

<b>DEPARTMENT/ DIVISION</b>	Community Services – Recreation & Culture	<b>REPORT NO.</b>	R 88/2018
<b>DATE PREPARED</b>	06/01/2018	<b>FILE NO.</b>	
<b>MEETING DATE</b>	06/25/2018 (mm/dd/yyyy)		
<b>SUBJECT</b>	Indoor Turf Facility Update		

## **RECOMMENDATION**

With respect to Report No. R 88/2018 (Community Services - Recreation & Culture), we recommend that City Council affirm the priority need for an indoor turf facility;

AND THAT City Council and Administration continue to advocate for provincial and federal funding to develop a permanent, year round, pre-engineered facility at Chapples Park;

AND THAT any future City financial support to this project be contingent upon the availability of funding from other level(s) of government;

AND THAT City Council direct Administration to encourage Soccer Northwest Ontario, in partnership with other community organizations, to proceed to launch a fundraising campaign to support the development of a long term facility solution;

AND THAT in order to address the interim need for access to indoor turf, City Council commit up to \$40,000 to support the engagement of a third party to support Administration in administering a Request for an Expression of Interest that invites interested non-profit and private sector partners to submit expressions of interest regarding the development of an interim facility solution, and guide the evaluation of the information received;

AND THAT Administration report back by January 2019 on the outcome of the Expression of Interest process and a recommendation regarding the proposed partner/facility solution;

AND THAT any necessary By-laws be presented to City Council for ratification.

## **EXECUTIVE SUMMARY**

This Report provides City Council with information regarding the demand for year round indoor turf, feedback on the proposed business and concept plan for the Chapples Park Soccer Centre, the economic impacts associated with the proposed centre, and an update on financing options. The Report also speaks to options to meet the interim need for indoor turf.

## ***DISCUSSION***

At the January 31, 2018 Committee of the Whole Special Session (2018 Capital and Operating Budget Meeting), City Council directed City Administration to follow up with key stakeholders to validate the draft business and concept plan for the proposed Chapples Park Indoor Turf Facility, acquire input on project governance, refine recommendations regarding an approach for continuing with detailed design/construction, submit a Stage 1 Funding Application to NOHFC and further develop the tourism/economic impacts associated with this project and fundraising strategies.

Between March to the end of April 2018, interviews with 35 stakeholders representing sport and recreation, government agencies, educational institutions, business organizations, and First Nation and Métis groups were carried out. Fifteen of the stakeholder groups would be end users of the proposed facility. In addition, an open house/feedback session was held April 25, 2018. Findings are reflected below.

A Stage 1 Application to NOHFC's Strategic Infrastructure Program was submitted April 5, 2018. NOHFC has acknowledged receipt of our application and will follow up regarding an eligibility decision once a provincial government is formed following the June 7 election and NOHFC receives direction on resuming assessment of new applications for funding. Administration will report to City Council on the status of our application upon feedback from NOHFC.

### **A. Proposed Chapples Park Soccer Centre/Indoor Turf Facility**

#### ***Proposed Facility Design and Location***

The majority of stakeholders supported the Chapples Park location and the proposed design of the facilities.

Suggestions for minor facility design improvements included a space for people to exercise while family members are playing on the turf, meeting rooms, office space that could be rented, inclusion of a press box, additional seating, and, a larger concession/kitchen area.

Three substantive requests for an improved facility design were identified by gymnastics and track and field participants. Gymnastics organizations representing a current membership of 2,400 cited the need for approximately 20,000 square feet of space with sprungwood flooring, pits, and capacity to accommodate gymnastics related equipment. Lakehead Track and Athletics representing 120 members, would require an oval as opposed to rectangular track, minimum 400 metre 4 lane track, and 8 lanes on the straightway. In addition, sand pits under a section of track for long jump, etc. are recommended. Minor Football articulated the need to extend the length of the current artificial turf field by 17.83 metres at each end.

### ***Anticipated Facility Utilization***

As per a survey of comparator facilities and based on a supply/demand analysis informed by key end users, the proposed Chapples Park facility will be well used evenings/weekends during peak season (October to mid-May) and less used during peak season weekdays and in the off peak season.

