.

In view of the model of community partnership that this project represents and the benefits that it will have for the citizens of Vancouver, the MSFS have requested that the City of Vancouver take on a greater partnership role in this project by funding the project's shortfall.

DISCUSSION

The MSFS project provides many benefits to the Park Board and the community:

- R This facility will assist in advocating wellness through physical activity, bringing generations together, increasing opportunities for girls and women to participate in sport and recreation, and expanding opportunities for diverse cultures and economic groups.
- R The portion of Grimmett Park previously occupied by the Pacific Indoor Bowls Club building for more than 60 years, was returned to green space. While the Bowls Club is presently without a facility they are a strong partner in the proposed new facility.
- R This facility represents an important collaboration between groups in the community, serving as a model for partnering to create recreation infrastructure in the City of Vancouver. The Society was formed in February 1999 and is registered under the Societies Act of BC.
- R The City will achieve a \$4.7 million facility at one quarter of the cost.
- R The MSFS partnership has raised over \$3.3 million in the community, thereby reducing the need for public capital funds.
- R The new Millennium Sport Facility will become a City owned facility operated at no cost to the Park Board by the nonprofit partners. These organizations have demonstrated their expertise over many decades. They have a solid foundation in the community based on the work that has been achieved to date.
- R In addition to serving community recreation and sport needs, the facility will also serve as a support facility to the 2010 Winter Olympic Curling Venue.

Project Status:

Staff have worked with the Society to ensure that the project budget addresses staff and Board concerns and confirms that all foreseen construction and soft costs have been included. Park Board staff are in support of the project.

The project is now at a critical phase. The Society, having raised more than \$3.3 million have exhausted their fundraising options. Tender pricing, firm to January 2004 will not hold beyond that date. The Canada/BC Infrastructure Program will also require confirmation early in 2004 that construction of this project has begun. The Society requires financial assistance to ensure that this project will proceed.

The General Manager's report to Council recommends that Council approve a grant to the Society to offset the costs of the DCL and shortfall in project funding, source of the funding to be the \$20 million cost shared Infrastructure Projects Fund.

This fund was created by Council to be used for projects that receive the majority of their funding from cost sharing provided by senior levels of government or other outside sources. The MSFS project includes \$1.7 million from the Canada/BC Infrastructure Grant and \$1.6 million in community, club and corporate donations, representing a significant portion of the project's costs.

If Council approves the recommendations and becomes a larger partner in this project, staff believe that it would be prudent to participate to a greater degree in project monitoring and decision making. A new clause in the MOU will confirm this role for staff in the facility's construction project management. The MSFS have agreed to this.

SUMMARY

The MSFS project is at a critical phase where the project may not proceed unless additional funding is found. The Board is being asked to endorse a report recommending that Council grant \$1.18 million to MSFS to offset the increase project costs and grant to MSFS the \$250,000 funding in the Capital plan for the relocation of the Pacific Indoor Bowls Club.

Staff also believe that the expansion of the partnership with MSFS should be reflected in a new clause in the MOU defining a staff role in project monitoring.

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