There will be demand for 4,656.5 hours of full field time with 3,564 available hours (a gap of approximately 1,000 hours) during peak season, prime time (Mon. to Fri., 5 pm-11 pm; Sat. & Sun. 8 am to 11 pm). Key user groups during peak season include soccer, baseball, football, lacrosse, Ultimate Frisbee, cricket and rugby. Ideally, this deficit of available indoor turf during peak season/prime time would be met through other existing facilities in Thunder Bay (eg Lakehead University Hangar, the Goal Sports Centre).

Demand for access to indoor turf during peak season, non-prime (Mon. to Fri., 8 am to 4 pm) will be approximately 608 hours, representing 13% of total peak season demand. The key end user of weekday, daytime hours during peak season are older adults.

Year round, taking into account available hours during peak and non-peak season, stakeholders will demand 4,911 hours of an available 5,514 hours (surplus of 603 hours and assumes facility not available 5% of the time due to holiday and maintenance closures). Less usage during summer months can allow for the facility to be rented out to accommodate non-sport uses such as trade shows/exhibitions, large cultural gatherings, or conventions.

### ***Anticipated Operating Budget***

A survey of comparator facilities and literature review confirms that these multi-use facilities tend to operate on a break-even or with a small financial surplus. Hourly turf rental rates generally range from \$200 per hour per full field non-prime to \$630 per hour per full field during prime time.

Assuming revenues from field rentals only and full turf rental rates between \$150 to \$450 per hour depending on season, time of day, and discounting anticipated revenues based on demand by 30%, approximately \$762,000 in annual revenues will be achieved. In order to break even, 1,351 full field hours at the \$450 per hour rental rate would be required. This break-even point represents 33% of the total estimated demand for turf during peak season and is readily achievable and sustainable.

Key operating expenses for these facilities are staffing and utilities. In their pro forma estimates for the proposed Chapples Park Soccer Centre, Soccer Northwest Ontario/Stantec identified total annual operating expenses of \$607,983. Staffing expenses were estimated to be \$259,041 annually; annual utility expenses for the 138,000 square foot building were estimated to be \$96,227. Administration is concerned that the utility costs may be understated and would recommend a budget of up to \$150,000 annually.

A contribution to the lifecycle renewal of the facility at 1 – 1.5% of the total cost of construction (\$280,000 to \$420,000) has not been included in the development of the annual operating budget. This would need to be planned and accounted for in regards to any operating surplus.

***Economic Impacts of Proposed Chapples Park Indoor Turf Facility***

The study assessed the economic impact of the facility in the construction and operational phases for the Thunder Bay Census Metropolitan Area and the Province of Ontario. Below is a summary of the impacts:

<b>Location/Phase</b>	<b>Thunder Bay (CMA)</b>	<b>Ontario</b>
<b>Impact during Construction Phase (One-time over 1.5 years)</b>		
Construction Spending	\$18.4 million	\$27.5 million
Total Employment Income/Output Generated	\$27.1 million	\$49.2 million
Total Person-Years of Employment/No. of Jobs	119.97	279.60
<b>Impact of Operational Expenditures during the Operational Phase (Annual)</b>		
Operational Spending	\$ .61 million	\$ .73 million
Total Employment Income Generated	\$ .92 million	\$ 1.30 million
Total Person-Years of Employment/No. of Jobs	7.26	13.97

***Annual Impact of Sport Tourism Spending***

In respect of event hosting opportunities available through the facility, 11 stakeholder groups identified new tournaments, events or clinics that could be hosted through the proposed indoor turf facility. These events are expected to attract 1,431 athletes within Thunder Bay CMA, 2,187 athletes and family members from outside the Thunder Bay CMA, and, 969 family members from outside Ontario. The athletes/families originating from outside Thunder Bay and Ontario will likely stay in Thunder Bay between 2 to 3.5 days, often staying at local hotel/motel/bed and breakfast accommodation, eating out and/or purchasing groceries, having a direct impact of \$1,561,952 translating into 16.65 person years of employment within the Thunder Bay CMA. The 969 athletes/family members from outside Ontario will spend directly \$479,703 which translates into an additional 7.55 jobs in Ontario.

### ***Estimated Capital Costs/Potential Fundraising Strategies***

The estimated capital costs to complete the required site development studies, detailed design, construct the facility and negotiate required legal agreements total approximately \$28,000,000 (2019 dollars). This figure does not include the additional costs to implement the requested substantive design improvements such as extending the length of the artificial turf, implementing track improvements, or accommodating gymnastics requirements. Also, depending on the outcome of the required studies, there could be additional costs (eg. the cost to construction a secondary access road and the potential need to reconfigure the existing golf course).

To realize the project, an alternative financing and procurement model has been recommended which would engage both the public and private sectors in the procurement, ownership and operation of the indoor turf facility. This approach provides ways to secure funding from non-municipal sources, share capital costs, services and expertise, ensure increased participation/multi-sport focus. It is acknowledged that this proposed approach requires financial buy-in and commitment from all partners to be successful, increased legal complexity to negotiate partnership agreements, trust and high quality relationships between user groups, and, mechanisms to manage conflicting objectives and priorities among partners. The suggested financial contribution from all government sources (federal, provincial, municipal) is \$25 million with the balance being covered through the private sector, public/private grant programs, Soccer Northwest Ontario and other end user groups.

### **B. Interim Need for Indoor Turf**

Given the uncertainty regarding funding from other levels of government and confirmation of the excess demand for indoor turf, Administration explored other interim solutions to address community needs.

### **Ice Allocation Review/Potential Conversion of Indoor Ice Surface to accommodate Indoor Turf**

Administration conducted a thorough review of ice allocation/usage in recent years as well as a forecast for the 2018/2019 season. The conversion of an existing indoor ice surface to an indoor turf surface is not recommended because it would result in a shortage of 990 hours of prime time ice, negatively impacting on 18 organizations (hockey, figure skating, ringette, speed skating) representing 3,400 participants, the majority being minors.

The potential to convert an existing indoor ice surface in the future is contingent on the twinning of an existing facility and/or a reduction in demand.

### **Alternative Building Solutions**

Administration conducted research into alternative building solutions such as Sprung Structures, Dome Technologies, and air supported structures. In general, these alternative building solutions are less expensive than a permanent, pre-engineered solution. However, the lifecycle of alternative facility solutions is typically less (15 to 20 years versus 25 to 35 years). There are

some restrictions in respect to the dimensions and/or allowable uses for these types of structures. For instance, a sprung structure cannot exceed a width of 200 feet and this is narrower than the requested dimensions of a playing surface for many turf sports. There are limitations to the use of air supported structures for large gatherings.

Administration has received unsolicited inquiries regarding the feasibility of erecting an air supported dome over an existing or new artificial turf field. At a minimum, an engineering study will be required to confirm the feasibility of erecting an air supported structure over an existing or new artificial turf field as this is a requirement for a building permit application. Other geotechnical tests may also be required. Depending on the site, an application to amend the Zoning By-law may also be required given that the height of the proposed structure may exceed permitted thresholds.

Below are some options in respect of this potential building solution:

Option	<b>Option 1 – Erect Air Supported Structure over the Royal Canadian Legion Sports Complex (Fort William Stadium)</b>	<b>Option 2 – Erect Air Supported Structure over St. Ignatius Artificial Turf Field</b>	<b>Option 3 – Erect Air Supported Structure over New Proposed Artificial Turf Field at Chapples Park</b>
Anticipated Usage	<ul style="list-style-type: none"> <li>• At/near capacity peak season, evenings/weekends</li> <li>• Limited usage peak season, weekdays and during off peak season</li> </ul>	<ul style="list-style-type: none"> <li>• Anticipate high usage during peak season, daytime, evenings/weekends</li> <li>• May be more limited usage off peak season</li> </ul>	<ul style="list-style-type: none"> <li>• At/near capacity peak season, evenings/weekends</li> <li>• Limited usage peak season, weekdays and during off peak season</li> </ul>
Use Limitations		<ul style="list-style-type: none"> <li>• Use during school day would be for students; community use would be limited due to security/safety reasons</li> </ul>	
Location	<ul style="list-style-type: none"> <li>• City owned</li> <li>• In Chapples Park but removed from existing outdoor fields</li> <li>• Access to washrooms/change rooms Fort William Stadium</li> </ul>	<ul style="list-style-type: none"> <li>• Catholic School Board owned</li> <li>• Close to feeder schools, Boulevard Lake</li> <li>• Potential access to school washrooms/change rooms (needs to be negotiated)</li> </ul>	<ul style="list-style-type: none"> <li>• City owned</li> <li>• Currently limited access to washrooms/change rooms, parking</li> <li>• May allow for improved sport tourism opportunities</li> </ul>

			given integration indoor/outdoor facilities <ul style="list-style-type: none"> <li>• Currently, no artificial turf field</li> </ul>
Development Services Requirements		<ul style="list-style-type: none"> <li>• Amendment to Zoning By-law Required</li> </ul>	
Building Permit Requirements	<ul style="list-style-type: none"> <li>• At minimum, Engineering Study required to support Building Permit Application</li> </ul>	<ul style="list-style-type: none"> <li>• At minimum, Engineering Study required to support Building Permit Application</li> </ul>	<ul style="list-style-type: none"> <li>• At minimum, Engineering Study required to support Building Permit Application</li> </ul>
Estimated Capital Costs of Construction	<ul style="list-style-type: none"> <li>• \$4 - \$6 million</li> </ul>	<ul style="list-style-type: none"> <li>• \$4 - \$6 million</li> </ul>	<ul style="list-style-type: none"> <li>• \$6 - \$8 million (includes cost to install artificial turf)</li> </ul>

Administration considered the risks of potential collapse of air supported structures. Evidence has been received of reports of 11 air supported structure collapses within a 3 year period in North America. All instances occurred during inclement weather (high winds/heavy precipitation). Recommended mitigation factors cited included the installation of a generator (backup power), adhering to manufacturers’ requirements regarding HVAC requirements and/or deflation of the structure. One expert suggested that the age of the structure may have been a factor in these collapses and the quality of air supported structures has improved. It has been estimated that there are 150 air supported structures across Canada and the United States.

In respect of operating budget considerations, air supported structures can provide more flexibility compared to permanent installations. They can be erected and taken down at a minimum cost of \$60,000 to \$80,000 per year. However, a significant labour pool is required to support this activity. Utility costs can be relatively more expensive per hour of facility use compared to a permanent structure. However, if the structure is set up/taken down, the facility operating costs would apply to a shorter season. There will be a need to clear snow around the perimeter to avoid pressure on the exterior walls which will likely result in additional maintenance costs.

***FINANCIAL IMPLICATION***

Up to \$40,000 to be committed from the Stabilization Reserve Fund source to support the Request for Expression of Interest.

If approved, this funding would provide third party support, as required, to design and implement an initial Request for Expression of Interest to solicit and acquire information on potential

partners, their proposed facility solution, a high level description of their contribution to either the design, construction, operating and/or maintenance of the facility, as well as what they would expect of the City. Expressions of interest received would be evaluated against specific criteria by an evaluation panel, shortlisted, and then, a more detailed Request for Proposal would be requested from shortlisted candidates.

## ***CONCLUSION***

Stakeholder engagement confirms that the anticipated demand for access to indoor turf by 15 key end user organizations as presented in Soccer Northwest Ontario's proposed Chapples Park Soccer Centre will exceed the available hours by 1,000 during peak season (October to May), prime time (evenings/weekends). The facility is expected to have less usage during off peak summer months and during peak season, daytime as users move their activities outside. The facility is expected to operate at a break even or on a surplus basis. Lifecycle renewal costs have not been included in the development of the annual operating budget and these would need to be accounted for in regards to any operating surplus.

The construction of the proposed Chapples Park Soccer Centre, which is expected to last 1.5 years, is expected to generate \$18.4 million in construction spending/120 person years of employment in the Thunder Bay CMA; \$27.5 million in construction spending, approximately 280 jobs in Ontario. Annually, facility operations and sport tourism will result in \$2.11 million in direct spending/24 full-time equivalent jobs in the Thunder Bay CMA and an additional \$.60 million and 14 jobs in Ontario.

The estimated capital costs to complete the required site development studies, detailed design, construct the facility and negotiate required legal agreements total \$28,000,000 (2019 dollars). To realize the project, an alternative financing and procurement model has been recommended which would engage both the public and private sectors in the procurement, ownership and operation of the indoor turf facility.

Currently, there is uncertainty regarding the funding opportunities from other levels of government.

In respect of meeting the interim needs of the community for access to indoor turf, the most promising solution appears to be to consider an air supported structure. There are various site options and partners that may be interested. Depending on the preferred direction and acquisition of the necessary approvals, construction would not likely ensue until spring 2019.

It is concluded that a Request for an Expression of Interest process that invites interested non-profit and private sector proponents to submit proposals regarding their interest in partnering with the City to develop an interim facility solution is consistent with best practice, would ensure a fair and open procurement process, provide opportunities to secure funding from non-municipal sources, share capital costs, services and expertise, and ensure increased participation/multi-sport focus.

## ***BACKGROUND***

Soccer Northwest Ontario, the local sport governing body for soccer, in a deputation to Council in May 26, 2014, requested the City to undertake a feasibility study for an indoor soccer facility in addition to improvements to existing fields and the addition of turf fields. Council recommended that Administration prepare a report outlining planning options for the redevelopment of Chapples Park. City Administration advised that a city-wide master plan for recreation and facilities, supported by specific individual master plans, would be developed.

Following extensive community consultation, the City of Thunder Bay approved the Recreation and Culture Facilities Master Plan “Fit Together” (R152/2016) in January 2017 acknowledging the need for investment in an indoor soccer complex and directing the evaluation of successful models for the development of indoor soccer facilities. The Plan assumed that the facility would be developed through partnerships.

As part of the 2017 budget process at the February 15, 2017 Committee of the Whole, Council allocated funding to undertake a feasibility study and site location analysis for an indoor soccer facility in Thunder Bay. Chapples Park, in addition to industrial sites, were to be considered. Stantec was engaged by SNO to complete the business/concept plan for the proposed facility. SNO organized multiple community engagement opportunities to confirm community needs and inform the facility scope/design, proposed operating budget and operating model.

In Spring 2017, Council approved the Chapples Park Master Plan (R48/2017), which supported the development of a multi-use indoor sports hub at this site as a phase 2/medium term priority (6 to 10 years). Chapples Park was confirmed through community engagement to be the preferred site for turf sports, achieve efficiencies in park maintenance, integrate indoor and outdoor turf facilities, and provide enhanced opportunities to attract tournaments.

On January 15, 2018, City of Thunder Bay Council confirmed support in principle for the project following a deputation by SNO regarding the draft business and concept plan for the proposed facility. Council directed City Administration to report back on or before January 31, 2018 regarding the financial implications and funding options of proceeding with the project.

At the January 31, 2018 Committee of the Whole Special Session (2018 Capital and Operating Budget Meeting), City Council directed City Administration to follow up with key stakeholders to validate the draft business and concept plan for the proposed pre-Chapples Park Indoor Turf Facility, acquire input on project governance, refine recommendations regarding an approach for continuing with detailed design/construction, submit a Stage 1 Funding Application to NOHFC and further develop the tourism/economic impacts associated with this project and fundraising strategies.

## ***REFERENCE MATERIAL ATTACHED***

None

***PREPARED BY: Kelly Robertson, General Manager – Community Services***

<p>THIS REPORT SIGNED AND VERIFIED BY: (NAME OF GENERAL MANAGER) Kelly Robertson, General Manager – Community Services</p>	<p>DATE: June 14, 2018</p>
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